



Investing in energy efficiency – using savings to fund financing

A way to protect the environment and reward companies



A rundown of the benefits:

- Investment financing provided by savings generated in energy and operational costs
- Off-balance-sheet solutions possible, preserving investment freedom in the process
- Value creation driven by upgrading and the increase in operational security
- Independence from banks
- Liquidity protection
- Environmental protection, i.e., through reduced CO₂ emissions

A real payoff: investments in energy efficiency

Success in business is increasingly being shaped by three factors: efficiency, innovation and sustainability.

For this reason, investments in increased energy efficiency as well as in active environmental and climate protection have become an economic imperative for companies and energy providers. Siemens' cutting-edge technologies create opportunities to achieve measurable gains in energy and resource efficiency.

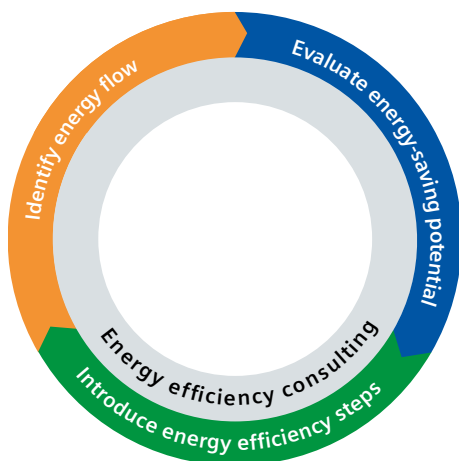
Green-financing solutions enable decisions about investments in energy-efficient technologies to be made much more easily. And the reason is clear: They form a framework for investments that will not break the budget. Liquidity remains intact. If desired, off-balance-sheet financing solutions can be structured. Typical examples of such investments include energy upgrades for real estate and energy efficiency improvements for drive technology and machinery – areas where Siemens excels as a technological leader.

Expertise in infrastructure and project financing

The financing solutions that Siemens Financial Services offers internationally in the sectors of energy, industry and healthcare have earned the "green" seal as well. They encompass both infrastructure and project financing, extending from private-equity activities to project and equity participations and industrial insurance solutions.



Technology plus financing: Siemens' environmental portfolio



The circle of energy management: Continuous energy-related optimization of the entire unit produces constant gains in energy productivity.

The environmental portfolio that Siemens introduced in 2008 comprises energy-efficient products and solutions, technology to use renewable energies as well as environmental technology – and, if desired, combined with just the right financing model provided by a single source. In taking this approach, we help our customers lower their CO₂ emissions, reduce lifecycle costs and protect the environment.

Industry

For industrial applications, Siemens offers energy-efficient drive technology and frequency converters that can generate electricity savings of up to 70%, among other products. A service package designed to optimize energy usage of drive technology and a power management system are also part of the energy-saving portfolio. In addition, meticulous engineering, continuous analysis and automation concepts can do much to conserve resources and lower energy costs.

A recently released study* makes one point clear: Investments in technologies that cut CO₂ emissions often pay off quickly. Such investments include energy-related optimization of real estate or energy efficiency improvements for drive technology and machinery.

* McKinsey & Company

Energy

Siemens is the only global company that can provide its customers with efficient products and solutions along the entire energy conversion chain that are both made by the company itself and use the company's very own know-how – from oil and gas production to electricity generation, transmission and distribution.

Two important components of low-emission generation of electricity are particularly high-efficiency combined-cycle power plants (CCPPs) made by Siemens as well as wind power stations or smart electricity grids.

Siemens Financial Services

The environmental portfolio is rounded out by a comprehensive range of financing solutions with which Siemens Financial Services makes it even easier to invest in increased energy efficiency.

Equipment financing that pays off for everyone



Increasing energy efficiency ultimately boils down to lowering costs – an effect that is strongly reinforced by the green-financing solutions offered by Siemens Financial Services. After all, you can frequently finance an investment with the savings achieved in energy and operating costs, and your own funds remain untouched in the process. At the same time, you profit from such features as independence from banks, liquidity protection and budget conformity.

Trade-in – out with the old, in with the new

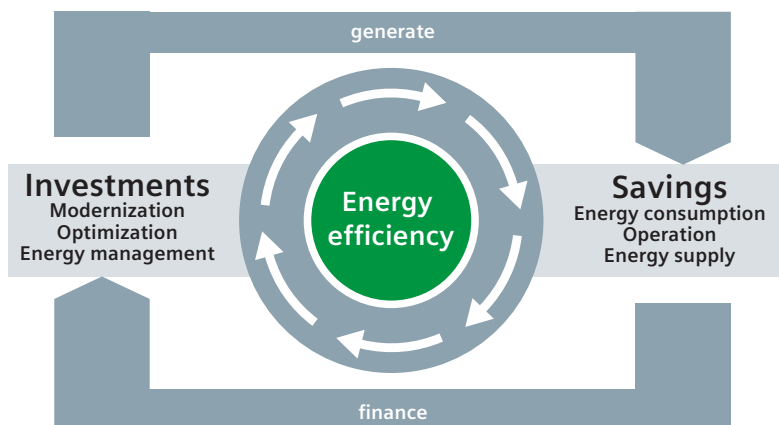
Siemens Financial Services takes equipment in use as payment at attractive conditions. As part of this “asset buyback,” you receive state-of-the-art technology from Siemens as well as the matching financing from a single source. Siemens Financial Services takes care of the entire remarketing process and incorporates the income generated by the sale into its financing calculation.

Operating lease – financing that fulfills many needs

In the operating-lease program, the lessee pays only the costs associated with the use and depreciation of the capital goods – that is, less than the purchase price. Full amortization of the original value is not planned. The residual-value and resale risk is borne by the lessor. The operating lease qualifies as off-balance-sheet financing under international accounting standards such as US GAAP and IAS/IFRS.

Retrofit financing – upgrading the proven

Siemens Financial Services buys the equipment on hand and returns it after being upgraded for use at reasonable monthly leasing rates. As a result, the costs associated with the retrofit can be covered by the realized gains in energy efficiency.





Flexible leasing – modernization made easy

This leasing contract has no fixed expiration date. Throughout the contract's term, the configuration can be altered at any time, and the entire service volume, or a part of it, can be terminated after a minimum period of time has passed. This feature enables the lessor to flexibly use state-of-the-art equipment at any time.

Hire-purchase – ownership from the start

Hire-purchasers are the commercial owners of capital goods from the very beginning and can take advantage of tax breaks and depreciation opportunities where applicable.

Energy-saving contracting – guaranteed investment success

In energy-related upgrades of buildings, Siemens Building Technologies promotes investments in energy efficiency that literally finance themselves through guaranteed savings produced in energy and operating costs throughout the term of the agreement. No capital is tied up by this form of energy-saving contracting.

Financing solutions for demanding international jobs

Siemens Financial Services offers more than financing for energy-conserving or efficiency-boosting equipment: As a non-bank provider, we also are the preferred partner for complex international financing solutions:

Venture Capital

Our goal is to identify and finance young innovative companies worldwide during the start-up phase (venture capital) and to provide established companies with additional capital for their growth plans during the expansion phase (growth capital). Through our investment companies, we offer our customers new technological solutions and tap new markets. Our focus is on growth segments in the energy, industry and healthcare sectors.

Project & Equity Participations

Jointly with our partners, we invest in promising infrastructure projects worldwide. Typical project volumes range from about EUR 100 mn to more than EUR 1 bn. Our activities focus on the energy sector, with participations in power plants, transportation infrastructure projects (e.g., airports and railroad projects) and medical technology projects.

Industrial Insurance Solutions

We offer companies individual insurance solutions and comprehensive risk management solutions that have proven their value inside and outside Siemens. This makes us a skilled partner for all issues related to claims management – including risk transfer to insurance and financial markets.





References: success speaks for itself

A glance at the list of our customers shows that the combination of efficiency-boosting technology and green financing pays off in the real world – a short list:

Sartorius electronics – SIPLACE placement machines

The Sartorius Group is a leading international provider of laboratory and process technology for the biotech, pharmaceutical and food industries. To finance its equipment, the German technology group relies on a trade-in solution with operating lease.

Solvay Germany – V64.3 gas turbine

Solvay is an international chemical company whose activities in Germany focus on chemicals and plastics. The company is financing the new Siemens gas turbine for its own power plant with an off-balance-sheet operating lease.

IBK-Fibertec – reconditioning of a winding machine with Siemens control system

IBK-Fibertec GmbH is a specialist in fiber-composite material. To finance an equipment overhaul by Siemens, the company is employing a “sale and hire-purchase back” solution.

City of Memmingen – LED traffic light system

The city of Memmingen in the southern German region of Allgäu is a pioneer in climate and environmental protection. The city is financing a traffic light system that uses Siemens’ energy-conserving LED technology through a hire-purchase model.

Swimming association of Bayreuth – intelligent pool management system

The Schwimmverein Bayreuth 1921 e.V. operates the indoor pool in Bayreuth, a city in northern Bavaria. Siemens’ intelligent pool management system is being financed with a hire-purchase solution in which the installment payments can be made from the savings guaranteed by Siemens Building Technologies (energy-saving contracting).

Arava Power – equity participation at the photovoltaic specialist

Arava Power is Israel’s market leader in the development of photovoltaic systems. Siemens Project Ventures has made a US\$15 million investment in the company.

Siemens Project Ventures invests in wind power projects

Working with its partner Mainstream Renewable Power, Siemens is developing wind power projects in the British sea region of “Hornsea.” Both companies have bundled their individual expertise in the joint project development company SMart Wind Limited.

Russian Railways – financing structure for high-speed trains

Russian Railways (RZD) has decided to acquire Velaro high-speed trains. Thanks to the assistance and structuring work done by Siemens Financial Services, long-term project financing with extremely attractive conditions could be put together.

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