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<http://www.theaustralian.com.au/business/opinion/australias-cleantech-outfits-are-having-a-rough-time/story-fn2pxvk0-1225817861621>

Australia's cleantech outfits are having a rough time

ANY way you measure their market performance, Australia's listed cleantech companies are having a lousy few years.

Since outperforming both the benchmark S&P/ASX 200 and the S&P/ASX Small Ords indices in 2007, the 75 companies that make up the ACT Australian CleanTech Index (once valued at \$16 billion but now worth \$10bn) have seriously underperformed those broader indices in each of the 2008, 2009 and 2010 first-half financial years. Essentially, the index fell harder than the rest of the market and recovered less.

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It's hard to read any trend in the various components of the cleantech index. Solar, which performed well in the 2007 fiscal year and last year, underperformed in 2008 and so far this year, while wind, which boomed in 2007 but fared poorly in 2008 and last year, has performed better so far this year, as have the energy efficiency, geothermal and environmental services sub-indices.

Perhaps they could be neatly plotted against a graph highlighting policy hope, policy promises, and policy delivery over the same period. O'Brien says the volatility highlights the relatively immaturity of listed stocks in the area.

Offshore cleans up

THE Australian CleanTech Index gained just 12.7 per cent last calendar year, but it was a different story offshore, where the WilderHill New Energy Global Innovation Index, which tracks 86

clean energy stocks worth \$US230bn (\$248.6bn) worldwide and is a favourite of fund managers specialising in this area, rose 39.7 per cent in 2009 after a 61 per cent fall in 2008.

Wilderhill attributes the rebound to the government green stimulus programs, and interest in power storage and energy efficiency stocks because of the excitement about electric vehicles.

More established industries such as wind, solar, biofuel and biomass found the going tougher, reflected in the December quarter, which showed an overall gain of just 0.3 per cent, as power storage shares jumped 25.4 per cent, energy efficiency shares jumped 8.6 per cent, while solar stocks fell 8.1 per cent and wind dropped 4.4 per cent.

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