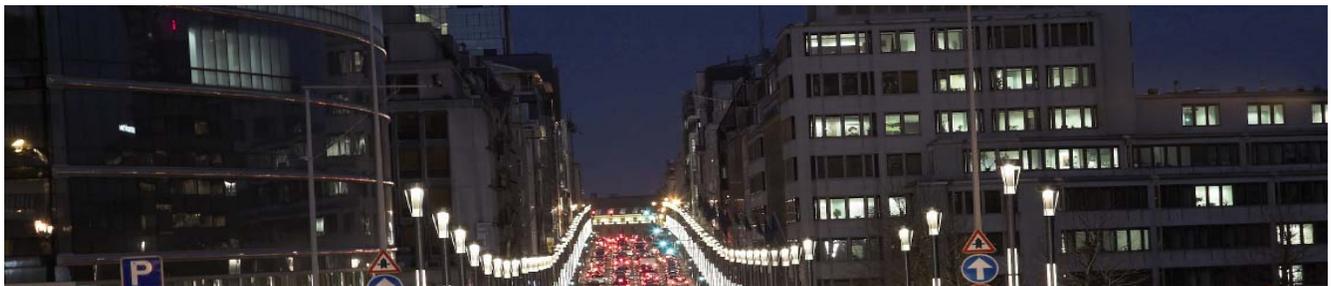




The Voice of Leasing and Automotive Rental in Europe

ATKEARNEY

PREVIEW



EUROPEAN CAR LEASING AND RENTAL REPORT

Future avenues for the European car leasing
and rental market



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European Car Leasing and Rental Report

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An Introduction to the European Car Leasing and Rental Report

Future avenues for the European car leasing and rental market

Objective

Leasing is used to finance an extremely vast range of assets and can be tailored to meet clients' specific needs, implying that almost any kind of good can in principle be leased. Nevertheless, of all the different types of leased assets, **car leases** represent the largest individual category of leased assets in Europe.

Given the importance of this sector, both in terms of its size within the markets represented by Leaseurope and its role of providing customers with the means to finance and use vehicles, Leaseurope has decided to produce a publication **dedicated to European car leasing and rental markets**, in cooperation with A.T. Kearney.

This report is particularly timely as recent events, beginning with the unprecedented level of turmoil on financial markets which eventually lead to the slowdown of the real economy that we are currently experiencing, may have fundamentally changed the environment in which the industry evolves. Now is therefore the right time to reflect on these changes, to think about what the business will be like in the coming years and to plan ahead.

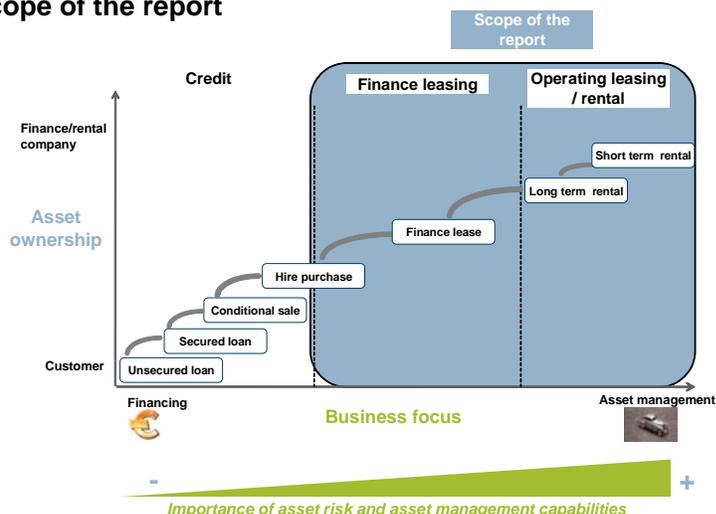
This report therefore aims to contribute to these reflections by:

- Briefly outlining elements of the current economic and financial environment that are relevant to the leasing sector
- Describing the characteristics of the European car leasing and rental market as represented by Leaseurope using data collected from Leaseurope member associations
- Drawing on A.T. Kearney's expertise to examine trends in the automotive industry that may affect the business model of European car leasing and rental firms going forward,
- Leveraging practitioner input to highlight the challenges and opportunities that the car leasing and rental industry may come across in the mid-term.

Scope and Methodology

Given the diversity of terminology used to refer to leasing and rental contracts as well as the wide range of products represented by Leaseurope, the report focuses on leasing and rental in the broadest sense and simply reflects the scope of the Federation's members' businesses, as illustrated below.

The European car leasing and rental market: Scope of the report



A variety of sources and techniques have been used to compile the report.

The first chapter describing the macro-economic environment is based on desk research using data from official European sources such as the Economic and Financial Affairs Directorate General of the European Commission, Eurostat and the European Central Bank. Views from European leasing and rental practitioners, together with a contribution from the European Automobile Manufacturers' Association (ACEA) complement this section.

The second chapter is based on data collected by Leaseurope from its member associations in its 2008 Annual Survey of the European leasing market. This information, together with the contributions from various leasing and rental practitioners has been used to construct estimates for markets where the data reported by members was incomplete.

The third chapter is the result of an analysis of future trends in the European automotive industry that may impact the European car leasing and rental market. This analysis has been conducted by A.T. Kearney's Financial Institutions Group in conjunction with their automotive industry practice.

An industry roundtable of European leasing and car rental professionals was held on 13 July 2009, together with A.T. Kearney, to discuss these trends and to develop the fourth chapter which aims to identify how changes in the automotive sector will affect the European leasing and rental markets in the future, which challenges the industry will be faced with and the opportunities that lie ahead in spite of the difficult economic environment all businesses are currently experiencing.

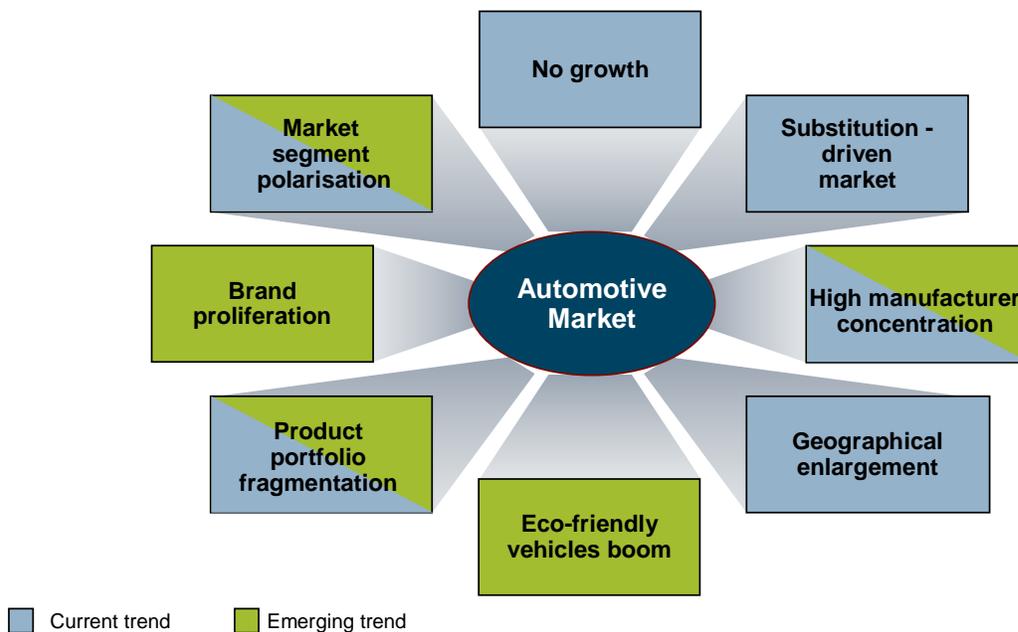
Main trends in the automotive industry impacting the car leasing and rental market

The automotive industry is facing many market challenges, placing it in what is perhaps one of the most severe crises it has ever experienced. The report presents A.T. Kearney's analysis of existing and emerging trends in the automotive industry that could lead to a reshaping and rethinking of the current car leasing and rental business model.

The following main trends that would need to be carefully considered and integrated into the development of any leasing or rental strategy over the next 2 to 5 years are discussed in the report:

1. No growth
2. Substitution-driven market
3. High manufacturer concentration
4. Geographical enlargement
5. Eco-friendly vehicle boom
6. Product portfolio fragmentation
7. Brand proliferation
8. Market segment polarisation

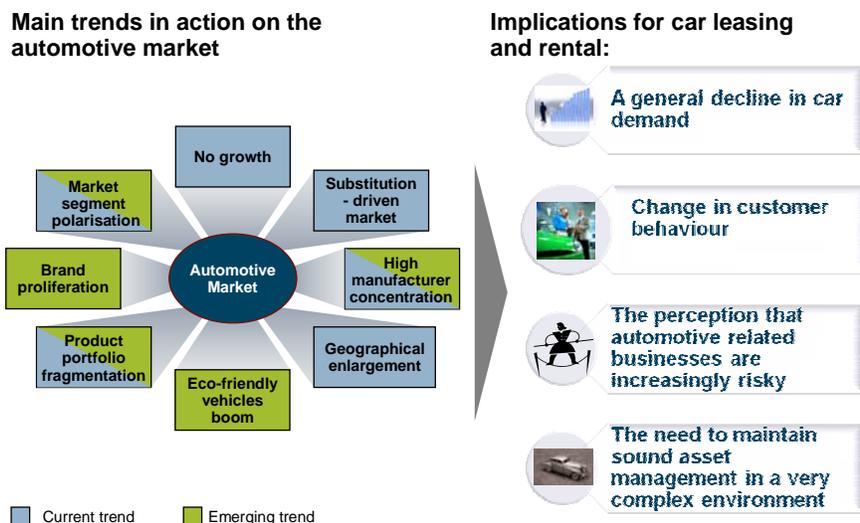
Main trends in action on the automotive market



Implications and opportunities for car leasing and rental market

Having identified the relevant trends in the automotive industry, the report looks at how these changes will impact European car and leasing firms. Leveraging on the expertise of industry practitioners, it provides a synthesis of the main challenges and opportunities the sector may encounter going forward.

The industry faces four main challenges over the coming years



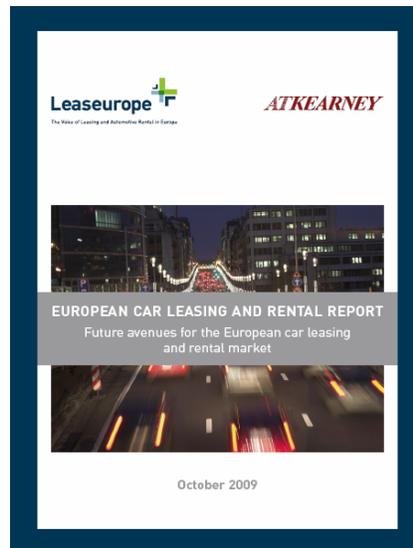
Yet, in spite of this climate, opportunities will be available for the European car leasing and rental firms



The full report details the trends, challenges and opportunities highlighted above, along with an overview of the European economic environment and European car leasing and rental market data. **Visit www.leaseurope.org to find out how to obtain your copy.**

The European Car Leasing and Rental Report

Future avenues for the European car leasing and rental market



The European Car Leasing and Rental Report is available for all Leaseurope Members and European leasing and rental firms.

A copy of the full report can be obtained upon request.

Visit www.leaseurope.org for further information



The Voice of Leasing and Automotive Rental in Europe

Leaseurope brings together 47 member associations representing the leasing, long term and/or short term automotive rental industries in the 34 European countries in which they are present. The scope of products covered by Leaseurope's members ranges from hire purchase and finance leases to operating leases of all asset categories (automotive, equipment and real estate) and includes the short term rental of cars, vans and trucks. It is estimated that Leaseurope represents approximately 96% of the total European leasing market and the firms represented via its member associations granted new leasing volumes of over €330 billion in 2008.

The Federation's mission is to represent the European leasing and automotive rental industry, ensuring the sector's voice is heard by European and international policy makers. Leaseurope also seeks to promote the leasing and automotive rental products and produces European level statistics describing the markets it represents.



A.T. Kearney is a global strategic management consulting firm known for helping clients gain lasting results through a unique combination of strategic insight and collaborative working style. The firm was established in 1926 to provide management advice concerning issues on the CEO's agenda. Today, we serve the largest global clients in all major industries. A.T. Kearney's offices are located in major business centers in 35 countries.

The Financial Institutions Group at A.T. Kearney is specialized in financial services consulting providing a global perspective, balanced with in-depth knowledge of local markets and understanding of competitive situations.