

Clean Technology Investors Hope to Lock in Strong Returns

London, 12 November 2008, The third annual European Clean Energy Venture Returns Analysis (ECEVRA), completed by New Energy Finance in collaboration with the European Energy Venture Fair has shown that clean energy venture investors achieved excellent returns through to this summer.

The study looked at the returns achieved by 54 participating investors managing 84 funds. Between them they had made 375 venture investments in 302 clean energy and clean technology portfolio companies. This year's study sample covers a cumulative global total of €1.77bn venture invested in clean energy and clean technology since 1997 and 55% of all known European clean energy portfolio companies. The 2008 study was broadened to include North American investments, which accounted for 28% of the portfolio companies in the sample.

Among the key findings:

- Of the 375 investments covered by ECEVRA 2008, thus far 26 have resulted in public listing and 32 have been exited or partially exited via M&A. The rate of failure is relatively low with only 7.5% of all investments being liquidated or written off.
- The pooled cumulative gross IRR achieved on investment in clean energy and clean technology companies in Europe and North America is 67.7%. However, with relatively few exits under their belts, much of this is due to the value of unrealised holdings.
- High performance sectors include biomass, biogas & waste-to-energy, fuel cells (particularly in Europe), and recycling & waste management.
- The IRR on all fully exited investments, including liquidations and write-offs, is almost 60%.
- The overall exit multiple of investments which have been fully exited via public market listing or M&A since January 2007 is 2.8 times the original investment with a time to liquidity of 2.5 years.

These results are based on data collected before October's market slump, and venture exits are likely to be few and far between until the economy stabilises.

Michael Liebreich, Chairman and CEO of New Energy Finance, the research firm who undertake the study each year on behalf of the European Energy Venture Fair, said: "The current market turmoil will clearly have an impact on the value of unrealised portfolio companies. But it also creates much healthier valuations for investors with funds to deploy. This is the point in the cycle when the best investments will probably be made. The fundamental drivers - climate change, energy security, oil depletion and new technologies are still with us. It will be fascinating to see how this returns picture evolves over the coming year."

Gina Domanig, Managing Partner of Emerald Technology Ventures, a leading cleantech venture capital fund based in Zurich and Montreal, chairs the study's steering committee. She said: "Three years of the European Clean Energy Venture Returns Analysis have illustrated consistent growth in the sector, healthy exits and proof that clean energy is a vibrant and relevant investment sector."

About the European Clean Energy Venture Returns Analysis

The European Clean Energy Venture Returns Analysis was commissioned by the organisers of the European Energy Venture Fair. Companies with venture-type investments in European clean energy technology and service providers were invited to submit data in confidence to a team at New Energy Finance, who analysed it on an anonymous basis. The data related to investments in portfolio companies located in Europe, irrespective of the location of the investor. Buyout-type transactions were excluded, as were renewable energy or biofuels projects. Data collection and

analysis took place over the summer, and the methodology was overseen by steering committee of experienced investors. No further data over and above what is contained here will be released.

About New Energy Finance

New Energy Finance is the world's leading independent provider of research to investors in renewable energy, biofuels, low-carbon technologies and the carbon markets. The company's research staff of 70 (based in London, Washington, New York, Palo Alto, Beijing, New Delhi, Tel Aviv, Cape Town, San Paulo and Perth) tracks deal flow in venture capital, private equity, M&A, public markets, asset finance and carbon credits around the world. The New Energy Finance Desktop is the world's most comprehensive subscription database of investors and investments in clean energy. New Energy Finance's Insight Services provide deep market analysis to investors in Wind, Solar, Biofuels, Biomass, China, VC/PE, Public Markets and the US. The company also undertakes custom research and consultancy, and runs senior-level networking events.

About the European Energy Venture Fair

Founded in 2002, the European Energy Venture Fair has become the leading platform for venture capital investors in clean energy in Europe. It brings together leading investors and analysts of the sector, as well as a carefully-vetted list of companies looking to raise funds. Companies that have presented in the past include TMO Biotec, CMR Fuel Cells, Pelamis Wave Power Ltd., Solar Century Holdings and more than 60 others. The Fair, which takes place each year at the Swiss Re Centre for Global Dialogue in Rüschiikon, Switzerland, is produced by the European Energy Forum, a non-profit foundation. This year, profits will be donated to the Ades Solar Cooker Project in Madagascar. The eighth European Energy Venture Fair will take place on September 21 and 22, 2009.

For further information:

Gina Domanig
Managing Partner
Emerald Technology Ventures
Seefeldstrasse 215
Zurich
CH-8008
Switzerland
gina.domanig@emerald-ventures.com
+41 44 397 1010

Michael Liebreich
Chairman & CEO
New Energy Finance
2nd Floor, New Penderel House
283-288 High Holborn
London
WC1V 7HP
UK
Michael.Liebreich@newenergyfinance.com
+44 20 7092 8800