



**LeasePlan Finance N.V.**

**Financial report  
for the year 2010**

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## Management report

The Managing Board takes pleasure in submitting its LeasePlan Finance N.V. (the "Company")'s annual report for the financial year ended 31 December 2010. The Company is a direct subsidiary of LeasePlan Corporation N.V. The Company was originally set up to provide financial services on behalf of the LeasePlan Group. As such it was engaged in treasury activities in its own right and also on behalf of the parent company, namely LeasePlan Corporation N.V. The Company has gradually changed the nature of its activities in course of 2010 from those of a financial service, to more of an administrative role on behalf of the parent company. Going forward the Company will no longer be issuing bonds under EMTN programme and its engagement in creating new loans to companies within the group will be substantially reduced. The primary future role of the Company is to provide a comprehensive set of treasury supporting services to LeasePlan Corporation N.V. and to execute the treasury strategy set out by the Managing Board of LeasePlan Corporation N.V.

The balance sheet total amounts to EUR 5.3 billion. Compared to 2009 (EUR 5.7 billion) the balance sheet has decreased by EUR 0.4 billion. The asset reduction is due to lower demand for funds from the group companies caused either by the general asset reduction or by the utilization of local bank funding.

The liability structure has changed as well. The outstanding balance of issued debt securities dropped from EUR 1.6 billion to 1.5 billion. In early 2010, the Company issued a 3 year fixed rate bond of EUR 500 million, and continued to issue private placement bonds through-out the year. For the start of 2011, as inter-company funding shifts to the parent company, issuance under the EMTN programme will be focused solely through LeasePlan Corporation N.V. The amount of bank borrowings and loans from third parties also reduced and any funding shortage has been covered by loans from the parent company.

In June 2010 the EMTN program, under which the Company is co-issuer, was re-confirmed at EUR 15 billion (2009: EUR15 billion).

The Company is exposed to various risks such as currency risk and interest rate risk. The Company manages these risks through the use of OTC derivatives, mainly currency swaps, cross-currency interest rate swaps and interest rate swaps. For details of the Company's financial risk management and derivatives used, refer to note 4 of the Financial Statements.

The profit for the year amounted to EUR 3.2 million as compared to a loss of EUR 10.9 million in the prior year. The Company benefited from the short-term nature of advances provided by the parent company. The legacy 'low margin' loans to group companies have been gradually replaced by the new 'higher margin' loans. As anticipated this has succeeded in bringing the Company back to a profit making position in 2010. Recent activities in the funding profile of the group have resulted in a shift in funding for some group companies from the Company to direct funding from LeasePlan Corporation N.V. It is anticipated that whilst the Company will remain in a profitable situation, its funding activities will start to contract as the current loan funding profile runs off and is replaced with direct funding from the parent. The Company's main activity going forward will be to provide supporting treasury services to the parent company and execute various treasury transactions on behalf of the parent company.

The Board of management cannot predict with reasonable accuracy the expected results of the Company for the forthcoming year, due to the number of external factors influencing the result. It is expected that the number of employees of the company will not grow in 2011 (2010 - 18). It is anticipated that the level of total assets of the Company will further decrease in 2011 due to a shift of group funding to the parent company.

### **Managing Board responsibility on financial reporting**

The Managing Board is responsible for maintaining proper accounting records, for safeguarding assets and for taking reasonable steps to prevent and detect fraud and other irregularities. It is responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgements and estimates that are prudent and responsible. It is also responsible for establishing and maintaining internal procedures which ensure that all major financial information is known to the Managing Board, so that timeliness, completeness and correctness of external financial reporting are assured.

### **Conformity Statement pursuant to section 5:25c paragraph 2(c) of the Dutch Act on Financial Supervision (Wet op het financieel toezicht)**

As required by section 5:25c paragraph 2(c) of the Dutch Act on Financial Supervision, each member of the Managing Board hereby confirms that to the best of their knowledge:

- The Company's 2010 annual financial statements give a true and fair view of the assets, liabilities, financial position and income statement of the Company.
- The 2010 annual report gives a true and fair view of the position at the balance sheet date, the development and performance of the business during the financial year 2010 of the Company, together with a description of the principal risks that the Company is being confronted with.


### **Corporate Governance Statement**

Pursuant to the Dutch Decree of 20 March 2009, updated on 1 January 2010, implementing further accounting standards for annual reports (Besluit Corporate Governance) and based on the listing of LeasePlan debt securities issued on regulated markets in the EU, the following information is provided. The most important features of the control systems set-up for securing reliable financial statements are:

- As a subsidiary in the LeasePlan Corporation Group, the Company has a uniform set of accounting and reporting principles for its business based on its application of Dutch GAAP;
- A monthly cycle of reporting is maintained and throughout the year financial results and movements therein are analysed, explained and linked to the risk management information;
- Compliance with these uniform accounting and reporting principles is reviewed by the Group function 'Control, Reporting and Tax', and both internal and external auditors;
- As a reporting entity within the LeasePlan Group, the management of LeasePlan Finance N.V. submit a letter of representation emphasising the compliance with the uniform set of accounting and reporting principles.

Almere, 29 April 2011

Board of management:



T. Termer

Back Office Director Treasury



Yolanda Paulissen  
SCVP Strategic Finance



## Balance sheet as at 31 December 2010

(after appropriation of result)

EUR (x1,000)	Notes	2010	2009
<i>Non-Current Assets</i>			
Tangible Fixed Assets	5	223	276
Intangible Fixed Assets	5	165	349
Loans to Group Companies	6	2,844,880	3,097,994
Loans to Associated Companies	7	6,263	5,960
Loans to Financial Institutions	8	4,492	4,492
Loans to Third Parties	9	30	30
Deferred Tax Asset	12	10	1,327
		<u>2,856,063</u>	<u>3,110,428</u>
<i>Current assets</i>			
Loans to Group Companies	6	2,210,917	2,219,474
Loans to Associated Companies	7	4,124	2,554
Loans to Financial Institutions	8	92,700	162,900
Interest receivable on inter-company loans	10	81,855	93,821
Taxation	11	-	359
Accrued interest and deferred income	13	16,674	17,945
Other Assets	14	441	1,163
Cash at banks	15	235	127,758
		<u>2,406,946</u>	<u>2,625,974</u>
		<u>5,263,009</u>	<u>5,736,402</u>
<i>Equity</i>			
Issued and paid-up capital	16	45	45
Accumulated Deficit	16	(6,950)	(10,128)
		(6,905)	(10,083)
<i>Non-Current liabilities</i>			
Debt securities	19	1,129,563	565,215
Deferred Tax Liability	12	-	19
		<u>1,129,563</u>	<u>565,234</u>
<i>Current liabilities</i>			
Loans from Group Companies	17	3,634,539	3,818,200
Loans from Banks	18	7,600	253,787
Debt Securities	19	408,501	990,365
Interest due on loans	20	20,700	9,365
Other liabilities	21	67,942	109,430
Taxation	11	1,047	-
Bank Overdraft	15	22	104
		<u>4,140,351</u>	<u>5,181,251</u>
		<u>5,263,009</u>	<u>5,736,402</u>

## Income statement for the year 2010

EUR (x1,000)	Notes	2010	2009
<i>Income</i>			
Interest income and similar income	23	301,808	358,846
Interest expense and similar charges	24	<u>(292,102)</u>	<u>(364,412)</u>
		9,706	(5,566)
<i>Expenses</i>			
General Expenses	25	<u>(5,498)</u>	<u>(6,842)</u>
Profit before tax		4,208	(12,408)
Income tax expense	11	<u>(1,030)</u>	<u>1,530</u>
Profit for year		<u><u>3,178</u></u>	<u><u>(10,878)</u></u>

## Notes to the Financial Statements

### 1. GENERAL INFORMATION

#### 1.1. *Operations*

The Company, which is a wholly owned subsidiary of LeasePlan Corporation N.V., was incorporated on 30 November 1994. The Company is domiciled in the Netherlands, having its statutory seat in Almere. 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).

#### 1.2. *Basis for Preparation*

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.

The financial report has been prepared taking into account the Art 403 exemptions of book 2 of the Dutch Civil code. Amongst other things, Art 403 means that LeasePlan Corporation N.V. is jointly and severally liable for all debts resulting from legal acts performed by the Company.

#### 1.3. *Going Concern*

The Company had an equity deficit of €6.9 million at 31 December 2010. The deficit is fully funded by intercompany loans.

The Company's ability to continue as a going concern is contingent on the willingness on the part of the parent company, LeasePlan Corporation N.V. to continue the said loans. LeasePlan Corporation N.V. has confirmed its intention to continue the loans.

In view of this, the accounting policies used in these financial statements are based on the expectation that the Company will be able to continue as a going concern.

#### 1.4. *Group Structure*

The Company is a member of the LeasePlan Group. The ultimate parent company of this group is LeasePlan Corporation N.V. in Amsterdam (the Netherlands). The financial statements of the Company are included in the consolidated financial statements of LeasePlan Corporation N.V. in Amsterdam (the Netherlands). Copies of the annual report of LeasePlan Corporation N.V. can be downloaded or viewed online at [www.leaseplan.com](http://www.leaseplan.com). Printed copies of the annual report are available on request.

#### 1.5. *Accounting Policies*

The accounting policies have not changed in 2010.

#### 1.6. *Related Party transactions*

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the Company are considered a related party. In addition, statutory directors and close relatives are regarded as related parties.

Significant transactions with related parties are disclosed in the notes. The nature, extent and other information is disclosed if this is required for to provide the true and fair view.

#### 1.7. *Cashflow Statement*

The Company is exempted from preparing a cash flow statement since it is included in its parent company's (LeasePlan Corporation N.V.) consolidated financial statements.



### 1.8. *Estimates*

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

## 2. ACCOUNTING POLICIES FOR THE BALANCE SHEET

### 2.1. *General*

In general, assets and liabilities (except for group equity) are stated at the amounts at which they were acquired or incurred, or fair value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred.

### 2.2. *Foreign Currencies*

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the income statement.

Interest payable and receivable on interest rate swaps are disclosed in the balance sheet at the year-end spot exchange rate. The commitment for the principal amount and the fair values of the swaps are disclosed by way of notes to the financial statements. Interest income and expenses on interest rate swaps and the related interest payable and receivable are stated at the net contracted amounts and are attributed to the financial year to which they relate.

### 2.3. *Taxation*

The provision for corporation tax is calculated based upon applicable Dutch and Irish Tax Law.

The rate of taxation in the Netherlands is currently 25.5% and 12.5% in Ireland.

### 2.4. *Intangible Assets*

Intangible assets are stated at historical cost less amortisation. Allowance is made for any impairment losses expected at the balance sheet date; a loss qualifies as an impairment loss if the carrying amount of the asset (or of the cash-generating unit to which it belongs) exceeds its recoverable amount.

#### *Computer Software*

Software licences acquired are capitalised at acquisition cost and amortised over their estimated future useful lives. Expenditures that are attributable to the production of identifiable and unique software products controlled by the Company are capitalised. When internally produced, such assets are capitalised if future economic benefits are probable and the expenditure can be reliably measured. Costs associated with maintaining computer software and research expenditure are recognised in the income statement.

### 2.5. *Non-current Assets*

Furniture & fittings and IT equipment are stated at historical cost plus expenditure that is directly attributable to the acquisition of the items, less straight-line depreciation over their estimated useful lives. Allowance is made for any impairment losses expected on the balance sheet date. For details on how to determine whether property, plant or equipment is impaired, please refer to note below.



Other non-current assets are valued at historical cost including directly attributable expenditure, less straight-line depreciation over their estimated useful lives, or value in use, if lower.

**2.6. *Cash and cash equivalents***

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than one month. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

**2.7. *Provisions***

Provisions are recognised for legally enforceable or constructive obligations existing on the balance sheet date, the settlement of which is probable to require an outflow of resources whose extent can be reliably estimated.

Provisions are measured on the basis of the best estimate of the amounts required to settle the obligations as at the balance sheet date. Provisions are stated at the present value of the expenditure expected to be required to settle the obligations.

If the expenditure to settle obligations is expected to be recovered from third parties, the recovery is carried as an asset on the balance sheet if it is likely to be received upon settlement of the obligation.

**2.8. *Deferred tax assets and liabilities***

Deferred tax assets and liabilities are recognised to provide for timing differences between the value of the assets and liabilities for financial reporting purposes on the one hand and for tax purposes on the other. Deferred tax liabilities are calculated based on the tax rate prevailing on the balance sheet date or the rates that will apply in the future, insofar as these have been set down by law.

Deferred taxes are recognised for timing differences concerning group companies, participating interests and joint ventures, unless the Company is able to determine the moment of expiry of the timing difference and it is not likely that the timing difference will expire in the foreseeable future. Deferred taxes are recognised at face value.

**2.9. *Financial instruments***

All on-balance financial instruments are carried at amortised cost, which usually equals face value, unless stated otherwise.

**2.10. *Loans to Financial Institutions***

Loans to Financial Institutions includes both deposits to banks and also any credit support annex which shows a current surplus that will be held to its maturity date. These loans are initially measured at fair value and subsequently carried at amortised cost.

**2.11. *Loans to group companies and associates***

Loans to group companies are stated at the fair value of the amount owed, which normally consists of its face value, net of any provisions considered necessary.

**2.12. *Impairment of Non-Current Assets***

On each balance sheet date, the Company tests whether there are any indications of assets being subject to impairment. If any such indications are present, the recoverable amount of the asset is determined. If this proves to be impossible, the recoverable amount of the cash-generating unit to which the asset belongs is identified. An asset is subject to impairment if its carrying amount is higher than its recoverable value; the recoverable value is the higher of the net realisable value and the value in use.

Net realisable value is determined based on the active market. For the determination of the value in use, cash flows are discounted. An impairment is directly recognised as an expense in the income statement, unless the asset is carried at fair value, in which case the impairment loss qualifies as a revaluation decrease.

If it is established that a previously recognised impairment no longer applies or has declined, the increased carrying amount of the assets in question is not set higher than the carrying amount that would have been determined had no asset impairment been recognised.

**2.13. *Interest bearing loans and borrowings***

Interest bearing loans and borrowings are the Company's sources of debt funding and relate to liabilities to financial institutions, funds entrusted and debt securities issued. Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, being the amount received taking account of any premium or discount, less transaction costs.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

**2.14. *Fair Value***

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If no fair value can be readily and reliably established, fair value is approximated by deriving it from the fair value of components or of a comparable financial instrument, or by approximating fair value using valuation models and valuation techniques. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models, making allowance for entity-specific inputs.

**2.15. *Cost price hedge***

In applying cost price hedge accounting, the initial recognition of, and the accounting policies for, the hedging instrument are dependent on the hedged item, which has the following implications:

- If the hedge item is recognised at cost in the balance sheet, the derivative instrument is also stated at cost;
- As long as the hedged item is not yet recognised in the balance sheet, the hedging instrument is not re-measured. This applies, for instance, to hedging currency risks on future transactions;
- If the hedged item qualifies as a monetary item denominated in a foreign currency, the derivative instrument, where it has currency elements, is also stated at the spot rate at the balance sheet date. If the derivative instrument has currency elements, the difference between the spot rate on the date the derivative instrument is contracted and the forward rate at which it will be settled is spread over the maturity of the derivative instrument.

The ineffective portion of the hedge is recognised directly in profit or loss.

The Company applies cost price hedge accounting to hedging fixed-interest risk on inter-company loans. The gain or loss relating to the ineffective portion is recognised in the income statement within finance costs.

**2.16. *Derivatives not quoted in an active market not designated as hedging instrument***

These derivative financial instruments are stated at cost after initial recognition at fair value. Changes in the value of these derivative instruments are recognised in the income statement upon transfer of the instrument to another party or if the instrument is impaired.



### 3. ACCOUNTING POLICIES FOR THE INCOME STATEMENT

#### 3.1. *Gains and losses*

Gains or losses on transactions are recognised in the year in which they are realised; losses are taken as soon as they are foreseeable.

#### 3.2. *Exchange differences*

Exchange differences arising upon the settlement of monetary items are recognised in the income statement in the period that they arise.

#### 3.3. *General expenses*

General expenses comprise costs chargeable to the year that are not directly attributable to the interest margin for the year.

#### 3.4. *Amortisation and depreciation*

Intangible assets are amortised and property, plant and equipment depreciated over their estimated useful lives as from the inception of their use. Future depreciation and amortisation is adjusted if there is a change in estimated useful life.

#### 3.5. *Employee benefits*

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees.

#### 3.6. *Pension contributions*

The Company operates a defined contribution pension plan on behalf of its employees.

The Company pays contributions into the pension plan on a compulsory and contractual basis. Except for paying these contributions, the Company has no other obligations to pay further contributions by virtue of the pension plan. Contributions are recognised as expenses when incurred. Prepaid contributions are recognised as prepayments and accrued income to the extent that this will lead to a reduction in future payments or a cash refund.

#### 3.7. *Interest paid and received*

Interest paid and received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received.

#### 3.8. *Tax expense*

Income tax is calculated on the profit/loss before tax in the income statement, taking into account any losses carried forward from previous financial years (where not included in deferred income tax assets) and tax-exempt items, and plus non-deductible expenses. Account is also taken of changes in deferred income tax assets and liabilities owing to changes in the applicable tax rates.

### 4. FINANCIAL RISK MANAGEMENT POLICY

#### *Liquidity risk*

As a result of the asset reduction in 2010 and the internal shift of inter-company loan production back to the parent company in 2011 it is expected that the liquidity needs of the Company will be considerably less going forward. This diminution in both liquidity risk and cashflow needs will allow a structured decrease of the short-term advances provided on a roll-over basis by the parent company in the previous year. Future funding in debt capital markets through Euro Medium Term Notes ("EMTN") and similar programs in the money markets such as Euro Commercial Paper ("ECP") will be increasingly focused through the parent company to accommodate this shift. However, where necessary, the Company will still have access to funds through the parent or directly in the market through inter-bank lending.

#### *Interest rate risk*

The Company uses derivatives for hedging purposes to manage the interest rate positions. The positions are naturally created by lending predominantly for 2-3 years at fixed rates and borrowing short-term or at floating rates. The Company does not use derivatives for speculative trading purposes.

#### *Currency risk*

The Company funds its assets with liabilities in the same currency or else uses FX derivatives to avoid currency risk. There are currency mismatch limits set for the realized profit margins earned in foreign currencies, which are sold regularly to stay within limits. Overall the currency positions are negligible and cannot lead to material FX gains and losses.

#### *Credit risk*

The Company is exposed to credit risk on deposits and derivative counterparties. The counterparties that are approved counterparties for LeasePlan Group are all regulated highly rated banks, with most of whom International Swaps and Derivatives Association agreements (ISDAs) are in place and a number of Credit Support Annexes (CSAs) in place. There are limits for exposures to counterparties. The Treasury Risk Manager checks compliance with risk limits daily (deposit/call usage) and monthly (derivative usage).

Additionally, to avoid the settlement risk on Foreign Exchange (FX) Swaps, maximum transaction size limits and daily settlement limits are in place and monitored on a daily basis by the Treasury Risk Manager.

Any investments to external parties are subject to approval by the Managing Board of the parent company, LeasePlan Corporation N.V.

Lending to LeasePlan subsidiaries is subject to individual counterparty exposure limits.

#### *Operational risk*

Operational risk management is concerned primarily with identifying weaknesses in internal procedures and external causes of wilful or accidental damage to the Company. Procedures are adapted to prevent loss-making situations or limit their potential impact. The Company actively manages operational risks using a database that collects information on operational losses incurred by the Company and also conducts regular Risk Self Assessment workshops.

#### *Compliance risk*

The Company is committed to complying with corporate and local policies, local laws and regulations. The Company adheres to its local Compliance Charter which is derived from the LeasePlan Corporation Global Compliance Charter which ensures the guiding principals are embedded within the organisation. The Company employs a dedicated Compliance Officer and for compliance matters reports to the local managing director ensuring no conflict of interests. On an annual and biannual basis a full compliance review is performed for adherence to corporate and local policies, local laws and regulations.



5. FIXED ASSETS

<b>Tangible Assets</b>	<b>IT Equipment</b>	<b>Furniture &amp; Fittings</b>	<b>Total</b>
EUR (x1,000)			
<b>At 1 January 2010</b>			
Cost	56	413	469
Accumulated depreciation	<u>(46)</u>	<u>(147)</u>	<u>(193)</u>
Carrying amount	<u>10</u>	<u>266</u>	<u>276</u>
<b>Movements</b>			
Depreciated	<u>(6)</u>	<u>(47)</u>	<u>(53)</u>
Balance	<u>(6)</u>	<u>(47)</u>	<u>(53)</u>
<b>At 31 December 2010</b>			
Cost	56	413	469
Accumulated depreciation	<u>(52)</u>	<u>(194)</u>	<u>(246)</u>
Carrying amount	<u>4</u>	<u>219</u>	<u>223</u>

Depreciation is calculated to write off the cost, less estimated residual value of each asset, on a straight line basis over its expected useful life, at the following annual rates:

IT Equipment	33%
Furniture & Fittings	10%

<b>Intangible assets</b>	<b>Computer Software</b>	<b>Total</b>
EUR (x1,000)		
<b>At 1 January 2010</b>		
Cost	582	582
Accumulated amortisation	<u>(233)</u>	<u>(233)</u>
Carrying amount	<u>349</u>	<u>349</u>
<b>Movements</b>		
Amortised	<u>(184)</u>	<u>(184)</u>
Balance	<u>(184)</u>	<u>(184)</u>
<b>At 31 December 2010</b>		
Cost	582	582
Accumulated amortisation	<u>(417)</u>	<u>(417)</u>
Carrying amount	<u>165</u>	<u>165</u>

Depreciation is calculated to write off the cost, less estimated residual value of each asset, on a straight line basis over its expected useful life, at the following annual rate:

Amortisation rate	33%
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6. LOANS TO GROUP COMPANIES

Maturity	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
0 - 1 month	496,884	447,138
1 - 3 months	324,544	330,486
3 - 12 months	1,389,489	1,441,850
1 yr - 5 yrs	2,706,930	2,800,100
> 5 yrs	137,950	297,894
Total	5,055,797	5,317,468

The fair value of the loans to group companies is as follows:

	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
Loans to Group Companies	5,220,617	5,543,697

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

	31 Dec. 2010	31 Dec. 2009
Loans to Group Companies	4.34%	4.56%

7. LOANS TO ASSOCIATED COMPANIES

Maturity	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
0 - 1 month	713	-
1 - 3 months	458	520
3 - 12 months	2,953	2,034
1 yr - 5 yr	6,263	5,960
Total	10,387	8,514

The fair value of the loans to associated companies is as follows:

	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
Loans to Associated Companies	10,953	8,957

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

	31 Dec. 2010	31 Dec. 2009
Loans to Associated Companies	5.88%	5.78%

8. LOANS TO FINANCIAL INSTITUTIONS

Maturity	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
0 - 1 month	-	-
1 - 3 months	-	162,900
3 - 12 months	92,700	-
1 yr - 5 yr	4,492	4,492
Total	97,192	167,392

The fair value of the loans to financial institutions is as follows:

	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
Loans to Financial Institutions	97,144	167,392

The fair value approximates to the book value of the loans to financial institutions due to the fact that most of the loans are approaching their maturity. In accordance with article 2.381b of the Dutch Civil Code, Management have reviewed each of these loans and in the light of the relationship with the external financial institution, have assured themselves that the loans will be repaid in full. On this basis they have not adjusted the book value.

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

	31 Dec. 2010	31 Dec. 2009
Loans to Financial Institutions	0.81%	0.41%

9. LOANS TO THIRD PARTIES

Maturity	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
0 - 1 month	-	-
1 - 3 months	-	-
3 - 12 months	-	-
1 yr - 5 yr	30	30
Total	30	30

The fair value of the loans to third parties is as follows:

	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
Loans to Third Parties	32	33

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

	31 Dec. 2010	31 Dec. 2009
Loans to Third Parties	4.95%	4.95%

10. INTEREST RECEIVABLE ON LOANS

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

11. TAXATION

	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
Corporation tax charge	(1,023)	1,525
Income tax withheld	(7)	-
Prior year adjustment	-	5
Total current tax charge	(1,030)	1,530
Deferred tax	-	-
Tax on result	(1,030)	1,530

The Company carries on its business through the group head office in the Netherlands and also the branch in Ireland. At the start of 2010, there was a change in the central location of management and control for the Company, the result of which was an increase in the effective rate of taxation arising from the different rates of taxation applying between the two jurisdictions. Therefore it is subject to the prevailing tax rate in both of the countries, 25.5% in the Netherlands (2009: 0%) and 12.5% in Ireland (2009: 12.5%):

The effective rate of tax for the year was 24.9% (2009: 12.3%)

The tax assessed for the period is higher than the standard rate of corporation tax. The differences are analysed below:

	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
Result before Tax	4,208	(12,408)
Irish Current Tax @ 12.5%	(56)	1,551
Dutch Current Tax @ 25.5%	(960)	-
<i>Effects of:</i>		
Depreciation in excess of Capital Allowances	-	(16)
Non-deductible expenses	(14)	(5)
Total current tax charge	(1,030)	1,530



12. DEFERRED TAXATION

Deferred taxation represents a timing difference on relief for corporation tax losses, as well as depreciation in excess of capital allowances and other disallowable expenses. The balance is as set out below:

Deferred Tax Asset	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
Tax loss available for carry forward	-	1,327
Depreciation in excess of capital allowances	10	-
Closing Balance	10	1,327
Deferred Tax Liability	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
Opening Balance	19	3
Depreciation in excess of capital allowances	(3)	16
Adjustment for prior year	(16)	-
Closing Balance	-	19

13. ACCRUED INTEREST AND DEFERRED INCOME

The accruals are specified as follows:

The accruals are specified as follows:	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
Interest on Inter-company interest rate swaps	16,377	17,718
Interest from Banks	-	1
Interest from Associated Companies	252	174
Interest on loans to other parties	45	52
	16,674	17,945

14. OTHER ASSETS

The other assets are specified as follows:

The other assets are specified as follows:	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
Fees & Licences	37	591
Inter-company charges	294	519
Other prepayments	110	53
	441	1,163

15. CASH AT BANKS

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

	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
Current accounts	235	776
Short term Deposits	-	126,982
	<u>235</u>	<u>127,758</u>
ABN AMRO Bank Overdraft	<u>22</u>	<u>104</u>

16. SHAREHOLDER'S EQUITY

The movements during the year can be specified as follows:

	Issued and paid-up capital	Accumulated Deficit	Total
EUR (x1,000)			
Balance as at 1 January 2010	45	(10,128)	(10,083)
Net result 2010	-	3,178	3,178
	<u>45</u>	<u>(6,950)</u>	<u>(6,905)</u>
Balance as at 31 December 2010			

*Authorised, 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	<u>(182)</u>
Issued and paid up	45

17. LOANS FROM GROUP COMPANIES

Maturity	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
0 - 1 month	3,295,768	3,500,586
1 - 3 months	333,771	317,614
3 - 12 months	5,000	-
1 yr - 5 yr	-	-
Total	3,634,539	3,818,200

The fair value of the loans from group companies is as follows:

	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
Loans from Group Companies	3,637,858	3,828,848

The average interest rates applicable to the outstanding inter-company loans can be summarised as follows:

	31 Dec. 2010	31 Dec. 2009
Loans from Group Companies	2.71%	3.14%

18. LOANS FROM BANKS

Maturity	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
0 - 1 month	-	-
1 - 3 months	-	253,787
3 - 12 months	7,600	-
1 yr - 5 yr	-	-
Total	7,600	253,787

The fair value of the loans from banks is as follows:

	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
Loans from Banks	7,535	255,186

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

	31 Dec. 2010	31 Dec. 2009
Loans from Banks	0.82%	2.74%

19. DEBT SECURITIES

Instrument type	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
Bonds & Notes	1,495,324	1,507,611
Commercial Paper	44,481	48,700
	1,539,805	1,556,311
Discount from issue notes	(1,741)	(731)
Total	1,538,064	1,555,580

The fair value of the debt securities is as follows:

	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
Debt Securities	1,550,583	1,574,212

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

	31 Dec. 2010	31 Dec. 2009
Bonds & Notes	2.34%	1.07%
Commercial Paper	1.32%	0.87%

Maturity	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
0 - 1 month	3,120	91,191
1 - 3 months	305,960	9,989
3 - 12 months	99,421	889,185
1 yr - 5 yr	1,104,563	492,311
> 5 yrs	25,000	72,904
Total	1,538,064	1,555,580

The debt securities are split over the following main currencies:

Notional amounts	EUR	GBP	USD	Other	Total
EUR (x1,000)					
2010	1,373,873	-	-	164,191	1,538,064
2009	1,122,818	281,446	2,500	148,816	1,555,580

20. INTEREST DUE ON LOANS

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



21. OTHER LIABILITIES

The other liabilities are specified as follows:

	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
Accrued interest on Derivatives	66,727	108,296
Sundry creditors	937	913
Other liabilities	278	221
	<u>67,942</u>	<u>109,430</u>

22. 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. Derivatives are not held for trading purposes and hedging is performed in the Company for group purposes, therefore hedging should not be seen in the light of the Company only.

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	Fair Value
2010					
Interest rate contracts	7,275,047	3,206,923	4,043,124	25,000	30,115
Currency contracts	1,917,249	1,889,306	27,943	-	18,526
<b>Total</b>	<b>9,192,296</b>	<b>5,096,229</b>	<b>4,071,067</b>	<b>25,000</b>	<b>48,641</b>
2009					
Interest rate contracts	9,481,311	5,687,115	3,767,196	27,000	14,716
Currency contracts	1,329,002	1,307,617	21,385	-	15,280
<b>Total</b>	<b>10,810,313</b>	<b>6,994,732</b>	<b>3,788,581</b>	<b>27,000</b>	<b>29,996</b>

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 1.3% (2009: 0.8%) of the total balance sheet.

The credit equivalent can be broken down as follows:

2010	Non-weighted	Weighted
EUR (x1,000)		
Interest Rate Contracts	40,990	8,198
Currency contracts	27,519	5,504
Total	68,509	13,702

Comparative figures are as follows:

2009	Non-weighted	Weighted
EUR (x1,000)		
Interest Rate Contracts	26,838	5,368
Currency contracts	20,977	4,195
Total	47,815	9,563

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

	Contract/ Notional Amount	2010 Fair Values – Dirty Price		Contract/ Notional Amount	2009 Fair Values – Dirty Price	
		Assets	Liabilities		Assets	Liabilities
EUR (x1,000)						
Interest Rate Contracts	7,275,047	30,115	121,513	9,481,311	14,716	254,491
Currency contracts	1,917,249	18,526	23,721	1,329,002	15,280	16,810
Total	9,192,296	48,641	145,234	10,810,313	29,996	271,301

For interest rate swaps and currency interest rate swaps, the fair value is calculated using a discounted cashflow method, by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

For forward exchange contracts the present value of the quoted forward price is used to fair value these instruments. If a listed price is not available, then the fair value is estimated by discounting the difference between the contractual forward bid price and the current forward price for the remaining maturity of the contract using a risk-free interest rate.

## 23. INTEREST INCOME AND SIMILAR INCOME

	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
Interest income from Group Companies	300,357	353,321
Interest income from Associated Companies	599	428
Interest income from Banks	919	1,584
Interest income from other parties	1	-
Interest on Derivatives	-	18
Exchange Differences	(68)	3,495
	301,808	358,846

## 24. INTEREST EXPENSE AND SIMILAR CHARGES

	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
Interest expense to Group Companies	90,492	89,052
Interest expense to Third parties	10	1
Interest expense to Banks	3,478	38,133
Bond Interest	30,762	68,588
Interest on Derivatives	167,360	168,638
	292,102	364,412

## 25. GENERAL EXPENSES

These expenses consist of:

	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
Staff costs	1,477	1,654
<i>of which salaries</i>	997	1,060
<i>of which social security charges</i>	100	120
Professional fees/services	1,207	378
IT	368	379
Capital Discount	1,142	1,533
Commercial Paper Discount	693	2,288
Marketing expenses	1	7
Travel expenses	155	140
Non-recoverable VAT	188	389
Other office expenses	30	(184)
Depreciation	237	258
	5,498	6,842

The staff costs include employer pension contributions of €98,096 (2009: €112,138). The Company contributes to a defined contribution scheme on behalf of its employees.

Audit fees paid to PricewaterhouseCoopers Accountants N.V. for the statutory audit amount to €15,825 (2009: €10,100).

26. NUMBER OF EMPLOYEES

The number of staff employed by the Company as at the end of the year was 18 (2009: 21).

The total number of employees who worked for the Company outside the Netherlands in 2010 was 18 (2009: 21).

27. REMUNERATION OF THE MEMBERS OF THE MANAGING BOARD AND SUPERVISORY BOARD

Both members of the Managing Board as well as the Supervisory Board receive no remuneration chargeable to the Company (2009: Nil).

As there is only one member of the managing board who receives remuneration in his capacity as an employee of the Company, rather than as a member of the managing board, under article 2.383 sub 1 of the Dutch Civil Code, the Company has elected not to disclose a statement detailing this natural persons remuneration.

28. APPOINTMENT OF DIRECTORS

There were no changes in the directors of the Company during the year.

29. COMMITMENTS AND CONTINGENCIES

On 16<sup>th</sup> December 2010, the Company and LeasePlan Corporation N.V. entered into a revolving credit facility for EUR 1.475 billion with a consortium of banks.

On the 6<sup>th</sup> December 2010, the Company and LeasePlan Corporation N.V. also entered into a revolving credit facility for EUR 1.475 billion with Volkswagan A.G.



### 30. 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 year the Company has provided financing to other companies within the group. The following is a list of related parties:

Bumper 2 S.A.  
 Bumper 3 Finance Plc  
 DCS Fleet SAS  
 Elymus Holding Espana S.L.  
 LeasePlan Österreich Fuhrparkmanagement GmbH  
 LeasePlan Fleet Management N.V.  
 LeasePlan (Schweiz) AG  
 LeasePlan Česká Republika s.r.o.  
 LeasePlan Deutschland GmbH  
 LeasePlan Servicios S.A.  
 LeasePlan Finland Oy  
 LeasePlan France S.A.  
 LeasePlan UK Limited  
 LeasePlan Hellas  
 LeasePlan Fleet Management Services Ireland Limited  
 LeasePlan Luxembourg S.A.  
 LeasePlan Nederland N.V.  
 LeasePlan Norge A/S  
 LeasePlan Sverige AB  
 LeasePlan Slovakia s.r.o.  
 LeasePlan Emirates Fleet Management  
 LeasePlan Supply Services AG  
 LeasePlan Corporation N.V.  
 LeasePlan Infrastructure Services Ltd  
 Mox Espana  
 Mox France S.A.  
 Mox Technologie S.A.  
 Mox Tech Iberica S.L.  
 Mox UK Limited

During the year ended December 31, 2010, transactions entered into between the Company and its parent company, LeasePlan Corporation N.V., were as follows:

	31 Dec. 2010	31 Dec. 2009
EUR (x1,000)		
Interest paid on Loans	90,070	88,840
Interest received on Loans	-	-
Recharge of overheads	2,294	3,318
Inter-company account receivable	285	518
Loan Balance	3,627,039	3,717,614
Accrued Interest payable	1,874	4,775
Inter-company account payable	268	188

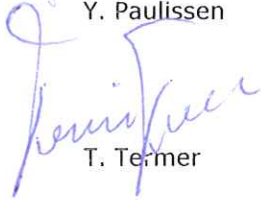
As mentioned in note 29 above, the Company entered into a joint EUR 1.475billion revolving credit facility with LeasePlan Corporation N.V., from Volkswagen A.G.

Almere, 29 April 2011

Board of Management:



Y. Paulissen



T. Termer

Supervisory Board:



V. Daemi



G. Stoelinga



## *Independent auditor's report*

To: the General Meeting of Shareholders of LeasePlan Finance N.V.

### *Report on the financial statements*

We have audited the accompanying financial statements 2010 as set out on pages 5 to 26 of LeasePlan Finance N.V., Almere, which comprise the balance sheet as at 31 December 2010, the income statement for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

### *Management's responsibility*

Management of the company is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management report, both in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of LeasePlan Finance N.V. as at 31 December 2010, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

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*Reference: EH/e0207591*

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***Report on other legal and regulatory requirements***

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the management report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the management report, to the extent we can assess, is consistent with the financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Amsterdam, 29 April 2011  
PricewaterhouseCoopers Accountants N.V.

Original has been signed by drs. Eric Hartkamp RA



## **Other information (cont)**

### APPROPRIATION OF RESULT

In accordance with Article 19 of the Articles of Association of the Company the result for the year is at the disposal of the Annual General Meeting of Shareholders.

The Management proposes that the net result for the year amounting to EUR 3.18 million be allocated to the accumulated deficit. This proposal has been incorporated in these financial statements.

### POST BALANCE SHEET EVENTS

No material events affecting the Company have occurred since the balance sheet date.