

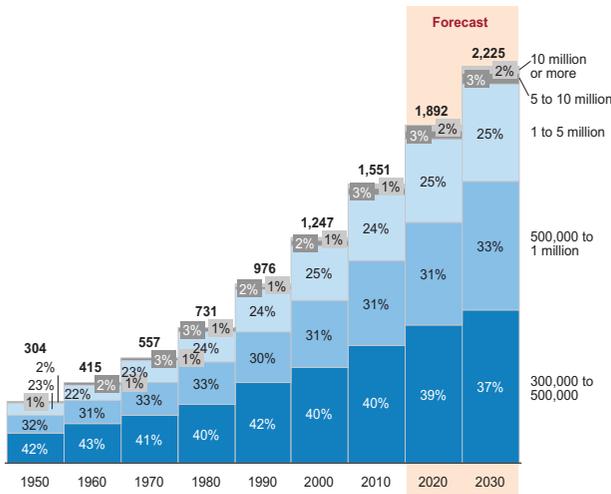
MORE CITIES, MORE “SMART” CITIES



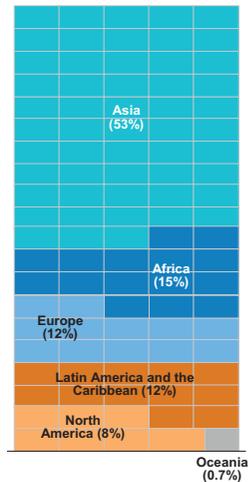
URBAN DWELLERS WILL CONTINUE TO SETTLE IN SMALL AND MIDSIZE CITIES with the largest number of cities located in Asia by 2030

With the rise of urbanization, the number of cities globally is on the rise, particularly in Asia and Africa. The number of megacities (cities with 10 million or more inhabitants) is increasing, with a projected 41 megacities by 2030 (compared with 28 today). One in every 8 people lives in a megacity. Still, close to 50% of the total urban population lives in smaller cities of less than 500,000

Growth of Cities by Size
(In Number of Cities and In % of Total, 1950-2030)



Breakdown of Cities by Region in 2030
(In % of Total, 2030)

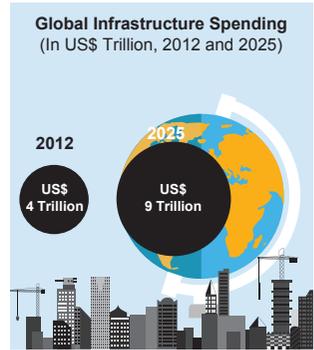
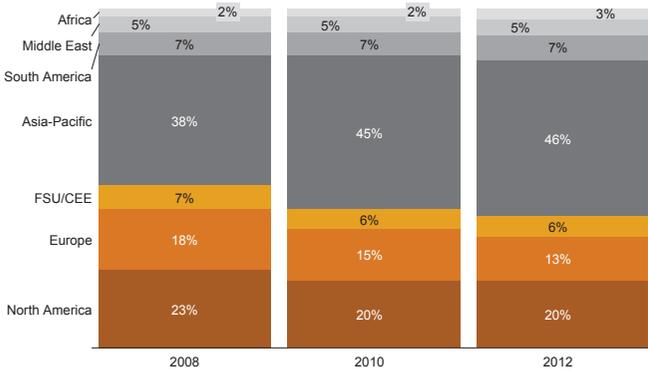


Source- Left and Right Charts: "World Urbanization Prospects", United Nations, 2014

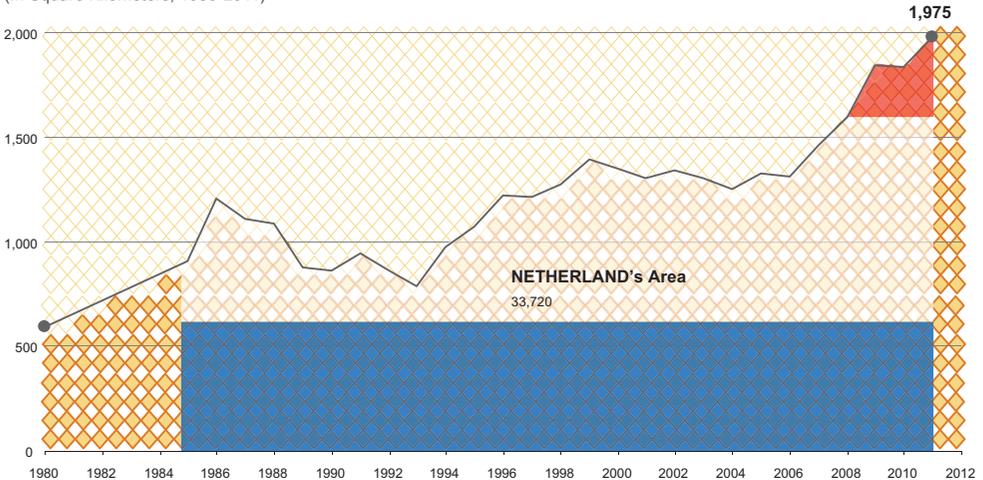
TOTAL INFRASTRUCTURE SPENDING WILL RISE TO US\$ 9 TRILLION BY 2025 driven by Asia's fast urbanization—particularly China's

With rapid urbanization, infrastructure spending is likely to go up as new cities are built. Between 1985 and 2011, China by itself built residential space equivalent to the land area of the Netherlands, and in 2011 alone, China added an amount of residential floor space equal to the entire residential building stock in Australia. According to research presented by the Financial Times, China's main demographic segment in demand of housing (25-49) will start declining soon, just in time for a huge segment of new housing to come to market

Infrastructure Spending of Region as % of Global Infrastructure Spending
(In %, 2008-2012)



Floor Space of Newly Built Residential Buildings in Urban and Rural Areas in China
(In Square Kilometers, 1980-2011)

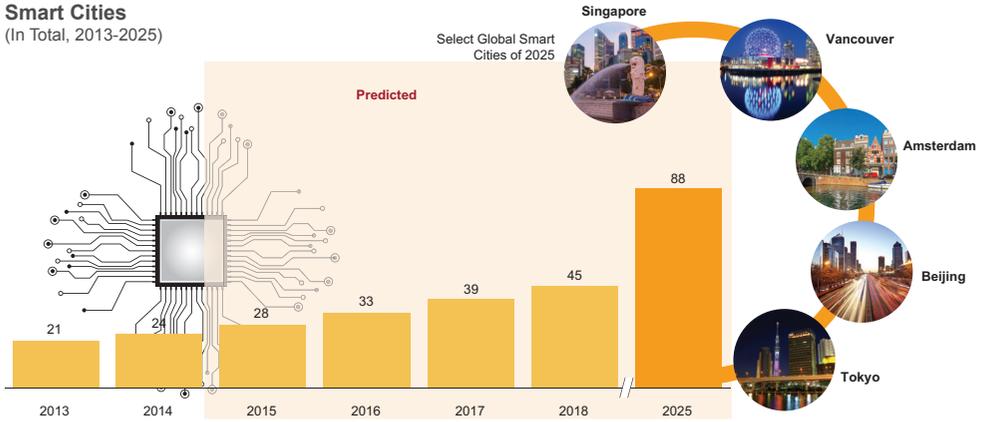


Source- Upper Chart: "Capital Project and Infrastructure Spending: Outlook to 2025", PWC, 2012
Sources- Lower Chart: National Bureau of Statistics China; World Bank Development Indicators

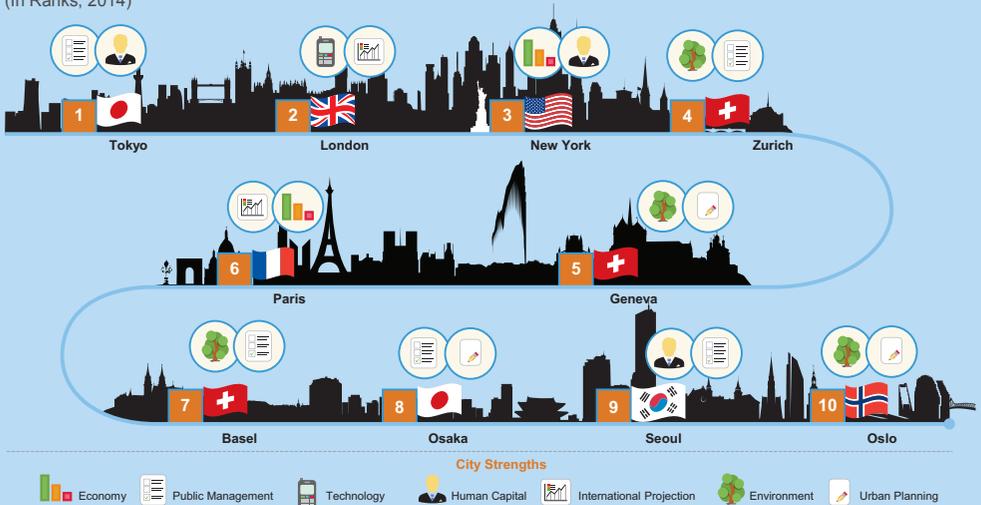
THE NUMBER OF SMART CITIES IS INCREASING AND WILL REACH 88 BY 2025; Tokyo followed by London rank highest on the Smart Cities Index

Population growth and faster urbanization are creating challenges for how cities utilize resources, manage their operating costs, handle the upkeep on infrastructure—and generally ensure a high quality of life for their inhabitants. Smart cities—a term applied to cities making use of technology in certain pre-defined ways—are emerging as one mechanism for addressing these challenges. According to IHS Technology's definition of a smart city, Asia-Pacific will account for 32 smart cities in nine years' time, Europe 31 and the Americas 25

Smart Cities
(In Total, 2013-2025)



Smart Cities Index
(In Ranks, 2014)

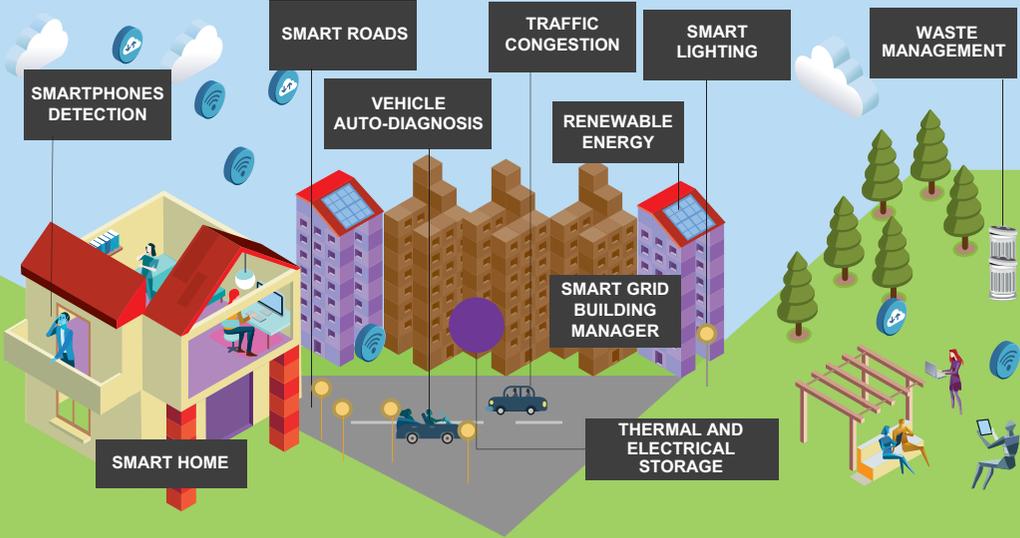


Source- Upper Chart: "Smart Cities to Rise Fourfold in Number from 2013 to 2025", IHS, 2014
 Source- Lower Chart: "Which Are the World's Smartest Cities?", IESE, 2014

SMART CITIES' MAIN INVESTMENTS WILL BE IN GOVERNANCE, EDUCATION AND ENERGY, with a focus on e-learning and sustainability

Smart cities will create huge business opportunities for the development of infrastructure, education, healthcare, energy, security and mobility; there will also be opportunities to create office and residential buildings that are smart and sustainable. The value of this market will reach US\$ 1.5 Trillion by 2020

Smart City Illustration



Predicted Smart City by Market Segment Based on Share of Created Market Value⁽¹⁾
(In % of Total Created Market Value, 2020)

21%	Smart Governance and Smart Education						
17%	Smart Energy						
15%	Smart Healthcare						
		14%	Smart Security			14%	Smart Infrastructure
10%	Smart Buildings						
9%	Smart Transportation						
							Total Value = US\$ 1.5 Trillion

Note: (1) Smart City Market Value is measured by the valuation of the smart city technologies and associated products and services
Source- Upper Chart: "World's Top Global Mega Trends to 2025 and Implications to Business, Society and Cultures", Frost & Sullivan, 2012
Source- Lower Chart: Literature Review