

News Release



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ENERGY PROJECT ALREADY SAVING DETROIT AIRPORT NEARLY \$2 MILLION IN COSTS

--Innovative financing key to project's success

DETROIT -- July 29, 2003 -- The Wayne County Airport Authority announced today that its 18-month, \$14.6 million energy conservation improvement contract with Siemens Building Technologies, Inc. is officially complete, on time and on budget. To date, the project has saved Detroit Metropolitan Wayne County Airport (DTW) \$1.8 million in energy costs.

The contract was designed to boost safety and comfort, and to reduce energy costs and consumption, within the older facilities at DTW. Major improvements were made to equipment in at least six airport facilities, including the Smith and Berry Terminals, a parking garage, the powerhouse, utility tunnels and gate areas.

Like most businesses today, airports face severe financial and competitive pressures, says Wayne County Airport Authority CEO Lester Robinson. "These days, airports cannot afford to have both an aging infrastructure and spiraling utility costs. We must be a responsible partner to the airlines and their passengers in terms of innovating cost-savings."

The improvements involved major electrical, mechanical and lighting systems, which often go unnoticed by occupants until the equipment stops working. The improved facilities serve over 7.3 million travelers and thousands of employees annually.

During the construction period, energy usage dropped measurably – 30% beyond early projections according to Siemens' Greg Warner, District Performance Assurance Manager. "To date, the total actual savings of approximately \$1.8 million exceed the projected finished target by more than 8%," said Warner. "About 84% of all utility

savings are derived from electricity, with about 16% in gas and water. All savings are a result of energy reduction, with no labor reductions.”

“Energy consumption savings have totaled 52,604 MMBTU, exceeding the projected savings by 8,528 MMBTU,” continued Warner, “In addition, there were no change orders throughout the entire project.”

“These are impressive results for such a large public works project,” said Airport Powerhouse executive Len Cranston.

Financing of the project presented an equal challenge. “We didn’t have the capital funds to replace aging equipment which was getting too expensive to maintain,” said Cranston. “That’s when we decided to try a performance contract or self-funding approach whereby the cost of the contract is funded by the savings generated from the improvements.”

Robinson agrees: “We needed the right financial package along with the most qualified energy services partner that could help us get results.”

Says Mary Lou Posa, the Airport Authority’s Principal Attorney, “Our strategy was to take a private-sector approach to a public-sector project--and it worked.”

As a bonus, the airport authority was able to obtain a very favorable financing rate from Siemens detailed performance analyses. “We went to a private investment firm,” adds Posa, “with a well-documented proposal that reduced their risk and our rate. As a result, we were able to save even more money.”

Following qualification and competition for the project, Siemens presented the lowest price with the highest energy savings and won the contract. Siemens also demonstrated how it planned to meet a goal of 30% Disadvantaged Business Enterprise (DBE) participation.

The scope of Siemens work included energy efficiency audits of all the facilities, HVAC (heating, ventilating and air conditioning) equipment retrofits and replacements, enhancements to a sophisticated Siemens building automation system, and retrofits to brighten lighting. Also, most of the electrical systems were upgraded to include power monitoring to better manage the airport’s electric power usage requirements.

Greater comfort from improved temperature control is evidenced in a dramatic reduction in costly, time-consuming, temperature-related complaint calls. Further, there is improved safety from more brightly lit parking areas. These results, says Robinson, lower airport operating costs and ease the pressure on ticket pricing.

“The bright new lighting makes the Smith Terminal ticket lobby much more cheerful,” says Barbara Hogan, Deputy Director of External Relations. “We heard many positive comments from the airline and airport employees who work there every day.”

DTW has been undergoing one of the most dramatic transformations of any airport in the world, and recently tied for 2nd place among large U.S. airports in a customer satisfaction survey conducted by J.D. Power and Associates. In addition to the new 97-gate McNamara Terminal, the airport has also recently opened a new 10,000 ft. runway, and a new airport south access road (John Dingell Dr.) providing a second primary entrance to the airport off of another major interstate highway (I-275). For more information on Detroit Metropolitan Wayne County Airport visit: www.metroairport.com

Siemens Building Technologies, Inc, one of Siemens' operating companies in the United States, is a leading single-source provider of cost-effective facility performance solutions for the comfort, life safety, security, and performance of some of the most technically advanced buildings in the world. In North America, SBT employs 8,500 people and provides local service from more than 100 locations coast-to-coast. For more information on Siemens Building Technologies, Inc. visit: www.sbt.siemens.com

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