





# ACT Australian CleanTech Index




1H FY13

## Half-Year Performance Report

January 2013



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## 1. ACT Australian CleanTech Index Overview

The ACT Australian CleanTech Index provides the definitive measure of the performance of Australian listed cleantech stocks.

The cleantech industry is split into a number of sub-sectors as detailed in the table below. Each of the sub-sectors contains companies that have both environmental and economic benefits.

Solar Thermal and Photovoltaics	Waste Management & Recycling
Wind Generation	Energy Efficiency, Green Buildings & Biomaterials
Biofuels	Energy Storage & Fuel Cells
Water	Wave, Tidal & Hydro
Environmental Services	Biogas
Low Emissions Vehicle Technologies	Geothermal – Hot dry rocks and conventional
Carbon Trading	

The cleantech sector is fundamentally different to Socially Responsible Investments (SRI) or Environmental, Social and Governance (ESG) performance. SRI and ESG look at incremental improvements in company performance and can be seen as ‘operational hygiene’ measures that find the best in class. Cleantech focuses on companies whose output positively enhances the communities and ecologies in which they reside. It is about doing ‘more good’ rather than ‘less bad’.

With 70 companies falling under the coverage of the Index and with a combined market capitalisation of over \$6Bn, the ACT Australian CleanTech Index presents for the first time a picture of the Australian cleantech industry’s growth in a single measure.

The Index is weighted by market capitalisation and is benchmarked against both the S&P/ASX200 and the S&P/ASX Small Ordinaries. The rules for the formulation and management of the Index have been developed with reference to global best practice. An overview of these rules is provided in the annual performance report.



The ACT Australian Cleantech Index is updated each month and published on the Australian CleanTech website at [www.auscleantech.com.au](http://www.auscleantech.com.au), in the Ethical Investor magazine, in WME's Environmental Management News, on the Clean Energy Council website and in the international Cleantech Investor publication.

Monthly results can be emailed directly to interested parties by subscribing at <http://www.auscleantech.com.au/Pages/cleantech.html>.

## 2. ACT Australian CleanTech Index Performance 1H FY13

ACT Australian CleanTech Index underperformed both the S&P ASX200 and the S&P ASX Small Ordinaries for the month of December 2012, but still managed to stay in positive territory.

The ACT Australian CleanTech Index rose from 31.7 to 31.9 over the month of December recording a 0.9% gain. This compared to the S&P ASX200 gain of 3.7% and the S&P ASX Small Ordinaries Index gain of 3.4%. The Australian CleanTech 20 had a slightly better performance with a gain of 1.2%.

Over the second quarter of the 2013 fiscal year, the ACT Australian CleanTech Index recorded a loss of 7.1%, well behind both the 6.7% gain of the S&P ASX200 and the 2.0% gain of the S&P ASX Small Ordinaries.

Over the first half of the 2013 fiscal year, the ACT Australian CleanTech Index recorded a loss of 0.4%, again well behind the 14.1% gain of the S&P ASX200 and the 7.9% gain of the S&P ASX Small Ordinaries. The Australian CleanTech 20 outperformed the wider index with a gain of 0.2%.

Percentage Change	FY07	FY08	FY09	FY10	FY11	FY12	DEC'12	2Q FY13	1H FY13	12 Mnths	3Yrs
<b>ACT Australian CleanTech Index</b>	42.9%	-16.0%	-38.7%	-32.0%	-8.1%	-30.3%	<b>0.9%</b>	<b>-7.1%</b>	<b>-0.4%</b>	-14.1%	-54.4%
<b>Australian CleanTech 20</b>	56.4%	-21.4%	-37.8%	-16.3%	-17.6%	-29.2%	<b>1.2%</b>	<b>-7.5%</b>	<b>0.2%</b>	-11.5%	-56.8%
<b>S&amp;P/ASX200</b>	25.4%	-16.4%	-25.8%	11.8%	4.2%	-9.6%	<b>3.7%</b>	<b>6.7%</b>	<b>14.1%</b>	14.7%	-3.4%
<b>S&amp;P/ASX Small Ords</b>	40.4%	-23.0%	-32.4%	10.5%	9.5%	-15.0%	<b>3.4%</b>	<b>2.0%</b>	<b>7.9%</b>	3.7%	-12.4%

The market capitalisation of the 69 stocks in the ACT Australian CleanTech Index is A\$6.5 billion, after its rebalance, falling from its peak of \$16.3 billion in July 2007.

### Best and Worst Stocks

The best and worst performers in terms of share price performance over the month, the second quarter of the 2013 fiscal year and the first half of the year are shown in the table below.

December 2012	
Best Performers Share Price Gain > 15%	Worst Performers Share Price Loss > 15%
EnviroMission Quantum Energy CBD Energy Mission NewEnergy Phoslock Water Solutions Papyrus Australia Environmental Group Soil Sub Technologies	SWW Energy Limited Water Resources Group CMA Corporation Eden Energy Galaxy Resources RedFlow Vmoto Panax Geothermal Earth Heat Resources Hot Rock Carbon Conscious Aeris Environmental
2Q FY13	
Best Performers Share Price Gain > 30%	Worst Performers Share Price Loss > 30%
Mission NewEnergy Phoslock Water Solutions Papyrus Australia Bluglass RedFlow Environmental Group Soil Sub Technologies	CBD Energy Sterling Biofuels Water Resources Group CMA Corporation Cardia BioPlastics Galaxy Resources Orocobre Petratherm Panax Geothermal Earth Heat Resources Carbon Conscious
1H FY13	
Best Performers Share Price Gain > 35%	Worst Performers Share Price Loss > 35%
Medivac Bluglass Traffic Technologies Carnegie Wave Energy Energy Developments Vmoto Torrens Energy	CBD Energy SWW Energy Limited Sterling Biofuels Genesis R&D Water Resources Group CMA Corporation Cardia BioPlastics Enerji Petratherm Panax Geothermal Earth Heat Resources Hot Rock Carbon Conscious

## **Index Rebalance**

The ACT Australian CleanTech Index underwent its quarterly rebalancing at the end of December which took account of recent share issues and other corporate activity.

The changes that were made to the index constituents at this rebalancing were:

### **Additions to the Index**

- **Ultimate Power and Energy Limited (SIM:UPE)** following its listing on the SIM Venture Stock Exchange on 24 October 2012. The Company holds the Intellectual Property rights to the UPE System which is a system designed to utilise wind power which results from moving motor vehicles converting it into electricity. The first generation UPE System has the capacity to supply 8 to 9 KW. [www.wupenergy.com](http://www.wupenergy.com)

This is the second of many potential cleantech listings on the SIM VSE and this will hopefully provide a good source of investment opportunities for the those interested in investing in the sector.

### **Removal from the Index**

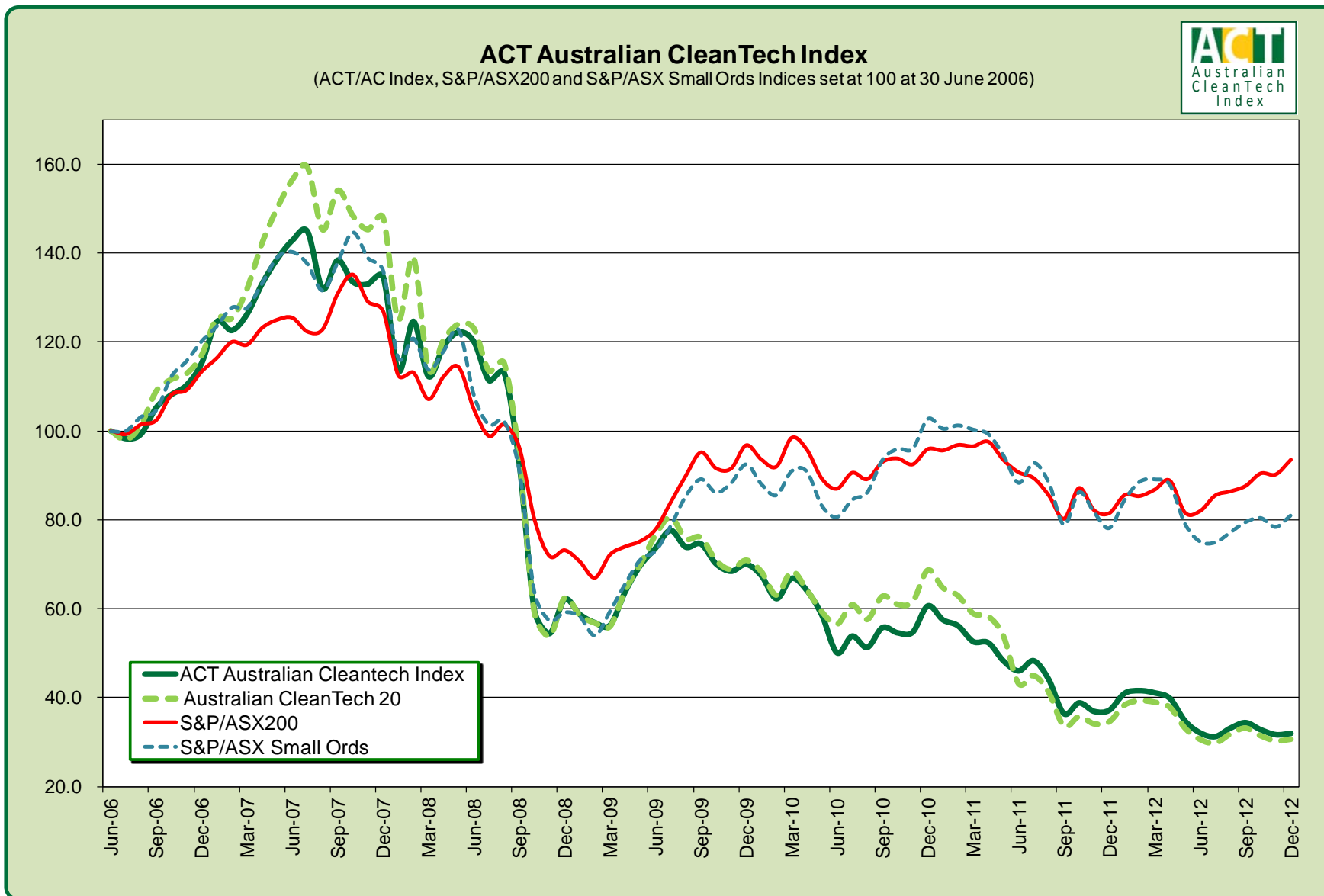
- **GreenRock Energy (ASX:GRK)** which is refocussing away from the geothermal sector into unconventional gas. Whilst it is retaining its geothermal projects, it is viewed that this is not now the primary focus of the company.
- **BioProspect (ASX:BPO)** following its investment into Frontier Oil and refocussing away from its previous core technology.
- **EcoQuest (ASX:ECQ)** following its change of focus into life sciences investments and specifically its investment into US based Cynata in September 2012. Cynata develops stem cell based medication for vascular disease treatment.
- **Island Sky Australia (ASX:ISK)** following the sale of its 75% stake in its US operating subsidiary to a director of the Company and pursuit other investment opportunities.

A watching brief is being maintained on the following companies that may qualify for inclusion in the Index in the future:

- **AFT Corporation (ASX:AFT)** that operates a solar installation business.
- **Energy Action (ASX:EAX)** that is primarily a black energy trader with some operations in green energy trading and energy efficiency financing.
- **Actinogen (ASX:ACW)** which is developing medical and cleantech products with a focus on bio-remediation and bioethanol.
- **Reece Australia Holdings (SIM:REH)** that is a supplier of water appliances to the wholesale and residential market.

There have been no changes to the constituents of the sub-indices other than the removal of those companies removed from the full Index.





### 3. Component Sub-Indices

To provide an analysis of the ACT Australian CleanTech Index, eight sub-indices have been developed. The performance of each of these sub-indices over the last six financial years and during 2Q and 1H of FY13 is shown in the table and charts below.

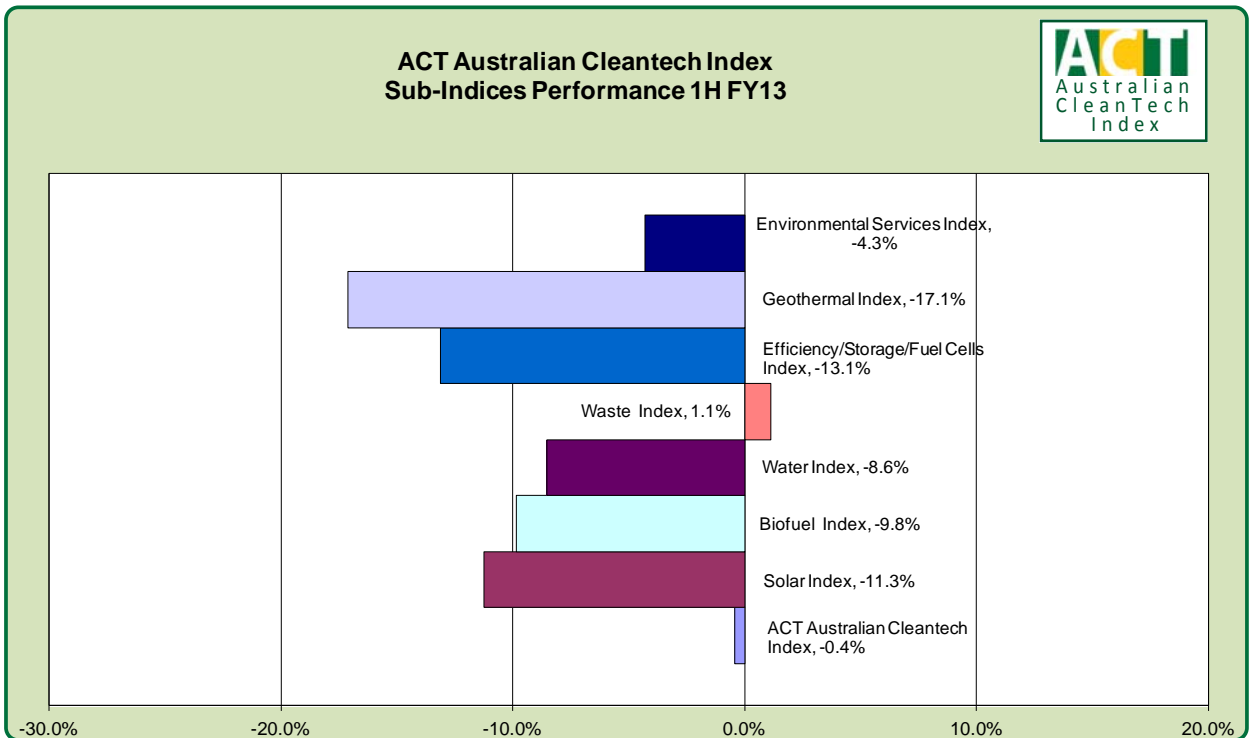
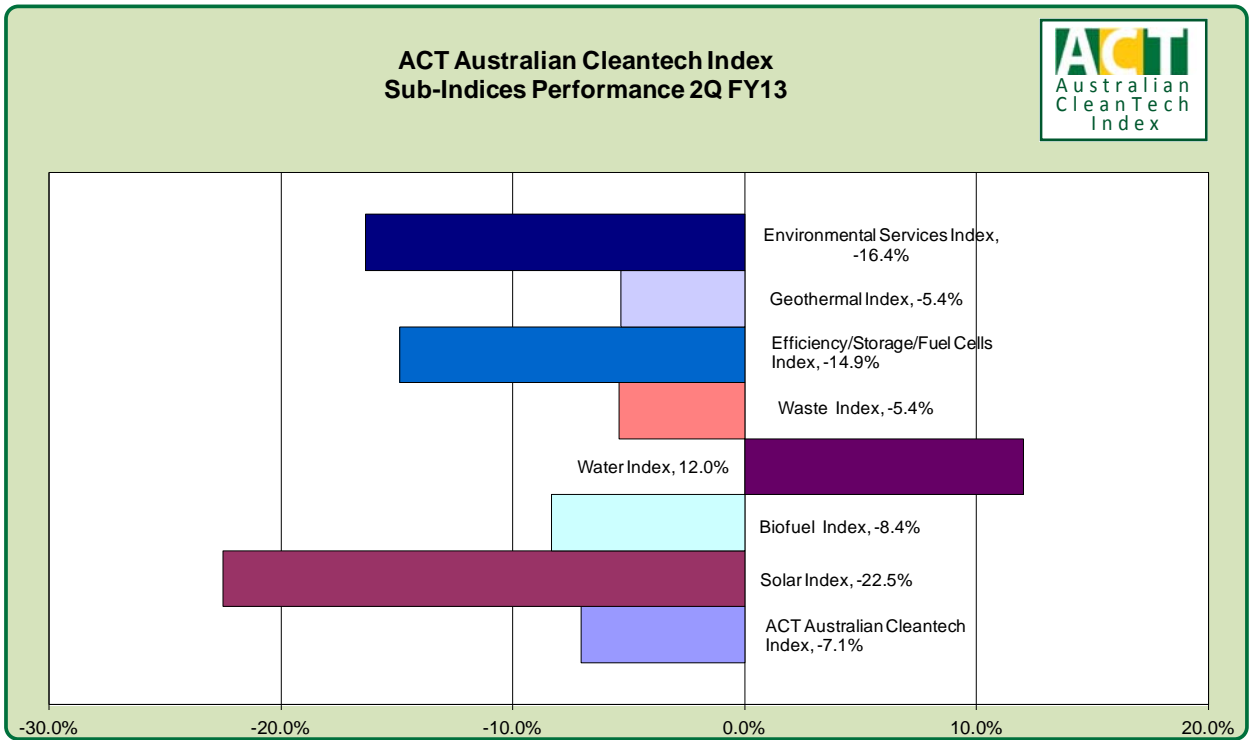
The best performing sectors for the three months to December 2012 were ACT Water Index and the ACT Waste Index. The worst performer was the ACT Solar Index.

The best performing sector for the six months to December 2012 was the ACT Waste Index. The worst performer was the ACT Geothermal Index.

**ACT Australian CleanTech Sub-Indices**

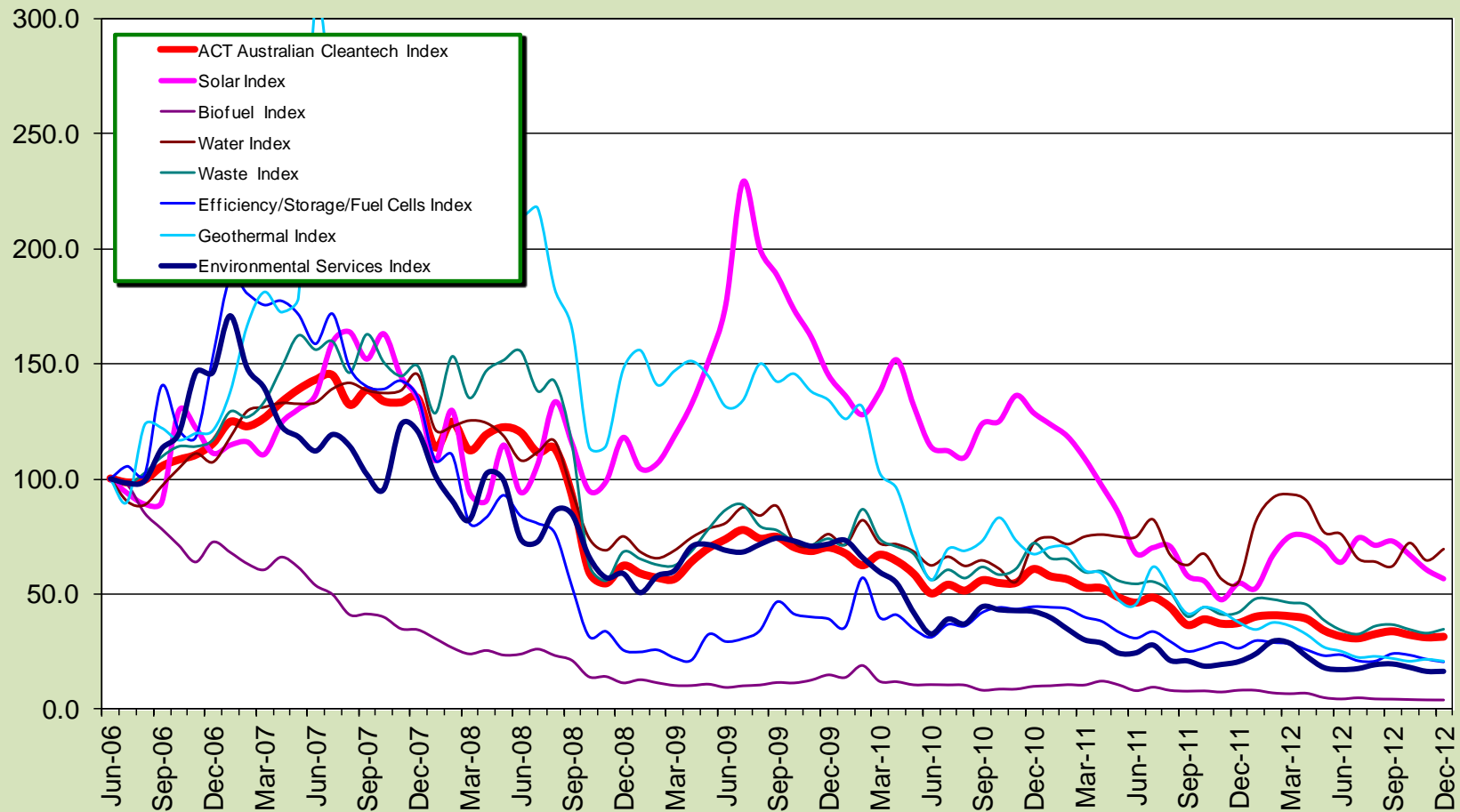
	FY07	FY08	FY09	FY10	FY11	FY12	2Q FY13	1H FY13
<b>ACT Solar Index</b>	36.5%	-31.1%	86.7%	-35.1%	-40.8%	-5.7%	-22.5%	-11.3%
<b>ACT Wind Index*</b>	73.3%	-28.3%	-29.0%	-40.1%	-24.4%	N/a*	N/a*	N/a*
<b>ACT Biofuel Index</b>	-46.2%	-55.5%	-60.4%	12.8%	-24.5%	-44.8%	-8.4%	-9.8%
<b>ACT Water Index</b>	32.9%	-18.9%	-25.2%	-22.8%	19.8%	1.6%	12.0%	-8.6%
<b>ACT Waste Index</b>	56.3%	-0.4%	-44.3%	-35.0%	-3.3%	-36.9%	-5.4%	1.1%
<b>ACT Efficiency/Storage/Fuel Cells Index</b>	58.5%	-47.1%	-65.1%	6.2%	-1.2%	-23.5%	-14.9%	-13.1%
<b>ACT Geothermal Index</b>	205.9%	-29.6%	-38.9%	-57.3%	-18.6%	-44.7%	-5.4%	-17.1%
<b>ACT Environmental Services Index</b>	12.1%	-34.1%	-6.7%	-52.6%	-25.2%	-29.8%	-16.4%	-4.3%

\*: ACT Wind Index discontinued on 1 July 2011 due to too few companies



### ACT Australian CleanTech Index Sub-Indices Chart

(ACT/AC Index and all ACT Cleantech Sub-Indices set at 100 at 30 June 2006)



#### 4. Component Companies on 31 December 2012

The largest 20 largest Index constituents by market capitalisation on 31 December 2012 are provided in the table below. These companies will form the constituents of the Australian CleanTech 20 until the index is rebalanced again on 31 March 2013.

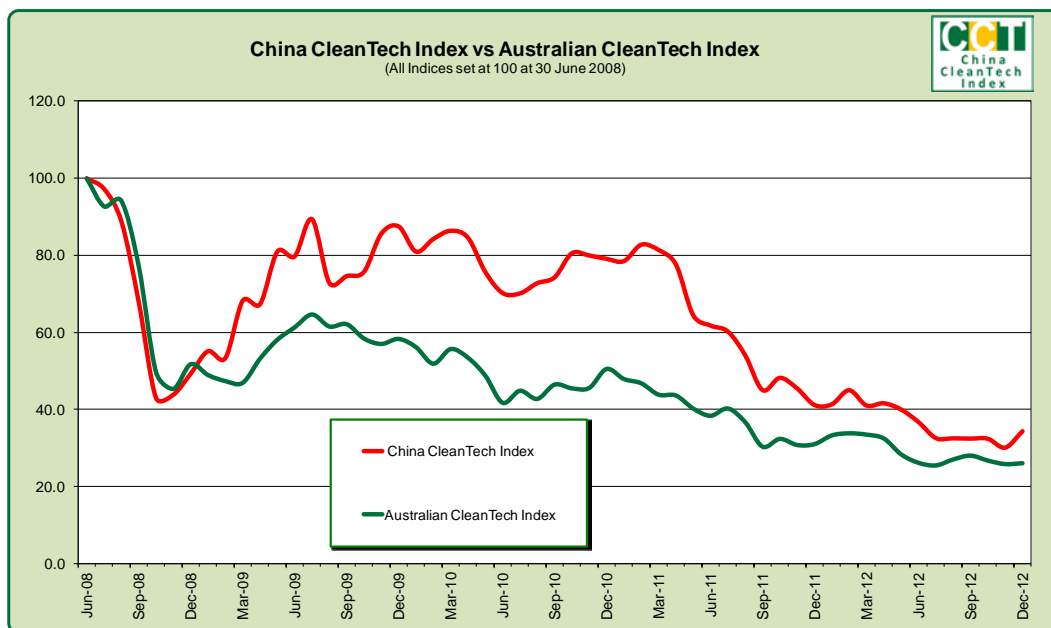
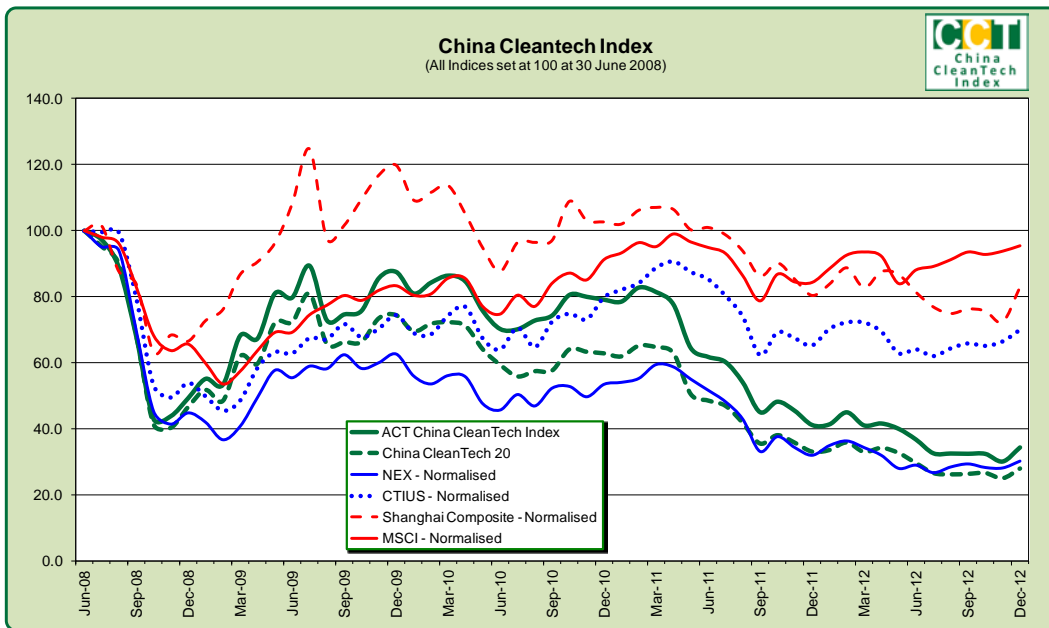
Market Cap Ranking	Company
1	Sims Metal Management
2	Transpacific Industries
3	Energy Developments
4	Sylex Systems
5	Tox Free Solutions
6	Galaxy Resources
7	Infigen Energy
8	Orocobre
9	Pacific Energy
10	Nanosonics
11	Pro-Pac Packaging
12	Ceramic Fuel Cells
13	Coffey Environments
14	Gale Pacific
15	Novarise Renewable Resources
16	Bluglass
17	Wasabi Energy
18	Carnegie Wave Energy
19	CO2 Group
20	Geodynamics

Those companies joining the Australian CleanTech 20 are BluGlass Ltd, Carnegie Wave Energy and Geodynamics replacing Redflow, CMA Corporation and Algae.Tec.

For a full listing of all companies included in the ACT Australian CleanTech Index, please email your request to [index@auscleantech.com.au](mailto:index@auscleantech.com.au).

## 5. China CleanTech Index

Australian CleanTech, through its Beijing-based Chinese operations, now publishes the China CleanTech Index. This index tracks all Chinese-based listed cleantech companies wherever they are listed and will be used to provide the definitive measure of Chinese cleantech stocks. The charts below show the performance of the China CleanTech Index against its benchmarks up to the end of December 2012 and also show the relative performance of the China CleanTech Index against the ACT Australian CleanTech Index.



Full details of the China CleanTech Index can be downloaded from [www.sinocleantech.com.au](http://www.sinocleantech.com.au), where it is also possible to sign up to receive the monthly performance reports.