

# NEX UPDATE: 21 FEBRUARY - 07 MARCH 2006

**NEX vs NASDAQ and AMEX OIL**



**07/03/06 NEX: 256.23**  
**CHANGE SINCE**  
**21/02/06: +0.5%**

**BIG MOVERS UP**

<b>Suzlon Energy</b>	<b>+ 16.1%</b>
<b>Bharat Heavy Electricals</b>	<b>+ 14.2%</b>
<b>Cree</b>	<b>+ 11.8%</b>
<b>Sanyo Electric</b>	<b>+ 8.7%</b>
<b>Evergreen Solar</b>	<b>+ 8.3%</b>

<b>Ersol Solar Energy</b>	<b>- 9.9%</b>
<b>Hydrogenics</b>	<b>- 12.4%</b>
<b>Plug Power</b>	<b>- 12.8%</b>
<b>Emcore</b>	<b>- 13.3%</b>
<b>Byd Co</b>	<b>- 13.5%</b>

**T**HE two weeks to 7 March 2006 saw the NEX inch up 0.5% or 1.31 points to 256.23. Despite its low growth, over the same period the NASDAQ gained on 0.2% while the AMEX Oil fell 3.4%.

Demand-Side Energy Saving was the strongest sector, with an average rise of 2.9%. NASDAQ-listed semiconductor and devices manufacturer Cree was the leading company, up 11.8% ahead of the release of its new EZBright(TM) LED chip platform. Also in the US, NYSE-quoted Avista traded down 2.9% as a result of profit-taking on previous gains. Its board recently proposed to change the corporate structure to a holding company.

Renewables - Other (Hydroelectric and Geothermal) edged up 1.0%. India's state-owned Bharat Heavy Electricals jumped 14.2% after the company successfully commissioned the country's largest solar-diesel hybrid power plant at Bangaram Island in Lakshadweep. Tel Aviv-listed Ormat Industries was the main casualty, with its share price off 5.0% on the announcement of new Q4 2005 losses from its NYSE-listed subsidiary Ormat Technologies.

An average increase of 0.8% was seen in Wind, with much interest still in the rumours of a potential takeover of Danish turbine manufacturer Vestas by Shell. Indian turbine manufacturer and developer Suzlon Energy led the pack with a rise of 16.1%, on news of plans to develop a 50.0MW wind power project in West Bengal. Japanese carbon fiber

manufacturer Toho Tenax, however, fell 9.2% following news that the company was making significant downgrades to its nine-month net profits to 31 December 2005, due to a write-off of losses relating to the disposal of a fixed asset.

The worst performing sector was Power Storage, moving down an average of 2.4%. Hong Kong-traded battery group Byd Co took the brunt of the drop, falling 13.5, despite announcing plans to expand production capacity at its facility in Xi'an. In Tokyo, Sanyo Electric partly recovered its previous losses by rallying 8.7% after Sanyo shareholders and the European Commission approved a plan for three major investment banks, Goldman Sachs, Daiwa Securities and Sumitomo Mitsui to jointly invest a total of JPY 300bn (USD 2.6bn) in the company. As reported, the company is seeking to refocus in areas such as rechargeable batteries and solar pads, away from its previous electronic merchandise.

Hydrogen & Fuel Cells also suffered, down 2.3%. Plug Power provided the main drag on the sector, sliding 12.8% amid concerns over relatively poor 2005 financial results. Japan's Ebara, however, bucked the trend, gaining 4.0% on the strength of better-than-expected Q4 2005 figures.

Services & Suppliers finished 2.1% lower across the sector. NASDAQ-listed venture capital company Harris & Harris fell 6.7% despite analysts at Punk Ziegel & Co reiterating their "buy" rating on the company, and increasing the price target from USD 16.50 to

USD 19.00. In contrast, US-based material integrity consultant Entegris suffered the smallest loss of 0.1% in the sector.

Generation Efficiency & Smart Distribution closed down an average of 1.5%. American Superconductor put in the worst performance, down 8.0% on the resignation of its CFO. At the other end of the scale, Distributed Energy Systems closed 2.5% firmer after the company posted a mixed Q4 2005 report with reduced Q4 and full year net losses, but lower expectations on the first half of 2006.

In other sectors, Biofuels, Biomass & Waste-to-Energy saw little activity, adding just 0.1%. Pacific Ethanol extended its strong advances so far this year with a further rise of 6.8%. In a research note published on 27 February 2006, Dutton Associates downgraded the company from "speculative buy" to "neutral" on valuation grounds, but raised the target price from USD 18.00 to USD 18.40. According to the comments, Pacific Ethanol's profitability was expected to be driven in the near future by accelerating ethanol prices and weak corn prices. In contrast, Solar was off 1.1% with US semiconductor solutions developer Emcore, the poorest performer in the sector, falling 13.3% despite a series of announcements including one that the company had signed a subcontract to participate in the US Defense Research Projects Agency (DARPA) Very High Efficiency Solar Cell (VHSEC) program.

The Wilder-Hill New Energy Global Innovation Index (NEX) is comprised of companies worldwide whose technologies and services focus on the generation and use of cleaner energy, energy conservation and efficiency, and advancement of renewable energy. For sector definitions please see <http://www.newenergyfinance.com/NEF/HTML/Press/NEX.pdf>. The 86 constituents of the Index at the start of 2006 have an average market capitalisation of USD 3.1bn, and the aggregate market capitalisation of all the constituent companies is USD 270bn. The largest sector, by number is Solar, with 15 constituents, followed by Wind, with 12 and Biofuels and Biomass with 11. The 86 constituents of the Index are traded on no fewer than 18 different markets around the world. The NEX is calculated by AMEX every 15 seconds. The Wilder-Hill New Energy Global Innovation Index will be rebalanced each quarter by the addition of new qualifying companies and the removal of companies that no longer qualify. Index Construction. The rules for the construction of the index are as follows: (1) The Index will be quoted in dollars. Some of the underlying equities being non-dollar-denominated, the Index will bear an element of currency exposure. (2) The Index uses a double-modified equal-weighting methodology. The modifications consist of (i) weighting by sector, to ensure an appropriate representation across different technologies and business models within the clean energy industry; and (ii) separation into two market capitalisation bands within each sector, to reflect the mix of larger and smaller companies in the sector. (3) Sector weightings will be set at the sole discretion of the Index Provider and updated from time to time. Weightings will take into account the relative scale of the sectors; judgment regarding sectors which are over- or under-represented among quoted companies; and smoothing, so that weightings do not change too rapidly over time. The Index Provider will also take into account the need to achieve an appropriate international balance to reflect the industry as a whole. (4) No single stock may exceed 5% of the total Index weight after each quarterly rebalancing. (5) For a stock to be included in the selection universe, the company must be identified as one that has a meaningful exposure to clean energy, either as a technology, equipment, service or finance provider, such that profitable growth of the industry can be expected to have a positive impact on that company's performance. Generally, meaningful exposure is taken to mean that the company derives at least 10% of its market value from activities in clean energy, in the judgment of the Index Provider. (6) The Index will not include the stocks of funds investing in quoted equities, as these can themselves qualify for direct inclusion in the Index. The Index may, however, include the stocks of companies or funds whose main activity is investing in or holding portfolios of renewable energy generating capacity or other infrastructure, as long as they meet the other criteria for inclusion. It may also include companies or quoted funds that invest in privately held equity of qualifying companies. (7) Stocks in the Index will generally meet the following criteria relating to liquidity: • They will have three-month average market capitalization of at least USD 150m. Market capitalisation for a majority of Index stocks is typically USD 250m and above. To account for the notable but smaller companies sometimes significant to the cleanenergy field, a minority of Index stocks may have market capitalisations between USD 150m and USD 250m. • They will be listed on a major international or national exchange: the NYSE, AMEX or NASDAQ in the USA; in Europe one of the major exchanges such as London, Paris (Euronext), Madrid, Frankfurt (Xetra) or Copenhagen; in Asia these may include, but not be limited to the Australian Stock Exchange (ASX), Tokyo, Hong Kong, Shanghai, Shenzhen, Mumbai and the National Stock Exchange of India; • They will reach minimum average daily liquidity requirements for sufficient trade volume. A small number of Index constituents may at any time not meet these criteria. (8) The Index Provider will have complete discretion over which companies are included in the Index, their weightings, and the definitions and weightings of the sectors. (9) The Index will be calculated by the American Stock Exchange, acting as qualified calculation agent, who will be responsible for the gathering and processing of all market prices, exchange rates and other data. (10) The Index will be based on a value of 100 at 30 December 2002. New Energy Finance relies on publicly available information on constituent companies which it selects and manipulates with reasonable care. We do not guarantee that calculation of the NEX does not contain errors and we accept no liability for investment decisions taken as a result of the information we provide. If you have further questions or are interested in involvement in our Index Committee please contact New Energy Finance Limited.

## WILDERHILL NEW ENERGY GLOBAL INNOVATION INDEX (NEX) - 7 MARCH 2006

Company	Sector	Bloomberg ticker	Primary Market	Value (USD m)	Change since 21/02/06
Cree	Demand-Side Saving	CREE US Equity	NASDAQ	2277.3	+11.8%
RailPower Technologies	Demand-Side Saving	P CN Equity	TSX	198.1	+7.2%
International Rectifier	Demand-Side Saving	IRF US Equity	NYSE	2773.0	+6.4%
Itron	Demand-Side Saving	ITRI US Equity	NASDAQ	1436.4	+3.6%
China Energy Savings Technology	Demand-Side Saving	CESV US Equity	NASDAQ	169.2	0.0%
Power Integrations	Demand-Side Saving	POWI US Equity	NASDAQ	717.1	-0.5%
Power-One	Demand-Side Saving	PWER US Equity	NASDAQ	475.4	-0.7%
Echelon	Demand-Side Saving	ELON US Equity	NASDAQ	319.4	-0.7%
Linear Technology	Demand-Side Saving	LLTC US Equity	NASDAQ	10996.0	-1.0%
Avista	Demand-Side Saving	AVA US Equity	NYSE	923.6	-2.9%
Distributed Energy Systems	Generation Efficiency	DESC US Equity	NASDAQ	348.5	+2.5%
Capstone Turbine	Generation Efficiency	CPST US Equity	NASDAQ	329.7	+1.9%
Oxford Instruments	Generation Efficiency	OXIG LN Equity	LSE	193.2	+0.9%
Baldor Electric Co	Generation Efficiency	BEZ US Equity	NYSE	1046.6	+0.6%
Meidensha	Generation Efficiency	6508 JP Equity	TSE	772.6	-1.7%
Chugai Ro Co	Generation Efficiency	1964 JP Equity	TSE	417.6	-2.1%
Intermagnetics General	Generation Efficiency	IMGC US Equity	NASDAQ	1135.8	-4.1%
American Superconductor	Generation Efficiency	AMSC US Equity	NASDAQ	306.3	-8.0%
Ebara	Hydrogen & Fuel Cells	6361 JP Equity	TSE	2403.1	+4.0%
Ballard Power Systems	Hydrogen & Fuel Cells	BLD CN Equity	TSX	703.8	+3.3%
FuelCell Energy	Hydrogen & Fuel Cells	FCEL US Equity	NASDAQ	505.5	+2.6%
Johnson Matthey	Hydrogen & Fuel Cells	JMAT LN Equity	LSE	5479.4	-2.3%
Medis Technologies	Hydrogen & Fuel Cells	MDTL US Equity	NASDAQ	490.8	-7.1%
Hydrogenics	Hydrogen & Fuel Cells	HYG CN Equity	TSX	330.8	-12.4%
Plug Power	Hydrogen & Fuel Cells	PLUG US Equity	NASDAQ	410.8	-12.8%
Sanyo Electric	Power Storage	6764 JP Equity	TSE	4765.8	+8.7%
Active Power	Power Storage	ACPW US Equity	NASDAQ	213.5	+4.0%
Saft Groupe	Power Storage	SAFT FP Equity	EN Paris	525.8	-1.3%
GS Yuasa	Power Storage	6674 JP Equity	TSE	826.6	-5.5%
Ultralife Batteries	Power Storage	ULBI US Equity	NASDAQ	173.7	-5.6%
Maxwell Technologies	Power Storage	MXWL US Equity	NASDAQ	293.6	-6.8%
Byd Co	Power Storage	1211 HK Equity	HKSE	1021.9	-13.5%
Evergreen Solar	Renewable - Solar	ESLR US Equity	NASDAQ	981.8	+8.3%
Sunpower	Renewable - Solar	SPWR US Equity	NASDAQ	2464.4	+7.9%
ATS Automation Tooling Systems	Renewable - Solar	ATA CN Equity	TSX	893.7	+5.5%
MEMC Electronic Materials	Renewable - Solar	WFR US Equity	NYSE	7196.4	+5.3%
Conergy	Renewable - Solar	CGY GR Equity	XETRA	1603.7	-0.4%
SolarWorld	Renewable - Solar	SWV GR Equity	XETRA	3306.4	-0.7%
Energy Conversion Devices	Renewable - Solar	ENER US Equity	NASDAQ	1295.1	-1.3%
Q-Cells	Renewable - Solar	QCE GR Equity	XETRA	3655.0	-1.4%
Applied Films	Renewable - Solar	AFCO US Equity	NASDAQ	287.0	-2.6%
Kyocera	Renewable - Solar	6971 JP Equity	TSE	15955.9	-4.4%
Sharp	Renewable - Solar	6753 JP Equity	TSE	18678.2	-4.7%
Suntech Power Holdings Co	Renewable - Solar	STP US Equity	NYSE	5121.2	-6.8%

Source: NEF Data

## WILDERHILL NEW ENERGY GLOBAL INNOVATION INDEX (NEX) - 7 MARCH 2006

Company	Sector	Bloomberg Ticker	Primary Market	Value (USD m)	Change since 21/02/06
Ersol Solar Energy	Renewable - Solar	ES6 GR Equity	XETRA	600.0	-9.9%
Emcore	Renewable - Solar	EMKR US Equity	NASDAQ	345.5	-13.3%
Suzlon Energy	Renewable - Wind	SUEL IN Equity	BSE	7782.7	+16.1%
Vestas Wind Systems	Renewable - Wind	VWS DC Equity	CSE	3818.1	+7.0%
Nordex	Renewable - Wind	NDX1 GR Equity	XETRA	627.2	+4.5%
Gamesa Corp Tecnologica	Renewable - Wind	GAM SM Equity	BME	4341.4	+4.5%
Babcock & Brown Wind Partners	Renewable - Wind	BBW AU Equity	ASX	619.9	+1.8%
Marubeni	Renewable - Wind	8002 JP Equity	TSE	7124.9	+1.6%
Acciona	Renewable - Wind	ANA SM Equity	BME	8537.0	-1.7%
Scottish & Southern Energy	Renewable - Wind	SSE LN Equity	LSE	16762.8	-3.3%
Iberdrola	Renewable - Wind	IBE SM Equity	BME	27758.6	-3.8%
FPL Group	Renewable - Wind	FPL US Equity	NYSE	15663.9	-4.9%
Torishima Pump Manufacturing Co	Renewable - Wind	6363 JP Equity	TSE	220.6	-5.1%
Toho Tenax Co	Renewable - Wind	3403 JP Equity	TSE	871.0	-9.2%
Pacific Ethanol	Renewables - Biomass/Fuel	PEIX US Equity	NASDAQ	539.8	+6.8%
Cosan SA Industria e Comercio	Renewables - Biomass/Fuel	CSAN3 BZ Equity	Sao Paulo	3048.2	+5.3%
Hera	Renewables - Biomass/Fuel	HER IM Equity	Borsa Italiana	2437.3	+2.8%
Archer-Daniels-Midland	Renewables - Biomass/Fuel	ADM US Equity	NYSE	20725.4	+1.7%
EnerTAD	Renewables - Biomass/Fuel	ENR IM Equity	Borsa Italiana	357.5	0.0%
Abengoa	Renewables - Biomass/Fuel	ABG SM Equity	BME	2117.7	-0.6%
Energy Developments	Renewables - Biomass/Fuel	ENE AU Equity	ASX	410.9	-0.8%
Actelios	Renewables - Biomass/Fuel	ACT IM Equity	Borsa Italiana	266.8	-0.8%
Novozymes	Renewables - Biomass/Fuel	NZYMB DC Equity	CSE	4058.8	-4.7%
Maxim Power	Renewables - Biomass/Fuel	MXG CN Equity	TSX	227.5	-4.8%
MGP Ingredients	Renewables - Biomass/Fuel	MGPI US Equity	NASDAQ	209.9	-9.8%
Bharat Heavy Electricals	Renewables - Other	BHEL IN Equity	BSE	11788.7	+14.2%
PG&E	Renewables - Other	PCG US Equity	NYSE	14300.6	+1.1%
Fortum	Renewables - Other	FUM1V FH Equity	OMX	21560.2	+0.3%
Canadian Hydro Developers	Renewables - Other	KHD CN Equity	TSX	580.7	-0.7%
Puget Energy	Renewables - Other	PSD US Equity	NYSE	2417.9	-1.4%
Contact Energy	Renewables - Other	CEN NZ Equity	NZX	2698.2	-1.6%
Ormat Industries	Renewables - Other	ORMT IT Equity	Tel Aviv	892.3	-5.0%
Entegris	Services & Suppliers	ENTG US Equity	NASDAQ	1439.9	-0.1%
GrafTech International	Services & Suppliers	GTI US Equity	NYSE	450.7	-0.4%
Sekisui Chemical Co	Services & Suppliers	4204 JP Equity	TSE	4005.3	-0.6%
AgCert International	Services & Suppliers	AGC LN Equity	LSE	568.0	-0.9%
Aisin Seiki Co	Services & Suppliers	7259 JP Equity	TSE	10250.9	-1.0%
Zoltek Cos	Services & Suppliers	ZOLT US Equity	NASDAQ	330.5	-1.9%
SGL Carbon	Services & Suppliers	SGL GR Equity	XETRA	937.2	-2.2%
Hexcel	Services & Suppliers	HXL US Equity	NYSE	1996.4	-3.4%
Umicore	Services & Suppliers	UMC BB Equity	EN Brussels	3574.7	-3.9%
Harris & Harris Group	Services & Suppliers	TINY US Equity	NASDAQ	268.6	-6.7%
<b>OVERALL INDEX VALUE: 7 MARCH 2006 - 256.23</b>				<b>311953.8</b>	<b>+0.5%</b>

Note: Two-week change column refers to changes since close of market on 21 February 2006.

Source: NEF Data