



The Safe Choice

Hyster Capital ITC 2008

What is Hyster Capital?

- Joint venture agreement between Hyster Company and GE Capital
- Established in January, 1999
- Offers retail and inventory financing programs exclusively for Hyster dealers and their customers
- Brand dedicated personnel
- Long term operating agreement secures Hyster Capital's future position as Hyster Company's financial partner.



Hyster Capital Programs

- ValuLease
- “Early Out” Conquest Lease
- Alliance Lease
- Rental Purchase Option
- Evergreen Renewal
- Alpha Report
- Bonus Depreciation



ValuLease™

- Available for selected Hyster products
- Features rates of 2.90% to 4.50%
- Dealers must confirm unit eligibility by obtaining a Financial Commitment Number (FC#) from Hyster Company
- Custom quotes available for program and non program units (with FC approval)



“Early Out” Conquest Lease

- Class II, IV & V models
- Possible inclusion of Class I for fleet project (mix dependent)
- FMV lease targeting Third Party Logistic (3PL) providers and other Conquest accounts
- 36-Month lease with “Walk Away” for customer at month 12
- Priced with 70%-80% residual at month 12
- Step Down payment for customer for months 24-36
- Dealer option to assume remaining stream



“Early Out Conquest” Lease

Conquest Lease				
Model	Sell Price	Term	Payment	Rates
N45ZR	\$25,000.00	First 12	\$661.19	Std Rates
	(One Battery)	Followed by 24	\$502.93	Std Rates
Model	Sell Price	Term	Payment	Rates
N45ZR	\$26,000.00	First 12	\$597.34	Valulease
(FC # required)	(One Battery)	Followed by 24	\$542.89	Valulease

** Standard 12 month lease payment is \$1,299.42 per month

- Customer has early termination option
- Dealer has option to assume step down payment
- Purchase option available to customer
- Can be used for Class II, IV or V opportunities
- 12 month residual value upwards to 75%



Alliance Lease

- Dealer takes an alliance position on the residual to drive a lower lease payment
- Dealer will have the option to buy the equipment at the end of the lease term for a fixed dollar amount
- If the dealer chooses not to buy the equipment, Hyster Capital will sell the unit and the dealer will only be responsible for the “guaranteed portion” of the residual



Alliance Lease Example

Model	Sell Price	Term	HC Residual	Dealer Alliance	Residual Total	Payment
S50FT 3STG,Mazda 2.2,Dura	\$23,138.00	36	\$8,417.00	\$0.00	\$8,417.00	\$498.57
S50FT 3STG,Mazda 2.2,Dura	\$23,138.00	36	\$8,417.00	\$1,000.00	\$9,471.00	\$472.81
Difference						\$25.76

- Minimum dealer guarantee is 5% of HC Residual
- If HC sells the truck for more than booked residual, dealer owes nothing at the end
- Alliance residual allows dealer to have fixed purchase option at lease end.
- In most cases HC will match dealer alliance residual
- Dealer assumes a first loss position



Rental Purchase Option (RPO)

Rental Purchase Option

Calculation Spreadsheet

				46%	Payment	Rental	
Model	OEC	Rate	Term	Residual	5.0%	Purchase Option	% Applied
H155FT	\$57,000	7.75%	12	\$26,136	\$2,850.00	\$29,640	80%

				58%	Payment	Rental	
Model	OEC	Rate	Term	Residual	4.0%	Purchase Option	% Applied
H155FT	\$57,000	7.75%	12	\$33,225	\$2,280.00	\$36,480	75%

				71%	Payment	Rental	
Model	OEC	Rate	Term	Residual	3.0%	Purchase Option	% Applied
H155FT	\$57,000	7.75%	12	\$40,313	\$1,710.00	\$42,636	70%

- Upwards to 80% of rental payments applied to unit purchase
- Simplified Rental Agreement between Customer and Hyster Capital
- Customer provided Purchase, Renewal, or Walk-Away at the end of 12 months
- Applicable to all Class V units 13,000 Lbs. and above, < = 2000 hours





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End-of-Term Opportunities

Alpha Report

Microsoft Excel - HYS Alpha Report Dec 2007.xls												
File Edit View Insert Format Tools Data Window Help Adobe PDF												
GE Inspira 10 B I U \$ % , . 100%												
F3155 CARRIER CORPORATION												
A	B	C	D	E	F	G	H	I	J	K	L	M
1	Date Planned Name Vend Loc	Nbr Payee Dealer City Acctsched	Cust Name	Date Purchase	Rent per A Orig Term	Curr Prod	Serial Nbr	Model				
2	6/1/2011 STEWART & STEVENSON SOUTH	158303 HOUSTON 8326317001	XCALIBUR L.P.	5/24/2007	299.99	48	SGLINV	D187V269/S60X				
3	6/30/2008 LIFTECH EQUIPMENT COMPANIES	158247 EAST SYF 4366682001	1003 PARK STREET, INC.	6/22/2005	335	36	MENQSI	D001H036/H40X				
4	10/30/2011 VICCARO EQUIPMENT CORPORATION	921940 HAUPPAU 4430113001	123-24 ROCKAWAY BOULEVARD CORP	10/13/2006	844.99	60	MENQSI	L005V089/H100				
5	10/30/2011 VICCARO EQUIPMENT CORPORATION	921940 HAUPPAU 4430113001	123-24 ROCKAWAY BOULEVARD CORP	10/13/2006	966.53	60	MENQSI	L005V089/H100				
6	6/1/2009 PRIDE EQUIPMENT CORP.	158274 ISLIP 8312072001	128-13 ROCKAWAY BOULEVARD CORP	5/28/2004	497.94	60	MENQSI	H177B449/H60X				
7	12/1/2009 PRIDE EQUIPMENT CORP.	158274 ISLIP 8312072003	128-13 ROCKAWAY BOULEVARD CORP	11/22/2004	715.84	60	MENQSI	L005V023/H100				
8	6/21/2009 BARLOWORLD HANDLING NC	919612 CHARLOT 4333637001	1888 MILLS, LLC	12/30/2004	246.48	52	MENQSI	B453N015/W30Z				
9	6/21/2009 BARLOWORLD HANDLING NC	919612 CHARLOT 4333637002	1888 MILLS, LLC	12/30/2004	562.78	52	MENQSI	D114N029/E30X				
10	6/21/2009 BARLOWORLD HANDLING NC	919612 CHARLOT 4333637003	1888 MILLS, LLC	12/30/2004	562.78	52	MENQSI	D114N029/E30X				
11	6/21/2009 BARLOWORLD HANDLING NC	919612 CHARLOT 4333637004	1888 MILLS, LLC	12/30/2004	562.78	52	MENQSI	D114N029/E30X				
12	6/21/2009 BARLOWORLD HANDLING NC	919612 CHARLOT 4333637005	1888 MILLS, LLC	12/30/2004	562.78	52	MENQSI	D114N029/E30X				
13	6/21/2009 BARLOWORLD HANDLING NC	919612 CHARLOT 4333637006	1888 MILLS, LLC	12/30/2004	562.78	52	MENQSI	D114N029/E30X				
14	10/30/2010 JOHNSON LIFT/HYSTER	158245 CITY OF IN 4388825001	26 CALIFORNIA BAZAR INC.	11/1/2005	438.41	60	MENQSI	D174N028/R30X				
15	10/30/2010 JOHNSON LIFT/HYSTER	158245 CITY OF IN 4388825001	26 CALIFORNIA BAZAR INC.	11/1/2005	438.41	60	MENQSI	D174N028/R30X				
16	10/30/2010 JOHNSON LIFT/HYSTER	158245 CITY OF IN 4388825001	26 CALIFORNIA BAZAR INC.	11/1/2005	438.41	60	MENQSI	D174N029/R30X				
17	10/30/2010 JOHNSON LIFT/HYSTER	158245 CITY OF IN 4388825001	26 CALIFORNIA BAZAR INC.	11/1/2005	438.41	60	MENQSI	D174N029/R30X				
18	3/30/2011 JOHNSON LIFT/HYSTER	158245 CITY OF IN 4388825003	26 CALIFORNIA BAZAR INC.	4/1/2006	457.96	60	MENQSI	D174N031/R30X				
19	3/30/2011 JOHNSON LIFT/HYSTER	158245 CITY OF IN 4388825003	26 CALIFORNIA BAZAR INC.	4/1/2006	457.96	60	MENQSI	D174N031/R30X				
20	3/30/2011 JOHNSON LIFT/HYSTER	158245 CITY OF IN 4388825003	26 CALIFORNIA BAZAR INC.	4/1/2006	457.96	60	MENQSI	D174N031/R30X				
21	3/30/2011 JOHNSON LIFT/HYSTER	158245 CITY OF IN 4388825003	26 CALIFORNIA BAZAR INC.	4/1/2006	457.96	60	MENQSI	D174N031/R30X				
22	2/28/2009 JOHNSON LIFT/HYSTER	158245 CITY OF IN 4407589001	3D DOOR INC	3/1/2006	499.4	36	MENQSI	D187V141H/S50X				
23	8/30/2009 BARLOWORLD HANDLING NC	919612 CHARLOT 4366619001	4 SEASONS DISTRIBUTION INC	8/24/2005	308.55	48	MENQSI	276184				
24	1/1/2008 M H EQUIPMENT CORP	158256 CINCINNA 8311808003	4 SEASONS MARKETING, LLC	12/20/2004	441.37	36	SGLINV	H177B494/H50X				
25	10/1/2010 M H EQUIPMENT CORP	158256 CINCINNA 8311808005	4 SEASONS MARKETING, LLC	9/29/2006	563.97	48	SGLINV	A219N024/E30H				
26	10/30/2009 VICCARO EQUIPMENT CORPORATION	921940 HAUPPAU 4457845001	725 COMMACK MEAT CORP.	10/31/2006	284.83	36	SGLINV	A231N023/W60Z				
27	10/30/2009 VICCARO EQUIPMENT CORPORATION	921940 HAUPPAU 4457845001	725 COMMACK MEAT CORP.	10/31/2006	284.83	36	SGLINV	A231N023/W60Z				
28	10/30/2009 VICCARO EQUIPMENT CORPORATION	921940 HAUPPAU 4457845001	725 COMMACK MEAT CORP.	10/31/2006	284.83	36	SGLINV	A231N023/W60Z				
29	10/30/2009 VICCARO EQUIPMENT CORPORATION	921940 HAUPPAU 4457845001	725 COMMACK MEAT CORP.	10/31/2006	284.83	36	SGLINV	A231N023/W60Z				
30	10/30/2009 VICCARO EQUIPMENT CORPORATION	921940 HAUPPAU 4457845001	725 COMMACK MEAT CORP.	10/31/2006	163.4	36	SGLINV	B218N108/W40Z				
31	11/30/2010 VICCARO EQUIPMENT CORPORATION	921940 HAUPPAU 4457845003	725 COMMACK MEAT CORP.	12/1/2006	597.41	48	SGLINV	J160N028/J30Z				
32	12/30/2010 VICCARO EQUIPMENT CORPORATION	921940 HAUPPAU 4457845002	725 COMMACK MEAT CORP.	12/20/2006	597.29	48	SGLINV	C470N033/N25X				
33	2/28/2011 VICCARO EQUIPMENT CORPORATION	921940 HAUPPAU 4457845004	725 COMMACK MEAT CORP.	2/7/2007	597.41	48	SGLINV	J160N032/J30Z				
34	10/30/2009 VICCARO EQUIPMENT CORPORATION	921940 HAUPPAU 4389853001	865 YOUNGS AVE CORP	10/26/2005	853.63	48	SGLINV	L005V056/H80X				
35	8/30/2011 BARLOWORLD HANDLING NC	919612 CHARLOT 4371535001	900 COMMODORE, L.L.C.	8/17/2005	1,324.86	72	SGLINV	G007E020/H190F				
36	7/1/2011 M H EQUIPMENT CORP	158256 OTTAWA 4459433002	A & A CONSTRUCTION SUPPLY & RE	6/25/2007	318	48	MENQSI	H177B343/H65X				
37	7/30/2010 HYSTER NEW ENGLAND INC	158233 NORTH BI 4367308001	A & B LUMBER COMPANY	7/14/2005	594	60	SGLINV	L005V047/H80X				
38	7/30/2010 HYSTER NEW ENGLAND INC	158233 NORTH BI 4367308002	A & B LUMBER COMPANY	7/14/2005	594	60	SGLINV	L005V047/H80X				
39	10/30/2008 PAPE MATERIAL HANDLING - CALIFORNIA	158266 FRESNO 4317470001	A & B PARTNERS, LLC	9/16/2004	1,614.75	48	MENQSI	D019D030/H360F				
40	1/1/2010 M H EQUIPMENT CORP	158256 DAYTON 4317396001	A & M INDUSTRIAL WOOD PRODUCTS	11/29/2004	423.32	60	MENQSI	D187V330/S65X				
41	12/30/2010 JOHNSON LIFT/HYSTER	158245 CITY OF IN 4373820001	A & S PRODUCE CO., INC.	1/1/2006	191.53	60	MENQSI	A203N041/B60Z				
42	12/30/2010 JOHNSON LIFT/HYSTER	158245 CITY OF IN 4373820001	A & S PRODUCE CO., INC.	1/1/2006	94.33	60	MENQSI	B218N081/W40Z				
43	12/30/2010 JOHNSON LIFT/HYSTER	158245 CITY OF IN 4373820001	A & S PRODUCE CO., INC.	1/1/2006	94.33	60	MENQSI	B218N081/W40Z				
44	12/30/2010 JOHNSON LIFT/HYSTER	158245 CITY OF IN 4373820001	A & S PRODUCE CO., INC.	1/1/2006	647.16	60	MENQSI	G138N021/N30X				
45	12/30/2010 JOHNSON LIFT/HYSTER	158245 CITY OF IN 4373820001	A & S PRODUCE CO., INC.	1/1/2006	647.16	60	MENQSI	G138N021/N30X				



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Alpha Report

Alpha Report Lease Retention				
Original Model	Original Sell Price	Lease end date	Original term	Original Payment
H50XM	\$24,408.00	7/30/2008	36	\$542.00
Replacement Model @08/01/08	New Truck Sell Price	Lease end date	New term	New Payment
H50FT	\$25,000.00	7/30/2011	36	\$502.64
Replacement model at lease expiration			Difference	\$39.36
Replacement Model @05/01/08	New Truck Sell Price	Lease end date	New term	New Payment
H50FT	\$26,626.00	5/30/2011	36	\$535.00
Replacement model 3 months before lease expiration	(Includes 3 remaining pmts) \$542 X 3 = \$1,626		Difference	\$7.00

- HC is able to take advantage of more aggressive residuals and bonus depreciation benefits to match or improve a customer's current payment
- You can take the competition out of the picture by replacing a lease 3 months before the expected lease end date



Evergreen Rebate Program

- Evergreen lease payments used as an incentive for a customer to replace existing Hyster unit with a **new Hyster unit**.
- Rebate used as a “down payment” to reduce the total amount financed and the lease payment
- Excellent tool for matching an existing lease pmt while replacing with higher priced new truck.



Evergreen Rebate Example

Model	Extended Rent Payment	Months	Amount Deducted from Sale Price	Original Sell Price	Discounted Sell Price	Old lease #	New Model	New Lease #	Diff per Month	# of Months
H50XM	\$ 990.09	3	\$ 2,970.27	\$ 24,150.00	\$ 21,179.73	\$ 1,225.67	H50	\$ 998.24	\$ 227.43	18
H65XM	\$ 1,042.07	3	\$ 3,126.21	\$ 28,715.00	\$ 25,588.79	\$ 1,441.83	H70	\$ 1,159.10	\$ 282.73	18
H65XM	\$ 1,042.07	3	\$ 3,126.21	\$ 28,715.00	\$ 25,588.79	\$ 1,441.83	H70	\$ 1,159.10	\$ 282.73	18
H65XM	\$ 1,050.35	3	\$ 3,151.05	\$ 28,715.00	\$ 25,563.95	\$ 1,441.83	H70	\$ 1,159.10	\$ 282.73	18
H65XM	\$ 1,293.53	3	\$ 3,880.59	\$ 28,715.00	\$ 24,834.41	\$ 1,441.83	H70	\$ 1,159.10	\$ 282.73	18
H65XM	\$ 1,293.53	3	\$ 3,880.59	\$ 28,715.00	\$ 24,834.41	\$ 1,441.83	H70	\$ 1,159.10	\$ 282.73	18
H65XM	\$ 1,293.53	3	\$ 3,880.59	\$ 26,880.00	\$ 22,999.41	\$ 1,356.68	H70	\$ 1,081.03	\$ 275.65	18
H60XM	\$ 1,069.80	3	\$ 3,209.40	\$ 25,930.00	\$ 22,720.60	\$ 1,326.23	H60	\$ 1,069.26	\$ 256.97	18
H65XM	\$ 1,042.07	3	\$ 3,126.21	\$ 26,880.00	\$ 23,753.79	\$ 1,356.68	H70	\$ 1,081.03	\$ 275.65	18



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Bonus Depreciation

Incentives to Replace Equipment with the **2008 Economic Stimulus Act**



Two key parts of the stimulus package:

- **50% Bonus Depreciation**
- **Section 179**



50% Bonus Depreciation

- May be available for equipment acquired and in service by December 31, 2008
- Allows customers to claim a 50% Bonus Depreciation benefit
- May also claim the standard MACRS depreciation benefit.



50% Bonus Depreciation

Example:

Purchase Price	\$30,000
50% Bonus Depreciation (50% x \$30,000)	\$15,000
MACRS Depreciation (20% x \$15,000)	\$ 3,000
Total Depreciation for 2008	\$18,000

After Tax Cost of Acquisition (35% Tax Bracket)

\$23,700
(78% of Purchase)



Section 179

- A qualifying business may expense up to \$250,000 of section 179 property acquired in their tax year beginning in 2008
- Limited to total investments of up to \$800,000.
- Can be combined with 50% Bonus Depreciation.



Section 179

Example:

Purchase Price	\$30,000
Section 179 deduction (1 st year)	\$250,000
Total deduction (1 st year)	\$ 30,000

After Tax Cost of Acquisition (35% Tax Bracket)

\$19,500
(65% of Purchase)



50% Bonus Depreciation + Section 179

The Section 179 expense
can be coupled with
the 50% Bonus Depreciation



50% Bonus Depreciation + Section 179

Example:

Purchase Price	\$600,000
Section 179 Depreciation (1 st year)	\$250,000
50% Bonus Depreciation (50% x \$350,000)	\$175,000
MACRS Depreciation (20% x \$175,000)	\$ 35,000
Total deduction (1 st year)	\$460,000
Total Depreciation for 2008	\$161,000

After Tax Cost of Acquisition (35% Tax Bracket)

$$\begin{aligned} \$600,000 - \$161,000 &= \$439,000 \\ &\text{(73\% of Purchase)} \end{aligned}$$



Bonus Depreciation

If the customer elects to lease or finance, Hyster Capital will pass most of the benefits on to the customer in the form of lower monthly payments.



50% Bonus Depreciation + Section 179

Example

Purchase Price = \$50,000

	Standard Rates	ValuLease Rates
36 Months \$792 in savings over term		
Payment without Incentives	\$ 1,171.96	\$ 964.40
Payment with Incentives	\$ 1,149.86	\$ 949.39
Difference Per Month	\$ 22.10	\$ 15.01
60 Months \$979 in savings over term		
Payment without Incentives	\$ 847.16	\$ 779.11
Payment with Incentives	\$ 830.83	\$ 768.33
Difference Per Month	\$ 16.33	\$ 10.78



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Questions or Comments?