

Leasing - Innovative Business Solutions

Agenda

- Change in Technology Landscape
- Top of the mind CXO issues
- Leasing – a Strategic Tool
- Solutions for every Business requirement
- Asset Management / Disposal Solution
- Leasing model align to Channel
- Business Benefits

Changing Business Requirements

- Top-of-mind issues for CXOs

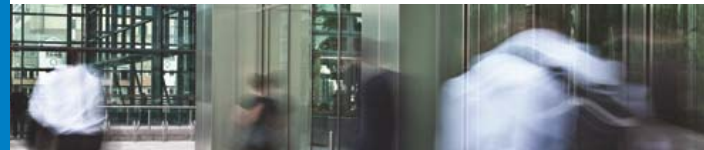
Financial implications



IT evolution



Managing risk & compliance



Business benefits



Existing model Vs New Innovative models

Existing model		New innovative models
Large upfront investments requirements	➔	No upfront investment. Repayments are over a period of time.
Long lead times for changes	➔	Quick, almost real-time provision of new services
High rate of failure and delay	➔	Low entry costs. Models which can scale in line with changing business.
Technology is out of date as soon as it's implemented	➔	Access to latest and best technology with no budget constraints

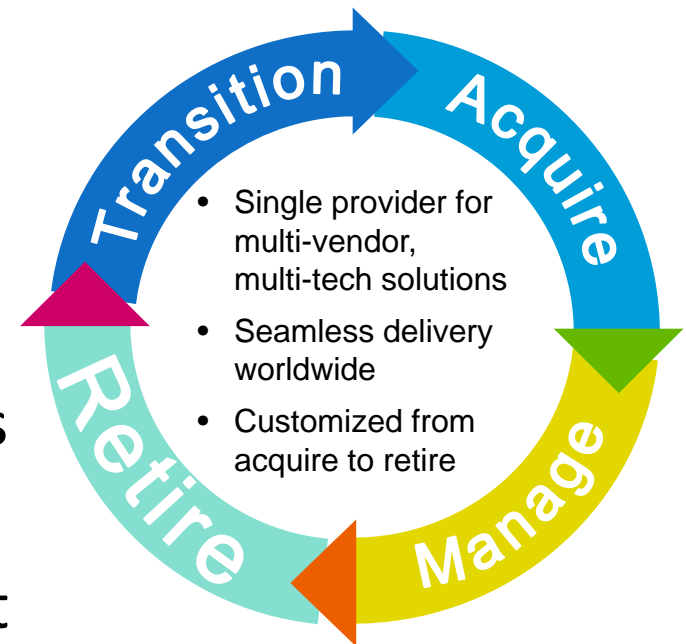
Financial Implications

- Operating expense growth and its implications
- Evaluating TCO – new models, new costs
- What approach to take



Leasing-A Strategic Tool

- Transition from existing to latest technology
- Acquire a new solution cost-effectively
- Manage that solution throughout its lifecycle
- Increase the return on IT investment
- Reduce Risk
- HP Solution



Leasing provides the capital to capitalize on change

Benefits

- Refresh Your Technology
- Improve Cash Flow Management

Refresh Your Technology

- Avoid Technological Obsolescence
- Eliminate end of life risks & costs
- Eliminate asset disposition concerns & cost
- Reduce High maintenance fees and downtime associated with aging equipment

Leasing Solution for every Business Need

Business Need	Leasing Value Proposition	Solution
Capex constraints	Free up capital from other projects to fund new technology	Sale & Leaseback
Cash flow alignment	Deferred payment; quarterly payment terms	Operating / Finance Lease
Difficulty with asset disposal	Lessor takes back older assets	Asset Recovery Services
Wants technology to remain current, cutting edge	Residual-based lease	Tech Fresh
Need to reduce TCO (Total Cost of Ownership)	Lessor takes residual value and performs TCO analysis	Operating Lease
Want to lease hardware, software, 3 rd party products & services	Lessor funds HP and 3 rd party vendors	Total/ Bundled Solutions
Require technology refresh and lowest TCO possible	Custom payment terms to enable smooth transition	Operating / Finance Lease

Improve Cash Flow Management

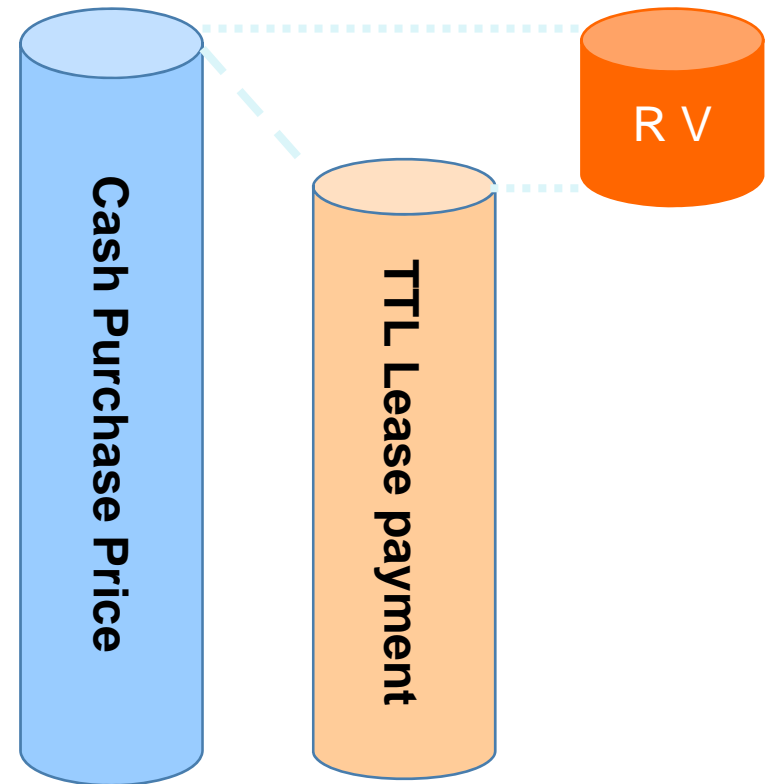
- Conserve Capital- deploy to grow your business
- Facilitate Budgeting process
- Preserve existing credit lines with new source of credit for present & future needs

Leasing

- Operating Lease
- Finance Lease
- Sale-Leaseback

Operating Lease-Lease to Use

- **A**ssets will be in Lessor books.
- **A**ll risks of technology obsolescence is to Lessor
- **T**otal lease rental payments over time is less than the original equipment cost.
- **F**lexible options at the end of lease term.
 - Return and upgrade to new technology
 - Renew the lease for additional term
 - Buy out equipment at end of term.
- **B**usiness benefits
 - Pay to use Vs Pay to own.
 - Technology refresh option.
 - Keep pace with changing business requirement.



Finance Lease- Lease to Buy

- **A**ssets will be in customer books.
- **A**ll risks of technology obsolescence is to customer.
- **C**ustomer can claim depreciation on assets.
- **T**ransfer of title at the end of lease term.
- **B**usiness benefits
 - No upfront investment.
 - Spread out repayments over the asset's usage.
 - Helps to align cash outflows to revenues.
 - Customer enjoys ownership of asset at end of term



Sale and Leaseback

- Customer has already purchased assets.
- Sells assets to Lessor at book value and gets back cash into the system.
- Customer signs a lease agreement with Lessor to lease the same equipment under a FMV or FL.
- **Business benefits**
 - Ability to infuse cash back into system for future investment.
 - Flexible options on technology refresh and end of term.
 - Lighter balance sheet improves financial metrics.
 - Secured and green disposal of retired assets through leasing.



Asset Management / Disposal Solution



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