

Press Kit

Alphabet and ING Car Lease start combined business



Contents:

- Interview with Norbert van den Eijnden and Ed Frederiks
- Facts and Figures

Interview with Norbert van den Eijnden and Ed Frederiks

What was the reason for the acquisition of ING Car Lease by Alphabet?

Norbert van den Eijnden: The acquisition of ING Car Lease by Alphabet was a logical step in the evolution of our company. We were looking for a partner in Europe to strengthen our business and really take part in the booming fleet management business in Europe. We quickly realized that ING fit the bill, and there was interest on their part, too. The two companies complement each other very well. ING Car Lease has no presence in Germany, for example, and we do. On the other hand we hardly have any presence in The Netherlands.

Ed Frederiks: The merger will also give us an opportunity to put together and optimise a very effective portfolio. The two companies together now have more than 530,000 cars under contract including 70,000 service contracts in 18 countries.

Growth is a very important part of our agenda in the near future, because it will guarantee our customers obtain the most efficient TCO and at the same time ensure the company's profitability. The integrated company has the right size, the critical mass if you will, to contend with our competitors in a market that is extremely dynamic.

What are the advantages of the merger in terms of business strategy?

Norbert van den Eijnden: First and foremost, we are now better positioned to address international customers, and so we are going to see growth there. Partnering with ING Car Lease also gives Alphabet the opportunity to expand its successful multi-make strategy. We are currently very strong in the premium segment, and with ING Car Lease, we will be able to address a far larger customer base and offer our customers an enhanced service portfolio. Also, while our basic services are similar, the two companies have different ways of offering them, which, in turn, means greater growth opportunities.

Ed Frederiks: There are several very important advantages at various levels. In contrast to some of our competitors, operational lease and keeping customers' drivers mobile is our core activity, hence we are prepared to continue investing in developing this activity. We know this, and our customers know it. Also, by joining forces, Alphabet and ING Car Lease will have a lot more capacity to design and market innovative solutions in the new area of sustainability. We do expect the electric car to become an important part of our fleets in the future, and we want to spearhead that effort.

What changes can employees expect within the company?

Ed Frederiks: There will be some changes, of course. At some point the company will rebrand under the single name of Alphabet. We will also have two CEOs, Norbert van den Eijnden and myself, with fairly separate tasks. Our intention is to lead the company as one and our headquarters will be in Munich.

Norbert van den Eijnden: Even though there will be little change on a day-to-day basis for staff, merging two companies means merging two corporate cultures. Communication is crucial in this area: We will keep everyone informed ahead of time of any steps taken, and there will be workshops and other trainings to help employees become comfortable with the change and get used to the new situation.

What does the merger of the two companies mean for the employees, however?

Norbert van den Eijnden: Alphabet and ING Car Lease came together to grow, almost doubling our assets. The fact that we complement each other means that synergies are mostly on the performance side, not on the cost side. In other words, we did not merge to streamline our operations, but rather to increase their size. Our employees, all of them, are our best assets and we aim to keep them. It's also what our customers expect. As for the management structure, they are different in the two companies, which essentially means no double functions.

Ed Frederiks: Economies of scale is always important in such a move. However, we are a very people-intense business, our employees are pivotal in communicating with our customers. Economies of scale may be felt in our IT system, which will not really have to be enlarged to accommodate the greater volume of business. The merger, however, will give us a definite cost-saving advantage when it comes to purchasing. Thanks to our size, we will be able to benefit from improved discounts and sourcing efficiencies.

How will your customers experience the merger?

Ed Frederiks: What our customers expect is positive change and a company that thinks ahead and anticipates challenges and opportunities. And for that we will continue to rely on our staff members who have proven to be very creative in coming up with all sorts of innovative solutions, such as corporate car sharing systems. In other words we will continue to listen to our customers' needs and offer premium services at an attractive price.

Norbert van den Eijnden: Ideally they will not notice it at all. Let me explain. We intend to keep the same teams in place working with them and will keep the same contact persons for our customers. This is a very important point, because our customers are satisfied with our services and we must keep it that way.

Facts and Figures

Company profile:

Alphabet is a fleet management company offering fleet and mobility solutions to a wide range of corporate customers. After the acquisition of ING Car Lease on 30 September 2011, Alphabet is now active in 18 countries. The company's portfolio has grown to more than 460,000 financed cars under management. Alphabet is now one of the top 5 companies in the segment in Europe. It has begun pursuing a vigorous growth strategy based on the following strategic objectives:

- Move from fleet management to mobility management
- Create effective and sustainable solutions to meet the challenges of tomorrow, for example, corporate car-sharing
- Leverage enhanced strengths and presence to compete for international customers
- Expansion of multi-make strategy

Headquarters:

Lilienthalallee 32
80788 Munich
Germany

CEOs:

Norbert van den Eijnden and Ed Frederiks

Number of employees:

Over 2000

Services:

Fleet management, car leases, corporate car-sharing, mobility solutions

Cars under Management:

Over 530,000

Total cars under management in Europe (as of August 2011)

	Alphabet	ING Car Lease	Total
Austria	5,423		5,423
Belgium	5,954	27,246	33,200
Denmark	1,087		1,087
France	18,703	32,846	51,549
Germany	166,004		166,004
Italy	12,787	13,775	26,562
Luxemburg		1,420	1,420
Netherlands	2,989	83,461	86,450
Norway+Sweden	5,668		5,668
Poland		10,148	10,148
Spain	7,476	28,221	35,697
Switzerland	3,996		3,996
UK	51,767	49,544	101,311
Other	1,839		1,839
	283,693	246,661	530,354

Alphabet

Alphabet International is an award-winning fleet management division of BMW Group. Prior to merging with ING, the company had approximately 300,000 cars under management, including 100,000 service contracts. 30,000 of them were put in the care of other BMW Financial Service divisions. It offered customers in 15 countries innovative mobility solutions.

Number of employees:

About 750

Company milestones:

- 1997 Alphabet International is founded in the UK as a BMW subsidiary
- 1998 Opens offices in Germany
- 1999 Opens offices in Switzerland
- 2000 Opens offices in Austria and Italy
- 2001 Opens offices in France
- 2002 Adds The Netherlands, Spain, Norway, Sweden to its roster
- 2006 Number of cars under management: 150,000
- 2007 Acquisition of LHS/DSL in Germany; number of cars under management rises to 250,000.
- 2011 Alphabet enters Slovak and Czech markets through a co-operation
Acquisition of ING Car Lease; number of cars under management crosses the half-million mark

Website:

www.alphabet.com

ING Car Lease

ING Car Lease, a division of ING Group, was a leading European car leasing and fleet management company in Europe. It had 240,000 vehicles under management and operated in eight countries. ING Car Lease started its operations in 1977 and became part of ING Group in 1985.

Number of employees:

About 1,200

Company milestones:

- 1977 Cees Bekkers founds the fleet management company CW Lease
- 1981 CW Lease already operates in Benelux
- 1985 Becomes a part of ING Group
- 2001 Becomes ING Car Lease; over 100,000 cars under management
- 2002 Expansion in Benelux through acquisition of Locabel Auto and TOP Lease (Fortis)
- 2005 Doubles fleet size in France through acquisition of Ets Garcia SA
- 2006 Enters top 10 of UK fleet management companies by merging with Appleyard Vehicle Contracts
- 2007 More than doubles presence in Spain by purchasing Universal Lease Iberia

Website:

www.ingcommercialbanking.com