



Taking light beyond illumination

Philips Lighting Capital

April, 2016

We take light beyond illumination, making people safer, happier and more productive

And we're

inspired by you...

By understanding your needs and desires we deliver innovation that matters to you, to your cities, businesses, homes and communities.

Philips Lighting - a one-stop partner



Nanjing International Youth Culture Center, Jiangsu, China

Philips Capital was created in 2014 to support our business and customers on structuring financing for the projects with the spirit to give our customers the experience of one stop partner.

Our portfolio for public LED lighting and systems can provide energy **savings of up to 80%** over conventional systems with options for recycling and financing. The economy coming from the energy savings will generate the cash needed for the technology renewal.

Potential financing models

Private financing

- Installment payment
- Bank loan
- Financial lease
- Operating Lease

Public Funding

- Subsidies
- Economic stimulus measures

New business models

- Utility funding schemes
- Public Private Partnership
- Energy Service Company
- Carbon Financing

Challenges

- Municipalities' Credit Risk
- Election tenor
- Bid Issuing x proposals' Dead Line
- Consortium Performance (PPP)

Mitigators

- Escrow Account (Fideicomiso)
- Estate's guarantee
- Working ahead and together to understand the financing needs to structure it
- Choosing the best fit for the SPV

The partnership and team work to understand the project and structure the guarantees is crucial to access the fundings.

India - Guntur

Serving the community

One of the most pressing problems on the Indian subcontinent is the need to provide sustainable energy to an ever-growing population, whilst minimizing costs. In a special joint venture with the Indian government, Philips Capital has done just that.

In collaboration with Energy Efficiency Services Limited (EESL), Philips has been able to provide household and street LED lamps for the entire district of Guntur.

The solution provided will strengthen the city's communities and provide increased efficiency and savings for businesses and residents.

The new fixtures use 85% less electricity whilst delivering the same output.

Philips Lighting Capital's ability to understand the customer's specific needs, together with its innovative approach in structuring deals and managing long-term partnerships, has made the Guntur project a huge success.



Aruba

Delivering Innovation

Philips worked together with Aruba with the introduction of innovation that will contribute to the increase of efficiency and reduce the consumption of fossil fuels based energy in Aruba, specifically in the area of indoor and outdoor lighting.

The execution of the Memorandum of Innovation complements the work that is currently taking place in connection with the government's inversion plan that will include urban planning, infrastructure, energy and revitalization of the elderly homes and neighborhoods. Philips will introduce a more efficient technology for the government buildings that will result in a significant reduction in costs and the amount of electricity used to light these buildings.

Using Prime Minister's words:

"In theory, what the government will save in reduced costs for lighting the buildings will finance the lighting projects of both iconic landmarks already mentioned"



Spain -Madrid

Preparing cities for the future.

Madrid swapped 100% of its street-lighting with Philips LED and other Philips energy-efficient lighting technologies.

This street-lighting renovation project is the largest in the world to date. This renewal project delivers a 50% saving in energy compared to the old installation.

Philips is providing the government of the city of Madrid with 225,000 new energy-efficient lights to support its ambition of becoming a Smart City. The renewal of the entire street lighting system with Philips' connected LEDs and other energy efficient lighting, makes this the world's largest street lighting upgrade to date.

The products, which deliver 44% in energy savings, will finance the cost of the technology upgrade, providing the city of Madrid with the best quality of street lighting for a brighter, safer and smarter city at no additional cost to its citizens. The project has been conducted in collaboration with an ESCO (Energy Service Company) hired by the Madrid city council , Philips Lighting and Philips Lighting Capital Team

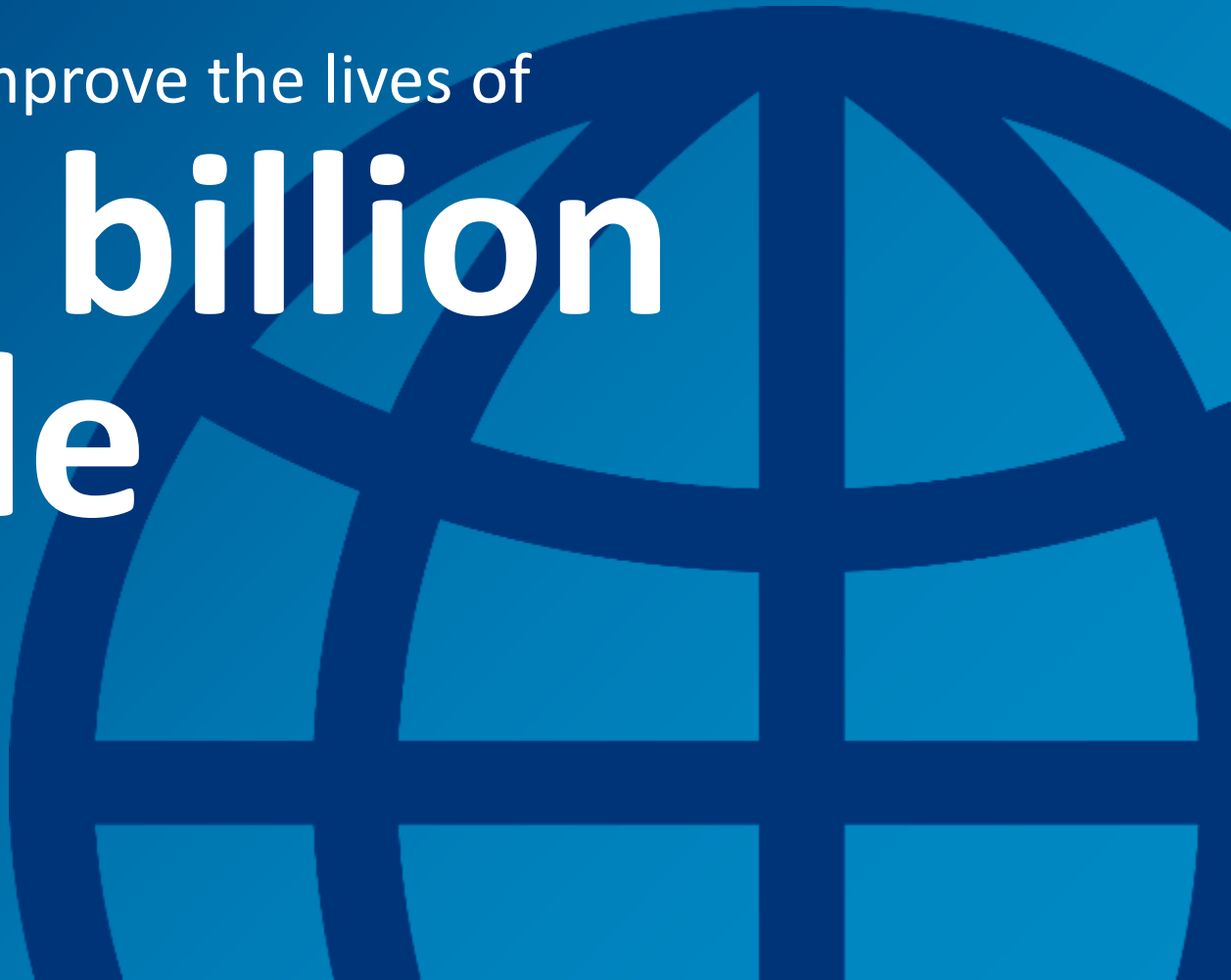


We strive to make the world more sustainable through innovation

We're aiming to improve the lives of

**three billion
people**

by 2025



QUESTIONS?

PREGUNTAS?

