

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 47,000 businesses are benefiting from over £15 billion in lending from this industry.

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



FLAMING GOOD FINANCE FOR TIGER TIM

Tiger Tim Products Ltd, Europe's largest manufacturer of domestic firelighter and barbecue ignition products, has received a welcome financial boost during these tough economic times with new banking and Asset Based Lending (ABL) facilities totaling £8.8million from KBC Business Capital, the specialist ABL division of Belgian banking group KBC Bank NV.

The funding consists of a complementary mix of revolving accounts receivable funding with plant and machinery, and a cash flow term loan. KBC will also be providing a full range of banking products that include treasury, cash management and day-to-day banking facilities.

Tiger Tim, based in Mold, North Wales, underwent a Buy In Management Buy Out in early 2006 and the business has seen significant growth in revenues since then – up 55% and pre-tax profits growing accordingly. With more than 85% of revenues being generated from overseas sales the business is enjoying the benefit of excellent long-term customer relationships and significant new business gains in Germany and France, and is looking to capitalise on these opportunities with its new funding facilities.

Graham Barber, the Cambridge-based Business Development Director for KBC Business Capital who led the refinancing, said: "We are impressed with the management team, their strategies for growth, product innovation and cost reduction. From the outset an understanding of the seasonal nature of their business, the long working capital cycle associated with export sales and the inherent risks of currency fluctuations was crucial. Clearly this is something we have achieved and we are delighted to be working with such an innovative and successful UK manufacturing business."

Neil Popham, Executive Chairman added: "My team has known the KBC people for a number of years and they have always impressed us with their professionalism and ability to understand our business and its very seasonal dynamics. I have to say that in tough times like these it is very refreshing to see a bank deliver on time, without fuss and meeting expectations. This funding will help Tiger Tim continue to strengthen its business model in the coming years."