



## **Press Release – for immediate use**

**16 January 2008**

### **Analysing the bull run by clean energy shares in 2007**

Clean energy stocks were one of the bright spots of the financial markets in 2007, with the WilderHill New Energy Global Innovation Index (NEX) finishing the year at 455.19, 57.9% higher than its starting figure of 288.25. This was in stark contrast to Nasdaq and the S&P500, which gained 9.8% and 3.5% respectively, and a significant gain on 2006's 33.3% growth for the NEX. The index also comfortably outperformed AMEX Oil, despite that index's 31.3% gain.

The NEX survived, and bounced back from, two short but sharp corrections during 2007 – and indeed is currently being tested by a fresh stock market sell-off in the early weeks of 2008.

The best performing sector in 2007 was solar, where shares gained 31.9% in the fourth quarter to end the year an astonishing 162.9% higher. First Solar, a maker of thin-film solar modules, was the stand-out performer with an increase of 795.2%, but seven other solar companies saw their shares more than double, either because they were silicon suppliers enjoying continued strong demand or because they were companies that managed to tie up long-term silicon supply deals – US-based PV and solar module maker Sunpower (+250.8%), German module manufacturer Solon (+206.1%), Q-Cells, the Frankfurt-listed solar cell maker (+187.6%), Norwegian silicon wafer maker REC (+142.1%), Chinese PV cell and module maker Suntech Power Holdings (+142.0%), US rival Evergreen Solar (+128.1%) and US silicon and wafer manufacturer MEMC Materials, whose stock gained 126.1%. However, Conergy, the German PV and passive systems integrator, had a horrible year and its shares fell by 48.7% as it reduced its profits forecast and cut jobs.

The wind sector saw strong growth as expansion of capacity continued, gaining 65.8% (with a 7.7% gain in Q4). The gains were led by European turbine manufacturers Vestas (+131.2%), Nordex (+129.8%) and REpower Systems (+66.2%), which was the subject of a bid battle between India's Suzlon and French nuclear group Areva, ultimately won by Suzlon.

Service and supplier companies gained 45.9% over the year, led by Zoltek, the carbon fibre manufacturer whose product is widely used in wind turbine propellers and whose shares rose 117.9%. Generation efficiency and smart distribution shares were 33.7% higher, driven by American Superconductor, the leader in high temperature superconductor wire, which ended the year 178.7% higher.

Geothermal power generator Ormat's 49.4% increase helped the renewables (other) sector (geothermal, mini-hydro and marine energy companies) to push ahead 28.3%. The power storage sector gained 24.5% as Ultralife Batteries rose 83%. Hydrogen and fuel cell companies managed a rise of 10% while the demand-side energy saving sector was 9% higher, despite a 158% share price rise for smart meter maker Echelon and a gain of 85.1% for its rival Itron.

However, investors shied away from biofuels stocks and shares in the sector lost 19.1% of their value as fundamentals such as the price of corn and continued concerns over the sustainability of the sector dogged performance. Of the 11 worst performing stocks in the NEX, all but two were biofuels companies. Verbio, the German biofuel producer, saw the biggest falls as its shares lost 75.3% of their value. The biofuels gloom affected some of the largest US groups, too, with US-based Verenium seeing its shares lose more than half their value (-54.1%), while it was kept company by Pacific Ethanol (-46.7%), Aventine (-45.8%) and Verasun (-22.6%).

The NEX was rebalanced at the end of the fourth quarter. Leaving the index were Aisin Seiki, the Japanese car parts group that makes components for hybrid vehicles; Tokyo-listed Chugai Ro; which makes equipment for biomass power generation; German biofuels group CropEnergies; Indian wind turbine maker Suzlon Energy; Praj Industries, the Indian manufacturer of equipment for making biofuels and Spanish utility Iberdrola, which was replaced by Iberenova. Also entering the index were Suzlon's subsidiary Hansen Transmissions, which makes gearboxes for turbines; AIM-listed silicon ingot and wafer manufacturer PV Crystalox; Power Integrations, the Nasdaq-listed Power conversion integrated circuit manufacturer and Sechillienne Sidec, the French developer of wind, biomass and coalpowered co-generation plants.

### **About the WilderHill New Energy Global Innovation Index (NEX)**

The WilderHill New Energy Global Innovation Index is published by WilderHill New Energy Finance, LLC, a partnership between New Energy Finance Limited, based in London, Joshua Landess based in the U.S., and Robert Wilder based in the U.S.

The NEX index represents all significant sectors of the low-carbon energy industry, including renewable energy, biofuels and emerging low-carbon technologies.

The NEX is a rule-based index and uses an equal-weighting methodology modified by sector and market capitalization. It is carefully designed to provide diversification across the different sectors of the clean energy industry and across size of company. It has an extensive global representation including Europe, Asia-Pacific, and the Americas. Components are limited to five percent (5%) of the index by weight at rebalancing.

The NEX is calculated and disseminated by Dow Jones Indexes. Live price-return information is available in U.S. Dollars: Euro, Pounds Sterling and Yen. Total return indexes in all four currencies are also provided once per day. The index is rebalanced quarterly in March, June, September and December. It was initially determined to yield a benchmark value of 100.00 at close of trading December 30, 2002. The NEX has been licensed for the creation of various structured products and is tracked by the Powershares Global Clean Energy Portfolio (ticker PBD).

For more information on the NEX global clean energy stock market index:

[www.nex-index.com](http://www.nex-index.com)

### **About New Energy Finance:**

New Energy Finance is the world's leading independent provider of research to investors in renewable energy, biofuels, low-carbon technologies and the carbon markets. The company's research staff of 50 (based in London, Washington, New York, Beijing, Shanghai, New Delhi, Tel Aviv and Perth) tracks deal flow in venture capital, private equity, M&A, public markets, asset finance and carbon credits around the world.

New Energy Finance covers all sectors of clean energy: renewables (wind, solar, marine, geothermal, mini-hydro, biomass); biofuels; energy architecture (supply-side and demand-side efficiency, energy-smart buildings smart distribution, power storage, carbon capture & sequestration); hydrogen & fuel cells; carbon markets and services.

Services include news, newsletters and reports. The New Energy Finance Desktop is the world's most comprehensive subscription database of investors and investments in clean energy. New Energy Finance's Insight Services provide deep market analysis to investors in Wind, Solar, Biofuels, Biomass, China, VC/PE, Public Markets and the US.

New Carbon Finance, a division of the company, provides analysis and price forecasting for the European, global (Kyoto) and emerging US carbon markets. The company also undertakes bespoke research and consultancy, and runs senior-level networking events.

New Energy Finance published the world's first global index of clean energy companies, the GEIX, from December 2004 to January 2006. It was discontinued when the company teamed up with Messrs Landess and Wilder to create the NEX.

**About Joshua Landess**

Josh Landess is a pioneer in the creation of alternative energy stock market indexes, creating his first in February 2000. In September 2000, he and Rob Wilder teamed up and renamed one of Josh's indexes as The WilderHill Fuel Cell Index, collaborating in researching, maintaining and improving that index.

In 2004, Landess and Wilder, with the help of the American Stock Exchange, led the team that created the WilderHill Clean Energy Index® (ticker: ECO). This was the first clean energy stock market index to be distributed over tape. In January of 2006, Landess and Wilder collaborated with New Energy Finance to create The WilderHill New Energy Global Innovation Index. It was the first global index of activity in New Energy that was put out over the tape. Index development was again assisted by the American Stock Exchange.

**About Dr. Rob Wilder**

Dr. Wilder is also Manager of the WilderHill Clean Energy Index® (ECO), the first index of companies quoted on the US exchanges for renewable energy, better energy efficiency and low-carbon solutions. It is tracked by the PowerShares WilderHill Clean Energy Portfolio (PBW), which has amassed over \$1 billion in assets since its launch in 2005, <http://www.wildershares.com>

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**Disclaimer Note**

The WilderHill New Energy Global Innovation Index ("NEX") is published by WilderHill New Energy Finance LLC, and is calculated by Dow Jones Indexes, a business unit of Dow Jones & Company, Inc. ("Dow Jones"). No financial instruments or products based on the NEX are sponsored, endorsed, or sold by WilderHill New Energy Finance, LLC or Dow Jones Indexes, and WilderHill New Energy Finance, LLC and Dow Jones Indexes make no representation regarding the advisability of investing in such product(s). Past results for the WilderHill New Energy Global Innovation Index (NEX) are no guarantee of future performance. Wide swings in the valuation of WilderHill New Energy Global Innovation Index should be expected; the Index is highly volatile and we anticipate this is an inherent aspect of clean energy securities.