

Understanding Environmental Markets

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1. The green technology megatrend represents a great investment opportunity

"Unmitigated climate change poses a threat to the global economy, but building a low carbon economy creates opportunities for investment in new technologies that promise to transform our society in the same way as the introduction of electricity or railways did in the past."

Lord Nicholas Stern

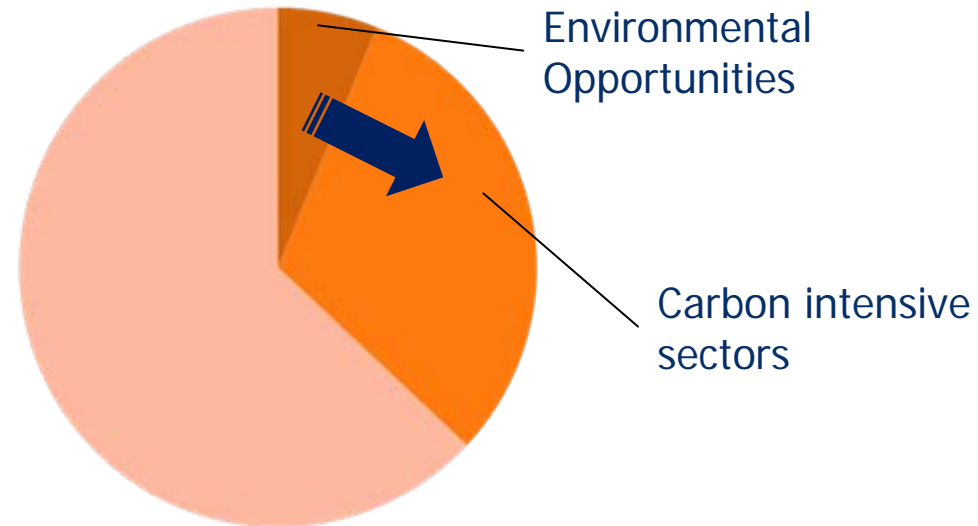
New York, September 16, 2009

As carbon costs get incorporated there will be a re-allocation to low carbon sectors:

Equity allocation:
increasing the wedge

Current value of
environmental
goods and services
estimated at \$500bn,
growing 12-15% growth
p.a. over next five years

Source: Impax AM



Global Picture:

FTSE Global All Cap	= \$28.9 trn
Carbon Intensive Sectors	= \$8.9 trn (31%)
FTSE EO All Share	= \$1.8 trn (6%)

(Note that figures are after free float adjustments)

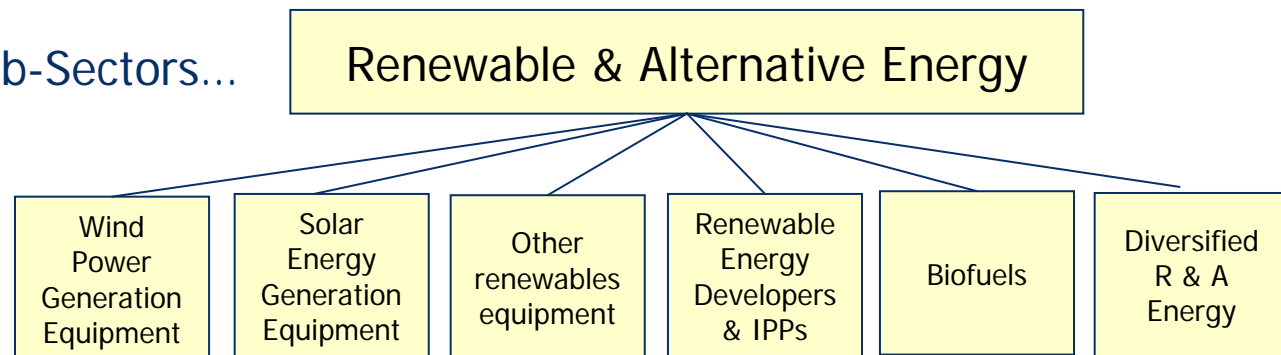
Source: FTSE

2. There is a need for clarity: what constitutes this market and the tools to measure and access it

Six Sectors;

1. Renewable & Alternative Energy,
2. Energy Efficiency,
3. Water Infrastructure & Technologies,
4. Pollution Control,
5. Waste Management & Technologies,
6. Environmental Support Services

Twenty Five Sub-Sectors...

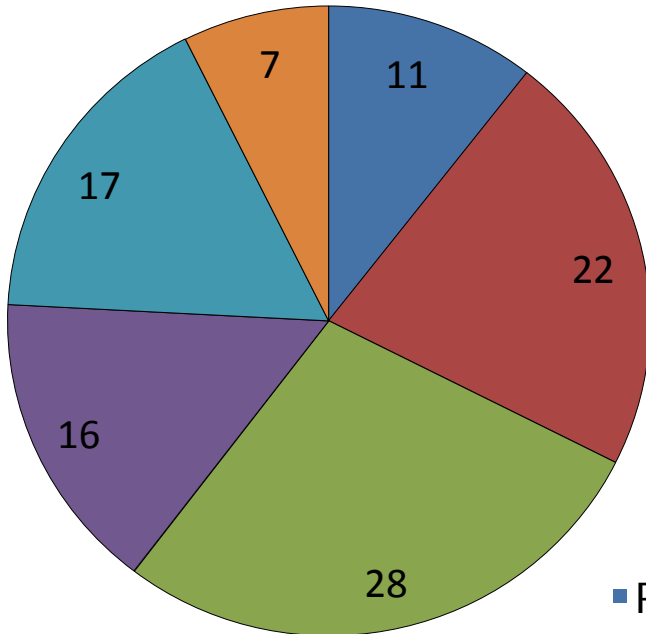


FTSE Environmental Markets Indices

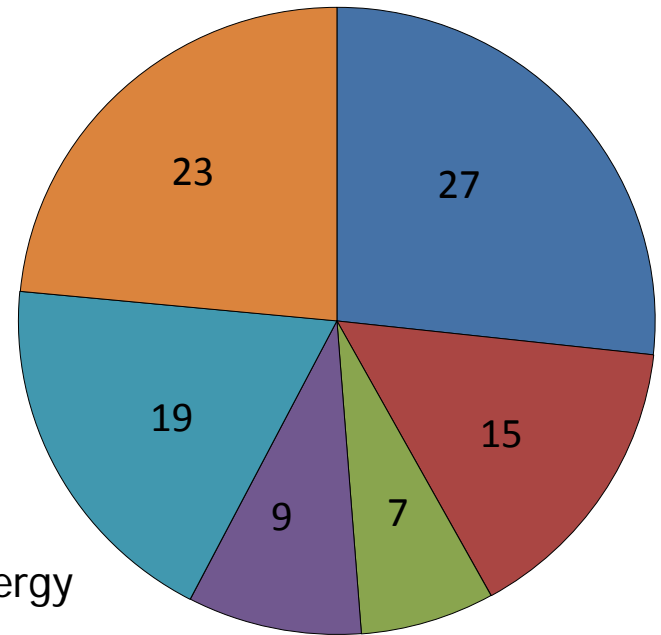
- Developed in association with Impax Asset Management
- Overseen by an independent, practitioner advisory committee
- 2 key approaches – sector specialists (pure play Environmental Technology) and broader Environmental Opportunities
- Revenues drive the selection process – 50% plus – sector pure play specialists; 20% plus - environmental opportunities
- 18 indices in the series comprising over 500 companies
- \$3bn AUM

Sector Weights in the FTSE UK Environmental Markets Indices

EO UK Index Weight (%)

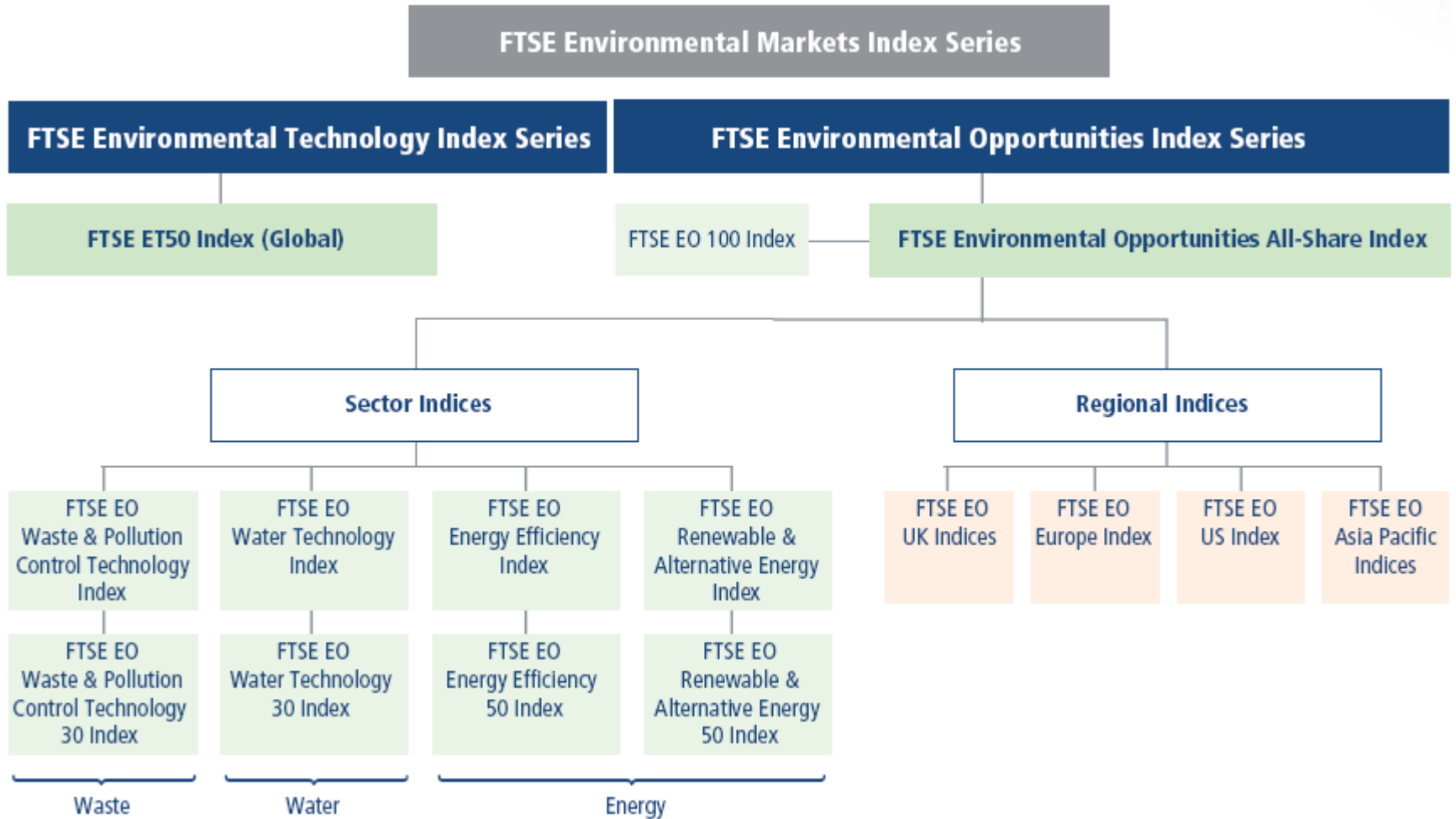


EO AIM Index Weight (%)



- Renewable & Alternative Energy
- Energy Efficiency
- Water Infrastructure & Technologies
- Pollution Control
- Waste Management & Technologies
- Environmental Support Services

FTSE Environmental Market Index Series



Performance of FTSE EO UK Vs FTSE All-Share

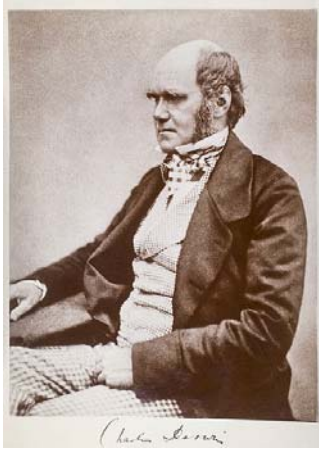


*Based on a backcast calculation prior to 19 December 2008.

SOURCE: FTSE Group, data as at 31 December 2009

3. Diversification is really important probably more so than any other asset class or sector

Which technologies / companies will be the winners and which ones will be the losers?



*"It is not the strongest species
that survive, nor the most
intelligent;
it is the ones most adaptable to
change."*



Thank you.

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Index Characteristics

	FTSE Environmental Opportunities UK Index	FTSE Environmental Opportunities UK AIM Index
Number of Constituents	32	65
Net Market Cap (GBPm)	27,728	2,089
Constituent Sizes (Net Market Cap GBPm)		
Average	867	32
Largest	2,790	183
Smallest	71.62	0.28
Median	731	16
Weight of Largest Constituent (%)	10.06	8.74
Top 10 Holdings (% Index Market Cap)	59.99	57.71

SOURCE: FTSE Group, data as at 31 December 2009

Company Examples

Chloride Group plc : Energy Efficiency / Power Network Efficiency

Chloride Group plc is a main market quoted company and a constituent of the FTSE Environmental Opportunities UK Index. The company is a global leading supplier of power protection solutions. Chloride provides Uninterruptable Power Supplies (UPS) and battery backup systems total maintain critical power uses plus remote monitoring and other services relating to power management to a broad range of industries including energy, manufacturing, telecoms etc.

Johnson Matthey plc : Pollution Control / Pollution Control Solutions

Johnson Matthey plc is a main market quoted company and a constituent of the FTSE Environmental Opportunities UK Index. The company is a producer of catalytic converters for cars, trucks and other engine applications, as well as catalyst solutions to boost the efficiency of a variety of industrial process and engages in precious metal recycling.

Clipper Windpower plc: Renewable & Alternative energy / Wind Power Generation Equipment

Clipper Windpower plc is an AIM quoted company and a constituent of the FTSE Environmental Opportunities UK AIM Index. The company manufactures large scale wind turbines and develops wind power projects.