

A small graphic in the top left corner shows the silhouettes of three people standing and talking.

DEAL SHEET 2011

As a product, Asset Based Lending provides a flexible and alternate financing solution for businesses experiencing change. A robust product, Asset Based Lending has proven its reputation within various economic cycles – boom or bust and is why Asset Based Lending continues to bolster its position despite the tightening effect of the credit crunch today.

Asset Based Lending delivers sophisticated solutions for a variety of scenarios including growth, buyouts, buy-ins, mergers and acquisitions, refinancing, turnarounds, public to private transactions across both a European and global arena.

This Deal Sheet was produced by the Asset Based Lending Committee, part of the ABFA, which aims to increase understanding and raise the profile of the Asset Based Lending industry in the UK and Ireland.

The Asset Based Finance Association (ABFA) is an Association which represents the Asset Based Finance industry (which includes Asset Based Lending) in the UK and Ireland. Currently roughly 42,000 businesses are benefiting from billions of advances from this industry.

To read more about recent ABL deals please visit www.abfa.org.uk/abl/abl.asp

CRÉDIT AGRICOLE COMMERCIAL FINANCE SUPPLIES VITAL FUNDING

The Vital Services Group was founded in Manchester in 1983 and has become one of the largest suppliers of rail associated services and labour to Network Rail and London Underground.

Vital needed to refinance when their bank was wound down by the Irish Government. They appointed PKF LLP to assist them in finding a new lender to both fund their working capital and to help grow the business in certain markets.

Vital's Finance Director, Rob Johnson, explained why Crédit Agricole Commercial Finance quickly emerged as the front runners: "Crédit Agricole's team was very keen to do the deal and showed a good understanding of our business. They were friendly, open and honest and listened to us. They were also clearly interested in a long term partnership, which was a very important consideration."

In spite of complications arising from an inter-creditor agreement, Crédit Agricole Commercial Finance structured and delivered a £20,900,000 Confidential Invoice Discounting deal.

Jason Hiley, a Partner at PKF commented: "Credit Agricole worked hard to understand Vital Services Group's business and tailored a package which dovetails with the Group's business process. The approach taken to progressing the deal allowed

Crédit Agricole to form a strong working relationship with the board, providing a co-operative approach to overcome issues arising in the course of the refinancing.

The structure of the funding line should allow the business to take advantage of strengthening conditions in its core markets and is evidence that, despite difficult economic conditions, there are still good funding partners willing to finance the development and growth of companies with the right business plan."

Mr Johnson concluded: "Crédit Agricole Commercial Finance have rationalised and stabilised the cash flow of the business enabling us to take advantage of the strengthening conditions in our core markets."

"The deal will enable us to grow in 2011 and beyond, with the support of a funder who understands our business and who has a willingness to commit the additional working capital. This will allow us to expand our core businesses and provide enhanced levels of service to our customers."

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