



## news release

**For immediate release**

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### **Emerson Motor Technologies Now Offering Project, Energy Retrofit Financing Program** *Leases allow customers to take advantage of low interest rates*

St. Louis, MO, May 30, 2002 – Working with Emerson Financial Services, Emerson Motor Technologies is now offering energy retrofits and projects to customers, at low interest rate financing for as long as five years. Emerson's program is designed to help customers such as water utilities and paper mills take advantage of the energy saving benefits associated with using NEMA Premium™ motors. Customers operating with older, less efficient motors can now recoup the cost of upgrading to the latest NEMA Premium efficient motor designs, including inverter-ready features, and often pay for the new motors using their energy savings.

"We want to do all we can to help our customers reduce operating costs through wise energy decisions," said Dick Schul, Emerson Motor Technologies group vice-president. "The cost savings benefits of premium efficient motors are much more significant than many customers may realize."

Emerson Motor Technologies has been a leader in the development of products meeting the NEMA Premium standard, ranging from commercial motors, such as the new Cooling Tower Duty line, to its latest line of Mod Max vertical motors for pumping applications.

"What is truly unique about our program is our use of different company divisions to provide customers with a complete energy solution," Schul said. "We bundle upfront facility analysis with premium efficient product upgrades, all linked together with an outstanding financial package that can even include ongoing motor service."

According to Rob Boteler, Director of Marketing, Emerson's strategy is to bring awareness of the energy cost savings opportunity to the operations and financial management level.

"Once customers realize the attainable energy savings, the decision to begin an energy retrofit becomes clear," Boteler said. "In a facility operating budget, leasing gives the customer a chance to upgrade motors and equipment to the latest technology, while keeping the company's monthly out of pocket expenses under control. Spreading the costs over a period of time can allow a company to use its expense budget, as opposed to its capital budget."

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Emerson Financial Services' user project financing is ideal for new motor projects, energy retrofits and industrial, commercial or municipal projects. And unlike other financial sources or motor companies, Emerson's program allows customers to include motors, equipment and often service/maintenance contracts in the lease. Emerson Motor Technologies offers a full range of lease options including: Capital Lease (\$1 Purchase Option), Operating Lease and Municipal Lease.

As the easiest form of lease structure, the Capital Lease program offers a fixed interest rate and time period. At the end of the term, the customer may purchase the equipment for \$1. "Capital leases offer several benefits to the customer," said Boteler. "The customer knows upfront exactly what the monthly payment will be, and the number of years. Typically we would finance from 3 to 5 years, depending on the needs of the customer. And after the lease term is expired, the customer can gain ownership of the equipment for just \$1. We treat our capital lease program as a loan for Federal Income Tax purposes."

The Operating Lease option available for fifty horsepower and larger motors is similar to an automotive lease in that the motors are leased for a period of time, and at the end of the lease, the user does not own the motor. The user may either return the motors, re-lease the motor at a lower monthly cost or purchase the motor out right for fair market value.

Replacing older, less efficient motors with NEMA Premium models can help a company significantly cut its energy costs. By combining the Operating Lease option with an energy retrofit, a company can see monthly savings, which over a period of years, can be quite substantial.

"This option allows the customer to use the motors without adding their value to the capital. The customer can improve their return on operating capital, which can help improve the company's earnings," Boteler said.

The Municipal Lease option is designed for state and local government entities, such as municipal water facilities. The Municipal option contains non-appropriation cancellation provisions and lower payments than commercial customers, due to the tax code. At the end of the term, the customer has the option to purchase the equipment for \$1.

To learn more about Emerson's lease options, a customer should contact their local Emerson Motor Technologies salesperson or distributor. They may also contact Rob Boteler at 314-553-1179.

Emerson Motor Technologies, a global leader in the design and manufacture of electrical motors, provides a complete line of general and special purpose electric motors from 1/200 through 4,000 horsepower. Brands such as Emerson, Doerr, U.S. Electrical Motors, Hurst, and Switch Reluctance Drives, allow Emerson Motor Technologies to support a wide variety of applications including commercial and industrial, appliance, hermetic, automotive, and HVAC. For more information about Emerson Motor Technologies visit [www.emersonmotors.com](http://www.emersonmotors.com). St. Louis-based Emerson ([www.gotoemerson.com](http://www.gotoemerson.com)) is a global leader in bringing technology and engineering together to provide innovative solutions to customers in industrial automation; process control; heating, ventilating and air conditioning; electronics and telecommunications; and appliance and tools. Sales in fiscal 2001 were \$15.5 billion.