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Siemens wants to win Smart Grid orders worth over €6 billion by 2014

Siemens AG wants to receive orders worth more than €6 billion for intelligent power networks (Smart Grids) over the next five fiscal years: Siemens is already one of the leading international suppliers of Smart Grids and is continuing to strengthen this position. “We are already on the optimal course in the Smart Grids business and will be running at top speed in the future. A new age for power supplies is dawning with Smart Grids,” said Wolfgang Dehen, CEO of the Siemens Energy Sector. Siemens anticipates that orders for Smart Grid technologies will reach nearly €1 billion in the current fiscal year. “The Smart Grid market will see increasingly dynamic growth fueled by climate change and economic stimulus programs. We want to grow twice as fast as the overall market,” added Dehen. The market being addressed by Siemens totals around €30 billion over the coming five years. Siemens is aiming at seven percent annual growth and a market share of over 20 percent in the Smart Grid business.

“The world needs intelligent power grids in order to meet the growing demand for energy in a way that is eco-friendly and reliable. We estimate that the demand for electricity will double by 2030, due to trends like e-mobility, which is just emerging,” continued Dehen. According to studies, more than a billion tons of CO₂ emissions could be abated with intelligent power networks by 2020. Smart Grids are essential for integrating renewable power sources into power networks and for ensuring stable power supplies from solar and wind energy.

Overall, the Smart Grid market has three primary components: Smart Metering (intelligent billing), Grid Intelligence (the grid infrastructure and its controls), and Utility IT (intelligent data management). Siemens is active in all three areas and is already global market leader for grid intelligence. Siemens will strengthen its Smart Grid portfolio in the field of power data management in the coming fiscal year when it plans to take over a 60-percent stake in Energy4U on October 1, 2009. This move will expand the company’s portfolio for power utilities in the area of consumption data acquisition and billing.

Smart Grids have enormous growth potential worldwide. They are, for example, a prerequisite for reaching the EU's 20-20-20 climate goals aimed at reducing CO₂ emissions by 20 percent and increasing the share of renewable energies in the European grid by 20 percent by 2020. In addition, Smart Grids are included in many of the economic stimulus programs throughout the world. The U.S. government alone intends to invest around €3 billion here in the coming years. Siemens expects to receive orders worth around €15 billion from these programs by 2012. Forty percent of these orders, or a volume of roughly €6 billion, is expected to be for green technologies from the Siemens Environmental Portfolio.

Energy-efficient, resource-conserving Smart Grids are part of the Siemens Environmental Portfolio, which generated revenue of nearly €19 billion in fiscal 2008. This was around one-quarter of the company's total revenue, making Siemens the world's biggest infrastructure provider of environmental technologies.

Siemens AG (Berlin and Munich) is a global powerhouse in electronics and electrical engineering, operating in the industry, energy and healthcare sectors. The company has around 420,000 employees (in continuing operations) working to develop and manufacture products, design and install complex systems and projects, and tailor a wide range of solutions for individual requirements. For over 160 years, Siemens has stood for technical achievements, innovation, quality, reliability and internationality. In fiscal 2008, Siemens had revenue of €77.3 billion and a net income of €5.9 billion (IFRS). Further information is available on the Internet at: www.siemens.com.

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