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Siemens anticipates massive investments worldwide in sustainable urban infrastructure

Siemens AG anticipates massive investments will be made in infrastructure in major cities throughout the world in the coming years. The largest part of the funds will be invested in ecofriendly solutions. “Cities are the growth drivers of the future, yet also account for the biggest share of CO₂ emissions. Cities worldwide are the decisive factor for our climate. With our unique Environmental Portfolio, Siemens is the perfect partner for sustainable urban development,” said Siemens President and CEO Peter Löscher.

Although cities cover only one percent of our planet’s surface, they consume 75 percent of our available energy and emit around 80 percent of all harmful greenhouse gases. Over half of humanity now lives in cities, and an end to urban growth is not in sight. By 2050, roughly 70 percent of the world’s population will live in urban centers, and urban economic output and energy needs will soar. In response, cities will massively invest in modernizing and expanding their infrastructures and increasingly depend on sustainable and ecofriendly solutions in order to reach their own climate goals and those of their respective country.

The Institute of German Business in Cologne expects “immense investments” to be made in urban infrastructures and predicts that strongly positioned international infrastructure providers will have “huge market potential.” According to an analysis by consultants Booz, Allan & Hamilton, cities worldwide will invest around €27 trillion in expanding their water, power and transportation systems over the coming 25 years. The German Institute of Urban Affairs forecasts communal investments of more than €700 billion will be made in Germany alone by 2020, and talks of an “investment backlog” in the roughly 2,000 German cities that together invest an average of only around €20 billion a year.

Siemens sees itself optimally positioned for climate-friendly urban infrastructure solutions. In fiscal 2009, the company generated roughly €23 billion with its Environmental Portfolio. Throughout the world, solutions from Siemens are already making life more comfortable and greener. In Norway’s capital Oslo, the new Siemens Metro uses around 30 percent less energy than the previous trains

and 95 percent of the Metro's components are recyclable. In the streets of London, hybrid buses equipped with Siemens technology reduce CO₂ emissions by 30 percent compared to conventional buses, and Siemens' road-toll system helps the City of London breathe more easily. Traffic signals in Berlin, Budapest, Vienna and many other cities use 80 percent less electricity after having their standard lights replaced with Osram LEDs. A city with 700 intersections with traffic lights can save more than €1 million euros annually.

In the center of Anaheim, California, Siemens relocated a complete transformer substation beneath a park. And because San Francisco had no space left to build a new power plant, the city will soon receive additional electricity with virtually no losses via a Siemens transmission line from Pittsburg, 90 kilometers distant. High-voltage, direct-current (HVDC) power lines efficiently bridge long distances: The 1,000-kilometer HVDC line planned by Siemens between Gujarat and Mohindergarh, India, will save 1.5 million tons of CO₂ a year.

By upgrading lighting, heating and air conditioning systems, Siemens has improved energy efficiency in a total of about 1,000 hospitals, universities, schools, public swimming pools and administrative buildings. These measures enable the Siemens customers to reduce their energy costs by an average of 40 percent over the duration of the contract and achieve savings totaling over €2 billion. At the same time, their CO₂ emissions are being slashed by more than 1.4 million tons.

In times of tight budgets, Siemens' Energy Saving Contracting helps make many green projects a reality. With this business model, communes needn't make investments of their own in the consulting, installation and financing package for their projects. They merely pay installments generated by energy savings that have been guaranteed by contract and achieved with the contracting. "In effect," commented Peter Löscher, "this is climate protection at no cost for the communities."

Munich, Germany, aims at cutting its CO₂ emissions in half by 2030. A study conducted by the Wuppertal Institute and Siemens indicates that a reduction of 90 percent would in fact be possible by mid-century without losing any quality of life. Working with the "Economist Intelligence Unit," Siemens is currently preparing a further study – the European Green City Index – that will be presented on December 8, 2009 during the UN Climate Conference in Copenhagen. The study's independent ranking of the ecofriendly and sustainable infrastructure of 30 cities in 30 European countries is unique as a comprehensive and standardized environmental analysis of cities to date.

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 410,000 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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