

DATE: August 19, 2003

FROM:

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FOR IMMEDIATE RELEASE

**SUNRISE INTERNATIONAL LEASING CORP.  
REPORTS SECOND-QUARTER RESULTS  
Net Income Up 39 Percent Year-to-Date**

GOLDEN VALLEY, Minn., August 19, 2003 — Sunrise International Leasing Corporation (SILC), a wholly owned subsidiary of privately held King Capital Corp., today announced financial results for the second quarter ended June 30, 2003.

For the quarter, SILC reported revenues of \$13.9 million, compared to \$31.7 million for the comparable 2002 period. Second-quarter net income increased 9 percent to \$3.7 million from \$3.4 million for the prior-year period.

For the six months ended June 30, 2003, SILC reported revenues of \$34.4 million, compared to \$67.6 for the comparable 2002 period. Net income increased to \$8.5 million for the six-month period, up 39 percent from \$6.1 million in 2002.

Although revenues are down significantly in the current year due to adverse economic conditions and a worldwide decrease in capital spending, SILC continues to record strong net income primarily as a result of a high level of lease renewals, improved margins on the sale of used equipment and reduced expenses. Also, SILC's credit loss experience has consistently improved over the last several quarters, having a positive impact on provisions for losses.

The company remains debt free on its portfolio of nearly \$100 million in gross earning equipment. SILC has experienced substantial levels of free cash flow, allowing the company to aggregate a portfolio of over \$60 million in cash and investments. SILC is strategically managing this portfolio to ensure that it provides adequate yields and remains liquid enough for the company to capitalize on its new business ventures, which include a newly formed second placement division that actively solicits established, third-party lessors and captive leasing companies to refer lease transactions and lease lines of credit with companies that have limited credit options.

(more)

## **Outlook**

Consistent with the prior quarter, SILC experienced a modest increase in lease originations and expects this trend to further accelerate into the next quarter and to improve substantially in 2004 due to the implementation of major vendor programs that are currently being negotiated. However, the company reiterated that it expects 2003 full-year revenues to be substantially lower than the \$117.4 million recognized in the previous year.

SILC is actively searching for business partners that can benefit from the company's unique, highly successful vendor program business model, its customized information systems and unmatched servicing capabilities.

## **About Sunrise International Leasing Corporation**

SILC's business consists primarily of developing and implementing customized lease and rental programs for vendors of high technology and related equipment and is becoming a major financing source for second placements. SILC also is a national major reseller of high-quality, off-lease used Sun and Cisco equipment through Redirect Tech, its remarketing subsidiary.

## **About King Capital Corp.**

King Capital Corp., established in 1975 and based in Golden Valley, Minn., offers a wide range of leasing options to manufacturers, distributors and resellers through its primary subsidiary, SILC, as well as high-availability software through H.A. Technical Solutions, LLC.

**SUNRISE INTERNATIONAL LEASING CORPORATION**  
**CONDENSED STATEMENTS OF INCOME**

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b><u>2003</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
Revenues	\$ 13,898,000	\$ 31,690,000	\$ 34,418,000	\$67,613,000
Cost, expenses, and other	8,402,000	25,266,000	20,645,000	56,085,000
Income before provision for income taxes	5,496,000	6,424,000	13,773,000	11,528,000
Provision for income taxes	1,778,000	3,018,000	5,298,000	5,417,000
Net income	\$ 3,718,000	\$ 3,406,000	\$ 8,475,000	\$ 6,111,000

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