

Sale Leaseback - Turn fixed assets into liquid and unlock cash for your mission critical transformational project

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Overview of Key Pain Points

- To match cashflow with benefits - Financial
- Limited access to additional sources of funds - Financial
- Free up cash for strategic investment - Financial
- Unpredictable cash outlay - Financial
- Technology obsolescence - Technology
- Inflexibility to add capacity - Technology



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What is a Sale and Leaseback?

- You sell your existing equipment and transfer title of ownership to IBM Global Financing at the fair market value price. Then you lease the equipment back at regular, low monthly payments over a flexible payment period
- At the end of the lease term, you can extend the lease, or replace your equipment with the latest solutions. IBM Global Financing will even manage the disposal of your assets at end of lease.
- No immediate changes to your company's IT infrastructure or operations are required
- Hardware and equipment from both IBM and other vendors are eligible



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Why Sale Leaseback?

A sale leaseback can help you fund innovation that matters

- In IBM's 2006 CEO Study, 765 CEOs across the globe cited limited funding for investment as their second most significant obstacle to innovation
- Clients face concerns and regulatory pressure about hardware disposal

How sale leaseback can help

- Provides clients with an immediate cash infusion
- Reduces IT expenses over the long term, freeing up funds for higher-yield investments.
- Reduces depreciation expense along with the value of book assets
- Offloads the responsibility to dispose of end-of-lease assets to IBM Global Financing



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Sale Leaseback Benefits

There are many financial and technology-related benefits to sale leaseback

- **Cash infusion/liquidity:**

Your company will receive cash in exchange for the assets that can be used to fund higher-yield investments, or pay off debt

- **Improved management of key financial ratios:**

- Return On Asset (ROA) is improved by reducing the value of book assets
- Debt Ratio (Total Debt/Total Assets) is improved by reducing the value of book assets and also by potentially paying off debt with the cash infusion

- **Reduced risk of obsolescence and hardware disposal**


- Protect against shorter technological life than originally anticipated
- Establish a regular technology refresh cycle through leasing
- IBM bears the responsibility to remove assets at the end of lease and dispose



IBM Global Financing

- An array of customized leasing and financing plans
- Comprehensive packages with a single contract and point of contact
- Competitive rates
- Providing you financial agility to pursue a major transformation project
- Ability to finance entire solution (i.e., IBM and Non-IBM hardware, software, services, third-party transition costs)
- Flexible financing options that relate cost directly to benefits
- Buyback and disposal services for used hardware, including resale and disposal

Complete Solution Financing				
Sale Leaseback Cash injection Asset levered Upfront	Loan BCS services Multi draw Fixed/Index	Lease Asset content FMV/FPO	OEM BP or Direct HW/SW/SVC	Other Transition costs Transformation Buyback & disposal

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Thank you
