



**FOR IMMEDIATE RELEASE**

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**Global economic crisis:**  
**AUSTRALIAN COMPANIES**  
**SEEKING IMMEDIATE CASH FLOW INJECTION**

With the current global economic crisis now affecting Australia, many large companies will find the **generation of cash a priority** for their business. Leading **fleet management** company **Interleasing predict** that a **'sale and lease back arrangement'** will become a **trend to reduce the financial drain of owning and managing company car fleets.**

A sale and lease back arrangement is exactly as it suggests, as any company looking to get their vehicles off the balance sheet can enter into an agreement where those vehicles are valued and bought by a fleet management supplier, and then leased back.

This trend could be on the increase over the next 12 months, in particular for companies who still own their vehicle fleets. This week in the UK it was reported that economic doubt will see a 50% increase in the number of fleets considering leaseback schemes.

While the local industry argument is in favour of leasing, there are still many companies in Australia who continue to purchase their own fleets. Given the current global economic crisis, Interleasing are suggesting that more fleets could be looking to create capital by selling vehicles to fleet companies and leasing them back.

Michael Mitrovits, Managing Director of Interleasing, said today, "With the current level of global economic uncertainty, it simply makes sense for companies to consider investing their capital elsewhere and pursuing the sale and leaseback option."

Mr Mitrovits continued to state that there are both advantages and concerns in regards to sale and leaseback schemes that any decision-maker must consider.

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<b>Advantages of a sale and leaseback scheme</b>	<ul style="list-style-type: none"> <li>The financial injection gained from selling vehicles is an obvious attraction for cash-strapped businesses looking to free up capital.</li> </ul>
	<ul style="list-style-type: none"> <li>Removing these vehicles from the company books means that they are no longer burdened with depreciating assets.</li> </ul>
	<ul style="list-style-type: none"> <li>By transferring ownership and the responsibility of the fleet to a leasing provider, companies can remove risk, particularly the depreciating residual value risk.</li> </ul>
	<ul style="list-style-type: none"> <li>Provides companies with a structured fleet management arrangement including service, maintenance and disposal controlled by an expert outsourced company.</li> </ul>
	<ul style="list-style-type: none"> <li>Leasing allows for easier future budgeting, and the sooner the assets are included into a fixed program, the easier it is to plan and budget.</li> </ul>
	<ul style="list-style-type: none"> <li>Outsourcing via and sale and leaseback program has an immediate impact on human capital resources, allowing for easier control and management of any size fleet.</li> </ul>

<b>What to look out for in a sale and leaseback scheme</b>	<ul style="list-style-type: none"> <li>Companies must do research to ensure their vehicles are honestly assessed but mindful that often cars are worth far less than they really think.</li> </ul>
	<ul style="list-style-type: none"> <li>Understand what the purpose is of undertaking a sale and leaseback scheme. Is it to free up capital or simply to outsource?</li> </ul>
	<ul style="list-style-type: none"> <li>Don't just go with the first quote. Shop around for the best fit for your business and objectives.</li> </ul>
	<ul style="list-style-type: none"> <li>Gain an understanding of the volatility of the second hand used car market.</li> </ul>
	<ul style="list-style-type: none"> <li>Give careful consideration to service, maintenance, repair, renewal and accident management needs. Chasing the first deal is not always the best way forward.</li> </ul>
	<ul style="list-style-type: none"> <li>Look for transparency with your chosen supplier, make sure that the leasing company walks you through the process and will deliver to your business needs in the long-term.</li> </ul>

“Businesses are now looking to all avenues to regain stability and ensure cash flow is strong to ride out the global economic crisis. Companies should consider the most effective mechanism for operating their fleets, and appropriately assess their need for participation in a vehicle sale and leaseback scheme,” said Mr Mitrovits.

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**About Interleasing**

Interleasing, the Australian fleet management experts, specialise in the financing and management of fleets of cars and other vehicles for Australian companies. Interleasing manage all aspects of fleet vehicles, from buying or leasing cars to running them effectively.

Interleasing is part of the global Masterlease Group, which has over 40 years experience in the leasing market and operates in Europe, Mexico, and Australia (under the Interleasing name).

Interleasing is a Carbon Neutral accredited organisation – they measure, reduce and offset our carbon emissions. Interleasing partners with Carbon Planet to deliver this reduction, and is one of the first fleet management companies to become carbon neutral. Within three years Interleasing is aiming to reduce its emissions by 35 % and they are currently investigating other ways to encourage customers to become green organisations.

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