LeasePlan Finance NV

Half Year
Report 2009
(Unaudited)

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Management report

The management takes pleasure in submitting its LeasePlan Finance N.V. (the "Company")'s half year report for the financial period ended 30 June 2009. The balance sheet total amounts to EUR 6.2 billion. Compared to 2008 (EUR 6.7 billion) the balance sheet has decreased by EUR 0.5 billion. There was a decrease in the loans to group companies arising from the transfer of group funding activities from the company to LeasePlan Corporation N.V. The net movement of EUR 0.5 billion is attributed to a reduction in the external funding.

In November 2008 LeasePlan Corporation NV, entered into the Dutch Government Guarantee Scheme, which enabled it to continue to raise funding in the international debt capital markets.

- Arising from the current liquidity crisis, the issuing activity for both EMTN and ECP reduced significantly for 2009.
- There was increased inter-company funding through taking deposits from LeasePlan Corporation NV.

On 19 June 2009 the EMTN program which the Company is co-issuer was re-confirmed at EUR15 billion (2008: EUR15 billion).

The Company has also been active in the foreign exchange swap markets and interest rate derivatives markets, and used these instruments mainly for hedging of interest rate and currency risks. The Company does not pursue trading strategies with the above-mentioned derivatives.

The Company is exposed to various risks such as currency risk and interest rate risk. The Company manages these risks through the use of various derivatives and other contracts with third parties. For details of the Company's financial risk management and derivatives used, refer to note 3 of the annual Financial Statements for the year ended 31 December 2008.

The net result for 2009 amounted to EUR -2.1 million as compared to EUR 1.4 million in the prior year. The increased spread in intercompany lending was counteracted by higher costs of funding, a lower interest rate position result and increased commitment fees paid to external banks for various facilities.

The company intends to continue with its current strategy of co-financing the Leaseplan group in international debt markets once the market circumstances allow this again. In the meantime the company will be borrowing funds on a short-term basis from its shareholder - LeasePlan Corporation N.V. at current market price.

The Board of management cannot predict with reasonable accuracy the expected results of the company for the remainder of the year, due to the number of external factors influencing the result. It is expected that the number of employees of the company will remain constant at 21 in 2009 (2008 – 21). It is anticipated that the level of total Assets of the company will remain stable during the year.

Managing Board's responsibility statement

In conjunction with the EU Transparency Directive as incorporated in article 5.25d of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht) the Managing Board confirms to the best of its knowledge that:

- The financial statements for the period ended 30 June 2009 give a true and fair view of the assets, liabilities, financial position and profit and loss of the company;
- The Half-Year Report 2009 gives a true and fair view of the position as per the balance sheet date, the development during the financial year of the company together with the expected development and, to the extent not detrimental to vital interests of the company, particular attention has been given to investments and events on which the development of turnover and profitability depends.

Dublin, 25 August 2009

Board of management:

T. Termer
Director

Under Power of Attorney from Supervisory Board:

Paul Benson
Group Treasurer

Balance sheet as at 30 June 2009

(after appropriation of result)

EUR (x1,000)

	Notes	30 June 2009	31 Dec 2008
ASSETS			
Fixed Assets			
Tangible Fixed Assets		300	331
Intangible Fixed Assets		445	543
		745	874
Financial fixed assets			
Loans to group companies	3	3,653,200	4,306,954
Loans to Associated Companies	4	4,247	4,683
Loans to Banks	5	4,492	-
Loans to Third Parties	6	30	30
		3,661,969	4,311,667
Current assets			
Loans to group Companies	3	2,029,118	2,181,294
Loans to Associated Companies	4	3,041	1,854
Loans to Banks	5	329,559	-
Interest receivable on inter-company loans	7	106,984	132,393
Taxation		655	600
Deferred Tax		118	-
Accrued interest and deferred income	8	16,899	7,186
Other Assets		550	459
Cash at banks	9	252	36,388
		2,487,176	2,360,174
		6,149,890	6,672,715
LIABILITIES			
Shareholder's equity			
Issued and paid-up capital	10	45	45
Retained Earnings	10	(1,371)	750
		(1,326)	795
Financial liabilities			
Debt securities	14	1,383,234	1,444,668
Loans from Banks		-	235,000
		1,383,234	1,679,668
Current liabilities			
Loans from group companies	11	3,092,778	1,003,101
Loans from Banks	12	229,088	1,058,090
Loans from Third Parties	13	3,500	1,100,000
Debt securities	14	1,329,945	1,793,731
Interest due on loans	15	27,183	32,458
Deferred Tax		-	3
Other liabilities	16	85,412	3,759
Bank Overdraft	9	76	1,110
		4,767,982	4,992,252
		6,149,890	6,672,715

Profit and loss account for the six months period ended 30 June

EUR (x1,000)

	Notes	2009	2008
Income			
Interest receivable and similar income	18	185,061	180,437
Interest payable and similar charges	19	183,029	160,845
		2,032	19,592
Expenses			
General Expenses	20	4,456	15,143
Result before tax		(2,424)	4,449
Tax on result		(303)	556
Net result		(2,121)	3,893

Notes

1. GENERAL

The Company, which is a wholly owned subsidiary of LeasePlan Corporation N.V., was incorporated on 30 November 1994. The objective of the Company is to act as a finance company, by borrowing and lending money from and to third parties and related companies and treasury activities. The Company is only operating through its Dublin branch (Ireland).

2. BASIS OF PREPARATION

Statement of Compliance

The financial statements were prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The financial statements are denominated in Euro.

These interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with Dutch Accounting Standards.

Basis of measurement

The financial statements are prepared on a historical cost basis, unless otherwise stated.

Functional and presentation currency

The financial statements are presented in ‘euro’, which is the company’s functional and presentation currency. Financial information presented in euro has been rounded to the nearest thousand, unless otherwise indicated.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The main estimates and underlying assumptions relate to the assessment of the income tax position.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period of the revision or, in any future periods affected, if the revision affects both current and future periods.

3. LOANS TO GROUP COMPANIES

Maturity	30 June 2009	31 Dec. 2008
EUR (x1,000)		
0 – 1 month	458,983	378,744
1 – 3 months	349,191	331,629
3 – 12 months	1,220,945	1,470,921
1 yr – 5 yrs	3,348,485	3,743,723
> 5 yrs	304,714	563,231
Total	5,682,318	6,488,248

4. LOANS TO ASSOCIATED COMPANIES

Maturity	30 June 2009	31 Dec. 2008
EUR (x1,000)		
0 – 1 month	434	390
1 – 3 months	483	293
3 – 12 months	2,124	1,171
1 yr – 5 yr	4,247	4,683
Total	7,288	6,537

5. LOANS TO BANKS

Maturity	30 June 2009	31 Dec. 2008
EUR (x1,000)		
0 – 1 month	132,559	-
1 – 3 months	197,000	-
3 – 12 months	-	-
1 yr – 5 yr	4,492	-
Total	334,051	-

6. LOANS TO THIRD PARTIES

Maturity	30 June 2009	31 Dec. 2008
EUR (x1,000)		
0 – 1 month	-	-
1 – 3 months	-	-
3 – 12 months	-	-
1 yr – 5 yr	30	30
Total	30	30

7. INTEREST RECEIVABLE ON LOANS

The interest receivable on loans represents the interest accrued on loans to group companies.

8. ACCRUED INTEREST AND DEFERRED INCOME

The accruals are specified as follows:

	30 June 2009	31 Dec. 2008
EUR (x1,000)		
Upfront Fees on Credit Facilities	-	2,736
Interest on Inter-company IRS	16,579	4,318
Interest from Banks	-	2
Interest from Associated Companies	186	129
Interest on loans to other parties	134	1
	16,899	7,186

9. CASH AT BANKS

Cash at banks consists of current/short-term deposit accounts, specified as follows:

	30 June 2009	31 Dec. 2008
EUR (x1,000)		
Current accounts	252	288
Short term Deposits	-	36,100
	252	36,388
ABN AMRO Bank Overdraft	76	1,110

10. SHAREHOLDER'S EQUITY

The movements during the year can be specified as follows:

	Issued and paid-up capital	Retained Earnings	Total
EUR (x1,000)			
Balance as at 1 January 2008	45	24,319	24,364
Net result 2008	-	1,431	1,431
2008 Dividend paid	-	(25,000)	(25,000)
Balance as at 31 December 2008	45	750	795
Net result 2009	-	(2,121)	(2,121)
Balance as at 30 June 2009	45	(1,371)	(1,326)

Issued and paid-up capital

The authorised share capital consists of:

	EUR (x1,000)
500 shares of Euro 454 nominal value each	227
Of which not issued	182

Issued and paid up	45

11. LOANS FROM GROUP COMPANIES

Maturity	30 June 2009	31 Dec. 2008
EUR (x1,000)		
0 – 1 month	2,787,883	1,002,601
1 – 3 months	304,695	500
3 – 12 months	200	-
1 yr – 5 yr	-	-
Total	3,092,778	1,003,101

12. LOANS FROM BANKS

Maturity	30 June 2009	31 Dec. 2008
EUR (x1,000)		
0 – 1 month	-	170,000
1 – 3 months	229,008	170,680
3 – 12 months	-	717,410
1 yr – 5 yr	-	235,000
Total	229,008	1,293,090

13. LOANS FROM THIRD PARTIES

Maturity	30 June 2009	31 Dec. 2008
EUR (x1,000)		
0 – 1 month	-	78,000
1 – 3 months	3,500	41,286
3 – 12 months	-	-
1 yr – 5 yr	-	-
Total	3,500	119,286

14. DEBT SECURITIES

Instrument type	30 June 2009	31 Dec. 2008
EUR (x1,000)		
Bonds & Notes	2,664,472	3,030,453
Commercial Paper	50,300	212,300
	2,714,772	3,242,753
Discount from issue notes	(1,593)	(4,354)
Total	2,713,179	3,238,399

The average interest rates applicable to the outstanding balances can be summarised as follows:

	30 June 2009	31 Dec. 2008
Bonds & Notes	2.46%	4.02%
Commercial Paper	4.90%	5.32%

Maturity	30 June 2009	31 Dec. 2008
EUR (x1,000)		
0 – 1 month	358,398	171,414
1 – 3 months	116,500	320,376
3 – 12 months	855,560	1,304,876
1 yr – 5 yr	1,309,314	1,353,192
> 5 yrs	75,000	92,895
Total	2,714,772	3,242,753

15. INTEREST DUE ON LOANS

This amount represents the accrued interest payable on loans, due in the next financial year.

16. OTHER LIABILITIES

The other liabilities are specified as follows:

	30 June 2009	31 Dec. 2008
EUR (x1,000)		
Accrued interest on Derivatives #	84,395	1,489
Sundry creditors	1,017	2,266
Other liabilities	-	4
	85,412	3,759

includes the FX position on currency swaps

17. DERIVATIVES

Derivatives are financial instruments, the principal amounts of which are not included in the balance sheet, either because the rights and obligations arise out of one and the same contract, the performance of which is due after the balance sheet date, or because the principals are used solely as variables for calculation purposes. Derivative transactions are undertaken to hedge interest rate and foreign currency exposures relating to loans to group companies.

The use of derivatives is therefore reducing any interest rate and/or currency risk that the Company incurs, because of its lending and borrowing. The total amount of derivatives concluded is causing any remaining interest rate and currency risk to be small.

The contracted amounts of the various derivatives are listed below. The headings for the interest rate contracts are based on the relevant maturity date of the interest rate exposure.

Notional amounts					
EUR (x1,000)	total	< 1 year	1-5 year	> 5 year	Positive Replacement Costs
30 June 2009					
Interest rate contracts	9,357,368	5,052,138	4,278,230	27,000	29,357
Currency contracts	1,820,905	1,712,648	108,257	-	33,099
Total	11,178,273	6,764,786	4,386,487	27,000	62,456
31 Dec. 2008					
Interest rate contracts	9,535,262	4,419,207	5,081,160	34,895	20,859
Currency contracts	1,564,873	1,414,029	150,844	-	131,159
Total	11,100,135	5,833,236	5,232,004	34,895	152,018

The above amounts give an indication of the extent of the contracts, but do not indicate the extent of the risks. The risks inherent in derivatives are determined on the basis of the credit risk, expressed in terms of the credit equivalent. This also includes the market risk, which is expressed as the positive exposure on a marked-to-market basis. The credit equivalent amounts to approximately 1.6% (2007: 3.0%) of the total balance sheet.

The credit equivalent can be broken down as follows:

30 June 2009	Non-weighted	Weighted
EUR (x1,000)		
Interest Rate Contracts	51,306	10,261
Currency contracts	46,563	9,313
Total	97,869	19,574

Comparative figures are as follows:

31 December 2008	Non-weighted	Weighted
EUR (x1,000)		
Interest Rate Contracts	47,069	9,414
Currency contracts	152,841	30,568
Total	199,910	39,982

The fair value of the derivative financial instruments is as follows:

	30 June 2009			31 December 2008		
	Contract/ Notional Amount	Fair Values – Dirty Price Assets	Liabilities	Contract/ Notional Amount	Fair Values – Dirty Price Assets	Liabilities
EUR (x1,000)						
Interest Rate Contracts	9,357,368	29,357	294,488	9,535,262	20,859	264,875
Currency contracts	1,820,905	33,099	33,380	1,564,873	131,184	48,188
Total	11,178,273	62,456	327,868	11,100,135	152,043	313,063

The fair value is based on the dirty price (including accrued interest).

18. INTEREST RECEIVABLE AND SIMILAR INCOME

	30 June 2009	30 June 2008
EUR (x1,000)		
Interest receivable from Group Companies	180,111	162,272
Interest receivable from Associated Companies	213	74
Interest receivable from Banks	1,019	2,495
Interest receivable from other parties	1	81
Interest on Derivatives	3	15,505
Exchange Differences	3,645	10
Other income	69	-
	185,061	180,437

19. INTEREST PAYABLE AND SIMILAR CHARGES

	30 June 2009	30 June 2008
EUR (x1,000)		
Interest payable to Group Companies	31,777	33,055
Interest payable to Third parties	0	2,924
Interest payable to Banks	36,187	10,953
Bond Interest	44,262	105,091
Interest on Derivatives	70,449	8,383
Other charges	354	439
	183,029	160,845

20. GENERAL EXPENSES

These expenses consist of:

EUR (x1,000)		30 June 2009		30 June 2008
Staff costs		829		1,241
of which salaries	*530*		*856*	
of which social security charges	*72*		*73*	
Professional fees/services		171		461
IT		185		355
Capital Discount		847		1,473
Commercial Paper Discount		2,050		11,188
Marketing expenses		3		25
Travel expenses		67		102
Non-recoverable VAT		161		237
Other office expenses		14		15
Depreciation		129		46
		4,456		15,143

21. COMMITMENTS AND CONTINGENCIES

On December 18, 2006, LeasePlan Finance NV and LeasePlan Corporation NV entered into a joint credit facility for EUR 2 billion with a consortium of banks.

On September 29, 2008, LeasePlan Finance NV and LeasePlan Corporation NV entered into a joint credit facility for EUR 1.5 billion with one of the shareholders.

22. INTEREST RELATED PARTY TRANSACTIONS

As stated in the management report on page 3, the principal activity of the company is the financing of part of the Leaseplan Group through the international debt markets. During the period the company would have provided financing to other companies within the group.

All business relations with related parties are handled under normal market terms.

The company has not granted any loans, guarantees or advances to the members of the Managing Board.