



Welcome to the EnviroDaq newsletter focusing on the UK's growing environmental goods and services (EGS) sector.

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EnviroDaq - The Environmental Markets Index

The EnviroDaq 100 Index is the first index for UK-listed environmental technology companies. It indexes the 100 largest UK-listed companies which derive at least 60% of their turnover from environmentally-focused goods and services. These include renewable energy; energy efficiency equipment; renewable materials; waste management; water and waste water treatment; air pollution control equipment; environmental monitoring and instrumentation; and cleaner technology processes.

The EnviroDaq 100 website (www.envirodaq.com) provides detailed company information, including key financials, company background, broker recommendations and investment ratios. It includes a graphing feature which allows you to create flexible and customisable share graphs for each of the EnviroDaq component securities.

In addition to this, companies are sub-divided into the 12 official EGS sub-sectors as used by the Department for Business Enterprise and Regulatory Reform. You can access these lists as well as focused sub-sector news by clicking on the new "Industry Sectors" link on the navigation column.

To ensure the index remains balanced, we will always list the largest 100 companies as determined by their market capital. This will be reviewed on a quarterly basis when the index will undergo rebalancing. The EnviroDaq 100 index is market capitalisation-weighted and free float adjusted in line with the methodology used by the FTSE AIM Index series. More information about this methodology can be found on the "Index Info" page.

EnviroDaq stats (as from today)

EnviroDaq Index Current Value: 135.26
EnviroDaq Index Movement Today: +0.88
EnviroDaq Index Movement Last 7 Days: -1.37

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News In Brief

Green energy for all British homes by 2020

Britain is planning to boost wind power generation to produce enough electricity to power every home in the nation by 2020 which would indicate that there is to be less reliance on nuclear power.

John Hutton, Secretary of State, has opened up the seas around Britain to wind farm developments with the aim of generating 25GW in addition to the 8GW already planned.

The move will put Britain on track to meet the EU target that states that 20 percent of the nation's energy must be from renewable sources by 2020.

To read more click [here](#).

Clean energy from bugs

The world's oil industry can unlock energy trapped in trillions of barrels of crude oil by using a micro-organism which eats oil, which is otherwise expensive and dirty to extract.

The research on the mini-bugs has come from British, Canadian and Norwegian researchers, who have shown that by giving the organisms a catalyst, the bugs can create environmentally-friendly energy in 10 years instead of 10 million.

The bugs may also be able to capture CO2 and recycle it into methane fuel in a closed-loop system.

To read more click [here](#).

Government urged to make green technology

Professor John Beddington, who will succeed Sir David King as the Government's chief scientist in January, has stated that the government must develop green technologies to combat the worst effects of climate change.

Green technologies include renewable energy and clean-burning coal technologies, with the latter being taken up by China and India through new links forged by Britain.

Beddington backed plans for nuclear, citing that this was necessary for Britain to meet emissions targets in 2050.

To read more click [here](#).

EU Backs Bali

The EU has backed plans for greenhouse gas emission reductions outlined in Bali, through to 2020. However there is anger as the US initially rejected the guidelines as they refer to numerical targets.

Amongst the 190 governments attending the United Nations climate change conference in Bali, most fear that without a reference to specific targets, the roadmap to greenhouse gas emissions reductions will be pointless.

Stephanie Tunmore, a climate campaigner with the environmental group Greenpeace said: "We may end up at the end of this week with a pie which has no meat in it, and that would be disastrous. The science is telling us that we don't have time for this."

To read more click [here](#).

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EnviroDaq 100 Company News

Ceres Power and British Gas jointly win award

Ceres Power and British Gas have jointly won the Rushlight Hydrogen and Fuel Cells Award, a major new award for clean energy innovation.

The companies won the award for their collaboration on a combined heat and power (CHP) system for small-scale microgeneration. A recent demonstration showcased the wall-mountable fuel cell micro-CHP unit which can provide heating, hot water and electricity to a home.

The technology can replace existing home boilers with the potential for mass market adoption by 14.5m UK households.

To read more click [here](#).

Full speed ahead for Turbo Power Systems

Turbo Power Systems have announced an order valued at around \$2m for 75 electric high speed motor and drive technology units scheduled to be delivered by the end of 2008.

The Memorandum of Understanding also includes an undertaking to purchase 500 systems in the first two years of production.

Michael Hunt, CEO of Turbo Power Systems said "The new contract is evidence of the increasing commercialisation and wide ranging appeal of our energy efficient, high speed machine technology".

To read more click [here](#).

Innovative fuel cell achieves European patent

Ceramic Fuel Cells Limited has been granted a European patent for an innovative new fuel cell design.

The company now holds more than 75 patents in international markets for 29 of its products. The new patent covers the assembly of the fuel cell stack using interconnecting plates to achieve optimal performance.

Brendan Dow, CEO of Ceramic Fuel Cells said "We are pleased to have received the patent in markets which are key to us as we continue to advance our development programmes on a global platform, in particular with blue chip European utility customers and appliance partners".

To read more click [here](#).

Johnson Matthey to buy specialist catalyst group

Johnson Matthey has signed an agreement to purchase Argillon Group for €214m in cash from Ceramics Luxembourg.

Argillon is an international group which manufactures and sells a range of products into a number of different industries. This will add to Johnson Matthey's existing emission control capabilities meeting new regulations to control harmful NOx emissions.

The transaction is conditional upon regulatory clearance in Germany. Johnson Matthey will finance the acquisition from existing borrowing facilities.

To read more click [here](#).

Renewable Energy Holdings agrees to purchase Polish wind farm site

The site for the Kobylany Wind Farm has been bought by Renewable Energy Holdings (REH). The site is expected to have a generating capability of 30MW when it has been developed.

A Consortium comprising of Renewable Energy Holdings and several Polish companies and individuals have been working on the details for the development of the site.

REH will pay a consideration of €68,000 per MW of generating capacity, totaling €2.04m plus VAT. The initial lease is for 25 years with the option of purchasing a further 25 years.

To read more click [here](#).

Pennon Group expands waste management business

Viridor Waste Management, subsidiary of Pennon Group, has acquired leading UK materials recycling company Grosvenor Waste Management for a cash consideration of £79.5m.

Grosvenor comprises of a Materials Recycling Facility (MRF) in Crayford, Kent, the largest in the UK, and one of the most technologically advanced MRFs operated by Peterborough City Council.

The company handles approximately 500,000 tonnes of material a year.

To read more click [here](#).

Patent for on-wing turbine wash technology

Gas Turbine Efficiency has been awarded a patent for key parts in the design of its "Universal Manifold System for Washing an Aero Gas Turbine".

The systems have been deployed on a wide range of aircraft through GTE's exclusive aviation partner, Pratt & Whitney. The systems have been validated to show reductions in carbon emissions, fuel costs, engine downtime and longer part-life.

GTE's systems have helped major airlines achieve fuel savings of 1%, and CO2 savings of 3.1kg for every 1kg of fuel saved.

To read more click [here](#).

United Utilities sell distribution assets

United Utilities has agreed to sell its electricity distribution assets for a total enterprise value of £1,782m to North West Electricity Networks Limited.

This represents a 45 per cent premium to the regulatory asset value. Additionally, United Utilities has a £1.5bn contract to operate these assets and manage the capital expenditure programme until 2015.

As a result of this transaction, United Utilities intends to return the net equity proceeds of approximately £1 billion to its shareholders in the next financial year.

To read more click [here](#).

For all the EnviroDaq company news visit www.EnviroDaq.com and view the news archive.

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Venture News

Bac2 breaks angel record

Fuel cell technology developer Bac2 raised £2m from London Business Angels. The deal is the largest to date for the private investor network, part of the GLE group.

The investment will help Southampton-based Bac2 commercialise its 'ElectroPhen' conductive polymer. The polymer promises to be a lightweight and cost-effective material for bi-polar plates for use in fuel cells. The firm is preparing to launch its first product, and is also looking at other applications in electronic components and circuits.

Bac2 previously secured a £250,000 grant from the DTI and, in May 2006, raised £500,000 seed investment from London Seed Capital, another GLE subsidiary.

To read more click [here](#).

Semplice secures growth funding

Reading-based energy tech supplier Semplice Energy has raised \$1.23m growth funding from BIP Fund, a Bahamas-based VC.

Founded in 2005, Semplice provides energy efficiency and renewable energy products, plus consulting, design and installation services, to business customers including Mothercare and McDonald's. The new investment will help drive R&D and fund industry initiatives.

To read more click [here](#).

Twin buyout for green building services

Barclays Ventures and Invex Capital Partners backed the buyout of two green building services companies, Solar Home Energy and Warmroof, in a deal worth over £10m.

The Hampshire-based sister companies provide domestic solar thermal installations and spray foam loft insulation, respectively. The two investors take a combined majority stake in the two businesses, which also see new managers take over from the previous owner-managers. The deal offers further evidence that the domestic solar and energy efficiency market is well within the mainstream of mid-market private equity.

To read more click [here](#).

MBO for Monsal

In another mid-market deal, Matrix Private Equity Partners has invested £3m in a management buyout at environmental technology consultancy Monsal.

Mansfield-based Monsal offers advanced services to the water and waste sectors, and is the UK market leader in anaerobic digestion technology which breaks down biological solid waste into burnable biogas.

To read more click [here](#).

Venture news provided for EnviroDaq by [Clean Ventures](#).

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Company Case Study

The following case studies of companies in the EnviroDaq index were penned by the companies themselves and have not been edited by the EnviroDaq editor. We therefore accept no liability for the accuracy of the information contained within them and they should not be used as a prospectus for investment purposes.

Company: Imperial Innovations

Imperial Innovations is one of the UK's leading technology transfer, commercialisation and investment companies. Listed on AIM since July 2006, the company has the rights to exploit technologies emerging from Imperial College and sources complementary technologies from other partners. The company's integrated business model sees it:

- Identify ideas,
- protect intellectual property,
- develop and license technology,
- form, incubate and invest in technology businesses

The Group works within the areas of environment, energy, healthcare and emerging technology trends, and manages incubators in partnership with the Carbon Trust and WRAP. Investment in Imperial Innovations allows investment in a diverse range of energy and environment technologies based upon highly acclaimed research.

Key statistics

Equity Portfolio: 74 companies:

FY2007

- 366 invention disclosures (FY2006: 284)
- 77 patents filed (FY2006: 61)
- 13 businesses formed (FY2006: 10)
- 47 commercial agreements completed (FY2006: 20)
- £13.1m invested in technology companies (FY2006: £1.9m)

Environment

Particular areas of interest for Imperial Innovations include commercial technologies for waste and materials recycling, more energy-efficient water treatment, and construction for the built environment. Other areas of growing interest are bio-fuels, low cost feedstocks, value-added agricultural products and information systems to monitor water, air pollution, and transport.

Imperial Innovations companies in this area include: Rubber Regen (rubber recycling), Fine-Agg (recycled building materials), Membrane Extraction Technologies (process development technology with environmental applications)

Energy

Imperial Innovations handles commercial applications that can increase the efficiency of existing methods of producing and using energy as well as the creation of new energy systems such as photo-voltaics, hydro-energy, bio-energy, and a variety of fuel cell technologies.

Imperial Innovations companies in this area include: Ceres Power (fuel cell company, AIM listed), Quantasol (solar power technology), EVO Electric (engine efficiency technology), Heliswirl (pipe technology for oilfield applications, Nexeon (battery technology), Lontra (engine efficiency technology)

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Contact EnviroDaq

EnviroDaq has been developed by the UK Centre for Economic and Environmental Development (UK CEED), a charitable foundation, and the Centre for Sustainable Engineering (CSEng), a not-for-profit company. The aim is for the index to become an authoritative benchmark for performance in the environmental industries and to attract recognition for, and investment activity in the sector. Please get in touch if you wish to give feedback on our newsletter or submit relevant news or case studies. For more information on EnviroDaq visit www.envirodaq.com or contact Gareth Jones (g.jones@ukceed.org; Tel: 01733 312286)

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