

REBALANCING THE NEX Q2 2006

THE NEX was launched in January 2006 with 86 constituents trading on 18 markets around the world. Since then, the market capitalisation of its constituents has grown and it has undergone its first rebalancing, in which five companies were removed and six added.

IN the second quarter of 2006, the NEX will have 87 constituents, divided into nine sectors (see Figure 1) and quoted on 18 different markets around the world (see Figure 2).

At the end of the first quarter 2006, the 87 constituents had an average market capitalisation of USD 3.2bn, compared with USD 3.1bn at the start of 2006, and an aggregate market capitalisation of more than USD 281bn, compared with USD 270bn at the start of 2006.

These increases mainly reflected a combination of share offerings as well as rising share prices among the 81 companies that remained in the NEX, rather than capital increases among the six new arrivals, which were generally smaller than those they replaced. The market capitalization of the 81 companies grew by USD 52.9bn during the first quarter of 2006.

At the start of the second quarter, the largest constituent in the NEX was Spanish utility Iberdrola, with a market capitalisation of USD 29.0bn. The company aims to have 4.5GW of renewable energy capacity by 2008,

which will require investment of EUR 3.1bn (USD 3.7bn). The largest pure-play clean energy company, Indian wind turbine manufacturer Suzlon, had a market capitalization of USD 8.5bn and is ranked tenth on the index overall. The smallest company listed on the index is London-traded scientific instrument manufacturer, Oxford Instruments, with a market capitalisation of slightly less than USD 167m.

The largest sector with the largest number of companies remains Solar, with 16 constituents worldwide, followed by Wind, Biofuels, Biomass & Waste-to-Energy and Services & Suppliers with 11 each. Renewables - Other (Hydroelectric and Geothermal) is the smallest sector with six constituents.

The NASDAQ-NM has the largest number of index constituents, with 27 out of a total of 87. One NASDAQ-NM-listed company, Quantum Fuel Systems Technologies Worldwide (see Table 1), was added to the index, while another, China Energy Savings Technology, was removed (see Table 2).

The percentage of US-quoted stocks

(both NASDAQ and NYSE) fell to 42.5% (37/87) from 44.2% (38/86) in Q1 2006. This reflected the removal of US utilities FPL Group and PG&E and the addition of Ormat Technologies.

The Tokyo Stock Exchange maintained second position with 11 companies, despite the removal of Kyocera Corp, a ceramic and electric component maker that is developing a solid oxide fuel cell. Germany's XETRA rose to fourth position as a result of the inclusion of two solar companies, Solon and Sunways, and wind turbine manufacturer and project developer REpower Systems.

On other exchanges, Tel Aviv-listed Ormat Industries was removed, while Shanghai Stock Exchange-traded Baoding Tianwei Baobian Electric was added.

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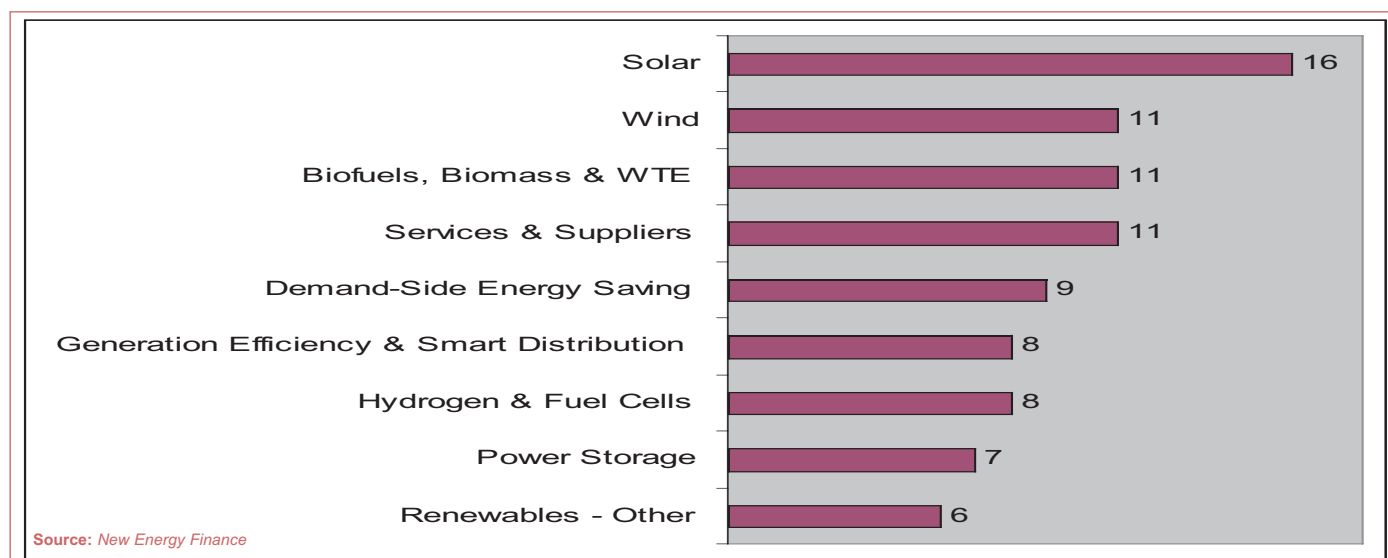


FIGURE 1: NEX CONSTITUENTS FOR Q2 2006 BY SECTOR

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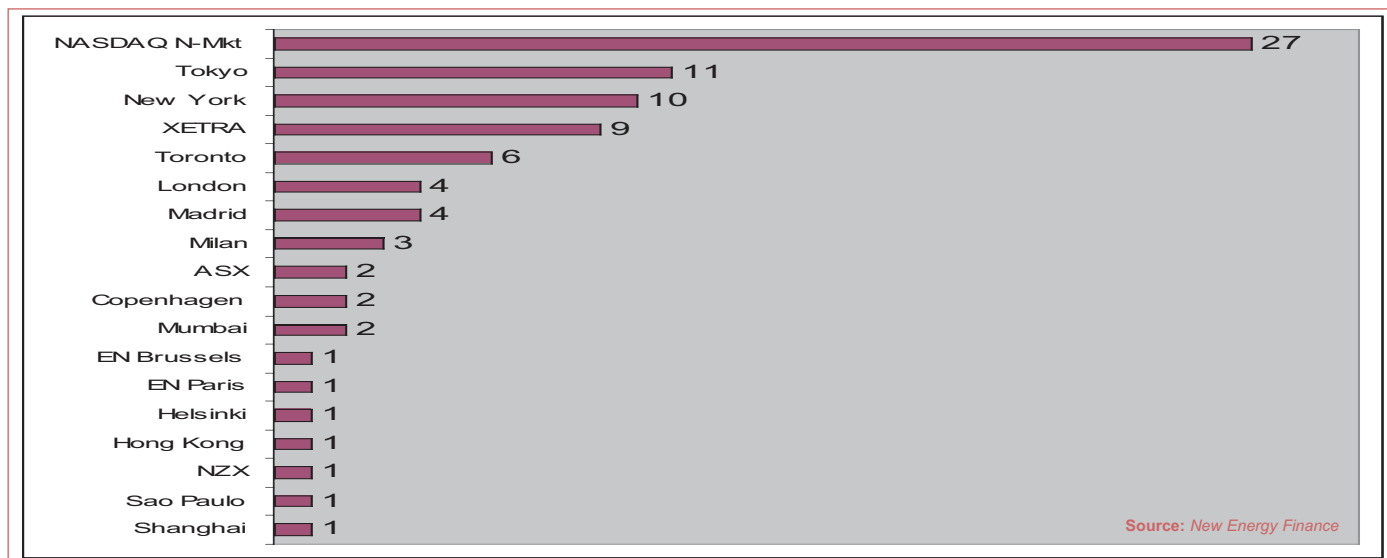


FIGURE 2: CONSTITUENTS FOR Q2 2006 BY EXCHANGE

TABLE 1: NEX NEW ENTRANTS

COMPANY	COUNTRY	PRIMARY SECTOR	MAIN MARKET	TICKER
Quantum Fuel Systems Technologies Worldwide	US	Hydrogen & Fuel Cells	NASDAQ-NM	QTWW
Baoding Tianwei Baobian Electric	China	Renewable - Solar	Shanghai	600550
Solon	Germany	Renewable - Solar	XETRA	SOO1
Sunways	Germany	Renewable - Solar	XETRA	SWW
REpower Systems	Germany	Renewable - Wind	XETRA	RPW
Ormat Technologies	US	Renewable - Other	NYSE	ORA

TABLE 2: COMPANIES REMOVED FROM THE NEX

COMPANY	COUNTRY	PRIMARY SECTOR	MAIN MARKET	TICKER
China Energy Savings Technology	China	Demand-Side Saving	NASDAQ-NM	CESV
Kyocera	Japan	Renewable - Solar	Tokyo	6971
FPL Group	US	Renewable - Wind	NYSE	FPL
Ormat Industries	Israel	Renewable - Other	Tel Aviv	ORMT
PG&E	US	Renewable - Other	NYSE	PCG