

# FYI.



## Clean-technology stocks suffer in downturn

● Shares in Australia's clean-technology sector performed miserably in the September quarter, suffering the affects of the debt crisis, low commodity prices and repeated delays in putting in place the legislation that will govern the forthcoming emissions trading scheme.

The ACT CleanTech Index of 76 publicly listed companies has risen by just 1.3 per cent compared with a 22.3 per cent increase by companies in the S&P/ASX 200.

A catastrophic performance by big waste companies Sims Metal Management and Transpacific Industries, with a combined fall of 10.3 per cent, dragged the sector down.

But even without these two bad apples, the overall growth of 8 per cent across all other sectors – environmental services, geothermal, efficiency/storage/fuel cells, water, biofuels, wind and solar – was a fraction of the 22.1 per cent rise in the S&P/ASX Small Ords index,

arguably a more direct comparison with clean-tech stocks.

The large industrial concerns that are the customers of the clean-tech companies have been shepherding cash during the global financial crisis, with environmental managers reporting that green projects are on hold, the managing director of Australian CleanTech, John O'Brien, says.

Solar-energy companies, which grew by just 7.4 per cent for the quarter, struggled during a lull in federal government subsidies for solar panels, O'Brien says, although a more modest subsidy scheme has been restored.

The best-performing stock was Ceramics Fuel Cells. The company has continued to lose tens of millions of dollars annually. However, its revenue nearly tripled in the period to June 30 with a big increase in sales in Europe.

Kath Walters

Few green shoots:  
Clean technology  
stocks underperform

.....  
**.25%**

The latest rise in the  
official cash interest  
rate to 3.25 per cent.

It was the interest rate rise that chimed around the world, with newspaper headlines and commentators putting Australia centre stage as the first developed economy to roll back emergency interest rates.

## Sex chain plays

Privately owned sex chain Sexyland has propositioned listed rival Adultshop, asking shareholders in the retailer to approve a buyout. The deal is up between the pair. Abela's Sexyland – which runs 11 warehouse-style stores in Melbourne – offered \$5.2 million for Adultshop. But the suitor's affect in some respects less flattering. Sexyland's bid notes that Adultshop's market capitalisation dropped from \$600 million in December 1999 to \$3 million at the time of the offer and that the company has moved from a \$5.1 million before-tax profit in 2001-02 to record losses from 2004-05. Adultshop is undertaking a \$1.2 million non-renounceable rights issue. The company's managing director, Malcolm Day, warned shareholders not to succumb to Sexyland's proposal too hastily, recommending they wait for the board to consider the unsolicited offer before taking any action.

Ainslie Chandler