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European Leasing Market Outperforms EU Investment in 2011

Brussels, 2 March 2012 – 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 2011.

The survey indicates that new leasing business in Europe increased by 7.3% in 2011¹, reaching a total value of new business for those countries reporting of €222 billion (compared to €208 billion in 2010). These strong results indicate that European lessors have continued to build upon the momentum towards recovery which began in 2010.

New leasing business for equipment and vehicles showed strong growth in 2011 of 8.4% and 11.7% respectively. Real estate leasing however, experienced a decline of 13.0%, largely due to contractions in Italy and France, the largest real estate leasing markets in Europe.

While there was good performance in the European market overall, the survey shows divergences across regions and asset types. Germany, France and Austria saw a growth recovery in 2011 across all categories except real estate. The Nordic countries and the UK saw a decline in new equipment leasing, although this was counterbalanced by growth in vehicle leasing, resulting in positive overall growth. The CEE countries experienced very high growth rates, particularly in equipment leasing, and especially strong performance was seen in the Russian market. With the exception of Italy, the Mediterranean countries suffered declines in new leasing business across all categories. Italy performed better, particularly in vehicle leasing, but also experienced slight decreases in new equipment and real estate business.

When considering only the EU countries taking part in this preliminary survey², the growth in new equipment (including vehicle) volumes was 6.1%. This is significant considering that total equipment investment growth for these countries was only 5.6% in 2011³. For the year ahead, these equipment investment figures are predicted to rise by only 2.0%. With leasing accounting for a substantial share of total European equipment investment, it has an important role to play in ensuring that this investment continues on an upward trajectory during a difficult economic period.

Leaseurope's Chairman, Jukka Salonen (CEO, Nordea Finance), welcomed the preliminary 2011 results and commented that "It is very encouraging to see that the industry has continued its recovery into 2011 and improved on the growth figures of 2010. During very uncertain and trying times, the industry has shown its robustness and continues to rise to the challenges the current European economic climate presents. There is no doubt that leasing plays a crucial role in financing fixed capital investment for European businesses, especially for SME's, as shown by the latest Leaseurope/Oxford Economics report⁴. Leasing has the potential to fill the gap when these firms are facing capital constraints, and will therefore continue to be an important part of economic recovery in 2012."

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¹ Growth rates are based on a homogenous sample of 26 Member Associations reporting in Leaseurope's 2011 Preliminary Survey and are adjusted for exchange rate fluctuations. Leaseurope will publish final, comprehensive figures for 2011 once its full Annual survey of Member Associations is complete in the Spring.

² This is excluding our members from Norway, Russia and Ukraine.

³ Source: Ameco database, European Commission. Investment is defined as total gross fixed capital formation.

⁴ Details on how to obtain the Leaseurope report prepared by Oxford Economics, on The Use of Leasing Amongst European SME's can be found on our dedicated [SME website](#).

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About Leaseurope

As a Federation, Leaseurope brings together 43 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 2011 Preliminary Survey are:

Verband Österreichischer Leasing-Gesellschaften (AT), Bulgarian Association for Leasing (BG), Cyprus Finance and Leasing Association (CY), Czech Leasing and Finance Association (CZ), Bundesverband Deutscher Leasing (DE), Finans Og Leasing (DK), Estonian Leasing Association (EE), Asociacion Española de Leasing (ES), Association Espanola de Renting de Vehículos (ES), Federation of Finnish Financial Services (FI), Association française des Sociétés Financières (FR), Association of Greek Leasing Companies (GR), Hungarian Leasing Association (HU), Associazione Italiana Leasing (IT), Association of Latvian Commercial Banks (LV), Nederlandse Vereniging van Leasemaatschappijen (NL), Finansieringsselskaperenes Forening (NO), Polish Leasing Association (PO), Associacao Portuguesa de Leasing e Factoring (PT), Romanian Leasing and Non- Banking Financial Services Association (RO), United Leasing Association of Russia (RU), Associations of Swedish Finance Houses (SE), Banking Association of Slovenia (SI), Association of Leasing Companies of the Slovak Republic (SK), Ukrainian Union of Lessors (UA), Finance and Leasing Association (UK).