



Carbon International
Communications for the Environmental Economy

Investor communications and PR for fund-raising



Introduction to Carbon International

- Established in 2004, Carbon International advises clean-tech companies on PR and fund-raising.
- Our clients span cleantech/environmental sectors (wind, solar, waste, water, hydro, CHP, energy storage, energy efficiency, carbon and fund management) from the UK, US, Canada, Spain, France, Germany, Belgium, New Zealand, Australia.
- We have been working with London Stock Exchange PLC since 2005 on environmental investor relations events and IPO seminars.
- We have been shaping the environmental news agenda with our own series of ‘Investing in...’ seminars since 2008.
- We are specialists. Journalists and investors know that we only do cleantech and that we know what we’re talking about.
- Our track record:
 - ✓ We consistently win positive and influential media coverage for our clients (in national, international, financial, broadcast and trade media). Our media campaigns have supported and complemented fund-raisings of over £500m.
 - ✓ Since being authorised by FSA in Oct 2007 we have raised >\$40m for clients.
 - ✓ Our events are a focal point for London’s cleantech/environmental investment community

Founded on media, energy and environmental expertise

- **Tom Whitehouse – Chief Executive**

Tom established Carbon International in 2004. Prior to that he worked as a journalist and risk analyst. From 1997-1999 he was Moscow correspondent for *The Guardian*. From 1991-1997, he was a reporter for the *BBC World Service*, based in Prague and Moscow. From 2000 to 2002 Tom advised leading multinationals including Shell, Statoil, BHP Billiton, Chevron Texaco and the Japanese National Oil Company on political risk. He has a degree in Politics Philosophy and Economics from Oxford University.

- **David Hopkins – Director of Public Relations**

David joined Carbon International in 2005. He is the former news editor of *Edie.net*, the UK's largest circulation online environmental news site, and has written for several national broadsheets as well as *Environment Business magazine* and *WWT*. He has a BA in Humanities from Birkbeck College, University of London, as well as a Post-Graduate Diploma in Development Studies.

- **Felicia Jackson – Associate**

Author of *Conquering Carbon* and the former Founding Editor of *New Energy Finance*, Felicia has been an Associate of Carbon International since 2006. Having founded three businesses in the technology, media and energy marketplaces, she brings a breadth of marketing, business and strategic development experience to the company. She has a BA and an MA from Bristol University.

Client clusters

Waste:

environCom, New Earth, Renewable Zukunft, Advanced Plasma Power, Impax, Ludgate

Renewables:

Smartest Energy, Good Energy, Proven, Theolia, Thenergo, Low Carbon Accelerator, Impax, Ludgate, Guinness Asset Management, Triodos

Environmental fund management:

Low Carbon Accelerator, Impax, Ludgate, Guinness, SI Capital, Triodos, New Earth

Water:

Pure, Phoslock, Envisager, Impax, Ludgate

Energy efficiency:

Evolve, RLtec, Wellington Drive, Impax, Low Carbon Accelerator, Ludgate

Carbon :

Carbon Disclosure Project, IDEAcarbon, Carbon Capital Markets

Our 'Investing in ...' investment seminars

Starting in 2008, our seminar series replicates our client clusters and provides an opportunity for us to shape the news agenda and keep up with, and extend, our investor networks.

- **Investing in Environmental Infrastructure (03.06.08)**
Presenting companies: Impax Group, Triodos Renewables plc, SI Capital, Carbon Capital Markets
- **Investing in Energy Efficiency (19.09.08)**
Presenting companies: Evolve Energy, Wellington Drive, Impax, Hiflux, Matrix Corporation
- **Investing in Cleantech Private Equity (29.10.08)**
Presenting companies: Siemens Venture Capital, Low Carbon Accelerator, Impax, Man Group, SI Capital, Cleantech Invest, Emerald Technology Ventures
- **Investing in Waste and Resource Recovery (27.03.09)**
Presenting companies: New Earth Solutions, New Earth Energy, Impax, environCom
- **Investing in UK Renewables (24.04.09)**
Presenting companies: Good Energy Group, Renewable Zukunft, Bronzeoak, Smartest Energy, Englefield Capital
- **Investing in Water (08.07.09)**
Presenting companies: Envisager, Impax Group, Mouchel, Pure Technologies, Phoslock, Lontra, Airwater
- **Investing in Environmental Funds (06.11.09)**
Presenting companies: FTSE Group, Guinness Asset Management, Ludgate Environmental Fund, Mountain Cleantech, Dasos, Cumulus, LCA

Fund-raising

In October 2007 we were authorised and regulated by the financial services authority.
Our fund-raising success to date:

- An AIM-quoted environmental fund (£1m January 2008)
- Wellington Drive Technologies Ltd (\$10m April 2008)
- HydroChile Pty Ltd (\$20m July 2008)
- A renewable power company (\$10m January 2010)

Typically, we work with our clients' corporate finance advisors (in house or external). We are not a full service corporate finance house. Our ability to raise funds for our clients is determined by:

- Our knowledge of investors and what they want to invest in
- Our knowledge of how to pitch an investment proposition
- Our experience in managing the internal communications process that is fundamental to a fund-raising process
- Our PR and event expertise which complements fund-raising

Investor communications and PR for fund-raising

The eight common mistakes:

1. Eighty page presentations and ten page one-pagers/‘teasers’
2. All science and no numbers
3. All vision/mission and no numbers
4. Thinking that communications is the same as marketing

Investor communications and PR for fund-raising

The eight common mistakes continued:

5. Trying to control journalists
6. Whinging about the media/investors
7. Criticising the competition
8. Trying to cover up things that are in the public domain.

Investor communications and PR for fund-raising

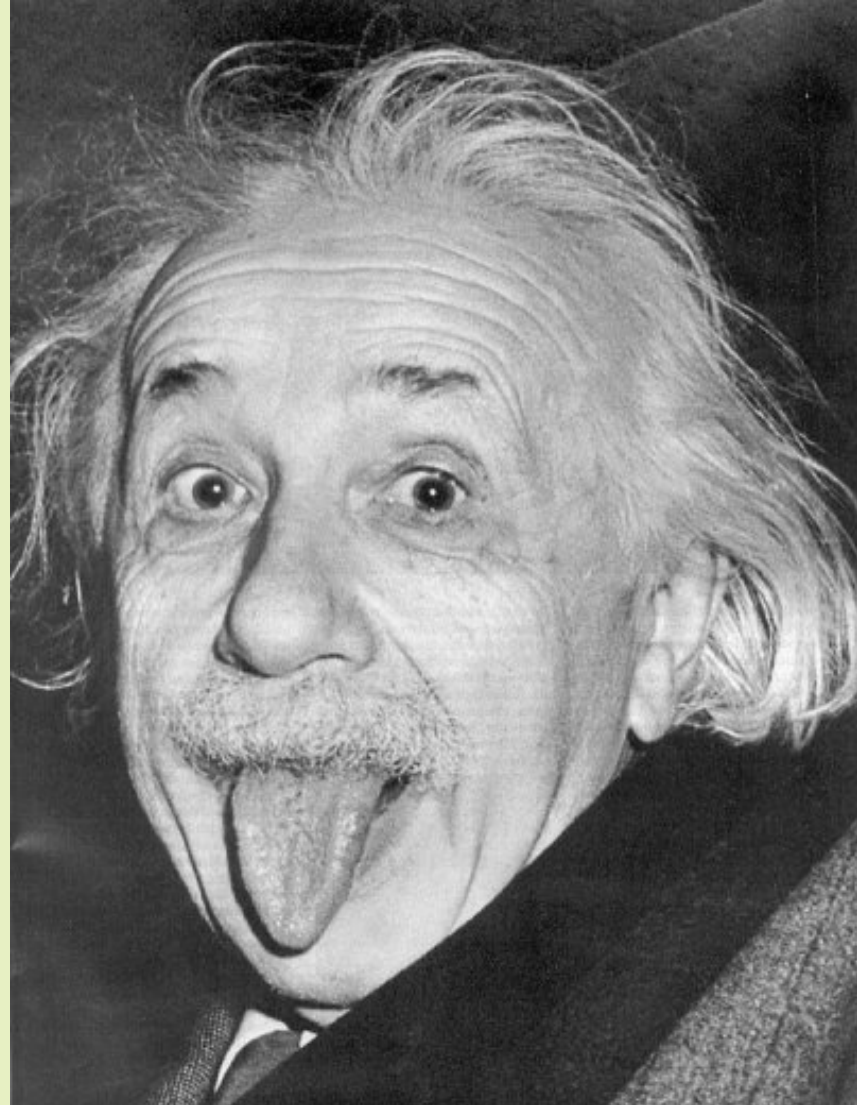
Getting it right - the 3 rules of successful communication:

- Have a simple and clear story
- Be a good story-teller
- Know and understand the journalists and investors you're telling your story to (your audiences)

Have a simple and clear story

“Everything should be made as simple as possible,
but not simpler.” Albert Einstein

In a nutshell,
what do you do?



Have a simple and clear story

Ceres Power:

“Ceres Power is a high growth product development company founded in 2001 to commercially exploit revolutionary fuel cell technology.”



Have a simple and clear story

Company X:

““Company X is a proprietary single-cell electroplating tool & processing technology company providing advanced wafer plating and packaging solutions for Solar Cell, LED and Power Management applications.”

(But it's a good company).



What are the essential ingredients of a good story?

Simplicity is a necessary, but not sufficient condition for a good story. Journalists also require drama. Drama requires conflict and has at least five features:

1. A hero/lead role – you and your company
2. Supporting acts – your customers, investors, peers
3. A bad guy/problem/challenge – an environmental problem to be solved, a regulation/law to be implemented
4. A happy ending – environmental problems solved, **money gets made** (investors' favourite story)
5. A sequel in the making – more episodes of the story to look forward to in an ongoing narrative

Case study 1: The press release

PRESS RELEASE
10th August 2009



British waste management company New Earth Group to raise £15m to accelerate growth

Funds to be used to accelerate the growth of the established waste treatment business (New Earth Solutions) and to develop complementary power plants that will recover energy from waste (New Earth Energy).

Happy ending

Simple and clear

New Earth Group ('New Earth' or 'The Group'), **the British waste treatment and renewable energy company**, has announced its intention to raise a minimum of £15m in equity in exchange for a minority stake. Incoming funds will be used to **accelerate the growth** of the established waste treatment business and to develop power plants that recover renewable energy from waste. BDO Corporate Finance has been appointed advisor.

Hero

Happy ending

Bill Riddle, Chairman of New Earth, said: "These funds will allow New Earth to accelerate the growth of its waste treatment plants and to be at the forefront of **recovering renewable energy from waste via gasification or pyrolysis on a commercial scale in the UK.**"

Problem to be solved/
challenge

New Earth Group comprises the waste treatment company New Earth Solutions Group Ltd and the renewable energy company New Earth Energy Ltd.

New Earth Solutions was established by Bill Riddle, in 2002, from waste management origins to help the UK meet its statutory and binding **landfill diversion and recycling targets**. The company has successfully developed low-impact fully-enclosed facilities that utilise mechanical biological treatment and composting technology .

Case study: The press release

CONTINUED...

New Earth Energy was formed in May 2008 to seize the market opportunity to ‘close the loop’ between waste treatment and energy recovery. New Earth Energy is ideally positioned to successfully deploy advanced thermal conversion technologies - namely gasification and pyrolysis. New Earth Energy is also exploring the potential to use anaerobic digestion (AD) technology to convert food, and other organic wastes into renewable energy, either as electricity or as a transportable fuel. Advanced thermal conversion and AD technologies are **eligible for double ROCs (Renewable Obligation Certificates)** under the UK’s renewable power support framework.

Happy ending

The Group now has three operational waste treatment plants that provide 170,000 tonnes per annum (“tpa”) of capacity, potentially increasing to 270,000 tpa. **Two of the plants are profitable and the third is expected to become profitable during the current year.**

Happy ending

Sequel in the making

The Group’s strong pipeline of secured projects includes two waste treatment plants due to open in 2010 that provide a further 100,000 tpa of capacity. Each of these projects has been awarded an underpinning waste contract and has secured planning permission. In addition New Earth recently secured one of the UK’s largest non-PFI waste treatment contracts (120,000 tpa) with **the West of England Partnership of four local authorities**. The West of England Partnership contract is worth up to £80m over nine years and a 200,000 tpa facility will be developed in Avonmouth to open in 2011.

Supporting act

Supporting act

Impax Asset Management, the specialist environmental investor, owns 15% of the Group, having invested £8m in two rounds (£4m in Dec 2007 and £4m in Dec 2008). The remaining shareholding is owned by the Group’s management and a group of private investors.

Case study 1: The coverage



New Earth in £15m issue for growth

By Fiona Harvey, Environment Correspondent, August 11 2009

Increasing demand to generate energy from waste has spurred a company to seek £15m in an equity issue to fund expansion.

New Earth Group plans to use the funds to develop new power plants to recover energy from waste, alongside its existing waste treatment and composting business.

It believes demand for energy generation from waste will rise as **government regulations** force businesses to find alternatives to landfill, and as the quest to cut greenhouse gas emissions intensifies.

Hero/
Lead
role

Bill Riddle, founder and chairman, said: "These funds will allow us to be at the forefront of recovering renewable energy from waste."

The equity issue is equivalent to a 15 per cent stake in New Earth, which is planning a large new waste treatment facility in Avonmouth, to open in 2011.

New Earth already has three operational waste treatment plants that can process 170,000 tonnes of waste a year. Two are profitable and the third is set to break even this year.

Two more waste treatment plants are scheduled to open next year, adding another 100,000 tonnes a year of processing capacity.

Problem/
challenge

Happy
ending

Case study 1: The coverage

CONTINUED...

The third new plant, at Avonmouth, will help the company service its waste treatment contract with **the West of England Partnership**, made up of four local authorities. The contract is worth up to £80m over nine years.

The company uses pyrolysis and gasification to convert household rubbish into biogas that can be burned to generate electricity and for heating. Pyrolysis is the application of heat to waste derived biomass in the absence of oxygen to produce a high calorific gas that can fuel a generator.

Gasification is an advanced thermal conversion technology that avoids direct combustion but involves the breakdown of waste in an atmosphere where oxygen is present but carefully controlled.

In a previous fundraising bid in July 2008, the company launched a fund with Premier Group, from the Isle of Man, intended to invest in its waste projects. To date it has raised £17.5m.

In June, New Earth announced plans for a further fund with Premier Group, called the Eclipse Fund, aimed at institutional investors. It is in an offer period and will begin trading in October.

New Earth is 15 per cent owned by **Impax Asset Management**, which specialises in environmental investments and has invested £8m in the company. The remainder is held by the management and private investors.

BDO Corporate Finance has been appointed adviser.

Supporting
act

Supporting
act

Case study 2: The verbal pitch

- Getting your story covered doesn't always require a press release. A verbal pitch to the right journalist can be just as effective (so long as it is accompanied by sourced facts and figures).
- Knowing the angles that interest journalists and knowing the right journalists to talk to is key. It helps if an ex-journalist does the pitch.
- When pitching a feature story idea, journalists will require more than one spokesperson. They can lose interest if you have only the hero but no supporting acts! Having other companies/spokespeople to put forward strengthens the story and makes it more appealing.

Case study 2: The coverage (with no press release!)

Hero/
Lead
role

UK clean tech to try luck in uncertain IPO market



LONDON, March 11 (Reuters) - British companies involved in the waste and energy efficiency sectors are considering flotations to raise funds for growth even as the IPO market remains uncertain.

After companies such as TravelCentury and New Look cancelled plans earlier this year, others including UK education technology group Promethean and a former British Land team are now returning to test the water.

Hero/
Lead
role

Supporting
act

One cleantech company mulling a flotation on London's junior AIM market is **environCom**, a **Glasgow-based recycler of waste electrical and electronic equipment (WEEE)**.

Simple and
clear

It has a five-year contract with **Europe's No.2 electricals retailer DSG International** and needs funds to open more plants to meet **growing demand for WEEE recycling on the back of British and European regulation**.

Challenge/
problem

"AIM is an option that we are seriously considering," said environCom CEO Joe Quigley.

"At this stage we have no preference for public or privately raised capital," he added. "We are keeping our options open."

Other companies looking at possibly entering public life include solar power company Solar Century, biofuels firm TMO Renewables and waste-to-energy firm Genwat, which said last year it wanted to float in the first half of 2010.

Supporting
act

According to a survey conducted by fund-raising consultancy **Carbon International**, 65 percent of green venture capital and private equity firms believe an IPO could be a feasible exit for at least one of their investments over the next two year.

However, the vast majority -- 87 percent -- of the 90 investors surveyed see a trade sale as a more likely exit. Big IPOs scrapped in favour of a sale in recent months include German cable firm Unitymedia and UK retailer Pets at Home

Be a good story-teller

- There's nothing post-modern about 'sound bite culture'. Get used to it. Turn it to your advantage.



Be a good story-teller

Be part of a bigger story

Understand how your company fits in to the policy and corporate agendas. Collaborate with industry colleagues (non-competitors) to host events for journalists and investors.

News calendar / 'Newsflow'

Think of your company's developments as instalments of an ongoing story. This story should include opinion pieces and comment.

Media and presentation training

Rehearse and get 'match fit'.

Internal communications protocols

Who answers media and investor calls? Who makes sure the company is 'on message'?

Have an 'investor-friendly' website

Don't look or sound like a start-up/university engineering department.

Know and understand your audiences

What are investors and journalists like? How are they different from you?

- Journalists may have to write several articles per day on different subjects and featuring different companies.
- An investors could meet two to eight companies a day (and monitor many more).
- Whereas you are preoccupied with one company per day every day.

How to resolve this clash of mindsets?

They are your audiences so you have to communicate on their terms. They don't have time to communicate on your terms.

If it helps, when talking to investors and journalists, imagine they have hangovers and/or are intelligent teenagers. This will at least help you keep it simple.

Important disclaimer: The vast majority of journalists and investors do not have hangovers and are considerably more intelligent than teenagers. Moreover, journalists may and investors certainly will want detail and complexity, but in their time and on their terms.

IPO Timeline

12 – 18 months before an IPO

- Get your story right
- Get coverage in general and specialist media
- Develop your website (e.g. rule 26 compliance)

Plan ‘newsflow’

- Timetable of new deals, company growth, company flotation
- Opinion piece for specialist media: why is your company needed? What environmental solutions does it provide?

Begin media training

- Meet journalists

IPO Timetable

Three months before an IPO:

- Investor presentation preparation
- Rehearse, practice and get match fit!
- Gear up PR

10-14 days before IPO you issue a Pre-admission announcement through the RNS

- At this point, be quiet! Your broker is ‘filling the book’
- Media mistakes/misrepresentation could make things difficult

Impact day and admission

- Speak up! You have good news
- Your life as a public company has just begun. Do not relax!

Conclusion

- Preparation is key
- Make time for communications. Don't treat it as an afterthought. You can be punished if you get it wrong.
- Get professional advice. Investor communications/PR is the world's third oldest profession (after prostitution and espionage). You may need it.
- Judge a PR company by its expertise in developing and telling stories above all else
- Going public is the end of your privacy as a company. If that doesn't appeal, stay private.

Don't take my word for it.

FINANCIAL TIMES



Public relations immaturity in getting the message across

May 9, 2008

By David Blackwell; FT Smaller Companies Correspondent

“Far be it from me to defend the [Investor Communications/PR] industry, that can sometimes be obtrusive. But **if a company cannot get its message across when the going is good, it will rapidly become much smaller when things get tough.**”

Thank you

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Carbon International is the business name of Carbon Communications International Ltd, registered in England (no. 5243871), entered on the Financial Services Authority register (no. 472599) and whose registered office is at Lower Botvyle, Church Stretton, Shropshire, SY6 6HG.