



Lighting upgrades that improve your bottom line

Philips Energy Solutions Services

PHILIPS

Should you upgrade your lighting?

Today, many business owners are pressured to find ways to lower their operating costs and reduce their environmental footprint. Depending on the business, lighting typically accounts for 20 – 50% of electricity consumption¹. Advancing technologies, such as LED lighting, allow us to significantly reduce these electricity costs. Therefore, upgrading lighting to a more energy-efficient solution or to the latest technology typically offers a high return on an investment.

Is a lighting upgrade the right choice for you?

	Yes	No
• Do you have obsolete lighting technology?		
• Do you have high annual energy and maintenance costs?		
• Are there areas in your building where light is wasted?		
• Are you planning a major renovation project?		
• Does your company have an environmental focus or environmental goal?		
• Can you benefit from a tax deduction and utility rebate?		

If you answered even one of these questions with “yes”, then a lighting upgrade may help you.

But the question still remains – how does an owner build a business case to invest capital dollars for a new lighting system?

1. source: <http://www.sba.gov/content/lighting>

Philips can help

Philips Energy Solutions Services understands the challenges involved with upgrading a lighting system. We have developed an affordable turnkey solution that is based on a tax-centric asset management strategy. When coupled with a custom finance program from Philips, the use of capital dollars can often be reduced or eliminated, generating a repeatable financial benefit for the owner.

We understand that investing in a lighting system upgrade for your company can be a complex decision-making process. Philips Lighting makes getting a great, cost-effective lighting solution a simple, streamlined process. You can count on us to deliver and coordinate all the parts of the lighting solution- from custom financing to concept design to project management. We make it easy for you! Here are a few things that you will experience when working with the Philips Energy Solutions Services:

1. We assist you to prepare a business case

The business case addresses all the factors involved in determining whether a lighting upgrade is right for you. We look at your company's financial investment requirements, the existing legislation to ensure you are code compliant, ways to further reduce energy usage, and your company's sustainability goals. This comprehensive approach helps with your decision making.

Financial	Code / Legislation	Responsible Lighting	Environmental Goals
Quickest payback and largest ROI	Elevate to current energy codes	Daylight harvesting	Stakeholder pressure
Cash flow concerns	Anticipate future code requirements	Occupancy sensors	Government pressure
Funding sources	Replace obsolete technology	Controls to manage human behavior and data	Goals to reduce the environmental footprint
Available tax and rebate incentives		Lighting designed to IESNA recommendations	Green building goal
Operational goals to reduce operating costs			Associate brand with sustainability



2. We offer you choices

We understand that different solutions work for different customers. Therefore, we've created a tiered system which allows you to find the upgrade package that best meets your needs.

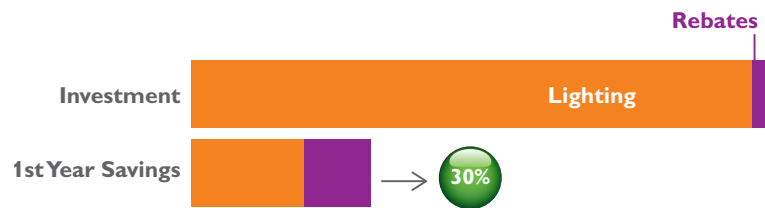
Sustainable Lighting Upgrade

Sustainable Lighting Upgrade may generate an estimated 20% savings in energy and maintenance costs for the lighting system each year - a repeatable financial benefit each month.



Sustainable Lighting + Rebates

Utility rebates are a one-time cash back incentive that may offset your initial investment an estimated 10%.



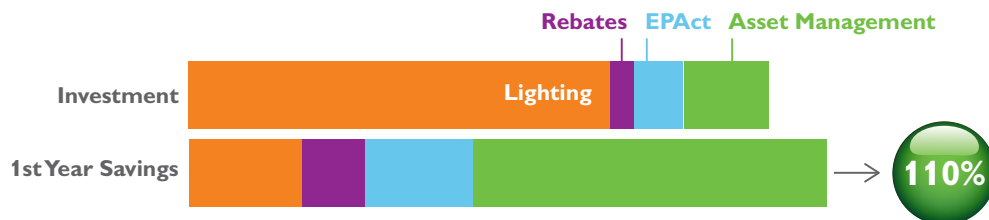
Sustainable Lighting + Rebates + EPAct¹

EPAct 2005 is a one time energy tax deduction that may offset your initial investment by an estimated 20%.



Sustainable Lighting + Rebates + EPAct¹ + Asset Management

An **asset management** study is an IRS accepted tax strategy with the potential to secure dollars to fund the investment. Based on the facts and circumstances of the building and the ownership, this strategy can often fund in excess of 60% of the investment in the first year in some cases, allowing your first year return to exceed your initial investment.



1. Although EPAct expired on December 31, 2013 - Legislation is drafted. If passed and made retroactive, Philips will assist in securing the benefit for the taxpayer.

3. We offer you enhancement options

In addition to our standard upgrade packages, we also work to enhance your solution in any way you need. We offer you the options of custom financing, a turnkey contract, control options, and the Philips Guarantee to add value for every project. You choose how your business is organized, your budget, your timelines and your goals.

Custom Financing

We provide customized financing options based on customer needs. We also offer multiple leasing options.

Turnkey Contract

We offer a One Philips contract from design to completion without interrupting your business.

Controls

Philips offers lighting controls to account for human behavior and maximize energy savings and extend useful life of your lighting system.

Guarantee

We stand behind our services. We guarantee the new lighting system power demand to be accurate within 10 percent or we will reimburse you on a prorated basis.

Does your company qualify?

Four Upgrade Packages

	For-Profit	For Profit (NOL)	Non-Profit	Government
1. Sustainable lighting	✓	✓	✓	✓
2. Rebates	✓	✓	✓	✓
3. EPAAct	✓	Conditional*	✗	Designer only**
4. Asset Management	✓	Conditional*	✗	✗

Four Enhancement Options

1. Custom Financing	✓	✗	✓	✓
2. Turnkey Contract	✓	✓	✓	✓
3. Controls	✓	✓	✓	✓
4. Guarantee	✓	✓	✓	✓

* Conditional: Deductions that create a net operating loss can be carried back or forward to another tax year.

** Designer Only: EPAAct deduction can be assigned to the designer of record.

4. We design the new lighting system to meet your business needs.

Whatever your goals - visual performance, sustainability, energy reduction, decreased maintenance, or all of the above - our lighting upgrade will use innovative, state-of-the-art lighting systems while offsetting the investment with tax, rebate and energy incentives.

Philips offers a variety of innovative solutions designed around you. Our comprehensive product portfolio includes everything from indoor and outdoor luminaires, to lamps and ballasts, and even controls for added energy savings.



The Advantages of working with Philips Energy Solutions Services

We leverage incentives – We leverage available tax and rebate incentives to help fund the capital investment. Our team of tax and financial experts will design a customized finance option for you.

We generate positive cash flow – By combining the tax and rebate incentives along with the financing, customers can often experience an immediate positive cash flow in a cashless upfront investment to shorten your payback and increase your ROI.

We design quality lighting – We design a state of the art lighting system upgrade aimed to improve the visual quality of your space while also adhering to IESNA standards and energy codes.

We reduce your energy costs and environmental footprint – We design an environmentally responsible lighting system that meets your energy and maintenance goals - to lower your costs.

We provide a turnkey service for you – We design a lighting project from inception to completion with our Philips One Solution contract, including all services.

We guarantee the new lighting system power demand within 10% accuracy.

Addressing your lighting upgrade investment

We understand that a lighting upgrade is a difficult decision. At Philips we try to make it easier on you.

Issue 1: A lighting upgrade is not my priority Solution: <ul style="list-style-type: none">• Energy Solutions Services may generate enough first year energy savings + maintenance + tax + rebates dollars to put you on an immediate positive cash flow.	Issue 2: You don't believe in the proposed benefits Solution: <ul style="list-style-type: none">• We provide a verifiable, simplified business case to justify an investment based on...<ul style="list-style-type: none">• Power demand reduction• Cash flow• Environmental impact
Issue 3: Fear of the risk of misinformation Solution: <ul style="list-style-type: none">• Philips Guarantees... Prior to installation, an asset management study is validated. If deductions are not accurate within 20%, you have the option to cancel the contract.• Predicted energy consumption will be accurate within 10%. If not, we reduce the investment.	Issue 4: There is not enough money Solution: <ul style="list-style-type: none">• Philips Lighting Capital provides custom financing so the project may be a cashless upfront investment.• Philips Lighting Tax Services provides a custom tax-centric program to fund the lighting upgrade.• The combination of financing and tax incentives may put you in an immediate positive cash flow.

Our Promise

Philips Energy Solutions is a sustainable lighting program designed with you in mind. Our team of experts are helping building owners and tenants realize substantial energy and maintenance cost savings while improving visual quality. A responsible lighting design can positively impact your bottom line.

Regardless of your lighting needs, Philips will design to your specific environmental and visual requirements. Philips Energy Solutions offers state-of-the-art lighting technology and controls. Our unique tax centric design often results in an immediate positive cash flow, and we will turnkey the package from start to finish.

To learn more about Philips Energy Solutions Services, please visit www.philips.com/EnergyServices, or contact:

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