



leumi
ABL

Getting On With Your Business

Spring 2010

VIABILITY

The newsletter of Leumi ABL



“Let’s get on with your business”

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Funding the way to recovery...

The early signs of recovery are promising and as Spring arrives it seems that a certain degree of optimism is beginning to shine through as we look ahead to business challenges through 2010.

Businesses in all sectors have done their utmost to weather the economic storm. Many have survived by focusing solely on their core activities, trimming costs, putting development projects on ice, stalling new recruitment and even shedding staff. But now as we emerge slowly from recession the order books are fattening and increasing numbers of businesses are talking enthusiastically of growth plans once again.



Good news of healthy order books can so quickly become overshadowed by cashflow issues. Some say that coming out of recession presents an even greater risk as businesses anxious to make up shortfalls during the previous difficult months can develop a tendency to overtrade. New challenges arise as businesses may struggle to access the liquidity required to support and sustain their much needed new growth in sales.

Some banks continue to be very cautious and businesses, even those with a sound proposition supported by actual orders, may find it difficult to access new financing facilities in line with their needs. Sadly, the proactive and agile

approach adopted by many businesses is not yet reflected in our banking culture.

Leumi ABL can help by making the existing assets in the business work harder for you. Our full asset based lending capability means that we can maximise available funding. We provide working capital solutions to businesses by funding against invoices, stock and plant & machinery, plus trade and property finance via our parent, Bank Leumi (UK) plc.

From straightforward invoice finance to complex multi facility deals, we take time to understand the individual needs of clients and have built a strong reputation amongst clients and introducers for our flexible and personal approach. Clients often tell us that it is our ability to truly deliver what we promise that makes us stand out from so many other financing providers.

Leumi ABL has enjoyed a strong first quarter to the year with success in a wide range of sectors across the UK. The pipeline for new deals is encouraging and far from waiting to see what happens as a result of the general election which is now just days away, our clients are seizing opportunities to move forward and position their businesses strongly to exploit future growth – whatever the political landscape turns out to be after 6th May.

Don't be tempted to fall into the 'wait and see' trap. Give us a call to discuss how we can assist your clients' growth plans. **Let's get on with your business...**



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Financing smaller businesses with big growth plans...

Our new brand, **Leumi Invoice Finance**, is off to a flying start following its launch last October.

Offering flexible and cost-effective factoring and invoice discounting services to boost cashflow and fuel business growth, our services are designed specifically for growing businesses, including start-ups, with funding requirements up to £750,000. Clients can also take advantage of our bad debt protection service for additional peace of mind.

We'll be updating you with news from Leumi Invoice Finance soon but in the meantime please visit www.leumiif.co.uk for more details.



Deal focus:

Leumi ABL completes £4m+ refinancing deal with SMS Electronics

SMS Electronics Limited is one of the UK's leading electronic manufacturing services companies. Their capability puts them at the leading edge of technology with services that include design, manufacture, procurement, testing, assembly and configuration.

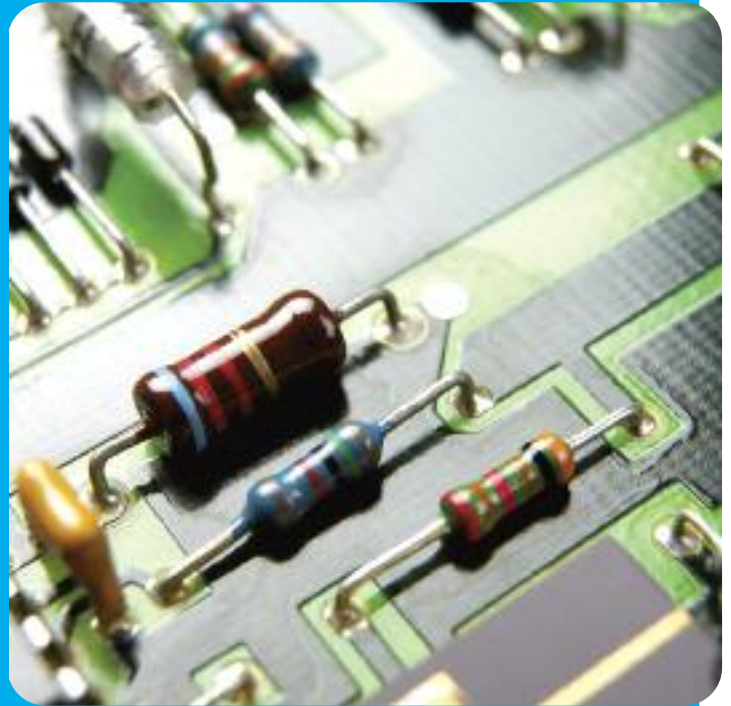
The Nottingham-based business has a strong manufacturing heritage spanning over one hundred years and more latterly has thrived under private ownership since a management buyout in 2002 by the current senior management team. Due to planned upturn in demand from major customers who rely on SMS to provide their finished products, the business is experiencing rapid growth with turnover forecast to increase to over £30m over the next 12 months.

Existing funding arrangements could no longer meet the needs of SMS, and a flexible refinancing package was sought to support the new growth. After considering proposals from a number of main clearing banks and specialist asset based lending providers, Leumi ABL was selected on the strength of the flexibility they could deliver. A £4m+ confidential invoice discounting facility was provided.

"SMS Electronics has a strong competitive position and an excellent reputation in their marketplace.

The new financing facility will generate increased cash availability to enable SMS to meet their growing customer orders and we look forward to supporting their ongoing success."

Jason Holland, Leumi ABL Midlands Regional Sales Director



Mark Goldby, Financial Director at SMS Electronics, felt that Leumi ABL responded quickly and professionally: "SMS has long term assurances that our new business growth is sustainable so we needed a reliable funding partner who would meet our current and future requirements and be able to deliver what they promised. Leumi ABL stood out from other providers. They were very progressive and professional in their approach, taking the time to understand the finer details of our business, together with the risks and opportunities our growth plans would create."

Mark continues: "Some funding providers offered similar levels of flexibility but Leumi ABL were the only ones that literally put their money where their mouth is and delivered an appropriate funding package. We're excited about our expansion plans and are confident that Leumi ABL will support us throughout."

Sector diversity...

With experience across a wide range of sectors, Leumi ABL has the expertise to tailor an effective funding package to support many different business activities as these recent deals illustrate...

Food processing

Brookside Products Limited based in Cumbria is an £11m turnover family-owned business specialising in the production of smoked salmon, supplying major UK retailers.

Brookside was looking to increase their working capital and Leumi ABL provided a £1.5m invoice discounting facility.

"After speaking to several companies it was clear that Leumi ABL offered the best deal. Their approach was more professional and direct, backed up by speedy decision-making at all stages of the process.

Chris Divers took the time to understand the special requirements of our business, involving seasonal funding variations and the need to ensure that the actual funds generated were sufficient for our needs."

**John Heywood, Managing Director,
Brookside Products**

Recruitment

Twenty Recruitment Limited launched in January 2009 at the bottom of the downturn and they have already attracted some of the best recruiters away from many of the big names in recruitment.

Leumi ABL is supporting Twenty's aggressive growth strategy by providing a £750k CID facility to meet their working capital requirements.

"Everything was very straightforward; the deal was structured promptly and Kai Hunter was professional and affable throughout the negotiations."

**Adrian Kinnersley, Managing Director,
Twenty Recruitment**

Hair and beauty

E A Ellison & Company Limited is one of the UK's leading suppliers of professional hair and beauty products.

Supplying salons, health clubs, hotels and spas, Ellisons now has a turnover of £15m. When the business embarked on a management buyout from current stakeholders, Jasper Corporate Finance in Birmingham introduced Leumi ABL to the business.

"Highly professional and responsive throughout the deal process, Jason Holland kept all the key stakeholders informed of progress at all times, including our main clearing bank, lawyers and corporate finance advisers. Compared to other finance providers we considered, Leumi ABL completely outshone their competition."

Geoff Morris, Chief Executive, Ellisons

Food manufacture & distribution

Leumi ABL and Bank Leumi (UK) Plc have together provided a range of acquisition and working capital facilities to a £50m turnover manufacturer and distributor of frozen cakes and desserts.

Polestar Foods Limited and its subsidiaries, Leamington Desserts and Okehampton Desserts, acquired the non-branded frozen desserts business of HJ Heinz Frozen & Chilled Foods Limited.

"Working with robust and resilient processes, we have been impressed by Leumi's flexible and responsive approach at all stages of the deal as all parties worked together effectively to tailor a package of facilities to fund the acquisition."

John Gibson, Chairman, Polestar Foods

Leumi ABL deals

We are proud to have developed strong relationships with professional introducers who trust us to structure effective funding facilities for their clients' businesses.

Here is a small selection of some recently completed Leumi ABL deals which help demonstrate the holistic and flexible approach we take to financing, as well as the range of sectors we can help.

Thank you for your support and we look forward to continuing to work with you to improve and protect your clients' cash flow as we recover from the recession.

A £10m turnover high quality soft furnishing business required additional working capital and a service focused funder.

Leumi ABL provided

**£1.65m
All Asset
facility**

A £15m turnover adhesives company required funding to complete its MBO.

Leumi ABL provided

**£1.5m
All Asset
facility**

An importer required a funder who could handle invoices in different currencies.

Leumi Invoice Finance provided

**£250k
multi currency
facility**

An £85m turnover meat wholesaler required a forward thinking business funder.

Leumi ABL provided

**£8m CID line
+ £1m stock
facility**

New additions: people and places...

Peter Scaife, already well known to the Yorkshire deal-making community, has joined Leumi ABL as Regional Sales Director – Yorkshire and North East. Peter is working closely with John Walsh, who has been instrumental in building Leumi ABL's profile in Yorkshire and the North East over the past three years. John is now spearheading the growth of new brand, Leumi Invoice Finance, across the North. Working together, John and Peter are able to support businesses at all stages of their growth.

Seamus Houlihan has joined Leumi ABL as an Auditor at its head office in Brighton. Having worked in client administration and audit in the ABL industry since 2002, Seamus is now focusing on carrying out cycle audits on Leumi ABL's growing ABL portfolio as well as due diligence on prospective clients.

Adding to Leumi ABL's regional presence, 2010 has seen the opening of two further city centre office locations in **Leeds** and **Manchester**. Contact details are below.

Leumi ABL operates across a variety of sectors to improve the working capital of our clients with a full range of asset based lending products. In conjunction with our parent, Bank Leumi (UK) plc, we can include trade finance, property finance and commercial banking facilities along with our core range of invoice discounting, stock finance and plant & machinery finance services. Our flexible approach and ability to structure multi-facility deals can often result in higher levels of funding for our clients. We provide funding from £1m to £25m.

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