



Press Release – for immediate use

Venture Investors on Track for Gold in Clean Energy

London, Zurich, 17 September 2007

European venture capital investors are on track to realise annualised gross returns* above 50% from investment in clean energy companies, according to the second annual European Clean Energy Venture Returns Analysis, completed by New Energy Finance to coincide with the European Energy Venture Fair 2007, taking place this week in Zurich.

The study looked at the returns achieved by 37 participating investors, up from 19 in last year's study. Between them they had made investments in 129 early stage companies involved in renewable energy, power storage, fuel cells and other low carbon technologies.

Among the key findings were the following:

- The 129 portfolio companies covered represent just over half of all venture-backed clean energy companies in Europe. 15 companies have completed an Initial Public Offering (IPO) and 10 have been sold to a trade buyer. 21 portfolio companies have undergone a second or subsequent venture investment round at a higher valuation.
- 19 companies have received further funding at lower valuations or have been written down. 11 companies have been liquidated.
- The overall pooled gross IRR achieved by the 129 companies in the study was 54.9%.
- The 37 investors in the sample had committed a total of €283.6m to clean energy companies from the beginning of the study period in 1998. Exits to date have returned 1.4 times the funds invested; unrealised holdings, calculated on an industry-standard, conservative basis, are valued at 1.2 times the total funds invested, putting the sample on track to return a total of 2.6 times investment.
- 34 of the portfolio companies in this year's study were covered in the inaugural analysis last year. This subset achieved a one-year gross return of 52.2%. By comparison, the NEX global index of publicly quoted clean energy companies achieved a gain of 44.9% during the same period.
- The 129 companies in the sample have a total of 5,200 employees. From this it can be estimated that European venture capital-backed clean energy companies have created a total of around 10,400 direct and a further 17,700 indirect jobs.

Michael Liebreich, Chairman & CEO of New Energy Finance said: "We have seen a number of good trade exits and subsequent rounds at higher valuations during the past year, although there have not been many eye-catching IPOs as in previous periods. The industry has created substantial value. We would expect to see further impressive exits over the coming year as investors lock in their gains."

Gina Domanig, Managing Partner of Emerald Technology Ventures, a specialist investment management company based in Zurich focusing on the sustainable technology sector, chaired the study's steering committee. She said: "Last year's European Clean Energy Venture Returns Analysis showed that the clean energy sector could achieve perfectly good returns. This year's study goes even further – it shows that clean energy is on track to become one of the best performing venture capital sectors for the coming decade."

The preliminary findings of the study were presented at the 6th annual European Energy Venture Fair at the Swiss Re Centre for Global Dialogue in Rüslikon, Zurich, Switzerland.

* Gross returns are calculated at the portfolio company level, in other words excluding the impact of management fees, transaction fees and carried interest.

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 pure renewable energy or biofuels project developers. Data collection and analysis took place over the summer, and the methodology was overseen by a steering committee of experienced investors. No further data over and above what is contained here will be released.

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, Ocean Power Delivery, Solar Century Holdings and over 50 others. The Fair, which takes place each year at the Swiss Re Centre for Global Dialogue in Rüslikon, 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 seventh European Energy Venture Fair will take place on September 22 and 23, 2008.

www.europeanenergyventurefair.com

About New Energy Finance:

New Energy Finance is the world's leading independent provider of financial information and analysis on renewable energy, low-carbon technologies and the carbon markets to investors. A research staff of 50 tracks investment activity in venture capital, private equity, M&A, public markets, asset-based finance and major grants around the world. The company has offices in London, Washington, Palo Alto, New York, Beijing, Shanghai, New Delhi, Cape Town and Perth. New Energy Finance publishes the world's first global clean energy stock market index (ticker symbol: NEX). New Carbon Finance, a division of the company, provides analysis and price forecasting for the global carbon markets.

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