



Media Backgrounder

November 5th, 2018

Record high energy prices hit local governments. Switching to LED lighting can be a solution

- The year 2018 is record high in terms of energy purchase costs on the Polish Power Exchange (Towarowa Giełda Energii). Prices on the wholesale market increased by up to 80% for the working part compared to the previous year. This is due to rising cost of CO₂ emissions.
- Replacing current lighting with LEDs allows local governments to reduce the cost of energy used for lighting by at least 50%. Implementation of connected lighting can also bring significant savings.
- Despite that, only 10% of public lighting in Poland are LED luminaires. Only 2% of them are part of connected lighting systems.

Warsaw, Poland - Faced with the challenge of rising energy prices, Signify (Euronext: LIGHT), the global leader in lighting, presents solutions that will help local governments reduce the costs associated with road and street lighting **by up to 70%**.

Every autumn local governments purchase energy for the next year. The year 2018 brought record high prices on the Polish Power Exchange (Towarowa Giełda Energii). Prices on the wholesale market increased by up to 80% for the working part compared to the previous year. This means an increase in energy prices from 35% up to 45% for local governments. Analysts point out that due to the growing rates of CO₂ emission allowances, there is no indication that this trend will change. Meanwhile, up to 40% of the energy consumed by local government units is allocated to public lighting.

“A year ago, a medium sized county town, inhabited by about 100 000 people, had to pay about 1 million PLN for the energy needed for municipal lighting. After the price rise, the cost of energy for lighting increases by up to 45%. If the same city decided to replace conventional luminaires with LED technology, the cost of energy purchase, despite the price increase in this sample city, would be reduced to PLN 600 000” - sums up Radosław Saj, energy expert in Signify, Poland.

It's worth noting that LED luminaires represent only about 10% of street lighting in Poland. And only 2% of them is connected lighting that can be remotely controlled and managed. This means that the overwhelming majority of urban lighting is highly energy-consuming. Both local governments and residents lose out.

[Kalisz and Ostrów Wielkopolski](#) can be examples of cities already using intelligent lighting solutions. As a result of modernization, about 2 000 new LED light sources were installed in both cities. They have been connected with an intelligent lighting management system. This allows remote management and monitoring of lighting infrastructure components, also through mobile devices. Such management applies to both entire networks and individual luminaires, which means that lighting can be adapted to the needs of a specific city. In Kalisz and Ostrów, replacement of luminaires together with a modern system has reduced energy costs by as much as 70%. In addition, LED luminaires are more durable and resistant to



weather conditions, which helps to reduce operating costs.

“Street lighting replacement brings a lot of positive changes - it increases the safety of road users, improves aesthetics of the city, reduces pollution and significantly reduces expenses for energy and maintenance of lighting infrastructure. Most importantly, the cost of modernizing street lighting is an investment that can pay back very quickly. Assuming that electricity costs will continue to grow, this period will be even shorter.”
- says Piotr Nowiński, Signify public lighting expert in Poland.

It's worth emphasizing that currently on the market there are national and European programs that offer co-financing of lighting modernization projects. They give cities and municipalities many opportunities to raise funds. Another solution may be implementation of lighting in the Light as a Service model, with payment for a specific lighting outcome in the form of a subscription. There is a huge potential for the exchange of lighting among local government unit. Each year of delay in terms of modernization means additional costs for cities.

Signify became the new company name of Philips Lighting as of May 16, 2018. The legal name of Signify will be adapted in Poland in the beginning of 2019.

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About Signify

[Signify](#) (Euronext: LIGHT) is the world leader in lighting for professionals and consumers and lighting for the Internet of Things. Our [Philips](#) products, [Interact](#) connected lighting systems and data-enabled services, deliver business value and transform life in homes, buildings and public spaces. With 2017 sales of EUR 7.0 billion, we have approximately 30,000 employees and are present in over 70 countries. We unlock the extraordinary potential of light for brighter lives and a better world. We have been named [Industry Leader](#) in the Dow Jones Sustainability Index for two years in a row. News from Signify is located at the [Newsroom](#), [Twitter](#) and [LinkedIn](#). Information for investors can be found on the [Investor Relations](#) page.