

RENTAL SCHEME

RENTAL SCHEME PRODUCTS MAIN IT REPLACEMENT PROGRAM

Rent or Buy?

Your first instinct might be to buy, but consider the implications. This would require you to use:

- Cash reserves - which could be used on more valuable investments like increasing inventory or acquisitions.
- A loan for the sum - which would reduce your future ability to borrow.
- A lease - which would leave you with the equipment for the full term and still leave you impacted by depreciation.

A purchase would reduce your cash reserves or increase your debt while a finance lease must be capitalised in the balance sheet.

WHY RENT?

Companies will benefit from *using* computers, *not* from *owning* them.

Payment Structure

Rental provides an attractive alternative to upfront purchasing, allowing you to pay as you use rather than pay in advance. Renting improves the cash flow of your company and leaves capital or alternative funds free for investment within the business.

Off Balance Sheet

This facility could be classified as a true operating lease as confirmed by auditors with reference to the local accounting standard. ISL Financial Services takes the residual risk on an operating lease, thus alleviating the need for any loss on sale write-off at expiry.

Equipment Disposal

At the end of the contract the equipment may be returned to us. Your organization is not left with obsolete equipment. Our expertise is in re-renting the equipment to alternate tier users. The time and cost associated with disposal disappears. These costs could run to as much as R600 per month per P.C.

Cost Center Billing

ISL Financial Services will assist with the tracking and control of your assets. ISL can arrange for billing to separate cost centres and divisions.

Buy and Rent Back

ISL Financial Services can buy and rent back any equipment currently on balance sheet within your business, or equipment under another finance agreement. In this instance we would settle any outstanding balance to the original institution thus injecting cash into the business, and consolidating your debt at a lower interest rate.

Equipment

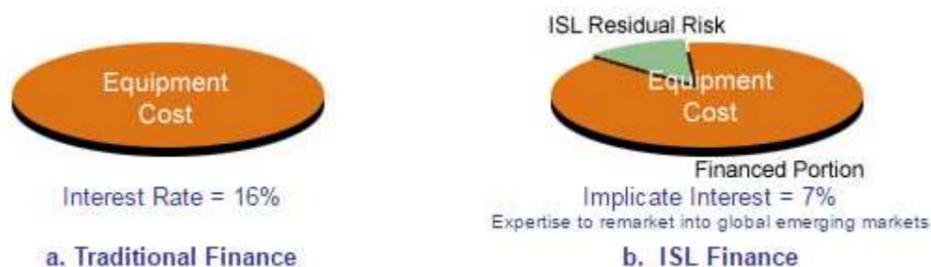
Your business may also incorporate other equipment into the transaction. Provided there is ISL equipment in the agreement, you can include equipment such as PABX systems, copiers, faxes, medical and factory equipment, fit-outs, etc.

Sub Cost of Funds

The rental figures are at fixed monthly rates for the duration of the term with no other ongoing costs.

ISL Financial Services does not make a margin on the financing of the equipment. We are essentially residual risk takers and make our money when the equipment is returned to us at which time we remarket it into secondary rental streams. We invest money in the equipment upfront as it creates an opportunity for us to realise profits at a later date.

How it works



End of Rental Term

There are three options available:

- Hand back the existing equipment and upgrade to new equipment.
- Continue to rent on a casual basis or for a fixed term.
- Return equipment to ISL Financial Services with no penalty or residual payment.