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**RECORD THREE MONTHS FOR DAVENHAM TRADE FINANCE
AS MORE SMEs REQUEST ABL FUNDING.**

Davenham, one of the UK's leading asset-based finance companies, has shaken-off some of the gloom gripping the financial sector after unveiling a record three months of transactions for its Trade Finance division.

At the same time it has experienced a dramatic shift in the type of funding it is providing, as UK plc begins to feel the effect of the current economic situation.

84% of the deals from January to March were asset-based lending or invoice finance compared to only 28% for the period July to September last year.

Although this change can be attributed in part to the cyclical nature of trade finance, with letters of credit requested more in the second half of the year, the Euro and Dollar exchange rates have also impacted on margins resulting in less imports being made. In addition the demand for high value discretionary items is falling.

The dramatic rise in demand for ABL-type funding coincides with the banks reluctance to lend and their appetite for new business.

According to Clive Naylor, Davenham's Sales Director for Trade Finance, 2009 will be the year of refinance with more companies turning to invoice finance and asset-based lending.

"As more and more businesses look to restructure their finances to provide additional working capital, we have been able to leverage up against all asset classes, including plant and machinery, stock and debtors," he said.

"We have long believed that asset-based lending is the most appropriate funding solution for many SMEs, but certainly in today's current climate, we are seeing an unprecedented level of enquiries."

Clive also believes that Davenham is best placed to help even more business in the coming months.

"We have the flexibility and funding that banks simply can't afford at the moment. As with any lender, we have to ensure we make wise business decisions but our reputation, in depth knowledge of the industry and speed of response is unrivalled."

These attributes were certainly welcomed by Atlas Valves, which specialises in exporting valves used in oil and gas exploration. The business has been gathering momentum over the years, but due to the highly specialised nature of their business – and the fact that 80% of their sales ledger may lie with one client at times – securing an invoice finance line proved very frustrating.

Davenham soon recognised the viability of the company and provided a £175k invoice finance line.

Bryan Broadbent, director of Atlas Valves, said, “Our business is complex but Davenham took the time to understand us and have always been approachable, which makes a very refreshing change. They haven’t restricted the way we work and at last we can start to really move forward and build upon our success.”