

Apple Commercial Credit

Equipment Leasing: A Competitive Edge for Your Business

Leasing is a Growing Trend

With the volume of business equipment leased by U.S. businesses rising more than 109% over the last decade -- from \$124.3 billion in 1990 leasing volume to \$260 billion in 2000 -- equipment leasing has clearly gained acceptance as a smart way to manage and finance needed equipment. Leasing has become a fast-growing trend -- U.S. Commerce Department research shows that 80% of all U.S. companies lease some of all of their equipment -- as a growing number of companies take advantage of leasing's benefits and flexibility.

MYTH:
Leasing is inflexible.

FACT:
Leasing's flexibility helps businesses stay current with the latest technology and their changing business needs.

Now more than ever, technology is a weapon for your business. For many organizations, large and small, it can be a competitive advantage. The fast pace of change in technology, however, is shortening the useful life of IT equipment. Leasing can help your business avoid being saddled with obsolete technology by structuring leases matching the equipment's useful life with its costs; planning future upgrades within the lease agreement; and transferring the risk of owning obsolete technology to the leasing company. Leasing

is rapidly becoming the preferred strategy for acquiring and managing the life-cycle of equipment.

Have the Latest and Greatest Technology – Today and Tomorrow

- High-tech equipment bought today will be worth a fraction of its present value in three years.
- No sense investing money in assets that depreciate quickly.
- Savvy business owners are using budgets for activities that generate revenue.
- Owners seek strategies that ensure their companies have current technology.
- Leasing allows your company to have the latest technology, a key competitive advantage.

Life-Cycle Solutions

Life-Cycle Solutions are leasing programs designed to help companies "refresh" their IT equipment and manage obsolescence.

- **Trade-In/Disposal** — Receive a trade-in credit for old equipment when new equipment is leased. Apple Commercial Credit, the commercial equipment financing unit of Apple Financial Services, can also handle disposal of old equipment, which can be very costly.*
- **Add-On Lease Program** — Add equipment to existing lease at any time, with no money down.*
- **Trade-Up Lease Program** — Upgrade old equipment.*

**These benefits are inherent in every lease.*

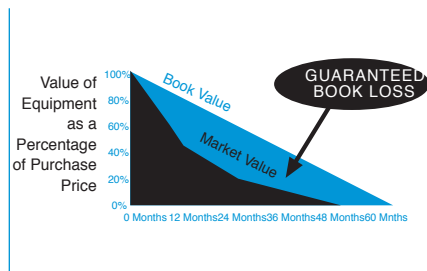
Contact your Apple authorized reseller for further information.

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Financial Risk of Owning Outdated Equipment

Most businesses don't realize just how quickly high-tech equipment depreciates. A top-of-the-line solution purchased today will be worth just a fraction of the original equipment cost in three years.



MYTH:

Leasing is more expensive than using cash or other forms of equipment financing.

FACT:

Leasing is cost-effective, conserving your capital and preserving credit lines, while shifting the financial and obsolescence risks to the leasing company.

Transfer the Risk of Equipment Ownership

- Avoid financial threat of owning equipment with book value higher than market value.
- Equipment owners must depreciate equipment over its economic useful life.
- Unless you plan on keeping equipment for full depreciable life, you face potential book loss.
- Leasing enables you to match equipment's economic useful life to lease term.
- Hedge your risk with leasing.

Maximize the Budget

- Leasing requires no initial cash outlay and offers low monthly payments.
- Improves cash flow and simplifies financial planning.
- Lease payments are often lower than monthly purchase payments.

Financing for a Total Equipment Solution

- Incorporate hardware, software and services in the lease.
- Leasing provides 100% "total solution financing" for your entire acquisition.
- Traditional bank loans typically will not finance soft costs like software, support, training.

Conserve Capital/Preserve Credit Lines

- Leasing won't disrupt your company's existing credit lines; it effectively provides an additional line of credit.

Flexible Payment Structures

- Lease payments can be matched to budget levels, or structured to match revenue streams or cash-flow requirements.

Avoid the High Costs of Disposal

- A multitude of government regulations dictate how equipment disposal must be handled.
- In most cases, proceeds from selling outdated equipment do not cover expenses.
- Employee sale programs and charitable donations take valuable staff time.
- Trade-In lease program provides credits for obsolete equipment, lowering cost of your new solution.

Tax Advantages

- Unlike bank loans, lease payments are generally fully tax-deductible.
- Consult your accountant or tax advisor to discuss this important tax advantage.

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MYTH:

Leasing involves
lots of paperwork
and administration.
It's complicated.

FACT:

Leasing with Apple
Commercial Credit is
easy and convenient.

Apple Commercial Credit provides innovative, custom IT solutions to meet the needs of growing businesses. The program is part of Apple's strategy to provide a broader array of consistent offerings to your business.

Under the Apple Commercial Credit lease financing program, businesses can finance from \$1,000 to multimillions of dollars in hardware, software and services in just minutes. Apple Commercial Credit is available for Apple and non-Apple hardware, software and services, allowing you the benefit of fast, easy, one-stop shopping for a total IT solution.

Fast Credit Response

In most cases, you will receive a credit decision in one hour or less on transactions under \$50,000.

We Prepare Documents and Send to You to Sign

All lease documentation prepared by Apple Commercial Credit — all you do is sign!

Bundled Solutions

Apple Commercial Credit's convenient, single-source product and financing solution gives you the convenience of bundling soft costs (i.e. software, support and services) not typically included in bank loans into an affordable monthly payment.

Flexible Payment Structures

Lease payments can be matched to varying budget levels, or customized to match a company's revenue streams.

Contact your Apple authorized reseller for further information.