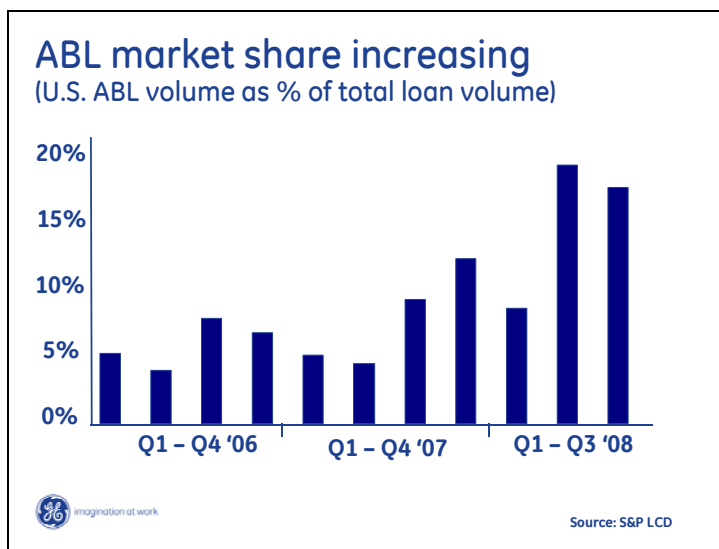




Key Factors Impacting the Asset Based Loan Market

I'm Salvatore Settineri, managing director of GE Capital Markets.

During this time of illiquidity, asset based lending has provided a bright spot for lenders and borrowers alike. New transactions continue to be booked resulting in increased awareness and market share for ABL. Although 2009 will be challenging, ABL will likely continue to gain share as a viable financing option.

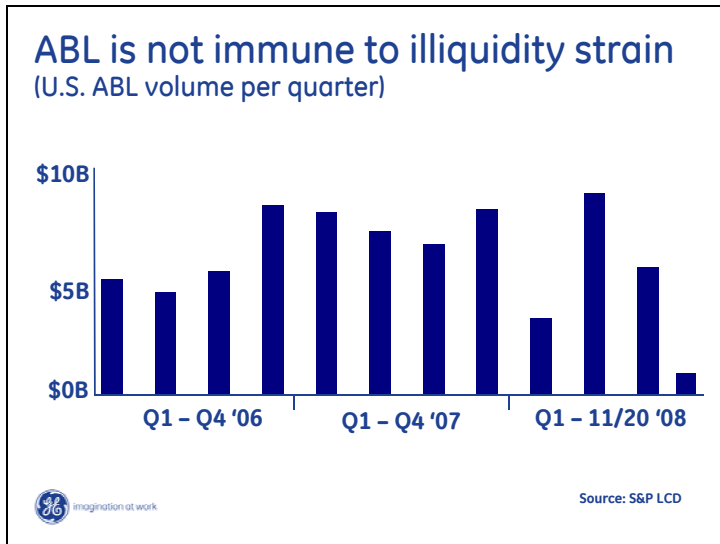


The relative health of the ABL market can be attributed to two factors.

First, disciplined underwriting standards based on a formulaic approach have proven to be fundamentally sound. This has kept deal structures essentially intact.

Second, as opposed to the cash flow market, the asset-based market has always been dominated by banks and finance companies who have had a desire to underwrite large hold positions thus limiting trading activity and pressures to mark-to-market.

In 2009, borrowers seeking liquidity, especially those in asset intensive businesses, will continue to drive ABL activity. Nevertheless, ABL will be impacted by several challenges.



First, the fall-out of weaker banks and finance companies means fewer active lenders will remain to deploy capital. This will make transactions of more than \$500 million increasingly more challenging to complete.

Second, an overall reduction in the amount of capital available to lend will make lenders more prudent about where they choose to invest.

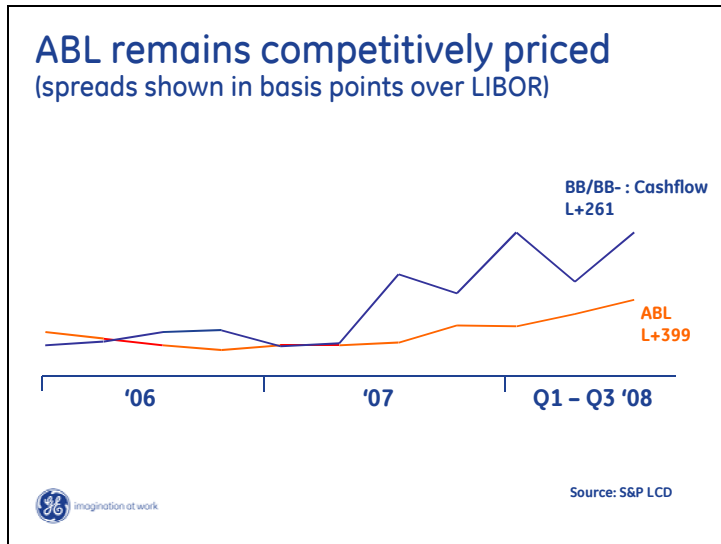
Lenders deploying ABL Top U.S. ABL lead arrangers Q1 – Q3 '08

BY VOLUME:

#	Lender	Volume (\$mil)	# of Deals
1.	Bank of America	11,016.2	64
2.	JP Morgan	5,513.0	27
3.	Wachovia Securities	5,283.9	26
4.	Citi	2,115.0	7
5.	GE Capital	1,580.7	14
6.	PNC Bank	1,326.0	29
7.	Deutsche Bank	1,312.5	7
8.	Barclays Bank	1,305.0	6
9.	Credit Suisse	1,110.0	5
10.	Wells Fargo & Co.	1,051.5	12

Source: Reuters LPC

At the same time, despite upward pricing pressure, ABL deals should remain competitively priced as they try to attract capital away from other possible investments.



And finally, increased concern over asset valuations -- especially during a time when liquidation is more prevalent -- will likely result in an increased level of scrutiny and may impact advance rates. This will be especially true for borrowers with fixed and non-traditional assets.

As always, strong relationships between borrowers and lenders, as well as relationships amongst lenders, will remain critical. Despite the challenges facing the overall market, the current environment remains ripe for the asset based loan product.

This is Salvatore Settineri, for GE Commercial Finance Market Minute.