News Release

For Immediate Release

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Element Establishes Strategic U.S. Vendor Platform with Acquisition of CoActiv Capital Partners

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Announces $100 Million Equity Financing To Fund the Transaction and Related Growth

- Transaction delivers established vendor programs and expertise to anchor Element’s U.S. growth strategy
- CoActiv generates US$220 million in annual originations through more than 15 vendor finance programs
- Acquisition provides scalable U.S. and Canadian platforms with proven origination capabilities
- Complementary vendor platform provides natural fit with Element’s current business verticals and cross-border potential accelerates growth strategy
- Acquisition expected to be accretive to Element’s 2013 earnings per share; acquired at 1.25 multiple to book value
- Bought deal equity financing further strengthens Element’s balance sheet and provides additional capital to fund related growth
- New $300 million debt facility established to fund the acquisition and future originations

TORONTO, November 9, 2012 - Element Financial Corporation (TSX:EFN) (“Element” or the “Company”), Canada’s leading independent equipment finance company, today announced that it has entered into a definitive agreement with Marubeni America Corporation and Marubeni Corporation (collectively, “Marubeni”) to acquire 100% of the shares of Marubeni’s wholly-owned subsidiary, CoActiv Capital Partners, Inc. (“CoActiv”), a leading U.S. vendor finance company, with Canadian operations, based in Horsham, Pennsylvania, for total consideration of approximately $300 million including repayment of debt to Marubeni (the “Transaction”).

Established in 2002, CoActiv has expertise in delivering manufacturer supported equipment financing programs. CoActiv originates US$220 million of finance contracts annually through more than 15 vendor finance programs with leading manufacturers and their dealer networks in the construction, industrial,
office products and technology markets as well as franchise capital reset programs. Through these manufacturer and franchisor supported sales financing programs, CoActiv has established a diversified base of more than 11,000 customer accounts in the U.S. and Canada that includes a wide range of end users - from Fortune 500 companies to small and medium sized businesses to local municipalities.

The Transaction will be completed by acquiring all of CoActiv’s shares, and includes the purchase of CoActiv’s current portfolio of US$ denominated finance assets with a net book value of approximately US$260 million and CDN$ denominated assets with a net book value of approximately CDN$50 million.

“CoActiv has longstanding relationships with some of North America’s leading equipment manufacturers as well as an experienced management team that shares our passion for providing equipment vendors with exceptionally powerful tools to help them build and sustain deep relationships with their customers,” noted Bradley Nullmeyer, Element’s President. “This transaction is an important step in Element’s growth strategy and provides a platform allowing us to seamlessly serve the sales financing needs of equipment manufacturers that are active on both sides of the border,” added Mr. Nullmeyer.

“I am very excited about the opportunities this Transaction presents for our customers and our employees,” noted Don Campbell, who will remain as CoActiv’s CEO following the Transaction. “As part of Element Financial, we expect to be able to expand both the number and the depth of the vendor finance programs that CoActiv delivers to the market,” added Mr. Campbell.

Based on a 1.25 multiple to book value and annual origination volumes of US$220 million, the Transaction is expected to be immediately accretive to Element’s shareholders, adding $0.035 of EPS in 2013 and US$310 million to the Company’s portfolio of finance assets on closing.

“The CoActiv acquisition adds a key component to Element’s growth strategy by providing us with an experienced management team, a diversified network of established vendor relationships and a solid U.S. and Canadian origination platform on which to support and service the sales financing needs of North American equipment manufacturers,” noted Steven Hudson, Element’s Chairman and CEO.

Transaction Overview

The Transaction’s definitive agreement provides that Element will acquire all of the outstanding shares of CoActiv. The agreement contains customary representations, warranties and covenants of Marubeni, CoActiv and Element. A copy of the definitive agreement will be available at www.sedar.com. Closing of the Transaction is subject to the satisfaction of certain conditions. Subject to the fulfillment of these conditions, the Transaction is expected to close on November 30, 2012.

Barclays and BMO Capital Markets acted as financial advisors to Element on the Transaction and Blake, Cassels & Graydon LLP acted as legal counsel. Keefe, Bruyette & Woods, Inc. acted as financial advisor to Marubeni and CoActiv on the transaction and Sidley Austin LLP acted as legal counsel.

Debt Financing

In conjunction with the Transaction, Element also announced that it received a new committed term debt facility, fully underwritten by BMO Capital Markets, in the amount of $300 million. This facility was established to fund the Transaction as well as CoActiv’s future originations.
Equity Financing

Element also announced that it plans to sell, on a private placement “bought deal” basis, an aggregate of 17,700,000 Special Warrants at a price of $5.65 per Special Warrant for gross proceeds of approximately $100 million (the “Offering”) to a syndicate of underwriters co-led by GMP Securities L.P., Barclays, and BMO Capital Markets and including RBC Capital Markets, TD Securities, Cormark Securities, CIBC World Markets and Scotiabank. The proceeds of the Offering will be used to partially fund the Transaction and Element’s future growth as well as for general corporate purposes.

Each Special Warrant will be exercisable into one common share in the capital of Element (the “Common Shares”) for no additional consideration. The Offering is expected to close on November 23, 2012 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the Toronto Stock Exchange.

The Special Warrants will be deemed to be exercised upon the earlier of: (i) a date that is no later than the fifth business day after the date of issuance of a receipt for a final prospectus qualifying the issuance of Common Shares underlying the Special Warrants; and (ii) four months and one day following the closing of the Offering. Element has agreed to use commercially reasonable efforts to file a prospectus qualifying the issuance of the Common Shares underlying the Special Warrants within 75 days of closing of the Offering.

About CoActiv Capital Partners

CoActiv Capital Partners, Inc. headquartered in Horsham, Pennsylvania, is one of the fastest growing commercial equipment leasing finance companies in the U.S. CoActiv specializes in designing and implementing private-label sales-aid finance programs to meet the needs of equipment manufacturers in specific industries and has particular expertise in customizing programs for the multi-tiered distribution channels within those industries.

About Element Financial Corporation

With total assets of approximately $1.1 billion, Element Financial Corporation is Canada’s leading independent equipment finance company. Element operates nationally in three verticals of the equipment finance market - Element Capital provides large ticket equipment leasing, Element Finance serves the mid-ticket equipment finance market and Element Fleet provides vehicle fleet leasing and management solutions through the Company’s TLS Fleet Management division.
Forward Looking Statements

This release includes forward-looking statements regarding Element and its business. Such statements are based on the current expectations and views of future events of Element’s management. In some cases the forward-looking statements can be identified by words or phrases such as “may”, “will”, “expect”, “plan”, “anticipate”, “intend”, “potential”, “estimate”, “believe” or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The forward-looking events and circumstances discussed in this release, including the expected completion of the Transaction and the conditions required with respect thereto; the timing and expected completion of the Offering; the intention of Element to file a prospectus qualifying the Common Shares issuable pursuant to the Special Warrants; the integration of CoActiv into Element following completion of the Transaction and any synergies related thereto, and the anticipated growth of the CoActiv and Element business, as well as the intended use of proceeds from the Offering, may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting the company, including risks regarding the equipment finance industry, economic factors and the equity markets generally and many other factors beyond the control of Element. No forward-looking statement can be guaranteed. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statement or information. Accordingly, readers should not place undue reliance on any forward-looking statements or information. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Element undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.