

Cisco Capital

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Cisco Capital Central Theatre

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Agenda

State of the Economy

Why Cisco Capital

Offers and Programs

Q&A

Cisco Capital

State of the Economy



Increased “true” cost to run business

Capital more difficult to raise

Spending is continued to be scrutinized

Priority is to reduce operating expenses

Leverage and liquidity can be affected

Market

How is this impacting our Partners?

- Cost of doing business is increasing
- Customer are delaying orders
- Partner models are under pressure

Stabilize revenue and protect margin

Manage cash flow

Control Cost

Accelerate buying decisions



What is the industry telling us?

IDC 'Channel Check: How the economy is affecting partners'

**Partner
Vulnerability?**

"...customer access to investment capital will be challenging and stressing partners"

**Partner
Best
Practice?**

"Leasing: An extremely valuable option that will help to bolster business not only during this trying time but overall in the long term"

The Future?

"Leasing and financing demand will increase as IT organisations seek solutions to procuring equipment without a large outlay of capital"

Source: IDC Dec 2008 'Channel Check: How the Economy is Affecting Partners'

Help in a time of crisis?

IDC 'Economic crisis response'

"CFOs will remain cautious, even when the markets return to a more normal outlook"

Caution

".. surge in IT leasing and financing volume will be realized as IT customers use leasing to acquire critical IT assets and conserve capital despite lower IT spending outlook"

Leasing

"...worldwide IT leasing and financing market will increase to a total of \$125.8 billion in 2011"

Increase

Source: IDC Dec 2008: 'Economic Crisis Response'

Why Cisco Capital?



First, Who is Cisco Capital?









Wholly-owned Cisco subsidiary (Captive) created to:

- **Leverage Cisco's financial strength to help provide end-to-end financing alternatives for Cisco's products and services**
 - Eliminating barriers to acquiring Cisco products and services
 - Maximising a customer's cash flow and profitability
 - Providing direct customer contact and speaking the language that resonates with CxOs today
- **No fundamental change in our credit practice – we continue to be prudent**
- **Global market presence – 140 countries**
- **Our focus – enabling our customers' and partners' success**



More Cisco expertise. More flexible financing.

Cisco Capital v Generic Financing Organisations

	Cisco Capital	Other finance organisations
Primary focus not lease profitability.		
We take real product risk through aggressive residual values.		
Technology experience no one else could offer. Ability to create true lifecycle models.		
Long term business initiatives directly aligned with customer and Cisco initiatives.		

We Can Grow Your Deal Size

“...The average spend increase when financing is included is **34%**”*

Original
Deal Value

\$100K

+

Deal Size
Increase

34%

=

Financed
Deal Value

\$134K

*Data Specific to Financing for SMBs with \$100,000-\$500,000 in Annual IT Spend, according to The Yankee Group, 2006 US Small and Medium Business IT Infrastructure Survey; the Yankee Group defines ‘SMB’ as companies with fewer than 1,000 employees

So You Can Sell/ Up Sell More Often

Double Your Earning Potential

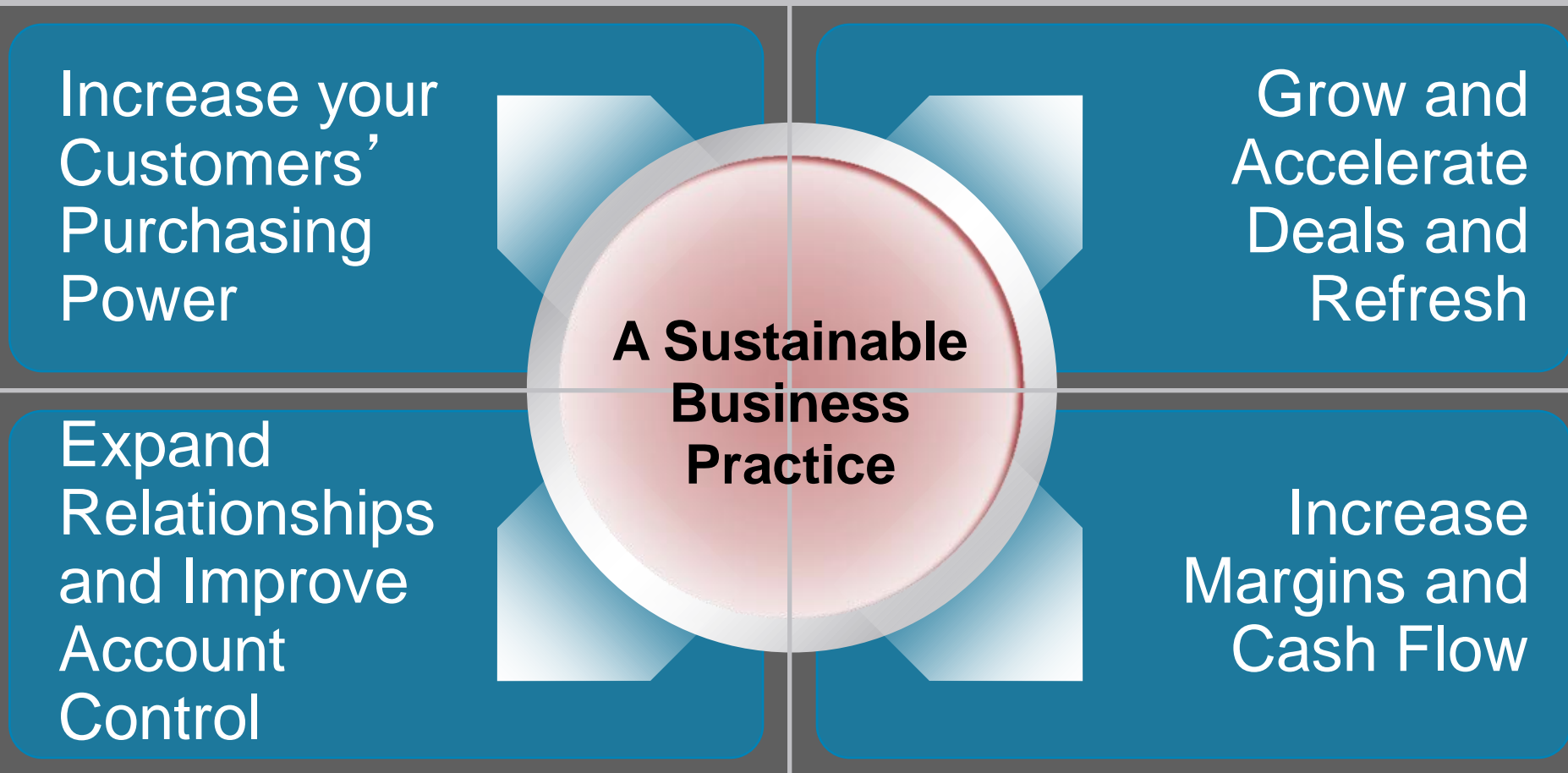
**# Months assets purchased with cash
stay in place**

69

**# Months leased assets
stay in place**

37

How Cisco Capital Helps You, the Partner



Why Companies Finance their Technology Requirements

- **Manage equipment lifecycles:** protect from technology obsolescence, with easy upgrades, migrations and equipment disposal to meet business needs
- **Conserve cash flow:** spread costs over time, preserve credit, avoid cash investments
- **Increase value:** Capital's competitive rates and residual values lower the cost of ownership
- **One solution, one payment:** combine hardware, software and services on one lease
- **End of Lease flexibility:** various options including return or purchase the equipment

Financing allows our customers to focus on the business of running their business

Cisco Capital: A Win, Win Scenario

Cisco Partners

Competitive differentiation
for Cisco products

Provides customer
'stickiness'

Reduces price point,
accelerates sales, provides
up-sell opportunity

Protects and enhances
Partner profitability

Facilitates programmatic
sales/ marketing approach

Drives Partner loyalty

Future churn opportunities

Cisco Customers

Removes budget burdens

Enables on time solution
deployment (what they want,
when they want it)

Lowers entry price point for
Cisco solutions

Delivers an alternative
source of credit

Provides competitive TCO
considerations

Financial platform for future
technology enablement

Financing Allows You to Offer A Total Cisco Solution to Your Customer



Cisco Capital financing is a critical component of today's complete technology solution

Cisco Capital Lines of Business

End User Financing



Attractive, flexible financing for Cisco technology solutions

Cisco Certified Refurbished Equipment



Price competitive and trusted alternative when new Cisco technology is not an option

What Are Cisco Capital's Financing Offers?



Financing with Cisco Capital*

Flexible and competitive financing

Finance your Cisco solution and benefit from:

- **Cash flow conservation** – spread costs over time and preserve credit
- **Business focus** – remove the burden of equipment ownership and disposal
- **One solution, predictable payments** – combine hardware, software and services
- **Lower costs** – take advantage of competitive rates and residual values which reduce total cost of ownership
- **Equipment lifecycle management** – gain from flexible upgrade and migration options
- **Maximum flexibility** – choose payment terms, lengths and end of lease options including return or outright purchase.

**More Cisco expertise.
More flexible financing.**

**Find out how Cisco Capital can help you
maximise the benefits of your financing
solution, visit our website:**

www.cisco.com/go/capital_europe.com



*NOTE: *Usual Cisco Terms and Conditions apply, subject to credit approval, not available in all countries.*

Cisco Capital EasyLease

EasyLease 0% Financing*

0% EasyLease: **Voice**

- Focus on **Cisco Unified Communications**
- Maximum term 36 months
- Minimum deal size £1,000
- Maximum £100,000 per program per customer
- Solution must contain 70% Cisco, inc hardware, software and services

0% EasyLease: **Network**

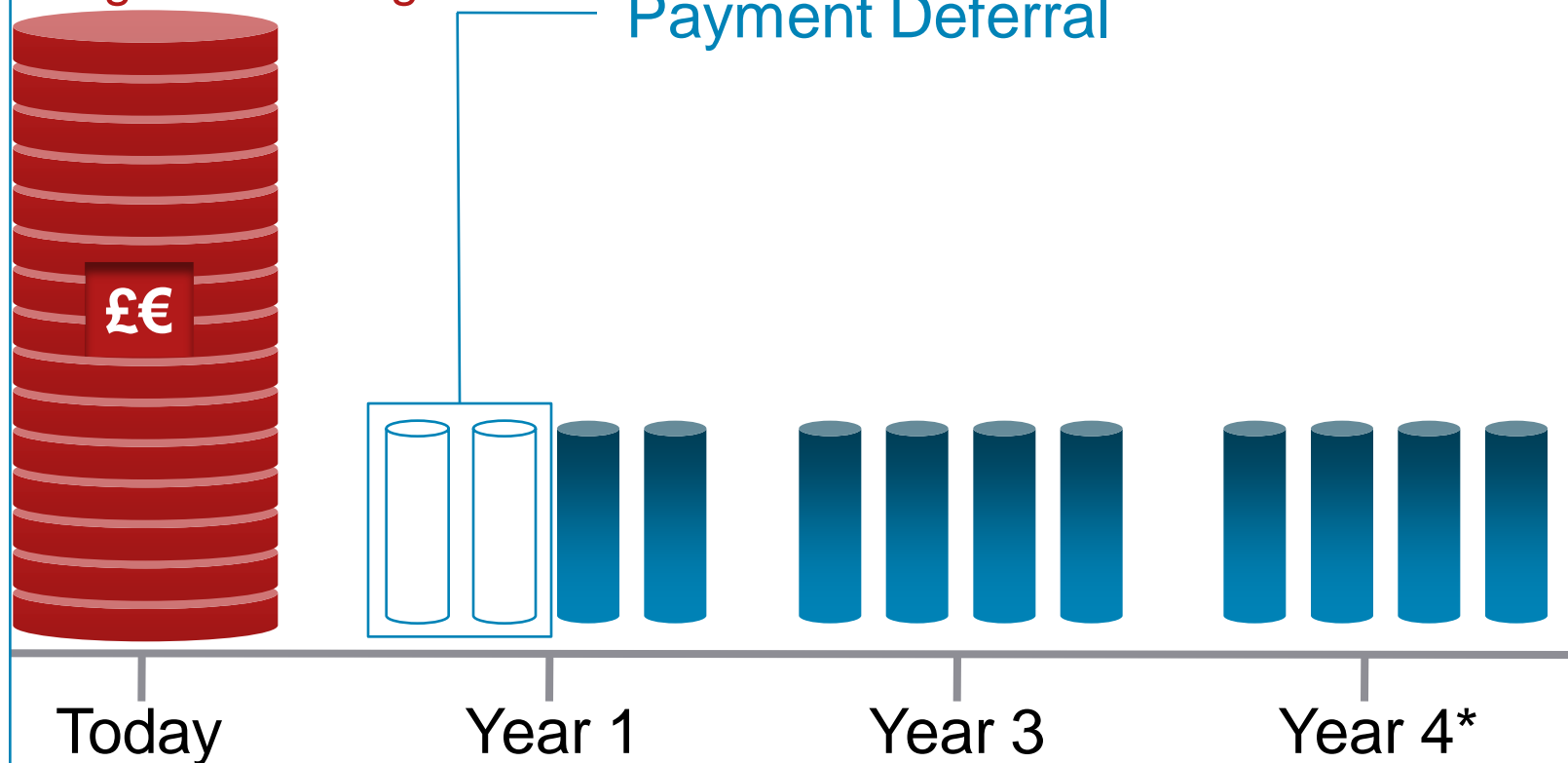
- Focus on **Cisco networking solutions**
- Maximum term 36 months
- Minimum deal size £1,000
- Maximum £100,000 per program per customer
- Solution must contain 70% Cisco, inc hardware, software and services

NOTE: *Valid until 31 July 2009; Terms and conditions apply;
Not available in all countries.



Flexible Financing

Cost to purchase
technology BUT no
budget remaining



* Other finance terms are available, subject to terms and conditions. Not available in all countries.



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