

**FOR IMMEDIATE RELEASE**

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### **CLEAN ENERGY SHARES UNDER-PERFORM IN 2010**

***Energy efficiency shares did well, but wind and solar sectors depressed the NEX index of clean energy stocks, which finished the year down nearly 15%***

*London and New York* – The WilderHill New Energy Global Innovation Index (ticker NEX), which currently tracks the performance of 100 clean energy stocks worldwide, fell 14.6% in 2010. This drop was in stark contrast to a 12.8% gain for the broad-market US S&P 500 index and a 16.9% rise for the Nasdaq Composite.

The weak performance of clean energy stocks in 2010 comes despite the fact that last year saw strong investment in new clean energy capacity around the world. Just how strong this was will be revealed in figures due to be published by Bloomberg New Energy Finance in the next few days. These will show that investment in 2010 in assets such as wind farms, solar parks and biofuel plants, and funding of specialist companies by the public markets and venture capital and private equity players, surpassed the equivalent figures for 2009 and 2008.

Preliminary analysis of the NEX's performance in 2010 shows that companies providing energy efficiency products and services, from "smart grids" to power management and electric vehicles, saw their shares rise by an average of 19.5%. However companies involved in the wind energy sector suffered average share price falls of 37%, while those active in solar power experienced falls of 26% on average. In between these extremes were biofuel and biomass stocks, down 1% in 2010, and battery and other power storage stocks, down 15%.

The best-performing share within the NEX during 2010 was US battery membrane technology specialist Polypore International, with a rise of 242%. It was followed by four energy efficiency stocks: US organic light-emitting device maker Universal Display rose 148%, Chinese LED supplier Zhejiang Yankon Group increased 137%, US inverter maker Power-One gained 135%, and US efficient-motor provider Baldor Electric – subject of a takeover bid by ABB - advanced 124%.

The worst performing share in the NEX in 2010 was German solar manufacturer Q-Cells, which fell 75%. Close behind were US wind power component maker Broadwind Energy, down 71%, German solar panel maker Roth & Rau, down 62%, US battery maker A123 Systems, down 58%, and US thin-film silicon producer Energy Conversion Devices, down 57%.

Clean energy stocks were buoyed in 2010 by booming investment in China, particularly in wind, and in small-scale photovoltaics in Germany. However, this was more than offset by the failure of the US Congress to agree legislation on either carbon cap-and-trade scheme or a federal renewable energy mandate, fears over the sustainability of subsidy schemes for renewable power in Europe, and a feeling that the general public would not back aggressive action on climate change during difficult economic times.

Michael Liebreich, chief executive of Bloomberg New Energy Finance, commented: “2010 was a disappointing year for stock market investors in clean energy. To some extent, the sector has been the victim of its own success: sharply reduced prices for solar panels and wind turbines are good news for the economics of clean energy generation, but they are not necessarily good for the share prices of the companies that make the equipment.

“Clean energy shares were also unsettled in 2010 by the furore over Spain’s threats to cut retrospectively the feed-in tariffs available for established photovoltaic plants, and by low natural gas prices. When gas is cheap, utilities have an incentive to agree power purchase deals with new gas-fired plants rather than deals with new wind or solar projects.

“It will be most interesting to see what happens in 2011. You have an industry with sharply growing volume of investment in generating capacity, which now has a well-developed supply chain with a good track record of driving down costs,” Liebreich said.

The NEX closed on 31 December 2010 at 212.46, down from 248.68 at the end of 2009 and an all-time record of 468.75 on 8 November 2007. Even at the end of 2010 however, it was still at more than twice its benchmark value of 100 on 30 December 2002.

The WilderHill New Energy Global Innovation Index comprises companies worldwide with technologies focusing on generation and use of cleaner energy, conservation, efficiency and advancing renewable energy generally. Included are lower-carbon approaches relevant to climate change, smarter solutions that avoid greenhouse gases and technologies reducing emissions relative to traditional fossil fuel use. A majority of companies in NEX are listed on exchanges outside of the United States. The NEX calculates live in several currencies including the US dollar, the euro, the pound sterling, and the Japanese yen. During 2010, there were variously 87 or 88 stocks included in the NEX. Following the quarterly rebalancing at the end of the year, this has now increased to 100.

The NEX Index launched on 1 February 2006 and is published by WilderHill New Energy Finance LLC as a partnership between Bloomberg New Energy Finance based in London, Josh Landess based in the US, and Dr Rob Wilder based in the US. For more info, see <http://www.nexindex.com>.

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Bloomberg New Energy Finance serves leading investors, corporates and governments around the world. Its Insight Services provide deep market analysis on wind, solar, bioenergy, geothermal, carbon capture and storage, smart grid, energy efficiency, and nuclear power. The group also offers Insight Services for each of the major emerging carbon markets: European, Global Kyoto, Australia, and the U.S., where it covers the planned regional markets as well as potential federal initiatives and the voluntary carbon market. Bloomberg New Energy Finance’s Industry Intelligence Service provides access to the world’s most reliable and comprehensive database of investors and investments in clean energy and carbon. The News and Briefing Service is the leading global news service focusing on clean energy investment. The group also undertakes applied research on behalf of clients and runs senior level



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