

PHILIPS

sense **and** simplicity



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What We Will Cover

- Brief Introduction to Philips
- Partnership with AlabamaSaves
- Launch & Implementation of Program
 - Finding the “Energy Targets
 - Process & Marketing Plan
- Program Details
- Best Practices and Other Models

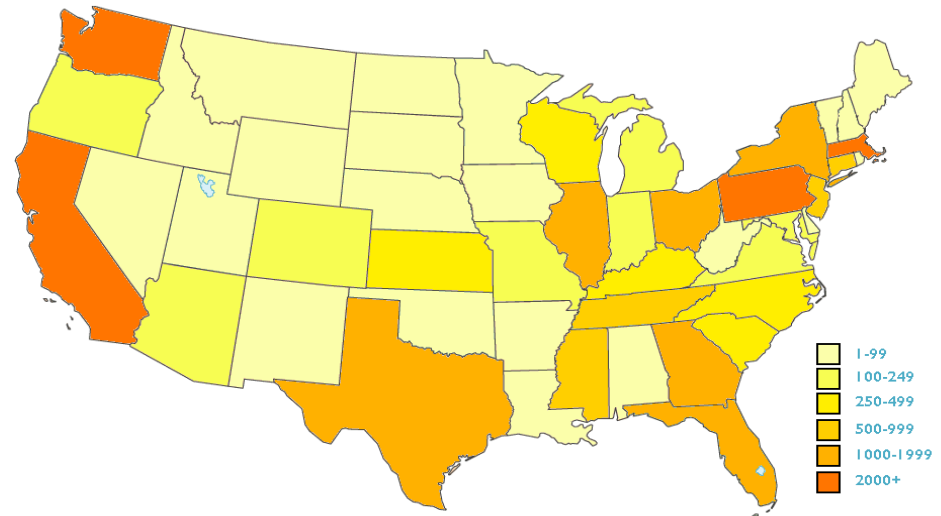
Introduction to Philips

Royal Philips Electronics

- Headquarters in Amsterdam, The Netherlands
- Founded in 1891
- Over \$30 billion sales
- Over 120,000 employees
- Three business sectors: healthcare, lighting, consumer lifestyle
- Largest Lighting Company in the World with all offerings: lamps-controls

Philips in the US

- Lighting HQ: Burlington, MA
 - 20 US manufacturing facilities located in MA, MS, KS, CA, NY, NJ, IL
 - Most lighting products sold in US are made or assembled in the US



**PHILIPS
GUTH**

Ardee
LIGHTING

LUMEC

ONLYTE

**CHLORIDE
SYSTEMS**

LIGHTOLIER®

CAPRI

mcPhilben®

Hanover
LANTERN, inc.

LAM
PERFORMANCE INDIRECT

Bronzelite

crescent
LIGHTING

dac

Lēdalite

ExceLine

THOMAS
LIGHTING

FORECAST

**EMCO
LIGHTING**

ALKCO

Day-Brite® Lighting

WideLite

HORIZON

Quality Lighting
A DIVISION OF JJI LIGHTING GROUP, INC.

HOFFMEISTER

Lite-Energy

STONCO

Gardco Lighting

ALLSCAPE®

HIGHLITES
Life Safety Products

**LIGHTOLIER®
CONTROLS**

METROLUX™
Roadway Lighting Solutions

specialtylighting

NightLife
Landscape Lighting

VARI*LTE®

OMEGA
LIGHTING

HADCO®

Morlite

TRANSLITE
SONOMA

VISTA
Healthcare Lighting Solutions

Strand
LIGHTING

Entertainment Technology

CANADIAN DIVISION
THOMAS
LIGHTING

Shakespeare
Composite Structures

Breaking News



U.S. Department of Energy Awards L-Prize to Philips Aug 3, 2011

- Philips LED L Prize Lamp--a major technological leap forward for LED replacements
- Converting every U.S. socket from 60W incandescent lamps to 10W L Prize lamps would :
 - save approximately 35 terawatt-hours of electricity in one year, and
 - avoid 20 million metric tons of carbon emissions

Philips/AlabamaSaves Partnership

Mission: *Through the use of public private partnerships, leverage state & local funding to directly engage with Alabama businesses to reduce energy consumption through EE turnkey lighting solutions.*

- AlabamaSAVES selected Abundant Power as the administrator to expand the program with private capital
- \$9m in financing will be provided by Philips Financing at a rate of 2%
- Financing is backed by a \$2M escrow account
- Philips Lighting will be the sole provider for lighting upgrade projects (new and retrofits) to leverage these funds
- Program must be concluded within 12 months (end of June 2012)
- Minimum loan size for any project is \$50,000
- Projects and funding only applied to entities not publicly owned
- Weaver Cooke Construction will be the project integration partner

Voice of the Customer...

"Everyone seems to be doing pieces of this. I can finally go to one source to manage the energy in our facilities"

"The financing aspect of this program allows us to upgrade our buildings and receive positive cash flow"

"Today we have to work with multiple vendors to complete a job. Working with one company will be much easier and save us time and money."

"We are looking forward to having a strategic lighting partner."

"We really like the idea of all subject matter experts coming together to meet our needs"

"Philips brings credibility to this"



Finding the “Energy Targets”

Four part approach

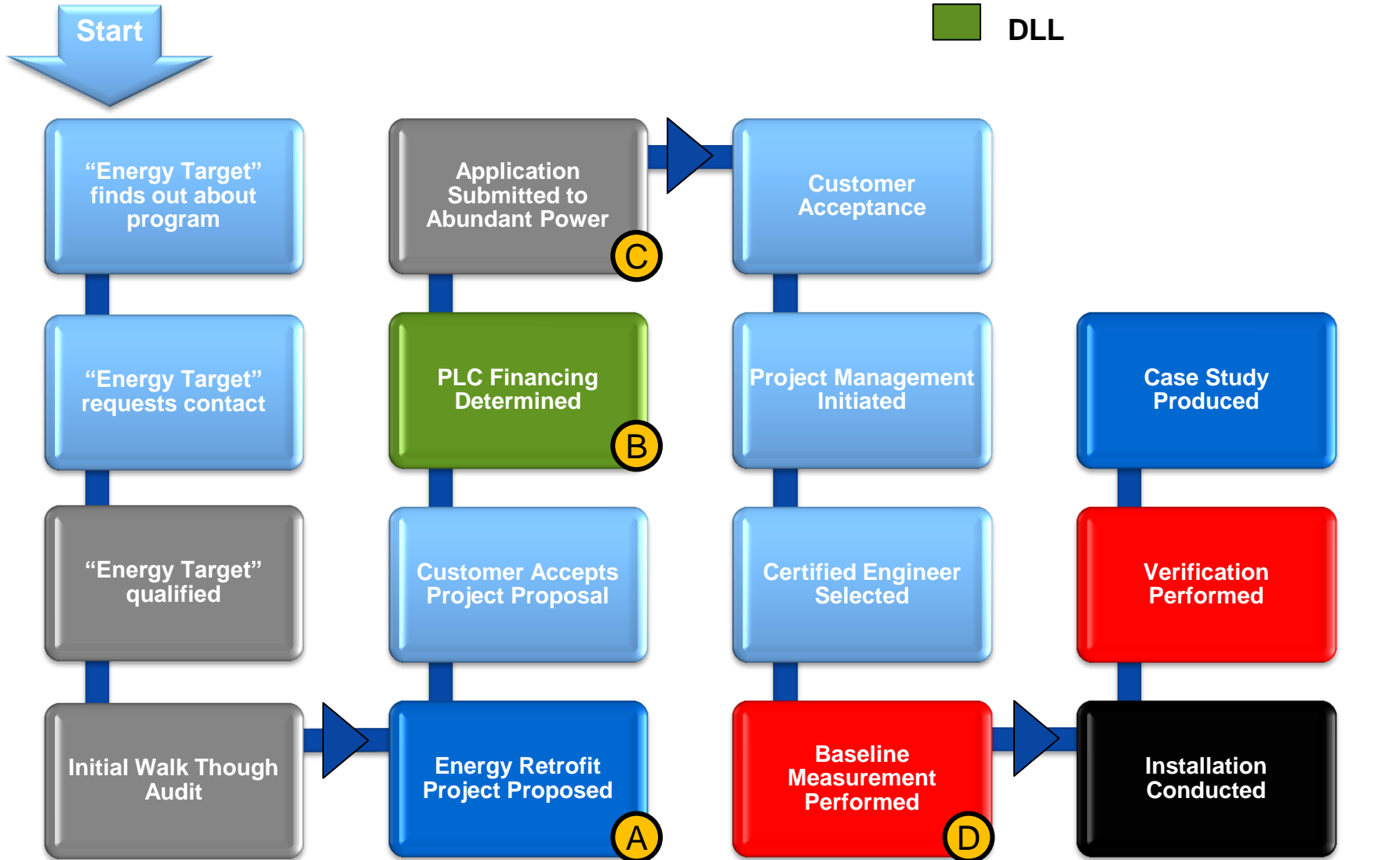
1. Direct Targeting by Sales Personnel
2. Leverage Partners to identify targets
 - One Page Marketing Collateral
 - Press Release
 - Website Toolkit
3. Proactive Approach-
 - Engage Chamber of Commerce
 - Engage Utility Companies
 - Engage State Government
 - Channel Partners
 - Outreach/training
4. Other Media Outlets
 - Referral Site/Radio
 - Roadshows

**“Energy Hogs”
Identified**



www.energyhog.org

Process



Marketing Plan



- Awareness
 - Press Release
 - One Page Program Overview
 - Partner Website Pages
 - Roadshows
 - Direct Targeting
- Interest
 - Leverage online energy calculators
 - Dedicated websites: i.e. asimpleswitch.com

Marketing Plan



- Evaluation
 - Sales statistics
 - Market response
- Action
 - Continue sales activities toward closing business
 - Continue contact/follow-up
 - Increase pipeline
- Retention
 - Close business
 - Get viral business (word of mouth) via associations

Program Details

- 2% Interest rate
- 100% project financing available
- Terms 36 to 84 months
 - Terms beyond 84 months will be considered for financially strong customers and projects greater than \$500K
- Costs Included in the financing
 - Equipment
 - Labor
 - Disposal of old assets
 - Consulting fees (EPAAct)
 - Measurement & Verification costs
 - Commissioning Cost- if needed

Program Details

- Qualification Performed by PLC
 - Philips Lighting Capital – Financing Application
 - Philips Project Proposal document
 - Must yield at least a 20% reduction in Kw
- Initial credit decisions will be provided by PLC within 24 hours of receipt of the above documents
- Application will be reviewed by *Abundant Power* for formal approval within 48 hours
- Documentation
 - PLC will prepare, send and complete the documentation package with the customer
 - Upon receipt of executed document package PLC will issue a Purchase Order to Philips for the project

Financing Model

- Philips Lighting through Philips Lighting Capital can enter into public private partnerships with any or all state governments.
- Leverage Governments' existing funds to expand capital base-helps cities achieve their energy reductions targets and reductions in Co2
 - Loan loss reserve funds can be leveraged up to 10 to 1
 - State and or municipal entities to conserve their funds in order to maximize their liquidity
 - Funding can be used for private and public sector projects
 - Public Sector-tax exempt lease funding in on par with bond rate
 - Cities will not occur the fees associated with issuing bonds
- 100 percent funding for turnkey energy efficient lighting projects-(not performance contracts)

For More Information

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QUESTIONS and ANSWERS



