

A small black and white silhouette of three people standing together, located in the top left corner of the page.

## DEAL SHEET 2008

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 over 49,000 businesses are benefiting from over £17 billion in lending from this industry.

To read more about recent ABL deals please visit [www.abfa.org.uk/abl/abl.asp](http://www.abfa.org.uk/abl/abl.asp)

### NUTS AND BOLTS FUNDING FROM LEUMI ABL COMPLETES THE MBO DEAL

Leumi ABL, the specialist asset based lending subsidiary of Bank Leumi (UK) plc, part of the Bank Leumi Group, completed a deal with Burwood Fastener Products Limited in September 2008.

Based in Chobham, Surrey, Burwood Fastener Products supplies fasteners, hardware and consumables to the aerospace, automotive and commercial industries. Originally dating back to the 1930's, the company now works with some of the UK's largest aerospace manufacturers, and has built an excellent reputation throughout the aviation industry based on their commitment to providing quality products at the right price.

A Management Buyout came about when the focus of the business changed and the fasteners business became non-core. Howard Gerstein, as Burwood's Sales Director over recent years, had developed the fasteners side of the business strongly and was keen to have a stake in its continuing success.

Leumi ABL were introduced to Burwood Fastener Products by their corporate finance advisers, Gower House. The Management Buyout Team needed to fund the acquisition partly against the assets of the company so

Leumi ABL were a perfect fit. A funding line was needed to buy 100% of the shareholding and Leumi ABL provided an invoice discounting facility together with stock finance, totalling £1.55m.

Chris Divers, Regional Sales Director at Leumi ABL comments on the deal: "In this case, the key difference over competitors was Leumi ABL's willingness to lend almost as much against stock as on invoice discounting. A near 1:1 ratio is extremely unusual but the shape of the deal, looking at Burwood Fastener Products' historic financial performance and the quality of its stock, made it viable. This is a strong company and we look forward to working closely with the team."

Howard Gerstein, now MD at Burwood Fastener Products adds: "Our relationship with Leumi ABL has been very constructive and helpful right from the beginning with regular contacts. The Leumi ABL team showed a good understanding of our particular business, offering clear and consistent financial guidance and reliable funding. We look forward to a continuing relationship with Leumi ABL as our company grows through the recession."