

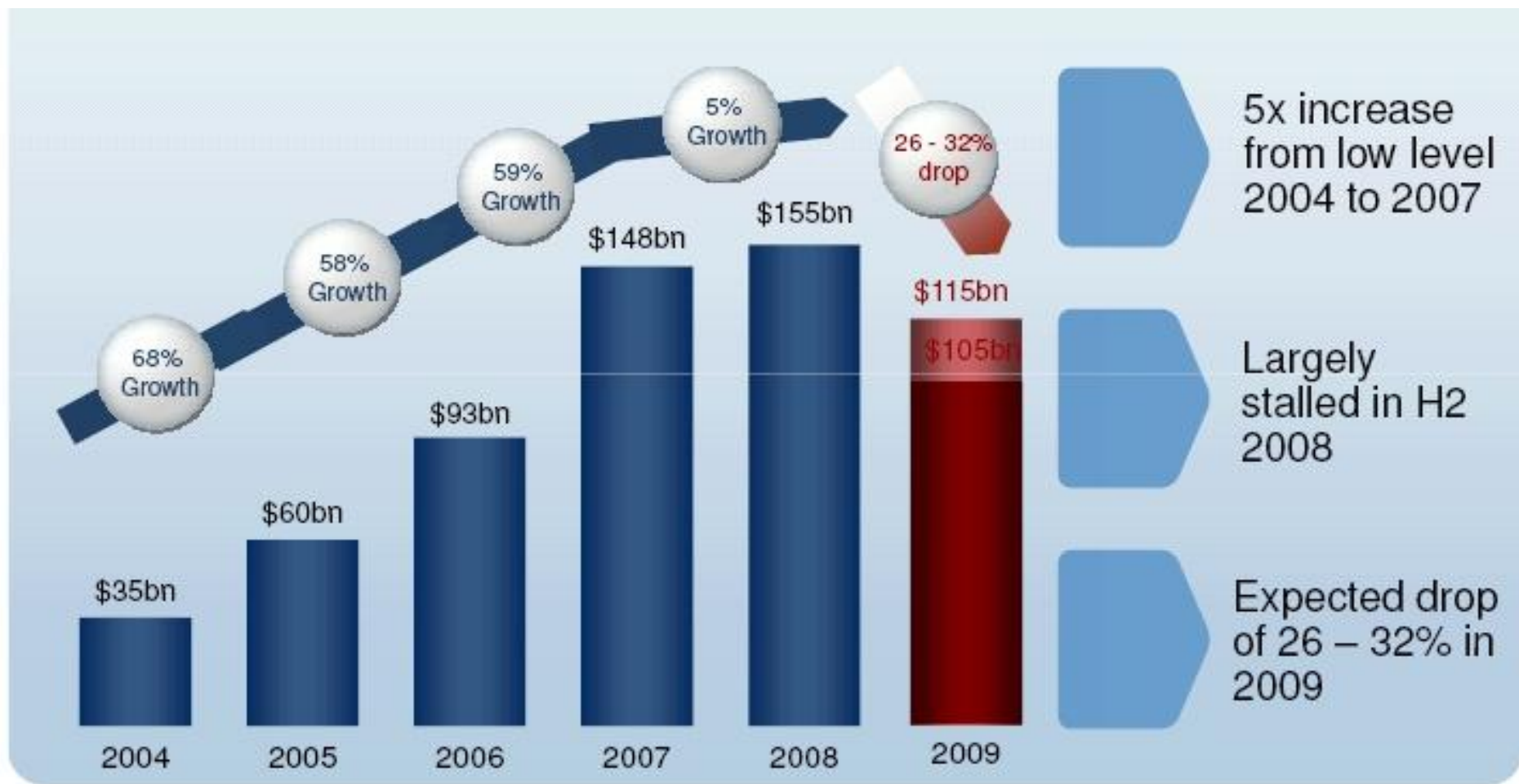


The Financial Crisis and Investing Trends

- Private Equity



Global New Investment in Clean Energy, 2004 - 2009



Note: Adjusts for reinvested equity. Total value includes estimates for undisclosed deals.

Source: New Energy Finance

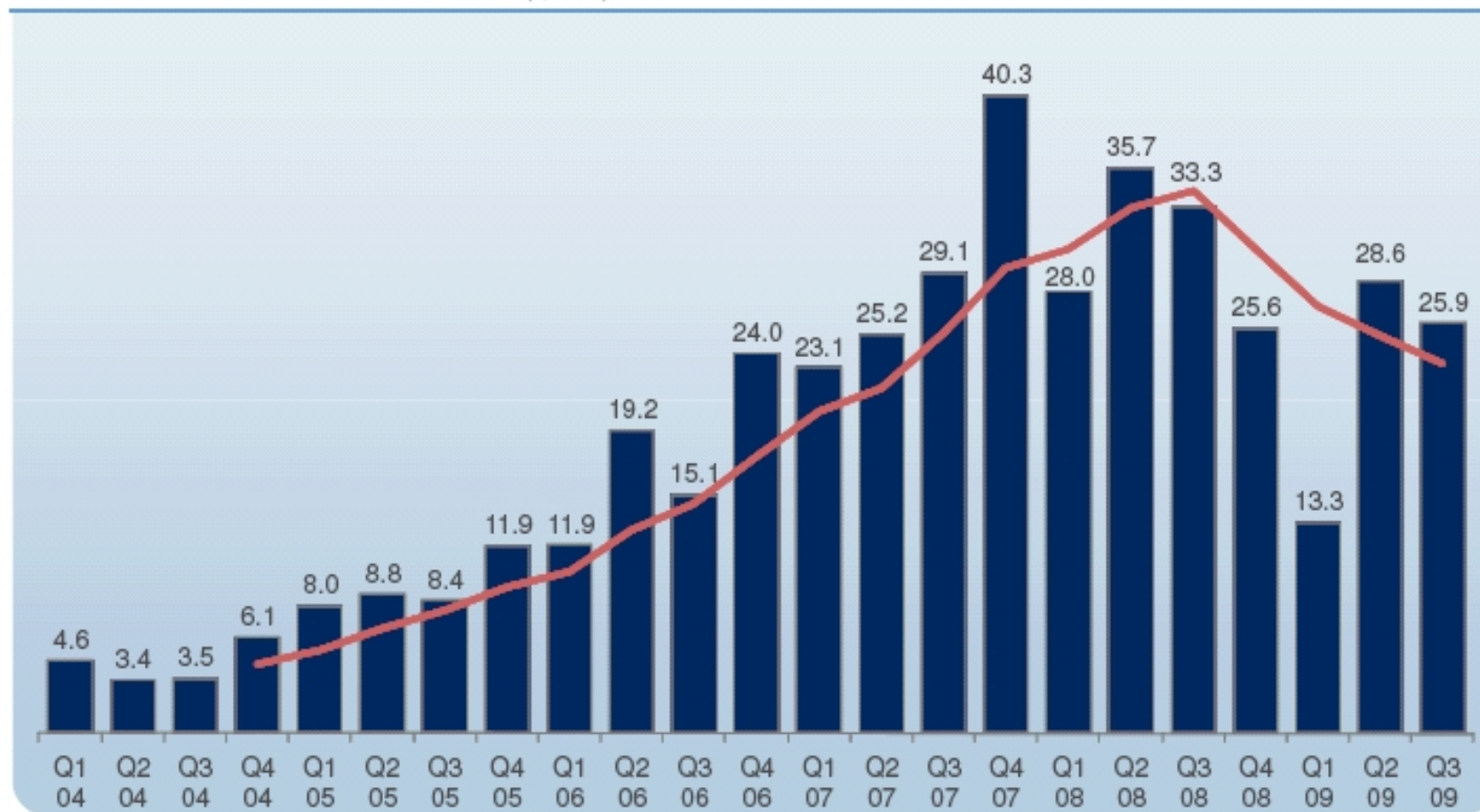
Current Status – Private Equity

- ◆ Private Equity activity is showing signs of improving
- ◆ The number of inflows is increasing – slowly
- ◆ There is less concern on capital calls
- ◆ Most significantly since the summer there has been a positive spike in interest
- ◆ The nexus of power, clean energy, climate change mitigation and information is seen by all increasingly compelling



Global Third Party New Investment in Clean Energy

Q1 2004 – Q3 2009 (\$bn)

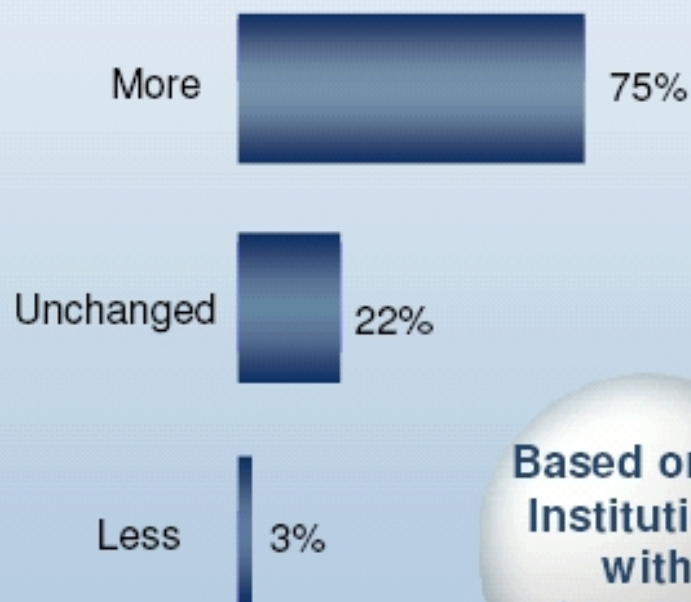


Note: Includes 4 quarter running average. Financial sector investment only (i.e. excludes corporate and government R&D, and residential scale projects). Not adjusted for re-invested equity. Total values include estimates for undisclosed deals.

Source: New Energy Finance

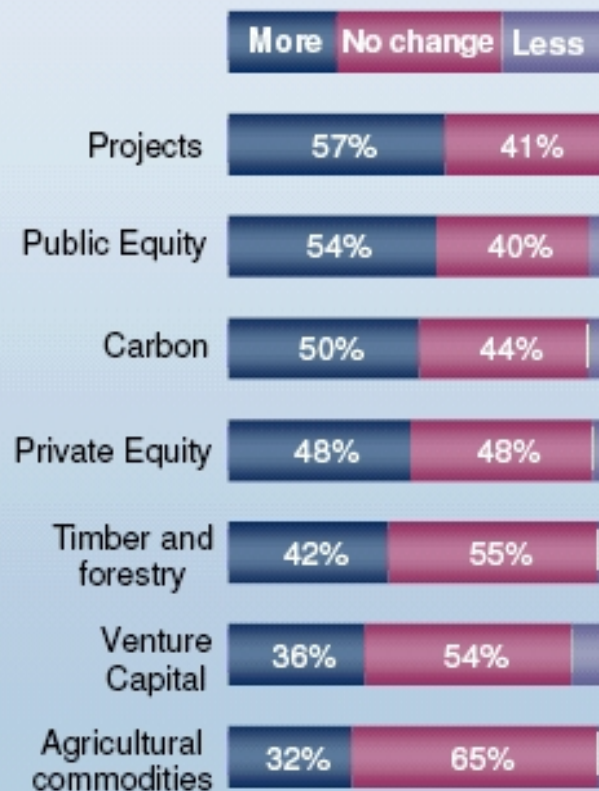
◀ Institutional Investors' Clean Energy Investment Intentions

Expected allocation to clean energy investments by 2012



Based on 106 Institutions with \$1tr AUM

Expected change to clean energy allocations by 2012



Source: New Energy Finance, Deutsche Bank



Past Successes - European Clean Energy Fund

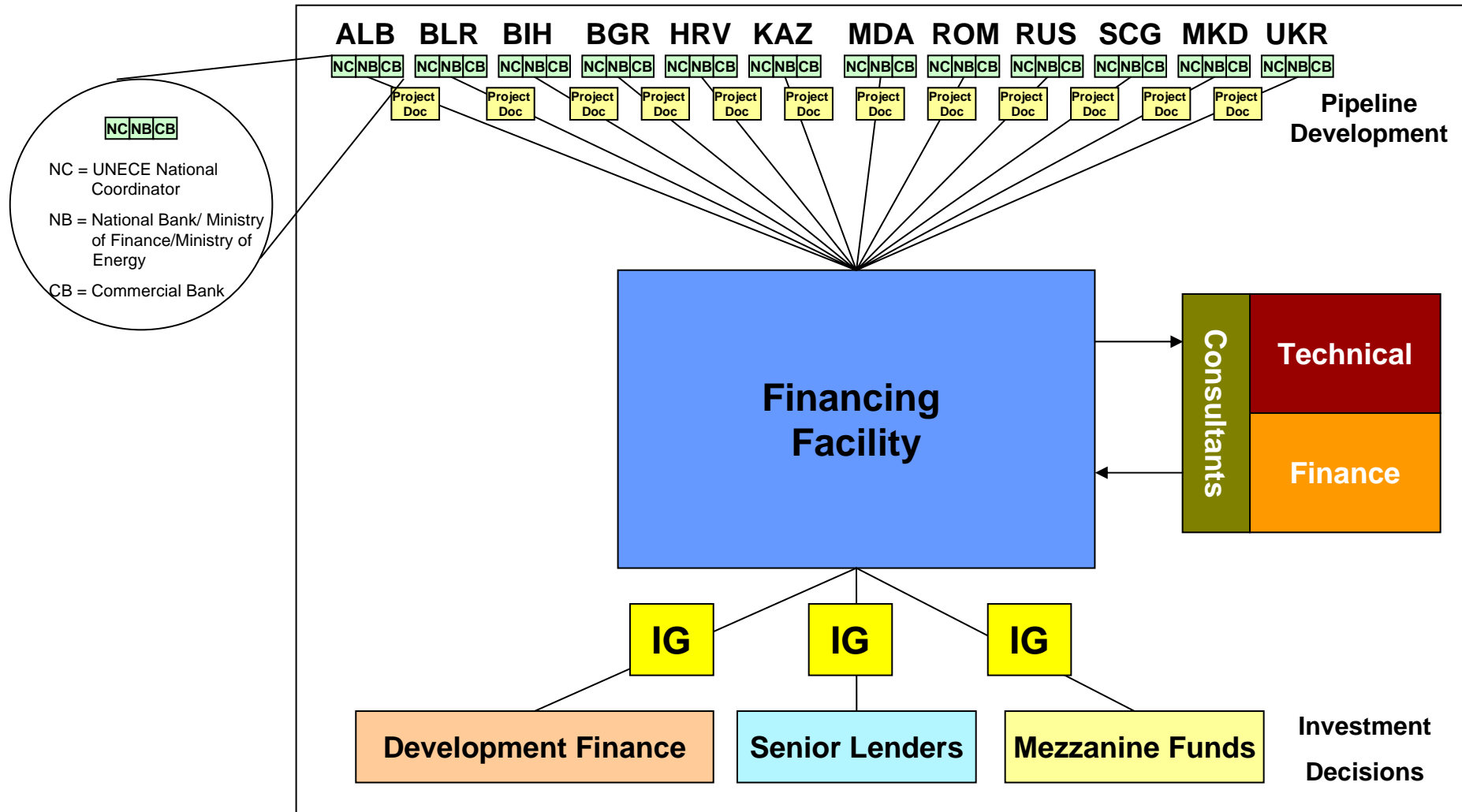
Target Projects	Clean energy projects in EU 27 including wind energy, solar energy, hydro-electric, biomass, cogeneration, combined-cycle, fuel switching, geothermal, clean coal, waste-to-energy, district heating and electric, waste fuel, combined heat & power (CHP), efficiency retrofit and related projects and companies
Fund Size	EUR354 million
Investment Period	Four years from Final Closing (Dec 2006)
Term	Ten years, with two one-year renewal options
Investment Manager	Trust Company of the West
Investors	Swiss Re EUR50 million; TCW EUR5 million; public pension schemes, commercial fund investors, foundations and international financial institutions
Management Fee	2% of committed capital during investment period and afterwards 2% on par value of investments
Preferred Return	7%
Performance Fee	20% to the Investment Manager and 80% to the Investors after the Preferred Return



Past Successes - Post 2012 Carbon Credit Fund

Target Projects	Projects generating a recognised carbon credit stream Post-2012
Fund Size	EUR125 million
Investment Period	Two years from First Closing (Feb 2008)
Term	December 2012
Investment Manager	First Climate
Investors	European Investment Bank with Caisse des dépôts et consignations, Instituto de Crédito Oficial, KfW and Nordic Investment Bank
Management Fee	2% of committed capital during investment period and 2% on par value of outstanding investments following the investment period
Preferred Return	7% (with a catch-up in certain circumstances)
Performance Fee	20% to the Investment Manager and 80% to the Investors after the Preferred Return

Current Projects – Energy Efficiency & Renewable Energy Fund



- Project Doc = Project Document
- IG = Investment Guidelines



Changing Landscape – What to look out for

- ◆ Regulation is increasing – This will spill over into private equity investments
- ◆ Banks are reluctant to provide leverage – How long will this last?
- ◆ Uncertainty about valuations – The real price is what people are willing to pay.

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Information Sources

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