



Cisco Capital
Financing Solutions

Cisco Capital Can Make The Difference

Cisco Capital, a wholly owned subsidiary of Cisco®, continues to make borrowing both available and affordable for most Cisco customers. As a captive financing source, we are not experiencing the same financial capacity issues that are currently affecting some banks, financial institutions, and independent leasing companies.

We are able to take advantage of the strong financial resources of our parent company, Cisco, to provide our customers with an alternative source of capital. As a trusted business partner, Cisco Capital can help you develop a flexible, cost-effective strategy for acquiring your Cisco solutions.

Flexible financing options

By spreading the costs of new network solutions over time and focusing on a usage model, businesses can maximise cash flow, conserve capital budgets and retain the flexibility to embrace new network technology advances at any time.

The following is an outline of the different financing structures available from Cisco Capital:

Finance Lease

A finance lease is a capital lease, or hire purchase, that allows customers to combine some of the benefits of leasing with those of ownership. At the end of the lease term, the customer has the right to purchase the equipment, usually for a fixed nominal sum.

For tax and accounting purposes, customers are deemed to own the equipment from day one of the lease term. Although such leases do not address the risks of technology obsolescence, they do provide customers with an easy tool for cash flow or budget management.

Operating Lease

Operating leases are designed for businesses which seek constant access to the latest technology without the burden and risks of ownership. A projected residual value is deducted upfront from the networking solution cost, thereby lowering monthly repayments and total deployment cost. At the end of the initial term, the customer has the option to return the equipment, or upgrade in whole, or in part, to newer technology.

Customers may also extend the lease, or buy the equipment at Fair Market Value. Operating leases shift the risk of technology obsolescence and the burden of end-of-life equipment disposals away from your business.



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Sale and Leaseback

Sale and leaseback helps businesses migrate to Cisco solutions and overcome the obstacle of legacy equipment and outstanding leases; thereby avoiding asset write-offs during technology migration. Cisco Capital will purchase the network equipment already owned by a business, before leasing back those assets. These transactions are designed for businesses which need to purchase assets first, for tax or other reasons, before leasing them.

Businesses may also opt for sale and leaseback for purposes of balance sheet management, cash flow considerations, or when outsourcing network management to a telecommunications service provider or specialised network outsource company.

Services Lease

A services lease allows customers to bundle Cisco maintenance and services solutions together with their equipment lease into one easy payment. Services leases are available for Cisco delivered contracts (*Advanced Services, SMARTnet, Technical Support Services*) sold directly by Cisco or a partner. Financing is also available for Cisco maintenance and services purchased on a standalone basis.

Technology migration

This option helps businesses avoid the problem of having to cope with an unexpected need to upgrade technology – a major concern for CIOs. It provides businesses with the ability to migrate/upgrade to new technology before the lease term is ended. This option is ideal for businesses preferring to plan for partial or large scale upgrades, and for retaining the flexibility of adopting new technologies as they become available.

For complete information on the benefits of financing with Cisco Capital, or to learn how you can take advantage of special offers and promotions, contact your **MHZ** Account Manager.

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