

GRENKELEASING AG Group

**Financial Report for the
2nd Quarter and Half-Year 2013**



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Key Figures GRENKE Group

	Jan. 1, 2013 to Jun. 30, 2013	Change (%)	Jan. 1, 2012 to Jun. 30, 2012	Unit
New business				
GRENKE Group Leasing + Factoring + Business start-up financing incl.				
franchise partners	574,714	16.7	492,291	EURk
– of which Germany	194,215	14.6	169,441	EURk
– of which international	380,499	17.9	322,850	EURk
GRENKE Group Leasing	494,433	13.2	436,733	EURk
– of which international	326,796	12.0	291,823	EURk
– of which franchise international	20,143	37.5	14,647	EURk
– of which Germany	147,494	13.2	130,263	EURk
Western Europe (without Germany)*	160,756	17.4	136,970	EURk
Southern Europe*	104,056	6.8	97,414	EURk
Northern / Eastern Europe*	71,261	10.4	64,539	EURk
Other regions*	10,866	44.0	7,547	EURk
GRENKE Group Factoring	77,922	46.3	53,273	EURk
– of which Germany	44,362	20.2	36,893	EURk
– of which franchise international	33,560	104.9	16,380	EURk
GRENKE Bank				
Deposits	247,974	58.8	156,186	EURk
Business start-up financing volume	2,358	3.2	2,285	EURk
Contribution margin 2 (CM2) on new business				
GRENKE Group Leasing	95,594	12.6	84,901	EURk
– of which international	69,332	11.5	62,168	EURk
– of which franchise international	6,651	84.6	3,603	EURk
– of which Germany	19,611	2.5	19,130	EURk
Western Europe (without Germany)*	34,669	22.7	28,265	EURk
Southern Europe*	22,832	1.1	22,585	EURk
Northern / Eastern Europe*	14,052	8.5	12,951	EURk
Other regions*	4,430	124.9	1,970	EURk
Further information leasing business				
Number of new contracts	61,011	15.0	53,037	units
Share of IT products in lease portfolio	87	–1.1	88	percent
Share of corporate customers in lease portfolio	100	0.0	100	percent
Mean acquisition value	8.1	–1.2	8.2	EURk
Mean term of contract	47	0.0	47	months
Volume of leased assets	2,811	17.0	2,403	EURm
Number of current contracts	346,951	14.2	303,877	units

* Regions: Western Europe (without Germany): Austria, Belgium, France, Luxembourg, the Netherlands, Switzerland
Southern Europe: Italy, Malta, Portugal, Slovenia, Spain
Northern / Eastern Europe: Denmark, Finland, Great Britain, Ireland, Norway, Sweden / Czech Republic, Hungary, Poland, Romania, Slovakia
Other regions: Brazil, Dubai, Turkey

GRENKE Group = GRENKE Consolidated Group including franchise partners

GRENKE Consolidated Group = GRENKELEASING AG and all consolidated subsidiaries and special-purpose entities according to IFRS

Key Figures GRENKE Consolidated Group

	Jan. 1, 2013 to Jun. 30, 2013	Change (%)	Jan. 1, 2012 to Jun. 30, 2012	Unit
Key figures income statement				
Net interest income	63,265	21.2	52,195	EURk
Settlement of claims and risk provision	24,716	15.1	21,468	EURk
Profit from insurance business	16,645	19.5	13,924	EURk
Profit from new business	21,410	21.0	17,693	EURk
Profit from disposals (income exceeding the calculated residual value)	1,346	-38.9	2,202	EURk
Other operating income	1,452	-15.9	1,726	EURk
Cost of new contracts	13,483	19.9	11,243	EURk
Cost of current contracts	3,989	14.1	3,495	EURk
Project costs and basic distribution costs	16,434	44.9	11,342	EURk
Management costs	10,559	20.2	8,783	EURk
Other costs	3,759	1.3	3,711	EURk
Operating result	31,178	12.6	27,698	EURk
Other interest income (expense)	271	-45.3	495	EURk
Income / expenses from fair value measurement	88	282.6	23	EURk
EBT (earnings before taxes)	30,995	13.8	27,226	EURk
Net Profit	22,351	14.0	19,599	EURk
Earnings per share (according to IFRS)	1.55	8.4	1.43	EUR
Further Information				
Dividends	0.80	6.7	0.75	EUR
Embedded value, leasing contract portfolio (incl. equity before taxes)	627	24.9	502	EURm
Embedded value, leasing contract portfolio (incl. equity after taxes)	568	24.8	455	EURm
Cost / income ratio	60.9	3.9	58.6	percent
Return on equity (ROE) after taxes	10.8	-10.0	12.0	percent
Average number of employees	792	23.9	639	employees
Staff costs	24,861	23.0	20,215	EURk
– of which total remuneration	20,413	22.8	16,625	EURk
– of which fixed remuneration	15,199	21.9	12,470	EURk
– of which variable remuneration	5,214	25.5	4,155	EURk

GRENKE Group = GRENKE Consolidated Group including franchise partners

GRENKE Consolidated Group = GRENKELEASING AG and all consolidated subsidiaries and special-purpose entities according to IFRS

Letter to Shareholders from the Board of Directors

Dear Shareholders, Ladies and Gentlemen,

In the second quarter of 2013 we were able to greatly expand the various income components of our business once again. We continue to profit from the very favourable new business of the past quarters and from the high contribution margin we have been able to achieve. The current low interest rate environment also provides a positive contribution to our earnings development and we consistently take advantage of this fact with our good reputation on the capital market. Accordingly, the overall income from operating business has had double-digit increases.

Losses in the second quarter rose disproportionately. On a quarterly basis these tend to be volatile which is typical for our type of business. Furthermore, given the difficult economic conditions in several European countries, this development is actually in line with our expectations. Accordingly, we had successively raised our contribution margins in the new business over the past quarters as part of our risk control.

We are currently reporting high rates of increase on the cost side. This is partially a basis effect due to the larger than average acquisitions of former franchise companies in the third quarter of 2012. These, as well as the two smaller acquisitions in Finland and Slovakia in the reporting quarter, are naturally not included in the previous year's figures. In addition, we are currently in the process of increasing our sales efforts in Germany among others. This is already reflected in the encouraging growth of our new business. Finally, we are not only currently expanding to new locations, but also to various new countries. Overall, GRENKE Consolidated Group's net profit rose 14 percent to EUR 22.4 million in the half-year reporting period.

The GRENKE Group increased new business by 17 percent to EUR 574.7 million and thus reached the upper end of our target growth range of 13 to 16 percent. The international business continues to remain our clear focus; however, even in Germany we were still able to expand our leasing business by 13 percent. The contribution 2 margin in the half-year reporting period remained at a favourable level of 19.3 percent after 19.4 percent in the previous year. We confirm our fiscal year 2013 outlook for growth in GRENKE Group's new business in the range of 13 to 16 percent and net profit for the GRENKE Consolidated Group in the range of EUR 44 to 48 million.

For the GRENKE Group's future expansion, we have opened three new locations in the reporting quarter and are in preparation to open further locations which will include our market entry in Canada in the second half of the year. The financing of our growth strategy is well secured. Following the successful capital increase which took place in the first quarter of this fiscal year, we were able to place a EUR 100 million bond in the second quarter at attractive conditions and within a short time frame.

Baden-Baden, July 2013



Wolfgang Grenke
Chairman of the Board of Directors

The GRENKELEASING AG Share

The positive mood on the German stock market which continued until mid-May gave way to a certain degree of uncertainty on the part of investors in the further course of the first half of 2013. Following new highs in the DAX index at 8,513 in mid-May, fears grew on both the US stock market and in Europe that the US central bank would end its cheap money policy in the face of improved economic indicators and that the capital markets could no longer profit from the high supply of liquidity and the low interest rate environment. Consequently, from that point forward, both the SDAX price index and the Prime Standard's German financial shares price index (DAXsector Financial Services), of which the shares of GRENKELEASING AG are a member, have fluctuated sideways with a slight downward tendency.

In the first six months of 2013, the SDAX price index rose 8.2 percent while the Financial Services index increased +0.9 percent by the end of June and was only slightly above its 2012 closing level. GRENKELEASING AG shares, however, significantly outperformed and climbed 30.4 percent. Starting from a closing price of EUR 50.61 on XETRA on the last trading day of 2012, the shares ended the first half year on June 28 with a price of EUR 66.00. In the second quarter of 2013, the shares rose 19.0 percent while the comparable indices, the SDAX (–1.8 percent) and the DAXsector Financial Services (–0.6 percent), slipped into negative territory.

The capital increase which was successfully carried out on February 21, 2013 (the order book was several times oversubscribed) only had a short-term impact on the price development and the previous price level was reached and exceeded very quickly. The announcement and the subsequent placement of a bond in the second week of June – which was also several times oversubscribed – had even brought momentum to the share price. In June alone, the shares of GRENKELEASING AG rose 9.5 percent.

Interim Management Report

The Growth Strategy of the GRENKE Group

As a growth company, we rely on proven business processes and a sophisticated IT-based scoring model. These place us in a position to correctly estimate risks and to profit in periods of both overall economic strength and recession. GRENKE Group's corporate philosophy, which is aimed towards sustainable added value, is chiefly based upon two central elements: the consistent implementation of the growth strategy over many years, and a continual expansion in risk management. Together with our standardised IT-supported business processing, we are in a position to steer and take advantage of the risks and opportunities inherent in our business; not only in the area of refinancing but also on the customer side of the business through flexibility and cost efficiency. We focus on a broadly diversified portfolio across customers and industries in order to effectively limit our risks.

The over EUR 1 billion in new business achieved by the GRENKE Group in the past fiscal year – which is calculated as the sum of the acquisition costs of newly purchased lease assets, factoring volume, and business start-up financing – underlines the success of our business model. We have already achieved significantly more than half of this amount in the first half of the current fiscal year and, at EUR 574.7 million, we have grown 17 percent over the previous year. The international business continues to be our clear focus. However, at the same time, we are achieving favourable growth rates in our German business.

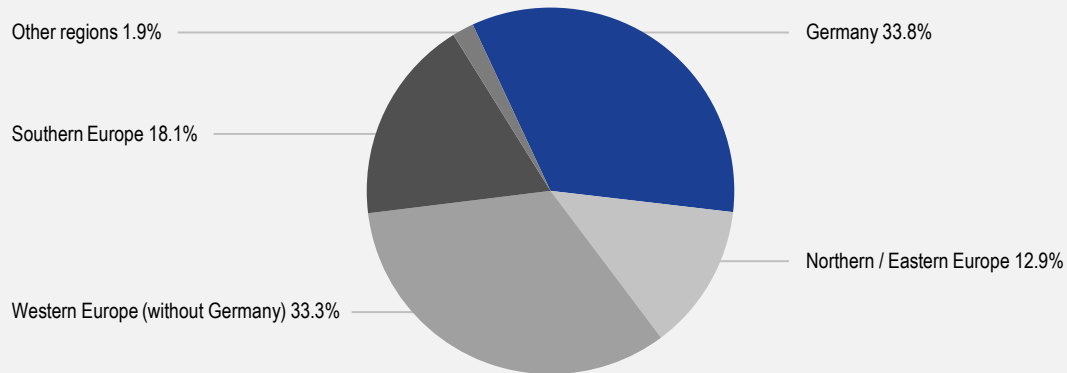
Next to entering new and attractive markets, we are intensifying our proximity to our customers in markets where we are already present. After establishing Madrid East, our fourth location in Spain, and Cluj-Napcoa, our second location in Romania in the first quarter, we opened our 13th location in Rennes, France and our eleventh location in Treviso, Italy in the reporting quarter. With the opening of Lugano, we now have four locations in Switzerland. In addition, a franchise contract was signed in Great Britain for our market entry with our factoring offers.

We are stimulating additional growth by continually expanding our offering for financing solutions and through the further diversification of our product range. Along with the purchase of small volume receivables (factoring), our product range includes various financing, investment, and payment products of GRENKE BANK AG. In order to diversify risk, we primarily concentrate on smaller contract volumes which can be processed at a very low cost per contract as a result of our efficient processes. Since competitors are increasingly exiting the market for cost reasons, this opens up an additional opportunity for us to further expand our position as the leading provider of financing services for small and mid-sized companies.

Furthermore, GRENKE Bank offers financing for business start-ups and provides development funds in collaboration with a growing number of development banks of individual German states and the federal government. Currently, collaborations exist with the KfW Mittelstandsbank, the Investitionsbank Berlin (IBB), the L-Bank in Baden-Württemberg, the LfA Förderbank Bayern, the NRW.BANK in North Rhine-Westphalia, and the Thüringer Aufbaubank. The development funds offered are targeted at small and mid-sized companies and self-employed professionals who use leasing to finance their new investments. Until now, over 6,900 leasing contracts have been concluded as part of these collaborations.

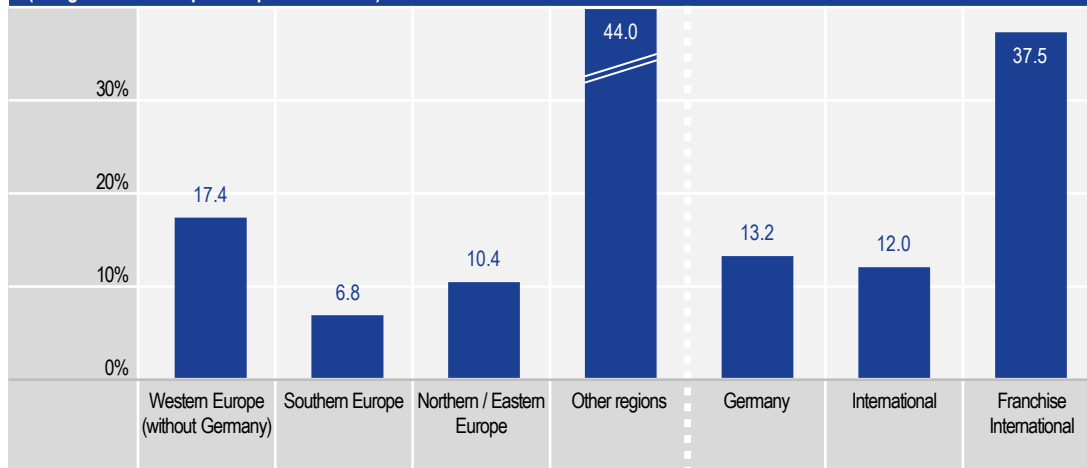
The GRENKE Group offers business and private customers competitive conditions. Sales channels specialised in indirect and online solutions as well as fully-automated contract processing secure attractive margins. We do not compromise on our strategic targets of balance sheet strength and profitability. With our broad international presence we can specifically concentrate on those sales markets having the most attractive opportunity and risk profiles.

Shares in new business of GRENKE Group Leasing + Factoring + Business start-up financing including franchise partners
as per June 30, 2013



New business GRENKE Group 6M-2013: EUR 574.7 million

Growth rates in new business of GRENKE Group Leasing as per June 30, 2013
(as against the comparable period of 2012)



Regions: Western Europe (without Germany): Austria, Belgium, France, Luxembourg, the Netherlands, Switzerland
Southern Europe: Italy, Malta, Portugal, Slovenia, Spain
Northern / Eastern Europe: Denmark, Finland, Great Britain, Ireland, Norway, Sweden / the Czech Republic, Hungary, Poland, Romania, Slovakia
Other regions: Brazil, Dubai, Turkey

The Economic Environment

In the second quarter of 2013, there were no apparent signs of a brightening in sentiment in the eurozone. According to the Ifo Institute, the economy remained at the same low level seen in the first quarter of the year. In the southern countries of the eurozone, especially in Greece, Portugal, and Cyprus, the situation had even deteriorated further. A somewhat better development was seen in Italy and Spain. The economic downturn continued in Belgium, Ireland, and the Netherlands. A moderate upturn was visible in Germany although the propensity of companies to invest declined in June for the sixth consecutive time despite the continued low interest rate environment. The relatively good environment was supported by a slight improvement in industrial production but mainly from the robust job market which not only leads to higher employment but also a rise in salaries and consumer sentiment.

The trend in business insolvencies is closely correlated with the general trend in the overall economy. Our sophisticated scoring model makes the related risks transparent enough for us to control these risks by adjusting our conditions accordingly. Nevertheless, the trend in insolvencies has a certain influence on GRENKELEASING AG Consolidated Group's (hereinafter referred to as GRENKE Consolidated Group) loss rate. The largest global credit insurer, Euler Hermes, expects the insolvency wave to continue in the Mediterranean countries of Italy, Spain, Portugal, and Greece (in Greece, we are not present). The increase in these countries is expected to be 33 percent in 2013 after a rise of 28 percent in 2012. In this context, we have purposely slowed down our rate of expansion in these countries. In contrast, we have recently increased our growth efforts in Germany and Switzerland, among others. Here, according to Euler Hermes, the number of corporate insolvencies in 2013 is expected to rise by just 1 percent. Credit losses, which more than doubled to EUR 41 billion in 2012, are expected to decline by approximately EUR 10 billion in the current year.

GRENKE Group's new business continues to be impacted to only a limited extent by the overall economic development in its respective target markets. Here, key industry trends such as bank business policies in the leasing business and the sector's increasing regulatory requirements, have gained much greater significance. No deviations from these basic statements have appeared in any of our regional markets in the reporting quarter.

On the refinancing side, the GRENKE Group is profiting from the low level of interest rates worldwide. However, the impact of the market and central bank interest rates on our refinancing opportunities and costs is limited. We have a broad range of refinancing instruments at our disposal which can be employed in a flexible manner depending upon the market environment and the expected development in interest rates. The recent reconfirmation of our good credit rating in February 2013 provides us with access to financing at all times whether it be through programmes with banks, via our direct access to the capital market, or through the actively managed deposits at GRENKE BANK AG.

The Company's solid reputation on the capital market was evident once again with the placement of a EUR 100 million bond in June 2013. Ninety domestic and international investors subscribed and the bond was 5.7x oversubscribed only one hour after the opening of the order book. Consequently, it was possible to considerably lower the interest coupon to 2.00 percent. In the last 12 months our refinancing costs in the bond area have declined by 175 basis points. The generally low level of interest rates had only contributed 35 basis points to this amount.

Report on the Results of Operations

Selected information from the consolidated income statement

EURk	Apr. 1, 2013 to Jun. 30, 2013	Apr. 1, 2012 to Jun. 30, 2012
Net interest income	32,444	26,955
Settlement of claims and risk provision	13,831	10,868
Net interest income after settlement of claims and risk provision	18,613	16,087
Profit from insurance business	8,760	7,296
Profit from new business	11,253	9,289
Profit from disposals	432	817
Income from operating business	39,058	33,489
Staff costs	12,785	10,188
<i>Of which total remuneration</i>	<i>10,470</i>	<i>8,349</i>
<i>Of which fixed remuneration</i>	<i>7,703</i>	<i>6,211</i>
<i>Of which variable remuneration</i>	<i>2,767</i>	<i>2,138</i>
Selling and administrative expenses (excluding staff costs)	9,698	7,273
Earnings before taxes	14,940	14,469
Net profit	10,859	10,211
Earnings per share (basic) in EUR	0.74	0.75
Earnings per share (diluted) in EUR	0.74	0.75

Quarterly Comparison 2013 versus 2012

In the second quarter of fiscal year 2013, we have significantly expanded GRENKE Consolidated Group's earnings strength once again. With an increase of 20 percent in net interest income, the positive development of the first quarter endured. We continued to benefit from the attractive contribution margins of the past quarter's new business. At the same time, the refinancing costs increased only marginally due to the currently low interest rate environment. These costs even experienced a slight decline in the reporting quarter since we were able to take advantage of the attractive conditions on the capital market by placing a bond among others.

Expenses for the settlement of claims and risk provision rose disproportionately in the reporting quarter, whereas the loss rate of 2.0 percent was only marginally above the 1.9 percent level of the previous year's quarter. Net interest income after settlement of claims and risk provision rose a satisfying 16 percent in the second quarter of 2013. Expenses for the settlement of claims and risk provision tend to be volatile, particularly on a quarterly basis. Nevertheless, risks continue to remain high due to the overall economically difficult situation in some European countries.

As was already the case in the first quarter, we again achieved a very good profit from insurance business. This business even saw a strong 20 percent increase compared to the previous year's quarter. The profit from new business in the reporting quarter exceeded the previous year's quarter by 21 percent. Here, a positive trend has also been evident in the course of 2013. The profit from disposals, which is also very volatile on a quarterly basis, almost halved in the second quarter. In total, the income from the operating business advanced 17 percent as compared to the same period of 2012.

The acquisitions of the companies of former franchisees in Spain (Madrid / Málaga), Romania, and Portugal in the third quarter of 2012, and of the former franchisees in Finland and Slovakia as per the end of June 2013, were reflected in our expenses. Since these companies were not yet included in the comparative figures of the first two quarters of 2012, the reported increases in the expense positions are relatively high. Among others, this became noticeable in the staff costs. With personnel increasing by 153 employees – 60 of those due to the acquisitions – staff costs rose 26 percent. In addition to the consolidation effects, both depreciation and amortisation had a disproportional rise for the same reason. This reflects the capitalisation of customer relationships and non-competitive clauses as intangible assets in the context of the business combinations which are now subject to scheduled amortisation.

In the course of our growing new business and our international expansion, we have increased our selling expenses year-to-date. In the reporting quarter, selling and administrative expenses grew disproportionately by 33 percent. Other operating expenses declined sharply. Overall, the operating result of EUR 15.0 million in the second quarter of 2013 exceeded the EUR 14.6 million result of the prior year's quarter by 2 percent.

The tax rate of 27 percent after 29 percent was within the range of normal quarterly fluctuations. Thus, the net profit in the reporting quarter rose 6 percent to EUR 10.9 million after EUR 10.2 million in the previous year's quarter. This amounted to earnings per share of EUR 0.74 after EUR 0.75.

Half-year Comparison 2013 versus 2012

The above information on the quarter under review essentially also applies to the six month period since the development of the first three months had largely continued into the second quarter. There were no unusual changes in either overall business or in the individual items of the income statement. In the first half of the year, net interest income improved 21 percent to EUR 63.3 million after EUR 52.2 million in the previous year. The expenses for the settlement of claims and risk provision increased somewhat less sharply than in the second quarter of 2013 and rose 15 percent to EUR 24.7 million after EUR 21.5 million in the previous year. In the first half of the year, the loss rate was 1.8 percent. Net interest income after settlement of claims and risk provision rose 26 percent to EUR 38.6 million after EUR 30.7 million.

Including the higher profit from insurance and new business as well as from disposals, the income from operating business climbed by a total of 21 percent to EUR 78.0 million after EUR 64.5 million. The operating result rose 13 percent to EUR 31.2 million after EUR 27.7 million in the previous year.

At EUR 31.0 million, earnings before taxes exceeded the previous year's figure of EUR 27.2 million by 14 percent. Earnings per share amounted to EUR 1.55 after EUR 1.43.

Segment Development

Business segments

GRENKE Consolidated Group's reporting on the development of its segments is aligned with the predominant organisational structure within the GRENKE Consolidated Group. Therefore, the operating segments are divided into Leasing, Banking, and Factoring in accordance with the management of the Company's segments. A regional split of the business activities is provided on a yearly basis as part of GRENKE's consolidated financial statements for each fiscal year. Separate financial information is available for the three operating segments. The result from intra-group risk provision resulting from GRENKE BANK AG's purchase of lease receivables which had previously been reported as other comprehensive income in the segment reporting, has now been reclassified as operating segment income. The previous year's figure has been adjusted accordingly by EUR 1,684k. This had no impact on the segment results.

Business Development

The information on the results of operations of the GRENKE Consolidated Group in the previous section also essentially applies to this section since the GRENKE Group Leasing segment continues to be the most important earnings pillar for the GRENKE Consolidated Group.

In the first half year, the operating segment income of GRENKE Group Leasing rose 19 percent to EUR 71.6 million after EUR 59.9 million (previous year's figure restated). The segment result grew 6 percent to EUR 27.0 million after EUR 25.4 million. The still relatively new Factoring segment reported a 12 percent decline in operating segment income. The segment result also declined from EUR 0.12 million in the previous year to EUR -0.11 million. The Banking segment achieved an above-average increase once again. Operating segment income grew 48 percent to EUR 5.8 million after EUR 3.9 million (previous year's figure restated), whereas the segment result almost doubled to EUR 4.3 million after EUR 2.2 million in the prior year.

New Business

Following a favourable first quarter in 2013, GRENKE Group Leasing's new business continued in the first half to perform entirely satisfactory. In the first six months, we recorded a 13 percent increase in new business to EUR 494.4 million after EUR 436.7 million in the previous year. This rise was primarily due to the sustained high growth of our international markets, but also our increased sales activities in Germany. Hereby, we were able to gain further market share in the already highly-penetrated German market and to increase new business over the previous year by 13 percent to EUR 147.5 million from EUR 130.3 million. In Western Europe (without Germany), new business increased by over 17 percent to EUR 160.8 million after EUR 137.0 million. Once again we achieved above-average growth in our other regions, which next to Brazil and Turkey also includes Dubai. Here the volume of new business soared 44 percent to EUR 10.9 million after EUR 7.5 million in the prior year. In Northern / Eastern Europe, we also recorded favourable growth of 10 percent to EUR 71.3 million after EUR 64.5 million in the first half of 2012. In Southern Europe, the 7 percent growth in new business from EUR 97.4 million to EUR 104.1 million lagged the growth of the GRENKE Consolidated Group. However, given the overall economic situation in these countries, growth was at an acceptable level and in line with our expectations. This is why we have aimed to slow down our rate of expansion in those countries.

The CM2 margin of GRENKE Group Leasing's new business reached EUR 95.6 million in the first half after EUR 84.9 million in the previous year (figure restated due to a modified calculation method as per the first quarter of 2013). This corresponds to an increase of 13 percent. At 19.3 percent, the CM2 margin remained at the prior year's level (previous year's figure restated). This margin continues

to reflect the on-going favourable competitive environment in our international markets, while in our German domestic market we were able to accept lower contribution margins without having to make compromises on our appropriate risk management.

Very promising growth was recorded once again in the Factoring segment. The continued diversification of our product range has enabled us to target small and medium-sized customers with additional offers while effectively addressing these customers at the same time. The new business volume of GRENKE Group Factoring amounted to EUR 77.9 million in the first half of the year after EUR 53.3 million in the prior year. This corresponds to an increase of 46 percent which has mainly resulted from the sustained high growth of our international business. Here we were able to more than double our new business in the first half. In Germany, we continued to experience a stable 20 percent rise in new business to EUR 44.4 million after EUR 36.9 million in the previous year. GRENKE Group Factoring's profit margin of 2.4 percent in the first half was at the previous year's level and is based on an average factoring period of 29 days after 31 days in the previous year.

GRENKE Bank's business also performed favourably. The deposit volume increased 14 percent to EUR 248.0 million after EUR 217.6 million at the end of the 2012 fiscal year and 59 percent over the level at the end of the first half of 2012, thus highlighting our success in this area. The volume of business start-up financing had a slight rise of 3 percent to EUR 2.4 million after EUR 2.3 million in the prior year. Various partnerships with German state development banks give us the opportunity to provide small and medium-sized companies with access to development funds when they finance business investments through lease financing.

Report on Financial Position and Net Assets

Selected information from the consolidated statement of financial position and the consolidated statement of cash flows

EURk	June 30, 2013	Dec. 31, 2012
Current assets	1,073,543	1,020,928
<i>thereof cash and cash equivalents</i>	<i>111,237</i>	<i>116,707</i>
<i>thereof lease receivables</i>	<i>733,904</i>	<i>688,141</i>
Non-current assets	1,426,524	1,331,364
<i>thereof lease receivables</i>	<i>1,277,834</i>	<i>1,185,787</i>
Total assets	2,500,067	2,352,292
Current liabilities	887,237	758,164
<i>thereof financial liabilities</i>	<i>776,568</i>	<i>639,199</i>
Non-current liabilities	1,198,758	1,243,155
<i>thereof financial liabilities</i>	<i>1,161,783</i>	<i>1,203,107</i>
Equity	414,072	350,973
Equity ratio in percent	16.6	14.9
Total liabilities and equity	2,500,067	2,352,292
Cash flow from operating activities	-17,651	80,067
Net cash flow from operating activities	-28,763	62,597
Cash flow from investing activities	-18,655	-39,333
Cash flow from financing activities	41,441	-10,752
Total cash flow	-5,977	12,512

As per the reporting date of June 30, 2013, the GRENKE Consolidated Group's total assets rose 6 percent as compared to the end of fiscal year 2012. Equity had a disproportionate increase of 18 percent as a result of the appropriation to retained earnings and the successful capital increase carried out in February 2013 which led to net proceeds of EUR 53.7 million.

The equity ratio as per the reporting date rose to 16.6 percent after amounting to 14.9 percent at the end of fiscal year 2012. Thus the equity ratio was above our long-term minimum target of 16 percent. This equity base provides us with sufficient leeway for GRENKE Consolidated Group's future growth.

In the first quarter, cash and cash equivalents had increased strongly as compared to the reporting date of 2012 as a result of successfully concluding an additional ABCP programme for the securitisation of French lease receivables by the end of the quarter. As previously announced, the volume of cash and cash equivalents was scaled down in the course of the second quarter. The issuance of a bond with a volume of EUR 100 million in June 2013 resulted in substantial proceeds of liquid funds. In return, we reduced the use of other financing instruments. On balance, the cash and cash equivalents of the GRENKE Consolidated Group as per the reporting date remained at a similar level compared to the end of fiscal year 2012.

The largest single position on GRENKE Consolidated Group's balance sheet continues to be lease receivables. Due to our growth, lease receivables rose 7 percent net of customer repayments as compared to the end of fiscal year 2012. They exceeded the EUR 2 billion threshold for the first time as per June 30, 2013. Due to the construction in the first quarter of two new buildings in Baden-Baden and Strasbourg (France), property, plant, and equipment rose 5 percent to EUR 38.9 million as per the end of the first half year after EUR 37.0 million at the close of December 31, 2012. Other intangible assets increased 30 percent from EUR 10.3 million to EUR 13.4 million as a result of the acquisition of the franchise companies in Finland and Slovakia.

In March 2013, with a volume of EUR 133.3 million we founded an additional so-called compartment for the securitisation of French lease receivables next to the four existing ABCP programmes which had a total volume of EUR 400.0 million as per the end of fiscal year 2012. The refinancing framework of all ABCP programmes was 51 percent utilised as per the half year of 2013. We have not carried out any major changes to our refinancing structure in the reporting quarter apart from the issuance of the EUR 100 million bond already mentioned.

Cash flow from operating activities in the first half of 2013 amounted to EUR -17.7 million. This was primarily the result of EUR 31.0 million in net profit, EUR 131.2 million in cash outflows from the change in lease receivables, EUR 57.6 million in cash inflows from the change in liabilities from the refinancing of lease receivables, and a EUR 38.6 million increase in liabilities from the deposit business. As per the end of the first half, the net cash flow from operating activities amounted to EUR -28.8 million after interest paid and received and taxes paid of EUR 10.8 million.

Cash flow from investing activities amounted to EUR -18.7 million in the first half of 2013 and mainly included payments for the franchise company acquisitions in Finland and Slovakia in the amount of EUR 5.8 million, and in Portugal amounting to EUR 10.8 million. Total cash flow including cash flow from financing activities, which mainly reflects the proceeds of EUR 53.7 million from the cash capital increase in the first quarter, amounted to EUR -6.0 million in the first half of the current fiscal year.

Report on the Forecasts and Outlook

Report on Risks and Opportunities

The following risks and opportunities report relates to both the GRENKE Consolidated Group and its segments. The risks and opportunities described in the 2012 annual financial report continue to be relevant. Going forward, we continue to believe that the opportunities for our business development outweigh the usual risks associated with our business model.

In particular, the demand for lease financing – measured in terms of the number of applications received – remains high. This allows us to increase new business and, at the same time, generate attractive margins while maintaining our proven risk mitigation. Additional locations, branches, franchise partners, and the penetration of new regional sales markets and the diversification of our financing solution offers should continue to contribute to our growth in the future.

A possible lack of willingness by the market in general to provide sufficient funds for refinancing does not constitute a material risk for us since even in difficult market situations the capital markets still provide sufficient funds to issuers with a good reputation. We have recently demonstrated this once again through a very successful bond issue. Furthermore, our access to banking deposits at GRENKE BANK AG also provides us with a highly attractive source of refinancing that we use with a high level of flexibility. We also seized this opportunity in the second quarter.

Risks to income development result particularly from higher losses in periods of recession. Losses generally fluctuate to a certain extent during the year. In addition, there is typically around a two year time lag compared to the underlying transactions, i.e. our new business.

The risk of rising interest rates continues to be of fundamental importance to the GRENKE Consolidated Group, especially since the capital markets currently seem to anticipate a gradual end to the extremely low interest rate policies of the central banks and increasing yields in longer maturities. The exposure to interest rate risks in connection with the refinancing of the lease receivables is only limited since this refinancing – if subject to a floating rate at all – is hedged using derivatives. Nevertheless, risks due to changes in interest rates and spreads can arise in new business. Therefore, the delay with which we pass on interest rate changes to customers can have a temporary impact on the profitability of the new business.

Outlook

In the current fiscal year, we expect GRENKE Group's new business to grow 13 to 16 percent. A large contribution to this should primarily come from an increase in the density of our existing network (which we are currently pushing forward), and from the penetration of new markets outside of Europe, as well as the continued segmentation of our product portfolio. In the reporting quarter, we were able to successfully continue the growth trend of the first quarter of 2013. GRENKE Group's new business grew 17 percent to EUR 574.7 million in the first half of the reporting year and was once again at the upper end of our expectations for the 2013 fiscal year and also considerably above our long-term target of ten percent. Attractive and risk-adequate CM2 margins remain the focus of our Company's management. We focus on those markets in which we can achieve appropriate margins for the assumed risks and thus secure the profitability of the GRENKE Consolidated Group.

Therefore, in view of new business growth, we will continue to work diligently in the reporting year on our regional expansion and on the diversification of our financing solutions. Here we will take advantage of the various opportunities offered in the different countries in a targeted manner – both within and especially outside of Europe. Following a successful start in Brazil and our first activities in Dubai, Canada is on our agenda for the second half of the year. In 2013, net interest income should benefit once again first and foremost from

the high growth of the previous years. The key positive factors influencing profitability remain our high-margin new business and the progression of the contracts.

In contrast, burdens may result from the current increase in the loss rate. In addition, we will invest at a relatively significant scale in our expansion through increased sales efforts, the acquisition of previous franchise companies, and through a high frequency of "cell divisions". Nevertheless, we remain by our forecasts which were previously stated in the 2012 Annual Report: GRENKE Consolidated Group's net profit should noticeably improve and reach EUR 44 – 48 million in fiscal year 2013.

Interim Consolidated Financial Statements

Consolidated Income Statement

	3-month report		6-month report	
	April 1, 2013 to June 30, 2013	April 1, 2012 to June 30, 2012	Jan. 1, 2013 to June 30, 2013	Jan. 1, 2012 to June 30, 2012
EURk				
Interest and similar income from financing business	46,696	41,515	92,321	81,348
Expenses from interest on refinancing and deposit business	14,252	14,560	29,056	29,153
Net interest income	32,444	26,955	63,265	52,195
Settlement of claims and risk provision	13,831	10,868	24,716	21,468
Net interest income after settlement of claims and risk provision	18,613	16,087	38,549	30,727
Profit from insurance business	8,760	7,296	16,645	13,924
Profit from new business	11,253	9,289	21,410	17,693
Profit from disposals	432	817	1,346	2,202
Income from operating business	39,058	33,489	77,950	64,546
Staff costs	12,785	10,188	24,861	20,215
Depreciation and impairment	1,325	736	2,464	1,418
Selling and administrative expenses (not including staff costs)	9,698	7,273	18,557	14,270
Other operating expenses	1,006	1,562	2,342	2,671
Other operating income	701	878	1,452	1,726
Operating result	14,945	14,608	31,178	27,698
Expenses / income from fair value measurement	44	43	88	23
Other interest income	216	60	305	194
Other interest expenses	263	242	576	689
Earnings before taxes	14,940	14,469	30,995	27,226
Income taxes	4,081	4,258	8,644	7,627
Net profit	10,859	10,211	22,351	19,599
Earnings per share (basic) in EUR	0.74	0.75	1.55	1.43
Earnings per share (diluted) in EUR	0.74	0.75	1.55	1.43
Average shares outstanding (basic)	14,700,000	13,684,099	14,413,752	13,684,099
Average shares outstanding (diluted)	14,700,000	13,684,099	14,413,752	13,684,099

Consolidated Statement of Comprehensive Income

	3-month report		6-month report	
	April 1, 2013 to June 30, 2013	April 1, 2012 to June 30, 2012	Jan. 1, 2013 to June 30, 2013	Jan. 1, 2012 to June 30, 2012
EURk				
Net profit	10,860	10,211	22,351	19,599
Items that may be reclassified to profit and loss in future periods				
Appropriation to / reduction of hedging reserve (before taxes)	191	-151	459	-329
Income taxes	-12	16	-28	40
Appropriation to / reduction of hedging reserve (after taxes)	179	-135	431	-289
Change in currency translation differences	-917	114	-1,700	1,190
Items that will not be reclassified to profit and loss in future periods				
Appropriation to / reduction of reserve for actuarial gains and losses from pensions (before taxes)	-148	-83	-148	-83
Income taxes	35	19	35	19
Appropriation to / reduction of reserve for actuarial gains and losses from pensions (after taxes)	-113	-64	-113	-64
Other comprehensive income	-851	-85	-1,382	837
Total comprehensive income	10,009	10,126	20,969	20,436

Consolidated Statement of Financial Position

EURk	June 30, 2013	Dec. 31, 2012
Assets		
Current assets		
Cash and cash equivalents	111,237	116,707
Positive market values of derivative financial instruments	2,067	3,248
Lease receivables	733,904	688,141
Other current financial assets	79,430	84,903
Trade receivables	3,007	3,726
Lease assets for sale	10,034	8,588
Tax assets	6,280	4,838
Other current assets	127,584	110,777
Total current assets	1,073,543	1,020,928
Non-current assets		
Lease receivables	1,277,834	1,185,787
Positive market values of derivative financial instruments	405	990
Other non-current financial assets	22,115	29,056
Property, plant, and equipment	38,936	37,035
Goodwill	52,998	48,815
Other intangible assets	13,391	10,328
Deferred tax assets	20,069	18,622
Other non-current assets	776	731
Total non-current assets	1,426,524	1,331,364
Total assets	2,500,067	2,352,292

Consolidated Statement of Financial Position

EURk	June 30, 2013	Dec. 31, 2012
Liabilities and equity		
Liabilities		
Current liabilities		
Financial liabilities	776,568	639,199
Negative market values of derivative financial instruments	2,181	3,800
Trade payables	13,114	14,828
Tax liabilities	4,863	2,836
Deferred liabilities	5,090	5,146
Current provisions	1,884	2,251
Other current liabilities	9,339	19,824
Deferred lease payments	74,198	70,280
Total current liabilities	887,237	758,164
Non-current liabilities		
Financial liabilities	1,161,783	1,203,107
Negative market values of derivative financial instruments	572	3,553
Deferred tax liabilities	33,828	33,987
Pensions	2,345	2,156
Non-current provisions	224	322
Other non-current liabilities	6	30
Total non-current liabilities	1,198,758	1,243,155
Equity		
Share capital	18,790	17,491
Capital reserves	112,757	60,166
Retained earnings	281,403	270,812
Other components of equity	1,122	2,504
Total equity	414,072	350,973
Total liabilities and equity	2,500,067	2,352,292

Consolidated Statement of Cash Flows

EURk	January 1, 2013 to June 30, 2013	January 1, 2012 to June 30, 2012
Earnings before taxes	30,995	27,226
Non-cash items contained in net profit and reconciliation to cash flow from operating activities		
+ Depreciation and impairment	2,464	1,418
- / + Profit / loss from the disposal of property, plant, and equipment and intangible assets	-12	2
- / + Net income from non-current financial assets	271	495
- / + Non-cash changes in equity	-788	491
+ / - Increase / decrease in deferred liabilities, provisions and pensions	-440	-297
- Additions to lease receivables	-505,065	-445,761
+ Payments by lessees	383,869	326,937
+ Disposals / reclassifications of lease receivables at residual carrying amounts	80,007	60,816
- Interest and similar income from financing business	-92,321	-81,348
+ / - Decrease / increase in other receivables from lessees	-5,688	-1,077
+ / - Currency translation differences	7,988	-5,285
= <i>Change in lease receivables</i>	<i>-131,210</i>	<i>-145,718</i>
+ Addition to liabilities from refinancing	751,611	641,723
- Payment of annuities to refinancers	-163,925	-139,175
- Disposal of liabilities from refinancing	-556,206	-407,439
+ Expenses from interest on refinancing and on deposit business	29,056	29,154
+ / - Currency translation differences	-2,988	1,267
= <i>Change in refinancing liabilities</i>	<i>57,548</i>	<i>125,530</i>
+ / - Increase / decrease in liabilities from deposit business	38,607	7,671
- / + Increase / decrease in loans to franchisees	-150	-1,254
Changes in other assets / liabilities		
- / + Increase / decrease in other assets	-11,807	-6,531
+ / - Increase / decrease in deferred lease payments	3,880	1,461
+ / - Increase / decrease in other liabilities	-7,009	5,648
= Cash flow from operating activities	-17,651	16,142

continued on the next page

Consolidated Statement of Cash Flows

EURk	January 1, 2013 to June 30, 2013	January 1, 2012 to June 30, 2012
– / + Income taxes paid / received	–10,841	–8,859
– Interest paid	–576	–689
+ Interest received	305	194
= Net cash flow from operating activities	–28,763	6,788
– Payments for the acquisition of property, plant, and equipment and intangible assets	–2,847	–2,843
– / + Payments / proceeds from acquisition of subsidiaries	–15,930	0
+ Proceeds from the sale of property, plant, and equipment and intangible assets	122	22
= Cash flow from investing activities	–18,655	–2,821
+ / – Borrowing / repayment of bank liabilities	–490	–235
– Dividend payments	–11,760	–10,263
+ Proceeds from cash capital increase	53,691	0
= Cash flow from financing activities	41,441	–10,498
Cash funds at beginning of period		
Cash in hand and bank balances	116,707	104,234
– Bank liabilities from overdrafts	–637	–482
= Cash and cash equivalents at beginning of period	116,070	103,752
+ / – Change due to currency translation	127	–141
= Cash funds after currency translation	116,197	103,611
Cash funds at end of period		
Cash in hand and bank balances	111,237	102,277
– Bank liabilities from overdrafts	–1,017	–5,197
= Cash and cash equivalents at end of period	110,220	97,080
Change in cash and cash equivalents during the period (= total cash flow)	–5,977	–6,531
Net cash flow from operating activities	–28,763	6,788
+ Cash flow from investing activities	–18,655	–2,821
+ Cash flow from financing activities	41,441	–10,498
= Total cash flow	–5,977	–6,531

Consolidated Statement of Changes in Equity

EURk	Share capital	Capital reserves	Retained earnings / Group net profit	Hedging reserve	Reserve for actuarial gains / losses	Currency translation	Total equity
Equity as per January 1, 2013	17,491	60,166	270,812	-445	-494	3,443	350,973
Comprehensive income			22,351	431	-113	-1,700	20,969
Dividend payment in 2013 for 2012			-11,760				-11,760
Cash capital increase	1,299	52,591					53,890
Equity as per June 30, 2013	18,790	112,757	281,403	-14	-607	1,743	414,072
Equity as per January 1, 2012	17,491	60,166	238,613	-248	-105	1,740	317,657
Comprehensive income			19,599	-289	-64	1,190	20,436
Dividend payment in in 2012 for 2011			-10,263				-10,263
Equity as per June 30, 2012	17,491	60,166	247,949	-537	-169	2,930	327,830

Consolidated Segment Report

EURk	Leasing segment		Banking segment		Factoring segment		Total segments		Consolidation effects		Consolidated Group	
January to June	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Operating segment income	71,545	59,909	5,759	3,899	646	737	77,950	64,545	0	0	77,950	64,545
Segment result	26,963	25,402	4,322	2,173	-107	123	31,178	27,698	0	0	31,178	27,698
Reconciliation to consolidated financial statements												
Operating result											31,178	27,698
Other financial income											-182	-472
Taxes											8,645	7,627
Net profit according to consolidated income statement											22,351	19,599
As per June 30												
Segment assets	2,396,299	2,039,348	371,198	256,805	12,535	10,526	2,780,032	2,306,679	-306,314	-202,856	2,473,718	2,103,823
Reconciliation to consolidated financial statements												
Tax assets											26,349	19,097
Total assets according to consolidated statement of financial position											2,500,067	2,122,920

Business Segments

GRENKE Consolidated Group's reporting on the development of its segments is aligned with the predominant organisational structure within the GRENKE Consolidated Group. Therefore, the operating segments are divided into Leasing, Banking, and Factoring in accordance with the management of the Company's segments. A regional split of the business activities is provided on a yearly basis as part of GRENKE's consolidated financial statements for each fiscal year. Separate financial information is available for the three operating segments. The result from intra-group risk provision resulting from GRENKE BANK AG's purchase of lease receivables which had previously been reported as other comprehensive income in the segment reporting, has now been reclassified as operating segment income. The previous year's figure has been adjusted accordingly by EUR 1,684k. This had no impact on the segment results.

Reportable Segments

The Leasing segment comprises all of the activities that are related to the Consolidated Group's leasing business. The service offer encompasses the provision of financing to commercial lessees, rental, insurance, service, and maintenance offerings, as well as the disposal of used equipment.

The Banking segment comprises the activities of GRENKE BANK AG, which regards itself as a financing partner particularly to small- and medium-sized companies. Additionally, GRENKE BANK AG cooperates with development banks in providing financing to this clientele in the context of business start-ups. Furthermore, fixed-term deposits are offered to investors via its internet presence. The bank's business is focused primarily on German customers. In addition, GRENKE BANK AG supports the refinancing of GRENKE Consolidated Group's leasing business through intra-group purchases of lease receivables.

The Factoring segment contains the activities of GRENKEFACTURING GmbH, which performs traditional factoring services and which is focused on small-ticket factoring in Germany.

Notes to the Interim Consolidated Financial Statements

Accounting Policies

The interim consolidated financial statements of GRENKELEASING AG (hereafter also referred to as "GRENKE Consolidated Group") as per June 30, 2013 meet the requirements of the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and adopted by the EU, as did the consolidated financial statements as per December 31, 2012. The provisions on interim reporting set out in IAS 34 were applied accordingly. All interim financial statements of the companies included in the consolidated financial statements of the GRENKE Consolidated Group have been prepared using uniform accounting policies.

As interim reporting is based on the consolidated financial statements, detailed information on accounting and consolidation policies can be found in the notes to the consolidated financial statements for the year ended December 31, 2012. The accounting policies used are the same as those used in the previous year with the exception of the new standards that have become mandatory, which are presented briefly in the following paragraph below. In addition, some of the positions in the statement of financial position were renamed for better clarity of the content of the position. For overview purposes, financial liabilities were summarised in one balance sheet position and split into current and non-current. A detailed presentation of this position is still provided in the notes. The unappropriated surplus which has been separately reported in the previous year is now included in retained earnings.

The interim consolidated financial statements and the interim management report as per June 30, 2013 were neither subject to an audit nor an audit review by an auditor.

Mandatory New Accounting Standards

The first-time application of the amendment to IAS 19 "Employee Benefits" (revised in 2011, IAS 19R) published by the IASB in June 2011 had only a minor impact on GRENKELEASING AG's consolidated financial statements. The abolishment of the corridor method had no effect as it has not been applied in the GRENKE Consolidated Group and actuarial gains and losses had thus already been recognised in other comprehensive income. The adoption of a uniform net interest component for interest from plan assets and the interest expense of plan obligations had only an immaterial effect on the consolidated financial statements since, within the GRENKE Consolidated Group, plan assets only exist for defined benefit obligations in Switzerland. The disclosure information will continue to be expanded by year-end. The amendments to termination benefit requirements had no influence on GRENKELEASING AG's consolidated financial statements.

In May 2011, the IASB published IFRS 13 "Fair Value Measurement" which compiles the regulations of fair value measurement previously found in individual IFRSs and replaces them with a uniform regulation. As only very few financial instruments of the GRENKE Consolidated Group were measured at fair value and the measurement and the former valuation was in accordance with the regulations of IFRS 13, there has been no impact on the consolidated financial statements. The amended pronouncements of IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine" had no effect on the consolidated financial statements of GRENKELEASING AG.

The amendments to IAS 32 and IFRS 7, which were published by the IASB in December 2011, also did not have an impact on the consolidated financial statements. These changes intend to clarify existing inconsistencies via amendments to the application guidelines. However, the existing basic regulations concerning the offsetting of financial instruments remain unchanged. The amendments also define increased disclosure requirements.

In June 2011, the IASB published amendments to IAS 1 "Presentation of Financial Statements" (July 1, 2012). GRENKELEASING AG applied these amendments in advance as per December 31, 2012. The presentation of other comprehensive income was changed to the extent that the items of other comprehensive income are presented dependent upon the possibility of whether or not they can be reclassified to profit and loss.

Use of Assumptions and Estimates

The main estimating uncertainties and the associated disclosure requirements are in the following areas:

- ▶ Determination of impairments for non-performing lease receivables from terminated lease contracts or contracts in arrears on the basis of the recoverability rate
- ▶ Use of estimated residual values at the end of the lease term to determine the present value of lease receivables
- ▶ Recognition of lease assets for sale at estimated residual values

Lease receivables from terminated lease contracts or contracts in arrears are carried at nominal value less appropriate bad debt allowances. The amount of bad debt allowances is determined using percentages and processing categories. Percentages are calculated using statistical methods. They are reviewed once a year for validity. Processing statuses are grouped together in processing categories which are set up with a view to risk.

The following table lists the processing categories:

Category	Description
0	Current contract not in arrears
1	Current contract in arrears
2	Terminated contract with serviced instalment agreement
3	Terminated contract (recently terminated or court order for payment applied for)
4	Legal action (pending or after objection to court payment order)
5	Order of attachment issued/Debt-collecting agency commissioned
6	Statement in lieu of oath (applied for or issued) and insolvency proceedings instituted but not completed
7	Derecognised
8	Being settled (not terminated)
9	Discharged (completely paid)

Impairment is assumed for categories 2 to 7 as the contracts have been terminated due to defaults in payment. The allowance rates range between 5% and 100%. Estimated residual values are used to determine the present value of lease receivables. Non-guaranteed residual values are used to calculate lease receivables in accordance with the definition in IAS 17. Estimated residual values comprise anticipated sales proceeds and any revenues generated in a renewal period. They are determined on the basis of past experience and statistical methods.

Based on experience and dependent on the terms of the lease, residual values of additions up until the end of 2006 ranged between 11% and 15% of historical cost. In fiscal year 2007, due to the strengthening of forecasting capabilities for the statistical population, this allocation could be further broken down into more detailed maturity groups. For additions from 2007 to 2008, the residual values range between 7.7% and 28.4% of historical cost depending upon the duration of the lease. Residual values of between 6.5% and 28.4%

were used for additions from 2009. For additions after April 1, 2011, residual values of between 6.5% and 23.5% were applied and continue to be valid.

Proceeds are at best estimated based on statistical analyses. If the post-transaction recoverable amount is lower than expected (from sale and subsequent lease), the lease receivables are impaired. However, an increase in recoverable amount remains unrecognised.

Lease assets for sale are measured on the basis of the average sales proceeds per age group realised in the past fiscal year in relation to the original cost. Lease assets for sale are measured at historical residual values, taking their actual saleability into account. As per the end of the reporting period, the residual values used had amounted to between 3.6% and 17.2% of the historical cost (previous year: between 3.1% and 17.1%). If a sale is considered unlikely due to the condition of the asset, the asset is impaired in profit and loss.

Lease Receivables

EURk	June 30, 2013	June 30, 2012
Change in lease receivables from current contracts (performing lease receivables)		
Balance at beginning of period	1,771,673	1,484,934
+ Change during the period	131,450	144,642
Lease receivables (current + non-current) from current contracts at end of period	1,903,123	1,629,576
Changes in lease receivables from terminated contracts/contracts in arrears (non-performing lease receivables)		
Gross receivables at beginning of period	198,623	168,393
– accumulated valuation allowances at beginning of period	96,368	84,573
= Non-performing lease receivables at beginning of period	102,255	83,820
+ Additions to gross receivables during the period	30,385	18,556
– Disposals of gross receivables during the period	16,731	18,120
+ Disposal of accumulated valuation allowances during the period	8,982	9,679
– Addition of accumulated valuation allowances during the period	16,276	9,039
Non-performing lease receivables at end of period	108,615	84,896
Lease receivables (carrying amount, current and non-current) at beginning of period	1,873,928	1,568,754
Lease receivables (carrying amount, current and non-current) at end of period	2,011,738	1,714,472

Financial Liabilities

The GRENKE Consolidated Group's financial liabilities comprise liabilities from the refinancing of the leasing business, bank liabilities, and liabilities from deposit business.

EURk	June 30, 2013	Dec. 31, 2012
Financial liabilities		
Current financial liabilities		
Liabilities from the refinancing of the leasing business	664,619	521,883
<i>ABS/ABCP related liabilities</i>	169,438	168,739
<i>Bonds, revolving facilities, debentures, and private placements</i>	425,990	287,873
<i>Committed development loans</i>	12,660	18,645
<i>Sales of receivables agreements</i>	56,531	46,626
Current liabilities from deposit business	110,289	115,890
Current bank liabilities	1,660	1,426
<i>thereof current account liabilities</i>	1,017	637
Total current financial liabilities	776,568	639,199

EURk	June 30, 2013	Dec. 31, 2012
Non-current financial liabilities		
Liabilities from the refinancing of the leasing business	1,022,723	1,107,911
<i>ABS/ABCP related liabilities</i>	199,548	182,009
<i>Bonds, debentures, and private placements</i>	736,901	873,778
<i>Committed development loans</i>	24,278	19,672
<i>Sales of receivables agreements</i>	61,996	32,452
Non-current liabilities from deposit business	137,685	93,477
Non-current bank liabilities	1,375	1,719
Total non-current financial liabilities	1,161,783	1,203,107
Total financial liabilities	1,938,351	1,842,306

ABS Bond

On February 4, 2010, an ABS bond amounting to EUR 160,000k was placed via the special-purpose entity GOALS FINANCING 2009 LIMITED (GOALS 2009-1). The contracts with GOALS FINANCING 2009 LIMITED allowed the GRENKE Consolidated Group to sell further lease agreements on a revolving basis for a total of three years and up to a maximum volume of EUR 300,000k. The interest rate is variable at three-month EURIBOR plus a spread ranging between 1.25% and 3.5% depending on the tranche. Three tranches of bonds with different ratings (risk classes) were issued by the SPE. The size of the highest rated tranche is a reflection of the quality of the leasing portfolio and the internal risk management and directly impacts the costs of this type of financing. Of this bond, 76.5% (EUR 122,400k) was given the highest rating by Standard & Poor's (AAA) and FITCH (AAA). The wholly-owned subsidiary of GRENKELEASING AG, GRENKE FINANCE Plc., Dublin/Ireland, subscribed on a pro rata basis to the second tranche and fully subscribed to the last tranche (nominal amount: EUR 24,200k) of the ABS bond. As a result, the Consolidated Group received a cash inflow of only EUR 135,800k. The carrying amount of the total liability was EUR 116,052k as per the end of the reporting period (previous year: EUR 135,975k).

ABCP Programmes

The GRENKELEASING AG Consolidated Group has several asset-backed commercial paper programmes (ABCPs) with a total volume of EUR 533,333k as per the end of the reporting period. An overview of the programmes as per the end of the reporting period is as follows:

ABCP programme/SPE	Initiating bank	Lease receivables eligible for refinancing	Programme volume in EURk as per June 30, 2013	Programme volume in EURk as per Dec. 31, 2012
Compass Variety Funding Limited	Portigon	German and Austrian lease receivables	40,000	40,000
Kebnekaise Funding Limited	SEB AB	German and French lease receivables	110,000	110,000
CORAL PURCHASING Limited	DZ-Bank	German lease receivables	150,000	150,000
Elektra Purchase No. 25 Limited/ (FCT GK2)	UniCredit	French lease receivables	100,000	100,000
Regency Assets Limited/ (FCT GK 3)	HSBC	French lease receivables	133,333	0
Total			533,333	400,000

The ABCP programmes grant GRENKE FINANCE Plc. and Grenke Investitionen Verwaltungs KGaA the right to refinance or to sell receivables to the respective programmes for a certain period of time. The cap on the purchase volume is determined by the volume of the programme, which is normally backed by the organising bank in the form of a liquidity commitment in the corresponding amount. As per the reporting date, a total volume of EUR 269,134k (previous year: EUR 211,555k) at carrying amount was utilised.

The ABCP programme Compass Variety Funding Limited with Portigon AG (formerly WestLB) was fixed at EUR 40,000k and extended on January 19, 2012 by an additional two years until January 19, 2014.

The programme commitment for the Kebnekaise Funding Limited ABCP programme will run until November 30, 2013 and the programme commitment for the CORAL Purchasing Limited ABCP programme until September 3, 2013. The programme commitment for the Elektra Purchase No. 25 ABCP programme will run until July 30, 2013.

To reflect the current legal conditions in France for the securitisation of French lease receivables (separate French securitisation act), a French securitisation vehicle (FCT = fonds commun de titrisation à compartiments/French issuer) was founded in 2009. The FCT initially consisted of just one so-called compartment ("FCT GK 1"). A second compartment was founded on January 18, 2011 ("FCT GK 2"). "FCT GK 2" is refinanced through the issue of FCT notes which are 100% subscribed by SPE Elektra Purchase No. 25 Limited. A third compartment was founded on March 26, 2013 ("FCT GK 3"). This third compartment is refinanced through the issue of so-called FCT senior notes and FCT subordinated notes. The FCT senior notes are 100% subscribed by Regency Assets Limited and the FCT subordinated notes are 100% subscribed by Grenke Finance PLC. Within the FCT, the individual compartments are kept strictly separate from one another ("ring-fenced") and they all exclusively serve to finance French lease receivables. Both of the latter compartments are included in the scope of consolidation.

At per the reporting date, 50.46% of the refinancing framework of the ABCP programmes was utilised (previous year: 52.31%). The corresponding amount of receivables is assigned by way of collateral.

Sales of Receivables Agreements

Such agreements are currently in place with Stadtparkasse Baden-Baden Gaggenau, Sparkasse Karlsruhe, UBS AG in Switzerland, the Commerzbank subsidiary BRE-Bank SA and DZ Bank Polska in Poland, and Norddeutsche Landesbank for receivables in the UK. The existing agreements allow for the revolving sales of new receivables up to a maximum amount of: Stadtparkasse Baden-Baden Gaggenau EUR 6,400k; Sparkasse Karlsruhe EUR 10,000k; UBS AG CHF 50,000k; BRE-Bank PLN 50,000k; DZ Bank Polska PLN 50,000k; Norddeutsche Landesbank GBP 70,000k.

Bonds, Debentures, and Private Placements

On February 12, 2013, a new promissory note loan was issued with a volume of EUR 20,000k and a starting date as per March 1, 2013 and a term of 3 years until March 1, 2016. The loan will be redeemed by six identical semi-annual instalments starting September 1, 2013. The interest coupon amounts to 2.15%.

On March 28, 2013, a bullet promissory note loan was initiated with a term until January 5, 2017 and a volume of EUR 20,000k. The fixed interest rate amounts to 2.41%.

On May 28, 2013, a new fixed-interest bond was issued with a volume of EUR 100,000k and a term of 4 years from June 7, 2013 until June 7, 2017. The interest coupon is 2.0% and the discount amounts to EUR 350k.

In March 2013, three bullet promissory note loans with a total volume of EUR 24,000k and a bond with a volume of EUR 75,000k were repaid in due time. On July 4, 2013, an additional bond with a volume of EUR 5,800k was repaid on time.

Development Loans

NRW.Bank

On February 18, 2010, GRENKELEASING AG and GRENKE BANK AG entered into a cooperation agreement with NRW.Bank, the development bank of the state of North Rhine-Westphalia. This opens up a new opportunity for incorporating development funding into lease financing. The refinancing of lease agreements takes place through the purchase of receivables by GRENKE BANK AG. These lease agreements are available exclusively for investment plans of commercial enterprises and members of self-employed professions with annual sales of up to EUR 500,000k located in North Rhine-Westphalia.

GRENKE BANK AG was granted a global loan of EUR 15,000k by NRW.Bank for precisely this purpose. The loan was drawn down for the first time in the amount of EUR 7,500k on March 22, 2010. The interest rate related to the 6-month Euribor plus a margin of 0.21% and a term of three years. The second draw-down of a further EUR 7,500k on November 25, 2010 also had a reference interest rate of 6-month Euribor and a bullet maturity of three years. Here, the margin is 0.19%. Hence, the volume of EUR 15,000k of the first global loan is fully utilised. On March 22, 2013, the first draw-down in an amount of EUR 7,500k was redeemed as scheduled.

On July 28, 2011, GRENKELEASING AG and GRENKE BANK AG together with NRW.Bank, the development bank of the state of North Rhine-Westphalia, continued and expanded the cooperation, which concluded on February 18, 2010, by issuing another global

loan totalling EUR 15,000k. This second loan was first drawn down in the amount of EUR 7,500k with a bullet maturity of three years on August 29, 2011. The interest rate relates to the 6-month Euribor plus a margin of 0.07%.

The second draw-down of EUR 7,500k took place on August 3, 2012 with a term of 4 years. The loan will be redeemed by semi-annual instalments. Hence, the second global loan is fully utilised up to the planned volume of EUR 15,000k. The interest rate over the total term amounts to 0.82%.

On March 25, 2013, the third global loan in the amount of EUR 15,000k was concluded between GRENKELEASING AG, GRENKE BANK AG, and NRW.BANK, the development bank of the state of North Rhine-Westphalia. As per the time this report was prepared, this loan had not yet been drawn down. A specific interest rate will not be determined until the amount of the first borrowing limit has been drawn down.

Thüringer Aufbaubank

On January 16, 2012, GRENKELEASING AG and GRENKE BANK AG entered into a cooperation agreement with Thüringer Aufbaubank (TAB), the development bank of the state of Thuringia, similar to the agreement with NRW.Bank. The refinancing of lease agreements takes place through the purchase of receivables by GRENKE BANK AG. These lease agreements are available exclusively for investments made by small and medium-sized enterprises and self-employed professionals located in Thuringia with annual sales of up to EUR 500,000k.

GRENKE BANK AG was granted a global loan of EUR 5,000k by TAB for this purpose. The loan was drawn down for the first time in the amount of EUR 2,500k on August 3, 2012 with a term of 4 years. The loan is redeemed retroactively on a yearly basis at fixed instalments. The interest rate over the total term amounts to 1.385%. The second draw-down of an additional EUR 2,500k took place on March 22, 2013 with a term of 3 years. The loan is redeemed retroactively on a yearly basis at fixed instalments. The interest rate over the total term amounts to 1.153%.

Investitionsbank Berlin

On June 6, 2012, GRENKELEASING AG and GRENKE BANK AG also entered into a cooperation agreement with Investitionsbank Berlin (IBB), the development bank of Berlin. The refinancing of lease agreements takes place through the purchase of receivables by GRENKE BANK AG. These lease agreements are available exclusively for investments made by small and medium-sized enterprises and self-employed professionals located in Berlin with annual sales of up to EUR 500,000k.

GRENKE BANK AG was granted a global loan of EUR 5,000k by IBB for this purpose. The loan was drawn down for the first time in the amount of EUR 2,500k on April 2, 2013 with a term of 3 years. The loan will be redeemed retroactively on a yearly basis at fixed instalments. The interest rate over the total term amounts to 0.968%.

LfA Förderbank Bayern

On January 30, 2013, GRENKELEASING AG and GRENKE BANK AG have established a further cooperation agreement with LfA Förderbank Bayern by means of global loan in the amount of EUR 25,000k. Through this collaboration, small and medium-sized enterprises and self-employed professionals, that are located in Bavaria, can access development funds for investments via leasing. The lease agreements are available exclusively for investment plans of commercial enterprises and members of self-employed professions with annual sales of up to EUR 500,000k located in Bavaria. The refinancing of lease agreements takes place through the

purchase of receivables by GRENKE BANK AG. As per the time this report was prepared, this loan had not yet been drawn down. A specific interest rate will not be determined until the amount of the first borrowing limit has been drawn down.

L-Bank

Since the beginning of 2011, GRENKE BANK AG also offers the business start-up programme "ERP Gründungskredit Startgeld" of L-BANK, the State bank of Baden-Württemberg, next to the "KfW-Startgeld" of KfW-Mittelstandsbank. The loans are refinanced directly by the respective bank.

Revolving Credit Facility

In the context of five revolving credit facilities with a total volume of EUR 125,000k available to GRENKE FINANCE Plc., Dublin/Ireland, the GRENKE Consolidated Group has the possibility to take on short-term funds with a minimum amount of EUR 5,000k and a term of usually one month at a time.

The facility with HSBC with a volume of EUR 15,000k was re-concluded at the beginning of July 2013 and will run until the end of June 2014. The facility with Nord LB with a volume of EUR 20,000k was newly concluded in the first quarter of 2013 and will run until March 2014. The facilities with SEB, Deutsche Bank, and DZ-Bank which have been in place for several years have a volume of EUR 30,000k each and have the following terms: SEB (until March 2014), Deutsche Bank (until September 2013), DZ-Bank (until October 2013). On February 28, 2013, the facility with Portigon AG expired with no prolongation.

As per June 30, 2013, the revolving credit facilities were utilised in the amount of EUR 40,000k (previous year: EUR 15,000k).

Money Market Trading

GRENKE FINANCE Plc., Dublin/Ireland has a non-committed money market facility of EUR 25,000k from Bayerische Landesbank. As per June 30, 2013, this credit line was utilised in the amount of EUR 20,000k (previous year: EUR 25,000k). A further money market facility in the amount of EUR 10,000k is in place with Norddeutsche Landesbank. As per June 30, 2013, this line was utilised in the amount of EUR 5,000k (previous year: EUR 10,000k). A further money market facility in the amount of EUR 10,000k is in place with Commerzbank AG. As per June 30, 2013, this line was not utilised as in the previous year.

Commercial Papers

The GRENKE Consolidated Group has the opportunity to issue commercial paper of up to a total volume of EUR 250,000k with a term of between 1 and 364 days. As per June 30, 2013, the commercial paper programme was not utilised (previous year: EUR 20,000k).

Equity

On February 21, 2013, GRENKELEASING AG carried out a capital increase. The share capital was increased by EUR 1,298,554.84 to EUR 18,789,976.70 against cash contribution through the partial exercise of the authorised capital which was resolved upon by the Annual General Meeting on May 12, 2009. Shareholders' subscription rights were excluded. In total, 1,015,901 new ordinary no-par value bearer shares were issued at a price of EUR 53.50. The new shares have the same dividend entitlement as the existing shares. Hence, the Company's share capital is divided into 14,700,000 no-par value bearer shares.

Income Taxes

The main components of the income tax expense in the consolidated income statement are:

EURk	Jan 1. – Jun 30, 2013	Jan 1. – Jun 30, 2012
Income taxes		
Current tax expense	11,065	10,860
Deferred taxes	–2,421	–3,233
Income tax expense	8,644	7,627

Other Financial Obligations

As per June 30, 2013, there were obligations of EUR 184k (previous year: EUR 3,598k) for the extension of an office building.

Acquisitions

Business Combinations in Fiscal Year 2012

For information regarding business combinations in the previous year please refer to the notes to the Company's consolidated financial statements for the year ended December 31, 2012.

Business Combinations in Fiscal Year 2013

GC Leasing Finland Oy, Vantaa/Finland

On June 24, 2013, which is both the date of the purchase agreement and the date of acquisition, GRENKELEASING AG acquired 100% of the voting shares in GC Leasing Finland Oy, Vantaa/Finland.

Prior to the acquisition, GC Leasing Finland Oy, Vantaa/Finland was active within GRENKELEASING AG's franchise system specialising in the sale of small-ticket leases with a strong focus on IT and IT equipment. Since not all of the relevant information needed for determining the final purchase price allocation is yet available, the fair value of the assets and liabilities are preliminary and may be subject to adjustments as a result of additional information gained in the acquisition process.

The following information relates to the preliminary fair value of the significant categories of the identifiable assets and liabilities at the date of acquisition of the company: Intangible assets EUR 2,730k, lease receivables EUR 1,421k, other assets EUR 1,139k, refinancing liabilities EUR 943k, and other liabilities EUR 2,962k. Intangible assets are largely attributable to non-contractual relationships of resellers with clients and non-competitive clauses. Of the lease receivables, an amount of EUR 164k is impaired and is not expected to be recovered. The refinancing liabilities are owed to GRENKE FINANCE Plc., Dublin/Ireland. Other liabilities mainly include other intra-group liabilities and deferred tax liabilities. The intra-group liabilities were eliminated as a result of the consolidation and are therefore not reported in the consolidated statement of financial position. The deferred tax liabilities resulted from the revaluation and identification of assets in the course of the purchase price allocation. The preliminary purchase price allocation resulted in goodwill of EUR 3,799k which is not tax deductible. The goodwill includes intangible assets which could not be separately identified such as employees and expected synergy effects. The company's contribution to consolidated net income, including the effects from purchase price allocation, has been negligible due to the short period of time that the company has been part of the GRENKE Consolidated Group. The total consideration paid for the business combination amounted to EUR 5,184k and consisted solely of cash. Cash acquired with the business combination amounted to EUR 645k. All costs related to the acquisition were recognised in profit and loss.

GC Leasing Slovensko s.r.o., Bratislava/Slovakia

In addition, by way of a purchase agreement dated June 21, 2012, GRENKELEASING AG acquired 100% of the voting shares in GC Leasing Slovensko s.r.o., Bratislava/Slovakia. Control was assumed on June 28, 2012.

Prior to the acquisition, GC Leasing Slovensko s.r.o., Bratislava/Slovakia was active within GRENKELEASING AG's franchise system specialising in the sale of small-ticket leases with a strong focus on IT and IT equipment. Since not all of the relevant information needed for determining the final purchase price allocation is yet available, the fair value of the assets and liabilities are preliminary and may be subject to adjustments as a result of additional information gained in the acquisition process.

The following information relates to the preliminary fair value of the significant categories of the identifiable assets and liabilities at the date of acquisition of the company: Intangible assets EUR 1,104k, lease receivables EUR 5,179k, other assets EUR 1,029k, refinancing liabilities EUR 4,953k, other intra-group liabilities EUR 926k, deferred tax liabilities EUR 857k, and other liabilities EUR 732k. Intangible assets are largely attributable to non-contractual relationships of resellers with clients and non-competitive clauses. Of the lease receivables, an amount of EUR 254k is impaired and is not expected to be recovered. The refinancing liabilities are owed to GRENKE FINANCE Plc., Dublin/Ireland and the other intra-group liabilities are also mainly owed to GRENKE FINANCE Plc. and GRENKELEASING AG. These loans were eliminated as a result of the consolidation and are therefore not reported in the consolidated statement of financial position. The deferred tax liabilities resulted from the revaluation and identification of assets and liabilities in the course of the purchase price allocation. The preliminary purchase price allocation resulted in goodwill of EUR 806k which is not tax deductible. The goodwill includes intangible assets which could not be separately identified such as employees and expected synergy effects. Due to the first-time consolidation as per the reporting date, the consolidation had no impact on the consolidated net income. The total consideration paid for the business combination amounted to EUR 650k and consisted solely of cash. Cash acquired with the business combination amounted to EUR 7k. All costs related to the acquisition were recognised in profit and loss.

Dividend Payment

The resolution on the appropriation of GRENKELEASING AG's unappropriated surplus for fiscal year 2012 in the amount of EUR 18,151,428.39 was adopted by the Annual General Meeting on May 7, 2013. The Annual General Meeting approved the proposal of the Board of Directors and the Supervisory Board, resolving to appropriate the unappropriated surplus as follows:

Unappropriated surplus for 2012	EUR 18,151,428.39
Distribution of a dividend of EUR 0.80 per share for a total of 14,799,000 shares	EUR 11,760,000.00
Appropriation to retained earnings	EUR 6,300,000.00
Profit carryforward (to new account)	EUR 91,428.39

The dividend was paid to the shareholders of GRENKELEASING AG on May 8, 2013.

In the previous year, the Annual General Meeting adopted the proposal of the Board of Directors and the Supervisory Board, resolving and performing the appropriation of the unappropriated profit for 2011 as follows:

Unappropriated surplus for 2011	EUR 22,284,787.12
Distribution of a dividend of EUR 0.75 per share for a total of 13,684,099 shares	EUR 10,263,074.25
Appropriation to retained earnings	EUR 11,000,000.00
Profit carryforward (to new account)	EUR 1,021,712.87

The dividend was paid to the shareholders of GRENKELEASING AG on May 11, 2012.

Related Party Disclosures

The Supervisory Board of GRENKELEASING AG had concluded phantom stock agreements with the Board of Directors' members Mr. Jörg Eicker and Mr. Gilles Christ.

Under these agreements, Mr. Jörg Eicker and Mr. Gilles Christ receive the entitlement to payment (tranche) equal to the increase in value of 30,000 shares and 15,000 shares respectively in GRENKELEASING AG, in relation to a defined basic share price for fiscal years 2013, 2014, and 2015. This basic share price is the arithmetic mean of the Xetra closing prices on all trading days from December 1 to December 23 of the respective prior year. The basic share price for 2012 was EUR 52.01. The maximum payment arising from these agreements is limited to EUR 600,000 and EUR 300,000 respectively for the three tranches. Under the programme, Mr. Jörg Eicker and Mr. Gilles Christ are required to invest the respective net amount paid plus a personal contribution of 25% of that amount in GRENKELEASING AG shares. The Company is entitled but not obligated to fully or partially provide the payment in shares rather than in cash for one or several tranches. In the latter case, the personal contribution is not applicable. The shares are subject to a vesting period of four years.

As per June 30, 2013, the value of the phantom stocks agreement granted totalled EUR 461k. As the entitlement for payment is not due until the end of 2013, a proportionate amount of EUR 231k has been expensed for the first six months of the year.

Employees

In the interim reporting period, the GRENKELEASING AG Consolidated Group had an average of 792 employees (previous year: 639), not including the Board of Directors.

Events after the Balance Sheet Date

No events have occurred after the balance sheet date which require reporting.

Responsibility Statement

We hereby confirm to the best of our knowledge, and in accordance with the accounting standards to be used for interim reporting, that the interim consolidated financial statements give a true and fair view of the net assets, financial position, and results of operations of the Consolidated Group. Furthermore, the interim Group management report conveys a fair review of the development of the business including the results and the position of the Consolidated Group, together with a description of the important opportunities and risks for the expected development of the Consolidated Group for the remainder of the fiscal year.

Calendar of Events

July 25, 2013	Publication of Financial Report for the 2nd Quarter and Half-Year 2013
October 24, 2013	Publication of Financial Report for the 3rd Quarter and the First Nine Months 2013

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Figures in this report are usually presented in thousands and millions of euro. Due to rounding, differences as against the actual number in euro may emerge in individual figures. Naturally, such differences are not of a significant nature.

The report is published in German and as an English translation. In the event of any conflict or inconsistency between the English and the German versions, the German original shall prevail.



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