

# **Sustainable Financing Solutions**

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**January 7, 2010**

# Forward-Looking Orientation: Megatrends and Climate Change



## Urbanization

- Today: 280 million people in megacities (> 10 million)
- 2007: First time in history more people living in cities than in rural areas
- 2015: 350 million people in megacities

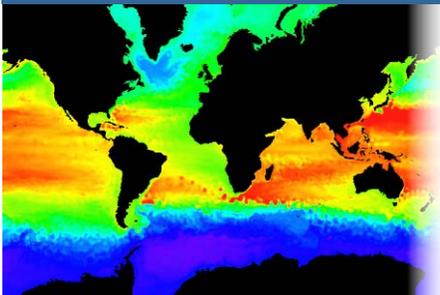
## Megatrends

### Demographic change

- Average life expectancy is projected to increase globally from 46.6 (1950) to 72 (2025)
- Population growth is estimated to increase from more than 6 billion to 8 billion by 2025



## Climate Change



- 11 of the last 12 years rank among the 12 warmest between 1994 and 2005...
- Greenhouse gas emissions haven risen dramatically since industrialization...

**Impact: Challenge for Infrastructure, Renewable Energy, and Sustainability...**

# Our Value Proposition is Based on Innovation, Efficiency and Sustainability

**SIEMENS**

## Tough Questions:

### Energy Supply



### Saving Resources



### Mobility



### Lighting



### Automation

### Clean Air



### Fresh Water



### Data Storage



## Siemens answers:

- Clean Energy Generation
- Water Filtration/Reclamation
- Green Buildings
- Emissions Control
- Output Efficiency
- Energy Efficient Lighting
- Waste to Energy
- Energy Management Consulting
- Intelligent Traffic Systems
- Mobility Communications
- Hybrids/Clean Diesel
- Research/Modeling

## Financing for Housing Authority

### Customer's Need

- **Housing Authority needed tailored financing for a project recommended by Siemens to conserve energy in their public housing facilities**
- **The project included: Lighting retrofit, installment of new energy efficient central heating unit along with controls, doors and windows, and temperature controls for the HVAC unit**

### SFS Financing Solution

- **Siemens provided a \$5.2 million, 16 year tax exempt loan with payments tailored to the expected energy savings**
- **Since the energy savings from the project are greater than the debt service of the tax-exempt loan, the Authority was able to acquire much needed infrastructure upgrades without any impact to their cash flow**

## Financing for a Major Scientific Institution

### Customer's Need

- A major Scientific Institution needed financing for an energy and water conservation project designed by Siemens to generate utility savings
- The conservation project included: Lighting retrofit and installment of new lighting sensors, water retrofit and installment of sensors to reduce water consumption, air flow controls, chilled water system, building meters to monitor and track overall energy and water usage

### SFS Financing Solution

- SFS worked directly with the institution to structure and underwrite the project quickly to meet their cash flow requirements
- SFS approved and closed a \$9 million, 11 year (with a 20 year amortization) tax exempt loan, allowing the customer to start the project on time
- Customer's utility savings from the project are greater than the debt service of the tax exempt loan; therefore, SFS financing solution is cash flow neutral to the customer

## Financing for Water Treatment Facility Expansion

### Customer's Need

- Colorado City needed to expand its water treatment facilities and sought to avoid delays associated with obtaining funding from the state revolving fund
- They sought a water treatment solution provider who could bundle third-party engineering, construction, and equipment costs to fit into one financing arrangement



### Colorado City, Colorado

### SFS Financing Solution

- SFS provided Colorado City pre-approved tax exempt financing enabling greater project planning efficiency
- SFS financed \$1.8 MM Siemens Water Technologies Memcor® equipment, third-party engineering, and construction costs
- SFS financing helped the city avoid delays, save taxpayer dollars, and greatly accelerate the timing of the project

**“The built-in financing from Siemens saved taxpayer dollars and expedited the expansion of our drinking water treatment facilities needed to serve our growing population.”**

**Bob Flinn, Board of Directors,  
Colorado City, CO**