



# ACT Australian CleanTech Index

**3Q FY10**

## Quarterly Performance Report

April 2010

To request further information or to be added to the distribution list for future ACT Australian CleanTech Index performance reports, please email [index@auscleantech.com.au](mailto:index@auscleantech.com.au)

or contact John O'Brien, Managing Director, Australian CleanTech at [john.obrien@auscleantech.com.au](mailto:john.obrien@auscleantech.com.au)

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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 over 75 companies falling under the coverage of the Index and with a combined market capitalisation of over \$11Bn, 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 and in the international Cleantech Investor publication.

Monthly results can be emailed directly to interested parties by sending an email to [index@auscleantech.com.au](mailto:index@auscleantech.com.au) with 'Index Subscription Request' in the Subject line.

## 2. ACT Australian CleanTech Index Performance 3Q FY10

ACT Australian CleanTech Index outperformed both the S&P ASX200 and the S&P ASX Small Ordinaries for the month of March 2010, the first time it has managed this feat for several months. The Index is still a long way behind both of its benchmarks for the financial year. It may be that the overall cleantech sector's recovery has started to occur

The ACT Australian CleanTech Index rose from 62.3 to 66.8 over the month of March recording a 7.3% gain. This compared to the S&P ASX200 gain of 7.0% and the S&P ASX Small Ordinaries Index gain of 6.3%.

Over the second quarter of the 2010 fiscal year, the ACT Australian CleanTech Index recorded a loss of 4.5%, compared with the 1.7% gain by the S&P ASX200 and the 1.7% loss by the S&P ASX Small Ordinaries.

Percentage Change	FY07	FY08	FY09	MAR'10	3Q FY10	YTD FY10	YTD CY10
<b>ACT Australian CleanTech Index</b>	42.9%	-16.0%	-38.7%	7.3%	-4.5%	-9.2%	-4.5%
<b>S&amp;P/ASX200</b>	25.4%	-16.4%	-25.8%	7.0%	1.7%	26.5%	1.7%
<b>S&amp;P/ASX Small Ords</b>	40.4%	-23.0%	-32.4%	6.3%	-1.7%	24.5%	-1.7%

The market capitalisation of the 76 stocks in the ACT Australian CleanTech Index is A\$10.5 billion, before its rebalance, falling from its peak of \$16.3 billion in July 2007.

The month's performance was driven by strong performances by Dyesol, Advanced Energy Systems, Infigen Energy, the Crane Group, Sims Metal Management, Tox Free Solutions and Ceramic Fuel Cells partially offset by falls in the Viridis Clean Energy Group, BluGlass, Wilmott Forests, Geodynamics, Carbon Conscious and Pacific Environment.

The best performer of 3Q FY10 was Advanced Energy Systems, whose share price gained 90%. Other good performers, all of which had gains in excess of 25% were Overseas & General, CMA Corp, Pro-Pac Packaging and Eden Energy.

The many companies that performed poorly with losses of greater than 25% over the quarter were Solco, EnviroMission, Quantum Energy, Viridis Clean Energy Group, WHL Energy, Sterling Biofuels, Island Sky, Papyrus Australia, Intec Ltd, Traffic Technologies, Petrathem, Green Rock, Greenearth Energy, Hot Rock Ltd, Carbon Conscious, Pacific Enviromin and BioProspect.

### Index Rebalance

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

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

- the removal of **C@ Ltd (ASX:CEO)** following its change of strategic focus away from carbon projects;
- the additional of **Sylex Systems (ASX:SLX)**, which owns a majority stake in Translucent Technologies, a US-based developer of a laser enrichment solar technology. Sylex also owns the old BP Solar manufacturing plant in Sydney and is in the process of acquiring the assets of Solar Systems. Sylex will also be included in the Solar Sub-Index.
- the addition of **Galaxy Resources (ASX:GXY)**, which is the developer of the Mt Cattlin Lithium Project (hard rock spodumene) in Ravensthorpe, Western Australia. Whilst mining is not directly a cleantech industry the lithium production will be driven by battery technologies. Galaxy will also be included in the Efficiency, Storage, Fuel Cell Sub-Index.
- the addition of **Orocobre Ltd (ASX:ORE)**, which is also a lithium miner and is developing the Salar de Oloraz brine deposit in Argentina, widely

recognized as the world's next large scale, low cost lithium-potash brine resource. Toyota has bought into the Salar de Oloraz project to secure a lithium source for its car batteries. Orocobre will also be included in the Efficiency, Storage, Fuel Cell Sub-Index.

- the addition of **Greencap Ltd (ASX:GCG)**, owns a number of separate businesses servicing remediation, fire safety, risk management and environmental services in general. Greencap will also be included in the Environmental Services Sub-Index.

A watching brief is being maintained on the following companies that are currently included in the Index:

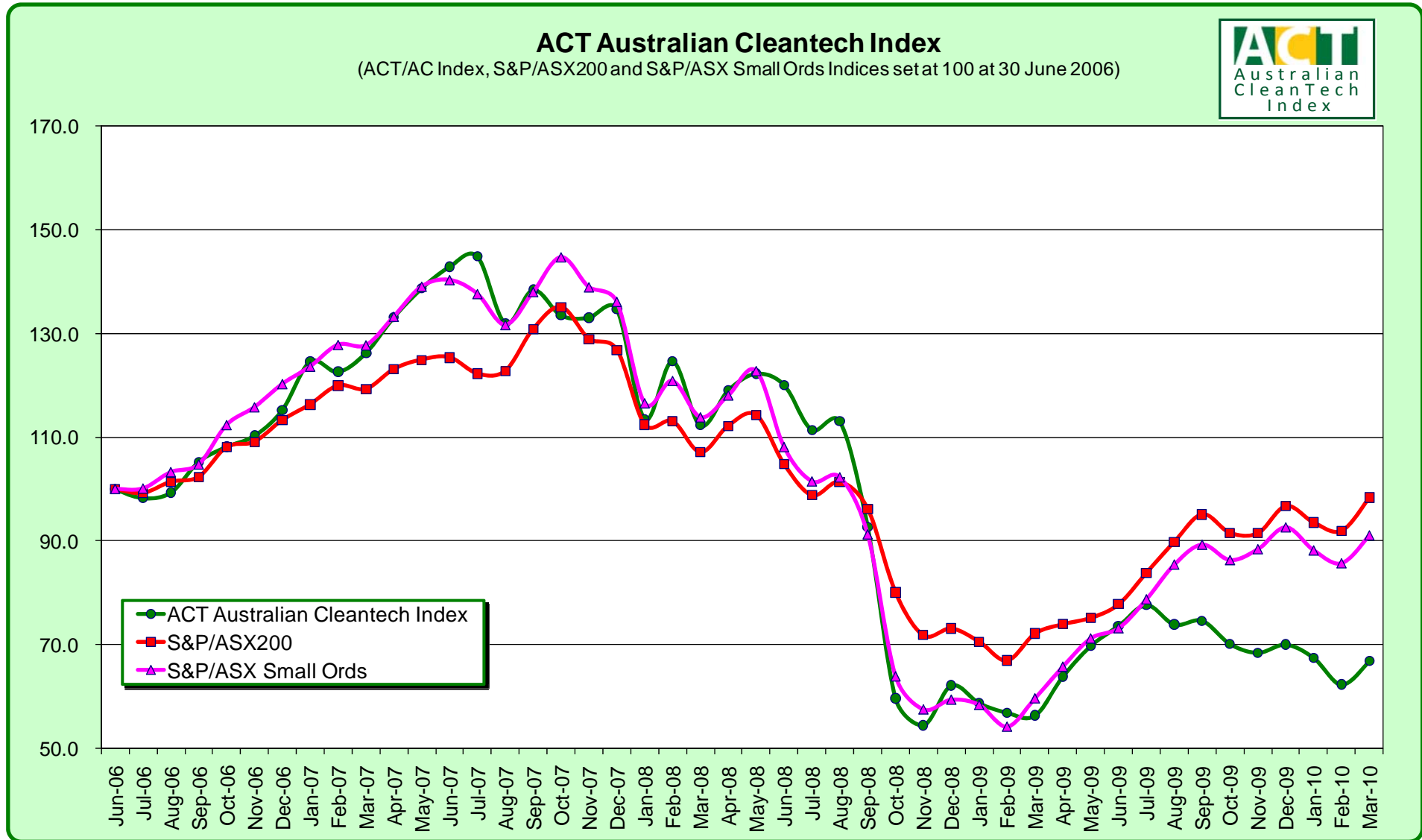
- **Agri Energy Ltd (ASX:AAE)** resumed trading on 28 January 2010.
- **CMA Corp (ASX:CMV)** was suspended from trading on 19 February 2010.
- **Energy Developments (ASX:ENE)** was nearly privatised by Greenspark which failed in its bid to secure more than 90% of the shares in the company.
- **Jackgreen Ltd (ASX:JGL)** appointed voluntary administrators in December 2009 and is currently suspended from trading.
- **Natural Fuels Ltd (ASX:NFL)** remains suspended from trading
- **Pacific Enviromin Ltd (ASX:PEV)** is proposing to expand its existing mining operations, which may in time become larger than the company's bentonite operations.
- **Skydome Holdings Ltd (ASX:SKY)** is considering delisting from the ASX because of its small market capitalisation the illiquidity of its shares.
- **Soil Sub Technologies Ltd (ASX:SOI)** remains suspended from trading following its failure to pay its annual listing fees in August 2009. It has

recently raised additional capital and is expected start trading again in the near future.

- **Solverdi Worldwide Ltd (ASX:SWW)** was suspended from official quotation on 18 March 2010.

In addition, a watching brief is being maintained on the following companies that may qualify for inclusion in the Index in the future:

- **Enerji Ltd (ASX:ERJ)** has an option to acquire Cogen Orc and is planning to build a business around micro-cogeneration facilities.
- **GB Energy (ASX:GBX)** is focussed on developing and commercialising early stage energy projects in the renewable and cleantech sectors. It owns 20% of Protean Power™ Pty Ltd and its Wave Energy Technology. However, its current major assets are uranium exploration licences in Slovakia and, as this is currently an excluded sector of the Australian CleanTech Index, then the company does not yet qualify for inclusion.
- **m2m Corporation Ltd (ASX:MCL)** has commenced a carbon business and is in negotiations to buy Carbon Planet. The company is focussing on creating REDD credits in South East Asia.
- **Novararise Renewable Resources Ltd (ASX:NOE)** is China-based plastics recycling company and is in the process of raising \$25m and plans to list on the ASX at the end of April 2010.



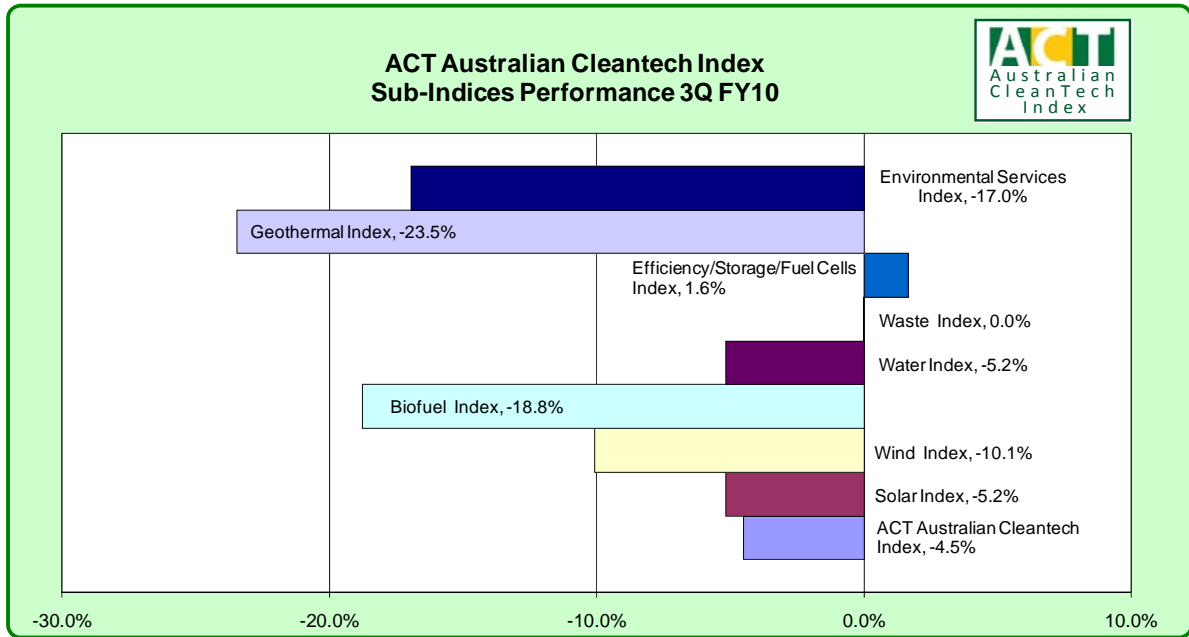
### 3. Component Sub-Indices

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 three financial years and during FY10 is shown in the table and charts below.

The worst performing sectors for the three months to March 2010 were the ACT Geothermal Index, driven by poor performances by a number of different stocks and led by Geodynamics and Petratherm, and the ACT Biofuel Index. The best performer was the ACT Efficiency, Storage, Fuel Cells Index.

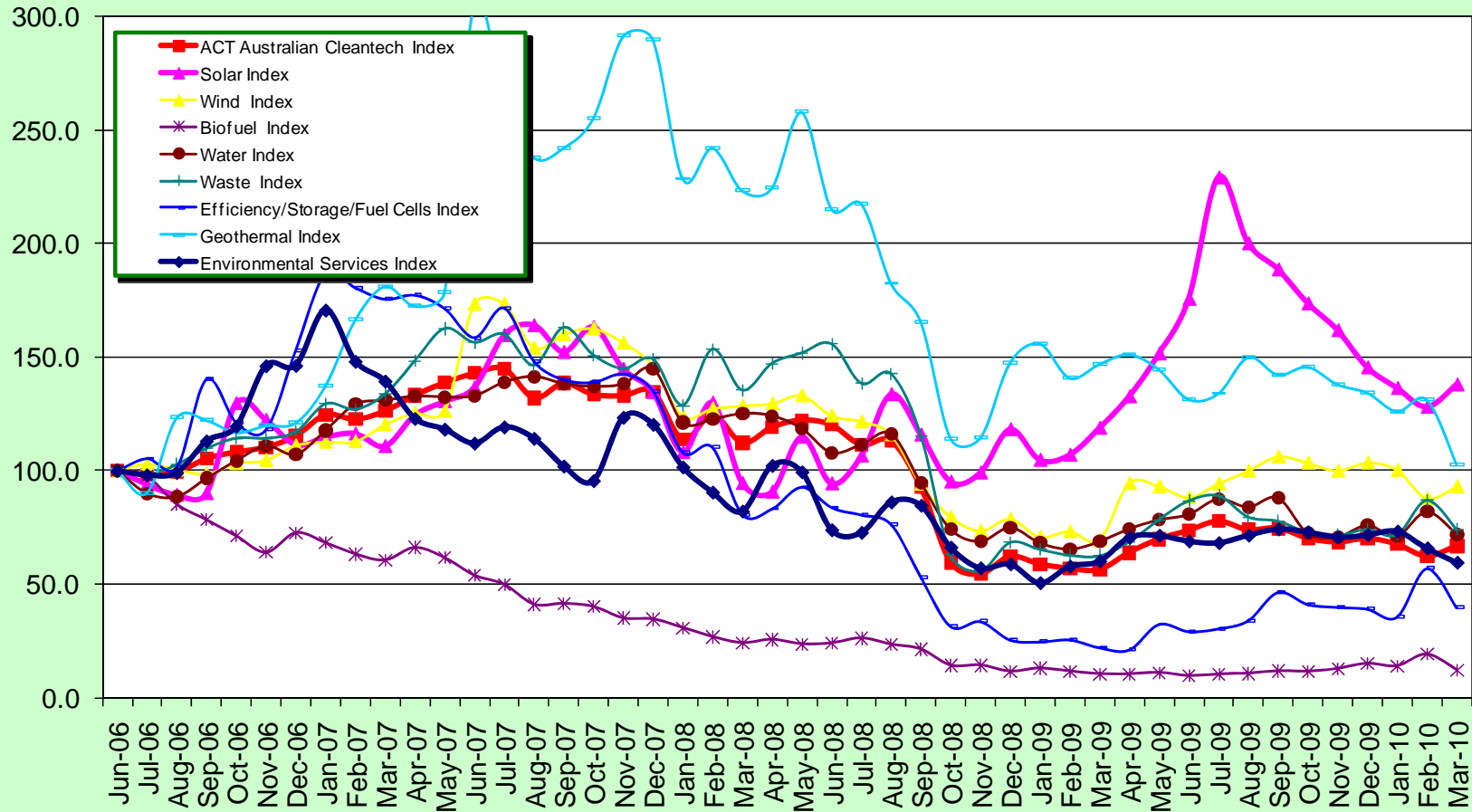
**ACT Australian CleanTech Sub-Indices**

	FY07	FY08	FY09	1H FY10	3Q FY10
ACT Solar Index	36.5%	-31.1%	86.7%	-17.3%	-5.2%
ACT Wind Index	73.3%	-28.3%	-29.0%	17.4%	-10.1%
ACT Biofuel Index	-46.2%	-55.5%	-60.4%	57.5%	-18.8%
ACT Water Index	32.9%	-18.9%	-25.2%	-6.0%	-5.2%
ACT Waste Index	56.3%	-0.4%	-44.3%	-14.5%	0.0%
ACT Efficiency/Green Buildings/Biomaterials/ Energy Storage/Fuel Cells Index	58.5%	-47.1%	-65.1%	33.8%	1.6%
ACT Geothermal Index	205.9%	-29.6%	-38.9%	2.2%	-23.5%
ACT Environmental Services Index	12.1%	-34.1%	-6.7%	4.0%	-17.0%



### 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 March 2010

The largest 20 largest Index constituents by market capitalisation on 31 March 2010 following the rebalance of the Index are provided in the Table below.

Market Cap Ranking	Company
1	Sims Metal Management Ltd
2	Transpacific Industries
3	Infigen Energy
4	Sylex Systems
5	Crane Group
6	Energy Developments
7	Transfield Services Infrastructure Fund
8	Tox Free Solutions
9	Coffey Environments
10	Ceramic Fuel Cells
11	Geodynamics
12	Galaxy Resources
13	Orocobre
14	Dyesol
15	Quantum Energy
16	Mission NewEnergy
17	Carnegie Wave Energy
18	CMA Corp
19	Advanced Energy Systems
20	Willmott Forests

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).