

## Media Release

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# Australia's first cleantech investment report highlights potential of emerging sector

The first-ever study of Australian investment in the emerging cleantech, or clean technologies, sector, has found a higher proportion of local cleantech investments in agriculture, energy storage, transportation and water than has been the case in North America and Europe.

Energy generation technologies were found to be popular with cleantech investors, attracting the largest proportion of seed and early stage funding.

The findings of the study are contained in the *Australian Cleantech Venture Capital and Private Equity Investments Report: Turning Green into Gold*, released today by Cleantech Ventures Pty Ltd, a Melbourne-based specialist venture capital firm targeting investments in the cleantech sector.

Cleantech Ventures co-authored the report with Cleantech Network LLC, a US company considered the world's leading authority on global investments in clean technology operations in North America, Europe and China. Cleantech Network represents a network of more than 18,000, including investors with in excess of US\$3 trillion under management.

The report presents data on IPOs in Australian cleantech companies between 1999 and 2006, and Australian mergers and acquisitions activity between 2005 and 2006. Venture capital investment data covers the period 1999 to the first quarter of 2007.

Mr Jan Dekker, an Investment Principal with Cleantech Ventures, said the report is the first comprehensive analysis of cleantech venture capital, buyouts, mergers and acquisitions and IPO activity in Australia.

"International trends show that cleantech, which brings together technology, environmental and financial performance, is a new force to be taken seriously," Mr Dekker said.

"The research findings contained in the report indicate that Australia is at the same stage North America was some three years ago, that is, poised for rapid growth in cleantech investments.

Mr Andrew Pickering, also a Principal at Cleantech Ventures, pointed out that the key challenge will be supporting entrepreneurial cleantech firms in their global ambitions, and providing long-term support to kick-start their markets at home.

"In the absence of any major setbacks, and supported by policy and consumer demand, cleantech could become a significant high-growth export industry in Australia," Mr Pickering said.

Some of the findings of the report include:

- Between 1999 and Q1 2007, \$539 million (US\$360 million) venture capitalists invested in 75 companies in a total of 174 deals

- Cleantech investment accounted for an average of 3 per cent of total Australian venture capital investments by amount and 4 per cent of the total number of venture capital deals per year (total venture capital as measured by the Australian Bureau of Statistics, 2007)
- Adjusted for the relative size of the economies (using GDP as a measure), Australia's cleantech venture capital investments are 47 per cent of the US and 36 per cent of Canada.
- Energy generation technologies were popular, with geothermal and biofuels companies more successful in raising venture capital than solar energy.
- NSW and Victorian-based companies captured almost 75 per cent of all Australian deals, although South Australia and Queensland are seeing more agricultural technology investments and Western Australia is attracting investments in water-technology companies.

Speaking at the report's launch, Cleantech Network LLC's Anastasia O'Rourke, who is an authority and author on cleantech investing, said that Australia is seen as fertile ground for foreign investors in cleantech.

"You have seen recent closings of several specialist cleantech funds in the region, as well as interest from European and North American cleantech investors where the category has strong interest," Ms O'Rourke said.

"As with other parts of the world, cleantech seems a natural fit for Australian industry and investors, given both local and international drivers and opportunities."

Mr Pickering announced that earlier this month the company had completed the first close of its new Cleantech Australia Fund of \$50 million, which is made up of \$20 million provided through the Australian government's Innovation Investment Fund (IIF) program and \$30 million from VicSuper, a superannuation fund committed to sustainability.

He said that interest from both industry and private equity fund managers suggests the fund has the potential to raise significantly more.

A function to release the *Australian Cleantech Venture Capital and Private Equity Report: Turning Green into Gold* was held in Melbourne today, with a wide range of investment, venture capital, government and environmental representatives in attendance.

The report is available for download from the Cleantech Ventures website [www.cleantechventures.com.au](http://www.cleantechventures.com.au).

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