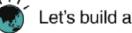


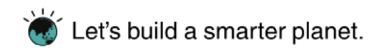


Sale Leaseback - Turn fixed assets into liquid and unlock cash for your mission critical transformational project

By Vernon Chen Country Manager, *IGF* May 26, 2009



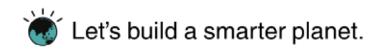


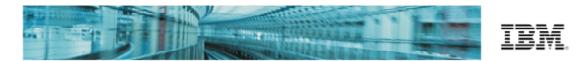




Overview of Key Pain Points

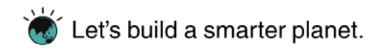
- To match cashflow with benefits Financial
- Limited access to additional sources of funds Financial
- Free up cash for strategic investment Financial
- Unpredictable cash outlay Financial
- Technology obsolescence Technology
- Inflexibility to add capacity Technology





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





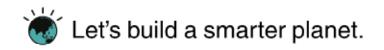
Why Sale Leaseback?

A sale leaseback can help you fund innovation that matters

- In IBM's 2006 CEO Study, 765 CEOs across the globe cited <u>limited funding for investment</u> 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





Sale Leaseback Benefits

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

Cash infusion/liquidity:

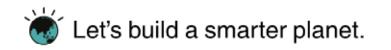
Your company will receive cash in exchange for the assets that can be used to fund higher-yield investments, or pay off debt

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

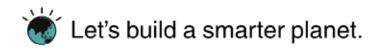




IBM Global Financing

- 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





Thank you