

FOR IMMEDIATE RELEASE

LEASEUROPE INDEX RESULTS: INDUSTRY IS INCREASING PROFITABILITY

Brussels, 22 June 2011 – Leaseurope, the trade association representing the European leasing and automotive rental industry, has launched the Leaseurope Index, a new survey which tracks key performance indicators of a sample of European lessors.

This first edition of the survey highlights that all indicators showed improvement in 2010 and Q1 2011, reflecting the recovery of the industry following a difficult period during the recession.

These results demonstrate that the leasing industry is increasing profitability significantly. Pre-tax profit for the sample of reporting companies increased to €2.24 billion in 2010, a 75.9% increase compared to 2009. This momentum continued in Q1 2011 with profit increasing by 59.6% compared to Q1 2010 (see table 1). The average profitability ratio has improved from 25.9% in Q1 2010 to 37.7% in Q1 2011 (see table 2).

Operating income is increasing at a faster rate than operating expenses (13.2% increase in income in 2010 compared to a 6.2% increase in expenses). This has resulted in the average cost/income ratio declining to 45.1% in Q1 2011.

The average annualised cost of risk ratio has also improved, declining from 0.86% in Q1 2010 to 0.56% in Q1 2011, driven by significant declines in loan loss provisions.

Massimiliano Moi, CEO of UniCredit Leasing and Vice-Chair of Leaseurope, welcomed the release of this new survey by saying *“this is the first time the European leasing industry has come together to produce indicators which go beyond volume metrics to focus on value creation. This is a milestone in terms of tracking indicators which are useful for decision-makers”*.

“It is very encouraging that profitability is increasing without requiring the substantial deployment of additional capital – this has been achieved through higher revenues, improved cost efficiency and prudent risk management. I also believe this improved profitability demonstrates that our clients are increasingly recognising the value which our products provide”.

He continued *“these results show that the leasing industry is becoming smarter. While there is always potential to improve performance further, the industry is clearly well positioned to deliver attractive and sustainable returns for shareholders”*.

Notes for Editors

For more information about the methodology, please visit the [Leaseurope website](#).

Table 1: Aggregate Data, 2011 Q1 and 2010

Aggregated data provided by companies (all figures in millions of euro for the relevant period)	2011 Q1		2010 Full Year	
	Sum of values (€millions)	% change versus Q1 2010	Sum of values (€millions)	% change versus 2009
1. Operating income	2,107 €	8.5%	8,179 €	13.2%
2. Operating expenses	993 €	6.1%	3,931 €	6.2%
3. Loan loss provision	314 €	-35.2%	1,960 €	-12.0%
4. Pre-Tax Profit	796 €	59.6%	2,239 €	75.9%
5. Portfolio at end of period *	227,710 €	1.2%	229,308 €	1.5%
6. New business volumes	18,574 €	16.2%	76,173 €	6.3%

*denotes that the euro values for portfolio at the end of 2010 and Q1 2011 are not directly comparable, due to a change in the accounting practices of one participating company. This does not affect the growth rates for quarter on quarter or year on year comparisons.

Table 2: Weighted Average Ratios¹

Weighted Average Ratios	Average Q1 2011	Average Q1 2010	Average 2010 full year	Average 2009 full year
Profitability (%) - average of all companies' pre-tax profit as a % of total operating income	37.7%	25.9%	26.9%	17.9%
Cost/Income (%) - average of all companies' operating expenses as a % of operating income	45.1%	45.8%	44.9%	48.4%
Cost of Risk (%) - average of all companies' loan loss provision (annualised) as a percentage of average portfolio over the period	0.56% *	0.86% *	0.86%	n/a

* denotes that the quarterly loan loss provision figure has been annualised for the cost of risk ratio in Q1 2011 and Q1 2010.

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¹ Leaseurope calculates weighted average ratios based on the data provided by participating companies.

The profitability and cost/income ratios are weighted by new business volumes over the relevant period. For example, all companies individual profitability ratio is weighted by their new business over the period Q1 2011 to arrive at the weighted average ratio of 37.7% shown in the table for Q1 2011. The cost of risk ratio is weighted by the average portfolio over the relevant period.

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.