



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

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EnviroDaq

EnviroDaq is an index of UK listed companies which generate at least 60% of their turnover from providing environmentally-focused goods and services. This includes companies in the following sectors: 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.

Research carried out by EnviroDaq shows that since August 2006, the FTSE100 has grown by 10%, whilst the EnviroDaq index has grown by 20%. Companies in the environmental goods and services sector now account for around 6% of the AIM market.

The EnviroDaq now has 74 members; all of whom are listed on the UK stock market, and the majority are listed on the AIM market.

EnviroDaq stats (as from today)

EnviroDaq Index Current Value: 162.16

EnviroDaq Index Yesterday Close: 154.78

EnviroDaq Index Movement Today: +4.55%

EnviroDaq Index Movement Last 7 Days: +10.71%

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Foreword

Foreword: Over the coming months, you will begin to see changes to the EnviroDaq website and newsletter. We will begin by relaunching the index with 100 environmental goods and services companies, which is a response to the amount of growth seen in this sector over recent months. We shall also be reclassifying the component securities into the twelve EGS sub-sectors as identified by UK CEED and the DTI in [this](#) report. This will make it easier to track sub-sector growth in relation to the main index. In addition to this, we will be adding new tools and detailed information to the site, giving direct access to the information required by investors. It is anticipated that the website and newsletter will contain more focused company information, whilst retaining the current features that have been popular with readers.

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News In Brief

Budget disappoints environmental sector

The 2007 Budget turned out to be a damp squib for the UK's environmental sector.

With all the mainstream parties publicising their green credentials in the weeks leading up to the Budget, hopes were high that the Chancellor, Gordon Brown, would finally come good on his environmental rhetoric.

But there was no sign of the blockbuster green policies that many campaigners had hoped for, such as tax on aviation fuel, tax hikes for gas-guzzling cars or large grants for domestic green energy production.

Instead, there were a few green morsels for environmentalists to chew on – a small increase in vehicle excise duty for 4x4s, consultations with mortgage companies to encourage domestic investment in energy efficiency, a 50% rise in money for household-scale micro-generation schemes - but nothing that was too bitter for big business to swallow.

Read more [here](#) and [here](#).

First fleet of biodiesel tractors arrive in UK

Horticultural charity The Eden Project has taken delivery of the UK's first fleet of tractors to run on 100% biodiesel.

The four vehicles, manufactured by New Holland, part of the Italian Fiat Group, emit 70% less carbon dioxide than the ones they replace. They have 50% less carbon monoxide emissions, cut particulate emissions by 70% and reduce hydrocarbon emissions by 40%.

The Cornwall-based Eden Project hopes that local oilseed rape growers will be able to supply the 20 litres of fuel each tractor requires each day.

The project is part of the charity's drive towards carbon neutrality at its site, just outside St Austell.

Agri-Energy plans £50m biomass plant

Agri-Energy, a subsidiary of Irish Food Processors, is planning a £50 million biomass power plant in Pembrokeshire, Wales, that will convert crops, animal by-products and cooking oil into energy and biodiesel.

The plant, at Milford Haven, would produce around 35MW of renewable energy, enough to power 60,000 homes, and around 200,000 tonnes of biodiesel a year, mainly for use in local refineries.

Agri-Energy is currently consulting with the local community over its plans for the plant.

British Gas Goes Green

British Gas, the UK's largest household energy supplier, is to offer low carbon products and services to customers looking to reduce their impact on climate change.

The products will be launched under a new business, British Gas New Energy. It will advise customers on how to make their homes and businesses more energy efficient and supply products and services to facilitate this.

Initiatives will include a service providing Energy Performance Certificates (EPCs). EPCs will be mandatory for those selling homes in the UK from 1st June 2007. British Gas plans to have 500 trained engineers to carry out EPC surveys by the end of May.

UK failing to meet corporate demand for renewable power

A new study by Datamonitor has revealed that the UK will be unable to meet the

demand for renewable energy from its biggest corporate customers in 2007.

The study calculated that around 3,500 of the country's biggest energy customers want to buy 34 terrawatt/hours (34bn kilowatt/hours) of electricity from renewable sources in 2007. However, that figure is three times the 12.2TWh of accredited renewable electricity produced in the UK in 2006 and far exceeds estimates for 2007.

Scottish developments face 15% renewable energy threshold

New planning guidance in Scotland will mean that all new large developments have to generate at least 15% of their energy on site from renewable sources.

The requirements, outlined in Scottish planning policy guidance note six (SPP6), are believed to be the most stringent in Europe and will apply to all projects of more than 500m².

Government says We're in this Together

The Government has launched a major new campaign to help people cut their personal CO₂ emissions.

Backed by Prime Minister Tony Blair and Environment Secretary David Miliband, the We're In This Together [<http://www.together.com>] campaign aims to bring businesses, government and communities together and to provide practical ideas for how individuals can reduce their CO₂ footprint.

As part of the campaign, eight UK businesses, including B&Q, British Gas, O2, Tesco, and Marks & Spencer, pledged to offer their customers a range of environmental friendly products and services in an effort to help local communities reduce their CO₂ emissions. Customers interested in reducing their CO₂ emissions can search for environmentally-friendly products and services on the campaign's web site.

The campaign is being coordinated by The Climate Group, an independent, non-profit organisation dedicated to reducing CO₂ emissions.

Brown's Boost for Green Economy

Gordon Brown has already given the country's green economy a boost and he isn't even prime minister yet.

After Brown outlined his vision for the development of five 'eco-towns' earlier this month, and following press coverage of his enthusiasm for green energy, shares in Britain's green companies rose.

Green companies include those involved in renewable energy like solar and wind power, or those which reduce greenhouse gas emissions, such as fuel cell developers.

Shares in Climate Exchange, which runs Europe's main carbon trading exchange, rose 3.6% to hit an all-time high of 1605 pence. At the same time, the price of carbon credits rose to a 10-month high.

Several other green companies also gained. Shares in Ceres Power, which is developing combined heat and power systems for the domestic market, rose 3.8%, while Clipper Windpower saw its share rise by 2%.

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Company News

Compact Power to build prototype biomass energy plant

Renewable energy company Compact Power is to build a prototype biomass-driven power plant at Avonmouth, near Bristol.

The plant has been commissioned by Guildhall Engineering on behalf of a private,

unnamed individual.

On completion, the plant will be operated by a new company, The Compact Power Biomass Company, which will be 90% owned by Compact Power and 10% by the private individual.

Compact Power has also sold its existing waste-to-energy facility at Avonmouth to the same individual, although Compact Power will continue to operate the plant.

Polyfuel receives valuable US patents

Polyfuel, a developer of membranes for portable fuel cells, has secured two key patents for its high performance, hydrocarbon-based polymer fuel cell membranes.

The patents have been granted by the US Patent and Trademark Office.

Membranes are a key technology in the development of portable fuel cells, largely dictating the size, cost, power and efficiency of the cell. Fuel cells are widely expected to supplant batteries as the primary power source for portable electronic devices such as laptop computers, PDAs and smart phones.

Solar is hot in Rome

California-based solar panel manufacturer Solar Integrated Technologies (SIT) has won two contracts in Italy, worth a total of US\$10 million.

The contracts are to provide 2MW of solar power at two sites outside Rome.

The project, which is the company's largest European contract to date, as well as one of the largest solar deals in Italy, is expected to be completed in late 2007.

Azure helps Mexicans wave goodbye to petrol

Azure Dynamics, a developer of electric motors and components for motor vehicles, is to help convert 1,000 Mexican government vehicles to electric power.

The Canadian company has signed a US\$6.25 million (CAD\$7 million) agreement with Mexico's Electro Autos Eficaces to supply electric drive systems to convert the Nissan Tsuru vehicles from gasoline to electric power.

The conversion programme is part of Mexico City mayor Marcelo Ebrard's initiative to improve air quality and general health and quality of life in the 25 million-strong city.

Ceres and EDF join forces on emergency back-up systems

Green energy company Ceres Power has joined forces with one of the UK's largest energy companies to develop a range of emergency power systems for domestic users.

Ceres has signed a contract with EDF Energy to design and build the systems to provide back-up electricity to the homes of vulnerable energy users.

Prototypes from the £1.2m first phase of the project are expected to be unveiled during 2008 and 2009. The products will combine Ceres' unique fuel cell technology with batteries in a hybrid format.

AEA wins Carbon Trust contract

Consultancy company AEA Energy & Environment has been awarded a £1 million contract to help the Carbon Trust with its Applied Research Programme.

The Applied Research Programme supports UK businesses and research institutions in the development and commercialisation of technology with the potential to reduce UK carbon dioxide emissions.

Starting in April 2007, the three-year contract will see AEA assisting the Carbon Trust in managing and issuing research grants and monitoring grant-aided projects. It follows on from a similar programme of support that the AEA has been providing for the last four years.

Voller announces sea trials

Voller Energy Group, a developer of fuel cells systems, is to begin sea trials of its 1kW fuel cell generator on board the company's Solent-based yacht, 'Emerald'.

The aim is to demonstrate the benefits of the fuel cell generator under typical usage, as well as showing its retro-fit market potential.

The Voller system operates from the Calor Gas, liquefied petroleum gas or propane that yachts use for cooking. It works by monitoring battery voltage; when the battery voltage falls, it switches itself on and recharges the batteries.

Acta Celebrates Bio-ethanol First

Catalyst developer Acta is celebrating after its Hypermec catalysts were used to power what is believed to be the world's first fuel cell vehicle fuelled directly by bio-ethanol.

AIM-listed Acta manufactures platinum-free catalysts for the portable electronics and renewables markets. It supplied fuel cell electrodes activated with Hypermec to a team from Hochschule Offenburg University of Applied Sciences. The team used the electrodes to power a direct ethanol fuel cell vehicle which it trialled at the Shell Eco-Marathon, held in France on 13th May.

AIC powers up with OnTo

Technology incubator fund Applied Intellectual Capital (AIC) has announced a collaboration with Oregon-based OnTo Technology.

The two firms will work together to develop technology to recycle advanced batteries used in hybrid and electric vehicles, following OnTo Technology's recent contract win with the United States Council for Automotive Research (USCAR).

Advanced batteries are key to the development of the mobile communications and electric vehicle markets. OnTo's 'green chemical' technologies improve advanced battery serviceability and recyclability.

New Research into Hydrogen Cars

CMR Fuel Cells, Johnson Matthey and Accelrys have formed a new UK-based research consortium to develop cheaper and more efficient hydrogen technology for cars and other applications.

The consortium has been awarded £1.15 million through the DTI's Autumn 05 Technology Programme.

The partners are aiming to develop predictive methods for the development of advanced low-cost catalysts.

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

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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: Amiad Filtration Systems

Amiad is a producer and supplier of automated water filters and filtration systems for the industrial, municipal and irrigation markets.

Our proposition is based on the fact that clean water is a scarce, but increasing in-demand resource. Industrialisation, increased environmental awareness and tighter regulation are all playing a part in driving the need for water purification and recycling.

Amiad's products are in over 70 countries across the Americas, Africa, Europe, Asia and Australasia. Over 90% of its sales are outside its home-base of Israel. Last year, our automatic filters, including the innovative thread filter, were a great success. This was particularly true in the last quarter of the year, when we achieved significant sales in Russia, China and India.

In 2006, we focused on increasing our sales and marketing efforts to enable the business to penetrate emerging markets such as these. Additionally, we invested in getting new certifications for its products. We also prioritised new product research and development in order to solve specific problems with made-to-measure solutions.

Amiad has unique product solutions. Our communication, after care and maintenance of those solutions is a major competitive advantage. We are already seeing success as a result of its recent considerable investment.

Revenues for the full year 2006 were US\$44.1m. The results reflect the solid foundations which under-pinned the company's admission to AIM in December 2005.

Amiad's overall vision is to be a leading supplier of filtration solutions, enabling our customers to reach their maximum potential with clean water. The future lies in becoming an end-to-end water treatment solutions company providing a range of products and services.

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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 311644)

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About EnviroDaq

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