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Leasing Market Recovers in 2010

Brussels, 3 March 2011 – Leaseurope, the trade association representing the European leasing and automotive rental industry, has released the results of its preliminary survey of the European leasing market for 2010. The survey indicates that new leasing business in Europe increased by 4.9% in 2010¹ and Leaseurope estimates that total new volumes will have reached €227 billion (compared to €209 billion in 2009). These strong results indicate that European lessors have taken significant momentum into 2011 and have firmly recovered from the steep decline in new volumes experienced previously.

New leasing business increased across all asset segments. Real estate leasing rebounded particularly strongly with a 12.3% increase compared to 2009. Leasing of vehicles increased by 5.9% while equipment leasing increased by 2.1%.

While there was clear recovery for the European market overall, the survey shows divergences across regions and asset types. Leasing growth rates were strong across much of Western Europe and the Nordic region, with particularly strong results evident in the leasing of vehicles in Spain, Portugal and the Nordic countries. Growth in equipment leasing was very strong in the UK, but marginally negative in France and Italy. Several countries in Central and Eastern Europe (CEE) suffered from significant declines in equipment, vehicles and real estate volumes. However, the Polish market increased substantially, driving overall growth in the CEE region.

Leaseurope's Chairman, Jukka Salonen (CEO, Nordea Finance), welcomed the preliminary 2010 results and commented that "European lessors are now performing strongly, having weathered exceptionally difficult market conditions. A lot has been learnt during the crisis and the recovery in volumes is very welcome news. Our industry must also continue to focus on delivering sustainable, added-value solutions to clients. We have an important role to play in contributing to the ongoing economic recovery across Europe by financing significant investment in the assets European firms need to be able to grow again. With many businesses having deferred capital expenditure, our industry can help them improve their competitiveness by upgrading to the latest and most efficient assets."

The recovery in new leasing business in 2010 is particularly encouraging given that investment in the EU-27 grew by only 0.5% during the year². Eoghan O'Briain, Adviser in Statistics and Economic Affairs at Leaseurope, commented that "it is noticeable that growth in new leasing business is once again leading total investment expenditure at European level. The cyclical decline in volumes experienced during the recession has reversed and we would expect to see leasing penetration rise as a result."

The latest European Commission economic forecast also represents positive news for European lessors, as overall investment spending is projected to rebound by 2.8% in the EU in 2011, reflecting a relatively strong outlook for equipment investment in particular³.

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¹ Growth rates are based on a homogenous sample of 24 Member Associations reporting in Leaseurope's 2010 Preliminary Survey and are adjusted for exchange rate fluctuations. Leaseurope will publish final, comprehensive figures for 2010 once its full Annual survey of Member Associations is complete.

² Source: Eurostat. Investment is defined as total gross fixed capital formation.

³ European Commission, DG Ecofin, Autumn Economic Forecast. The Commission services' autumn 2010 forecast is based on available data up to November 15 2010.

Media Contact

For further information, please contact:

Anne Valette
Head of Communications
+32 2 778 05 65
a.valette@leaseurope.org

Eoghan O'Briain
Adviser in Statistics and Economic Affairs
+32 2 2778 05 71
e.obriain@leaseurope.org

About Leaseurope

As a Federation, Leaseurope brings together 45 associations throughout Europe representing either the leasing, long term and/or short term automotive rental industries. The scope of products covered by Leaseurope's members ranges from hire purchase and finance leases to operating leases of all asset types (automotive, equipment and real estate) and also includes the rental of cars, vans and trucks. It is estimated that Leaseurope represents approximately 93% of the European leasing market.

The Member Associations taking part in the 2010 Preliminary Survey are: Verband Österreichischer Leasing-Gesellschaften (AT), Bulgarian Association for Leasing, Czech Leasing and Finance Association), Bundesverband Deutscher Leasing (DE), Finans Og Leasing (DK), Estonian Leasing Association, Asociacion Española de Leasing (ES), Association Espanola de Renting de Vehículos (ES), Federation of Finnish Financial Services, Association française des Sociétés Financières (FR), Hungarian Leasing Association, Associazione Italiana Leasing (IT), ANIASA (IT), Association of Latvian Commercial Banks, Nederlandse Vereniging van Leasemaatschappijen (NL), Finansieringsselskapenes Forening (NO), Polish Leasing Association, Associacao Portuguesa de Leasing e Factoring, Romanian Leasing and Non-Banking Financial Services Association, Associations of Swedish Finance Houses (AFINA), Banking Association of Slovenia, Association of Leasing Companies of the Slovak Republic, Ukrainian Union of Lessors, Finance and Leasing Association (UK).