

FITCH AFFIRMS LEASEPLAN CORPORATION N.V. AT 'A-'; OUTLOOK REVISED TO NEGATIVE

Fitch Ratings-London-10 August 2012: Fitch Ratings has affirmed LeasePlan Corporation N.V.'s (LeasePlan) Long-term Issuer Default Rating (IDR) at 'A-' and its Viability Rating (VR) at 'a-'. The Outlook on the Long-term IDR has been revised to Negative from Stable. Fitch has also affirmed LeasePlan's Support Rating at '4'. A full list of rating actions is at the end of this rating action commentary.

RATING ACTION RATIONALE

LeasePlan's IDRs are driven by, and equalised with, its VR which reflects LeasePlan's intrinsic standalone financial strength. The affirmation of the VR, IDRs and senior debt ratings reflects LeasePlan's strong and globally diversified vehicle leasing franchise, long track record of resilient performance, currently satisfactory liquidity, solid asset quality, and effective risk management. LeasePlan's VR also takes into account LeasePlan's significant exposure to residual value (RV) risk, reliance on wholesale funding access, and monoline business profile.

The revised Outlook reflects Fitch's concern that the prolonged adverse operating environment in Europe could adversely affect LeasePlan's credit profile. Other potentially negative contributing factors include LeasePlan's reliance on wholesale funding access with refinancing risk in 2014, and potential changes to IFRS which may adversely impact the group's business model.

RATING DRIVERS AND SENSITIVITIES - IDRS, VR AND SENIOR DEBT

LeasePlan's VR, IDRs, and senior debt ratings are driven by the group's resilient earnings, satisfactory liquidity and acceptable asset quality and Fitch Core Capital ratio. This is balanced by a significant wholesale funding reliance and some concentrated funding maturities. The group faces large government guaranteed debt maturities in 2014. Fitch believes this refinancing risk is mitigated by a matched funding profile, satisfactory earnings generation and strong on-balance sheet and contingent liquidity positions. This is reinforced by LeasePlan's access to the ECB as a lender of last resort.

The current ratings are however constrained by the group's exposure to RV risk (end-2011: EUR8.1bn) which remains a key rating driver. RV risk cannot be eliminated as it is predominately dependent on external factors outside of the group's control.

LeasePlan's VR, and consequently IDRs and senior debt ratings are sensitive to a prolonged weakening of the group's (mostly European) operating environment. The ratings are likely to be downgraded should LeasePlan incur sustained and material termination losses as a result of any significant reduction in second-hand car prices and/or increased credit impairment charges due to a fundamental deterioration of the creditworthiness of its corporate client book.

Negative rating action could also occur due to a failure to renew contingent liquidity facilities prior to the refinancing of guaranteed debt maturities in 2014 or if contingent liquidity facilities are reduced. Over the medium-term, the group may also be vulnerable to prospective changes to IFRS which may make operational leasing less attractive to clients and could have a material impact on the group's business model.

The likelihood of an upgrade is limited given LeasePlan's current rating level which is high compared to most leasing company peers. However, support for the current rating level could follow a significantly more diversified funding profile with continued capital market access.

Fitch has affirmed the group's outstanding Dutch government guaranteed senior debt at 'AAA', which was issued in 2009 under the Dutch State's Credit Guarantee Scheme. The rating mirrors the sovereign credit rating of the Netherlands and is sensitive to any rating action on the Dutch State.

RATING DRIVERS AND SENSITIVITIES - SUPPORT RATING

LeasePlan's Support Rating reflects Fitch's opinion that there is a limited probability of support because of significant uncertainties about the ability or propensity of the group's shareholders to do so. The SR is potentially sensitive to any change in assumptions around the propensity or ability of either of the two ultimate shareholders to provide timely support to the group.

The rating actions are as follows:

LeasePlan

Long-term IDR: affirmed at 'A-' Outlook revised to Negative from Stable

Short-term IDR: affirmed at 'F2'

Viability Rating: affirmed at 'a-'

Senior unsecured debt: affirmed at Long-term 'A-' and Short-term 'F2'

Dutch government guaranteed debt: affirmed at Long-term 'AAA'

Support Rating: affirmed at '4'

For all of Fitch's Eurozone Crisis commentary go to
http://www.fitchratings.com/web_content/pages/grs/eurozone

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Additional information is available at www.fitchratings.com.

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

Applicable criteria, 'Global Financial Institutions Rating Criteria', dated 16 August 2011, and 'Finance and Leasing Companies Criteria', dated 12 December 2011 are available at www.fitchratings.com.

Applicable Criteria and Related Research:

Global Financial Institutions Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=649171

Finance and Leasing Companies Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=659834

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