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Siemens' environmental portfolio to generate revenue of €25 billion in 2011

CEO Löscher: "We're significantly outpacing our competitors"

Intensifying its focus on high-growth markets, Siemens has now, for the first time, calculated the size of its environmental portfolio and its environment-relevant businesses. In fiscal 2007, the company generated revenue of some €17 billion – nearly a quarter of its total sales – from products and solutions for environmental and climate protection. The independent auditors PricewaterhouseCoopers have certified Siemens' environmental portfolio and the methodology used in its calculation. Siemens expects annual growth from the portfolio to total about ten percent over the next few years: "In 2011, we intend to generate some €25 billion with ecofriendly products and solutions," said Siemens President and CEO Peter Löscher in London.

In fiscal 2007, products and solutions from Siemens' environmental portfolio reduced customers' CO₂ emissions by 114 million tons – more than 20 times the amount of CO₂ that Siemens itself produces. In 2011, the CO₂ savings achieved with Siemens products and solutions is projected to total approximately 275 million tons, an amount equal to the current CO₂ emissions of six major cities – including London, New York and Tokyo.

On Monday, Siemens President and CEO Peter Löscher presented the company's environmental portfolio for the first time at the Siemens Media Summit in London. "Last fiscal year, our environmental portfolio generated revenue of some €17 billion. We're significantly outpacing our competitors in this area," said Löscher. The projections for 2011 are based on assumptions about organic growth in the environmental portfolios of Siemens' Industry, Energy and Healthcare Sectors.

The comprehensive portfolio includes solutions for nearly every environmentally relevant field of power generation, transmission and consumption – buildings, lighting,

transportation and industry – as well as environmental technologies such as water purification and air pollution controls. The independent auditors PricewaterhouseCoopers have reviewed and confirmed the portfolio's revenues and CO₂ savings for 2007 as well as the method Siemens used to calculate them. The auditors' review was based on criteria developed by the Greenhouse Gas Protocol Initiative of the World Business Council for Sustainable Development and World Resource Institutes.

In fiscal 2007, Siemens generated 5.1 million tons of CO₂ in the course of its business activities – for example, through the consumption of heat and electricity and through business travel. Despite this relatively small footprint, the company has set itself an ambitious goal: to cut its greenhouse gas emissions between 2006 and 2011 by 20 percent relative to revenue. Siemens also intends to make more efficient use of water in its production processes and to reduce the amount of waste it produces. Furthermore, Siemens' Managing Board has recently approved – as part of the company's Fit for 2010 program – an environmental program incorporating these targets.

Nearly all Siemens Divisions are contributing to the company's environmental portfolio. Gas turbines, energy-efficient lighting systems, the modernization of old power plants, wind power systems and ecofriendly trains were the biggest contributors to Siemens' CO₂ savings in fiscal 2007. The portfolio also includes products from the company's Healthcare Sector – for example, the Somatom Definition computed tomography scanner that consumes 30 percent less energy per examination and contains 80 percent less lead than its predecessor.

To qualify for inclusion in the portfolio calculations, a product must reduce greenhouse gas emissions or, as an environmental technology, help combat water and air pollution. All Siemens products in the area of renewable energy – including, for example, the 7,000 wind turbines (total output nearly 7,000 MWs) that the company has installed – meet this criterion. So do the turbines that Siemens supplies to solar-thermal power plants.

The CO₂ abatement potential of other Siemens products is calculated on the basis of specific reference values. So, for example, the potential savings generated by today's

most advanced and efficient gas turbine power plants are calculated by comparing emission volumes: due to their high efficiency rate of 58 percent, these turbines produce only 345 grams of CO₂ per kilowatt hour, a figure well below the worldwide average of 578 grams. Light-emitting diodes (LEDs) and energy-saving lamps are another example: these technologies make a significant contribution to CO₂ savings by consuming considerably less electricity than conventional lighting systems. Solutions for modernizing old power plants are also included in the environmental portfolio since increasing plant efficiency substantially reduces CO₂ emissions at a relatively low cost.

The energy savings achieved by optimizing electricity consumption in buildings are calculated on the basis of a before-and-after comparison. In recent years, Siemens has optimized energy consumption in more than 6,500 buildings worldwide – cutting energy costs and, thus, emissions by as much as 25 percent. An indoor swimming pool in Vienna holds the record: designed by Siemens experts, the pool consumes 66 percent less heat and 45 percent less water than comparable facilities.

Siemens' environmental portfolio will be regularly reviewed and further developed. The progress of the environmental program will be published annually in the Corporate Responsibility Report.

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 400,000 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 technological excellence, innovation, quality, reliability and internationality. In fiscal 2007, Siemens had revenue of €72.4 billion and income from continuing operations of €3.9 billion (IFRS). Further information is available on the Internet at: www.siemens.com.

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