

NEX'S 54% GAIN IN 2013 WAS BEST ANNUAL RESULT SINCE 2007

A Bloomberg New Energy Finance Analysis

3 January 2014 -- The WilderHill New Energy Global Innovation Index, or NEX, rose 53.9% in 2013 as investors piled into its solar, wind and energy efficiency sectors.

The NEX closed on 31 December at 184.73, just under its high for the year of 189 on 22 October. It was the NEX's best year since the 58% gain recorded in 2007 and follows three consecutive years of negative returns.

The 96-issue NEX index (expanded to 102 stocks at its annual rebalancing on 31 December) finished 2013 about 13% under its level on 1 January 2006. Its all-time high was 455 on 31 December 2007.

The NEX's performance outshone the heady annual returns of broad market measures: The technology-centric Nasdaq Composite Index swelled 38.3%. The S&P Index of large-capitalization stocks surged 29.6%. The MSCI AC World Index of global stocks added 20.3%.

Among other low-carbon equity indexes, the NYSE Bloomberg Global Solar Energy Index soared 70.5% in the year just ended. The NYSE Bloomberg Global Energy Smart Technologies Index gained 50.4%, while the NYSE Bloomberg Global Wind Energy Index inflated 43.7%.

NEX solar shares more than doubled in 2013, rising 122.6%. Wind issues advanced 82.4%. Energy efficiency added 56.8%. Power storage gained 27.9%. Biofuels and biomass rose 20.2%. Energy conversion, off 31.6%, was the only discrete NEX sector that finished the year lower than it began.

The best-performing NEX stock of 2013 was

SunPower Corp., which appreciated 430%. The US-based module producer, of which Total SA owns 65%, is perceived as well-positioned to benefit from project demand in east Asia. In a representative deal, Ecomax Japan announced in December it will use high-efficiency SunPower panels at several locations in central and northern Japan.

Denmark's Vestas Wind Systems A/S was the second-best performing index component, with a 425% price gain. Investors warmed to the stock along with public equities analysts. More than 45% of analysts covering the turbine maker recommended buying its stock in December 2012, up from less than 10% only three months earlier, according to data compiled by Bloomberg.

Another European wind mainstay, Gamesa Corp. Tecnologica SA of Spain, was the third-highest-performing NEX stock of 2013 with a 377% gain. The turbine manufacturer credited a cost-reduction programme with its return to profitability in the year's third quarter. Effective 23 December, its stock was added to Spain's blue-chip IBEX 35 index.

Two US energy smart technologies companies rounded out the list of top NEX finishers. Rooftop installer SolarCity Corp. rode low-cost financing and low-priced modules to a 2013 gain of 376%. Electric carmaker Tesla Motors Inc. defeated short sellers and short-lived fears over battery fires to rack up a 344% advance in the year.

The onus of worst performer in a rising market fell to KiOR Inc., the US advanced biofuel producer, whose investors suffered a negative return of 74% in 2013. KiOR's low came 8 August, when its share price fell the most in 11 months after disclosing that production at its first commercial plant was 75% below forecast.

Shares of South Korea wind turbine source Unison Co. Ltd. retreated 63% in the year. Toshiba Corp., which formed a 'capital alliance' with Unison in 2011, in September announced that it was acquiring Japan's Sigma Power Janex Co. Ltd.

Australia rare earth mineral miner Lynas Corp. Ltd. was the third-worst NEX performer, with a 56% decline. Lynas was freighted by its exposure to the Chinese market, from which demand wilted in the year due to an economic slowdown.

Shares of Germany's Solarworld AG sank 55% last year. Resolution of a trade case brought at Solarworld's urging by the European Union against China did not include the import duties sought by Solarworld and other European manufacturers against their lower-cost Asian competition.

Turkey's economic slowdown weighed on the share price of generation project developer Ayen Enerji AS, which shrank 52% in 2013.