

FleetPartners NZ gears for growth

The management of FleetPartners New Zealand, one of the country's largest fleet solutions companies, is poised for long-term growth following an agreement executed for its sale.

FleetPartners' major shareholder Nikko Citi Holdings Inc is selling its equity interest to a consortium comprising of Ironbridge Capital, Tasman Capital Partners and GIC SI. Tasman Capital Partners was formed this month as part of the management buy-out of Nikko Principal Investments Australia.

FleetPartners New Zealand Managing Director, Dennis Kelly, said that the transaction marked an important milestone for FleetPartners. "The broadening of the shareholder base will provide us with a strong platform for growth," he said.

"It's great that the Tasman team will continue its close relationship with FleetPartners and we welcome the considerable resources that GIC SI and Ironbridge will bring to the board table. We are excited to be working alongside people who share our vision for the company."

Mr Kelly said that the FleetPartners New Zealand business was well placed to capitalise on the increased penetration of fleet outsourcing. "We expect that tighter economic conditions will see companies increasingly focus on their core activities and look to free up their balance sheet," he said.

Managing Director of Tasman Capital Partners and director of FleetPartners, Gene Lorenz, said that it was a tremendous day for the company. "The business is now well positioned with long term investors focused on business growth and the future."

Director of Ironbridge, John Russell, said that Ironbridge had long been attracted to the fleet industry and identified FleetPartners as being best placed to capitalise on the industry's long-term growth potential. "The case for outsourcing ownership of fleet management is compelling, particularly in

the current market and we look forward to assisting FleetPartners in its next stage of development," he said.

What does this mean for FleetPartners?

This is an excellent result for FleetPartners and their staff. It ensures ongoing independence and security, as FleetPartners will be backed by financially strong shareholders who are committed to investing in the future growth of the company. Tasman Capital Partners is a Private Equity Fund that includes the current Board of Directors of FleetPartners and will give continuity of governance and leadership to the business going forward.

How will FleetPartners staff be affected?

There will be no affect to day-to-day operations, the company brand and current strategies or staff numbers. However, there will be benefits, which include more financial investment into business systems, new product releases and staff training.

Will our customers be affected?

There will be no immediate changes to our customer service, however, in time and as result of further investment in systems and account management processes, we anticipate a continuing improvement in our service standards and broadening of Fleet Management services and capabilities in the hands of customers.



Second time around with Econolease

The idea of reusing things has long been touted as one way to help the environment. Now FleetPartners is applying the same thinking to green fleet management, with an Econolease product that lets customers "reuse" ex-lease vehicles and enjoy significant savings.

Want to reduce your fleet costs and help the environment at the same time? Consider recycling ex-lease vehicles.

FleetPartners' new Econolease lets you "recycle or reuse" ex-lease vehicles at significantly lower cost. By choosing to lease a quality, reconditioned ex-lease vehicle rather than a new vehicle, customers are also helping to reduce the burden on our environment caused by the manufacture and disposal of passenger vehicles.

"The environmental cost of every new car we put onto the road is considerable," explained FleetPartners' Managing Director, Dennis Kelly. "With Econolease we are giving customers an economic and ecological alternative."

All the benefits without the cost

Econolease features all the usual benefits of a FleetPartners operating lease, with the added benefit of lower lease rental and lower Fringe Benefits Tax (FBT) for passenger and light commercial vehicles. And because you're "reusing" an existing vehicle, you're helping the environment as well.

The program features only high quality vehicles that have been thoroughly tested and if necessary, reconditioned prior to being reused. Vehicles available for lease include a range of late model ex-lease passenger, light commercials and trucks.

The lower cost of Econolease makes it ideal for companies wishing to reduce overall vehicle cost structures without compromising the quality or safety of their fleet vehicles. Because the vehicles have been previously leased, they have already been depreciated substantially. As a consequence, customers can lease fully maintained passenger vehicles with significantly reduced FBT obligations not to mention a lower monthly rental.

"Econolease vehicles are sourced from our existing fleet so customers can be confident they are leasing the same high quality, well-maintained vehicles FleetPartners is known for," Mr Kelly said.

Flexible lease terms

With lease terms ranging from 12 months, Econolease is ideal for companies with short-term vehicle requirements, e.g. for project staff on assignment or those with local or overseas contract staff as well as those wishing to lower their FBT and reduce their risk.

Econolease is also a good way to test leasing before committing to a long-term contract. For more information call 0800 360 960 or speak to your FleetPartners Relationship Manager.



Features:

- Cost-effective lease rental
- Lower FBT capital values
- Ability to match lease terms to specific contracts or projects
- Standard safety features (ABS, dual airbags, electronic stability control - sedans only)
- Sedans and wagons
- Choose from a range of colours.

Benefits:

- Environmentally friendly because it's reused
- Lowers your fleet operating costs
- Reduces your FBT and employee Reportable Fringe Benefit
- No maintenance risk (fully maintained lease).



Stay in the driver's seat

FleetPartnersNZ is keeping you in the driver's seat with an exclusive offer that lets you buy the car you drive at the end of the lease for yourself, or for friends and family.

When you're buying a second hand car, you can never be sure that you're not buying someone else's problem. As while the car may look perfect, you might be shocked at the number of problems waiting for you under the bonnet.

FleetPartners is helping its customers overcome this problem by offering them the opportunity to buy the car they drive at the end of the lease. So when you're buying your vehicle with FleetPartners, you can be confident you're buying quality. And because you're buying the vehicle you drive, there are no surprises.

If you're leasing a vehicle through FleetPartners, and your lease is coming to an end, this could be your opportunity to purchase the car you've been driving at a price considerably lower than retail. It also provides customers with a benefit for their staff not available to the public.

Most vehicles are leased on an average of 36 months, so prior to your vehicle being returned, FleetPartners offer drivers, their family or friends first option to purchase it.

One month out from the vehicle being returned to FleetPartners (and only if the lease has not been extended) a letter offering the vehicle for sale is sent to the customer. To find out how much the vehicle is selling for, FleetPartners have a dedicated Driver Sales Co-ordinator who will check the odometer reading and provide a quote over the phone. All paperwork and ownership transfers are managed by FleetPartners with no interruption to the new owner. And if there is another fleet vehicle you are interested in, FleetPartners can quote on this as well.

FleetPartners Australia and New Zealand manage over 60,000 vehicles, so even if the vehicle you drive doesn't suit your needs, there are plenty of other high quality vehicles to choose from, ranging from family and luxury cars, to SUV's and light commercial vehicles, most with comprehensive maintenance histories and priced to sell!

Phone FleetPartners on 0800 360 960 for further details.

A message from
Dennis Kelly

Managing Director
FleetPartners New Zealand



Welcome to the Spring edition of FleetView.

The past few months have confirmed our predictions of tougher conditions in the New Zealand economy over 2008. The used car market is down 7 per cent for the year through to July 2008. The Japanese import market has been hit particularly hard: imports were down 34 per cent over the year to July. New car sales, meanwhile, were down 19 per cent in July (month-on-month) and are down 15 per cent compared to a year ago.

While the global economic climate is contributing to New Zealand's recession, the new emission regulations and general downturn in demand have added to pressure on the vehicle market. Another trend we are noticing is that sales of bigger vehicles (that is, the big six and eight cylinder passenger cars) continue to slump in the face of high fuel costs.

Here at FleetPartners we have been working closely with customers to help minimise the potential negative impact of slowing economic conditions, new regulations and high fuel costs on their fleets and their wider business.

When it comes to managing fuel costs, for example, it is vital to get informed advice about your best options for replacing vehicles and for structuring your fleet finance. Our focus on strategic fleet management means we work with customers to identify a range of options. Given the current economic climate it is not surprising that two of our new products – Econolease and Sale and Leaseback – are finding favour. Both products offer customers important business benefits for managing in tougher times, whether it is the lower lease costs of Econolease or the opportunity to release capital and enhance your fleet via Sale and Leaseback.

Our focus on customer service and partnership is one reason our business has gone from strength to strength this year. We're on target with our planned growth and development of the business. I am particularly pleased with the inroads we've made during the year with government fleet business. This has been off the back of providing green solutions and generally providing sound advice around CO2 emissions and the sort of vehicles that the government is moving towards.

Likewise in the heavy commercial vehicle space, we've made significant inroads this year and picked up some excellent new opportunities. All in all, we're very pleased with the performance this year, particularly in relation to the market.

As we look to the future, we have a number of exciting new products of benefit to customers. We will shortly launch our new insurance product and our accident management service. Both have been on the drawing board for the last three months, so we're well advanced with development.

Until next time, safe motoring.



Beating the credit crunch with Sale and Leaseback



For many small businesses, the global credit crisis has led to a tightening in local credit conditions – making it harder to do business.

Most banks have imposed tighter restrictions on lending; some have put a freeze on new lending altogether. And if that wasn't enough, higher interest rates are adding to business costs.

FleetPartners New Zealand is helping its clients fight back with Sale and Leaseback, an innovative service that lets you unlock the cash tied up in your passenger or tool of trade fleet vehicles.

With Sale and Leaseback, FleetPartners will purchase your fleet at an agreed price and lease it back to you for an agreed period.

A simple and efficient alternative to managing your own fleet, Sale and Leaseback reduces the capital tied up in your fleet so you can invest in your core business. You can use Sale and Leaseback to change over your entire fleet without disrupting your drivers.

How does it work?

FleetPartners will pay you cash for your existing fleet. Here's how it works. First, one of our representatives will assess your fleet

to determine which vehicles have passed their optimum economic life and which remain financially and operationally viable.

Next we purchase your vehicle/s at an agreed value (market or book). We then lease the vehicles back to you under an operating lease agreement, passing over the ownership and residual value risk of the fleet to FleetPartners.

The arrangement is structured in a way to suit you and provides replacement options for unsuitable vehicles.

Benefits for your business

- Access your working capital
- Switch your whole fleet or upgrade selected vehicles
- Access to a total Vehicle Management Solution
- Remove vehicles from balance sheet
- One easy, fixed monthly payment
- Eliminate your residual value risk (we assume the risk on re-sale and maintenance)
- Reduce administration.

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Wendy Harcus

National Key
Account Manager



The best thing about FleetPartners New Zealand is... I can be a bit of a petrol head and car freak and working in an industry that interests and excites me. Plus, having the opportunity to build some great relationships with colleagues and clients.

When I was a child I wanted to... be a Secretary (this is before they became Personal Assistants). This is because I thought it was glamorous. It didn't quite live up to this in reality and while I am still able to type fast, I am unable to remember any form of shorthand and I don't make coffee for my boss!

When I grow up I want to... I'm not sure that I ever want to grow up, it sounds boring.

It's not fashionable but I love... lying in the sun, soaking up the rays while reading a good book with a glass of sangria. Preferably somewhere exotic like Barcelona.

If I were a car I'd be... a VW Golf GTI as I think they are stylish and don't date, I hope that I age as gracefully.

I wish I had never... I don't wish I had never, as life is what you make it and it is too short for regrets.

My favourite motoring gadget is... my Bluetooth which lets me talk while I drive! For everyone who knows me they know that I like to talk, especially my boss who is always offering my clients industrial earmuffs.

My ideal weekend is... spent relaxing at home either pottering in the garden or working on our old villa during the day, followed by having friends and family over for a BBQ in the evening.



Want to share FleetView with your colleagues and friends?

Or maybe you'd like to be taken off our mailing list?

Simply contact Gail McNamara at gail.mcnamara@fleetpartnersnz.co.nz to add or remove your name from our mailing list.