

Industry Sector

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Hanover Fair 2010:

Siemens Industry focuses on innovations that generate sustainable growth in value

In a challenging industry market, Siemens views itself well positioned to grasp global growth opportunities and to continue increasing its market share. “We are expanding our activities in the rapidly growing emerging markets and reinforcing our technological leadership. These are the key levers for creating sustainable value for us and for our customers,” stated Dr. Heinrich Hiesinger, member of the Managing Board and CEO of the Industry Sector of Siemens AG, at a press conference held at the opening of the Hanover Fair. Siemens Industry is extending its range of products specifically designed for emerging markets and rigorously driving innovation. The Industry portfolio will remain oriented to standardized platforms for drives, automation and software used in the manufacturing and process industries as well as in transportation and building solutions. In fiscal 2010, Siemens plans to invest about 1.8 billion euros for Research & Development (R&D) in the Industry Sector, matching last year’s level.

While developed industrialized markets are only slowly recovering due to overcapacities, Siemens expects to see growth primarily in the emerging markets of Asia and the Middle East. By 2015, roughly one-third of all industrial growth is expected to come from China and India. “Since our environment remains challenging,” Hiesinger said, “it is especially important that we take advantage of our excellent position in these growth markets and continue expanding our presence there.” In China, the world’s third biggest market, the Industry Sector already has a workforce of over 21,000 and operates 13 R&D facilities. Products such as the Simatic S7 200 CN and Sinumerik 802 controllers and the Cerberus ECO FS 18 fire detection system are adapted in China to meet the special requirements of the local market.

Siemens intends to maintain research and development spending in its industry business at the same level as the previous years. The Sector’s R&D ratio, which was 5.2 percent in 2009, should

in fact increase slightly in 2010. "We will continue investing in our innovative strength and drive specific developments that create added value by making our customers more productive, flexible and efficient," Hiesinger stated. Hiesinger mentioned a number of innovation fields in which Siemens enjoys a competitive edge, such as energy-efficient drive technology, smart building technology, and the integration of industrial software and automation systems.

Siemens is the only supplier worldwide offering complete drive systems – including , controls, motors and gearing – that enable customers in energy-intensive industries like chemicals, metal and paper to increase their efficiency by up to 70 percent. In the automotive and machine tool industries, by contrast, greater productivity and flexibility are especially important. By integrating product design and manufacturing on the basis of industrial software solutions, Siemens is opening up enormous productivity potential for its customers and, in many cases, cutting the time-to-market for their new products by half.

Hiesinger noted that with smart building technology also a building's energy efficiency can be improved by up to 40 percent: "Our highly advanced building automation systems provide the technical basis for smart buildings of the future". In the future, these buildings will optimize energy costs by using the best available rates or by serving as distributed energy producers and feeding electricity, largely from renewable sources, into the power grid.

The **Siemens Industry Sector** (Erlangen, Germany) is the worldwide leading supplier of environmentally friendly production, transportation, building and lighting technologies. With integrated automation technologies and comprehensive industry-specific solutions, Siemens increases the productivity, efficiency and flexibility of its customers in the fields of industry and infrastructure. The Sector consists of six divisions: Building Technologies, Drive Technologies, Industry Automation, Industry Solutions, Mobility und Osram. With around 207,000 employees worldwide Siemens Industry achieved in fiscal year 2009 total sales of approximately €35 billion. <http://www.siemens.com/industry>

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