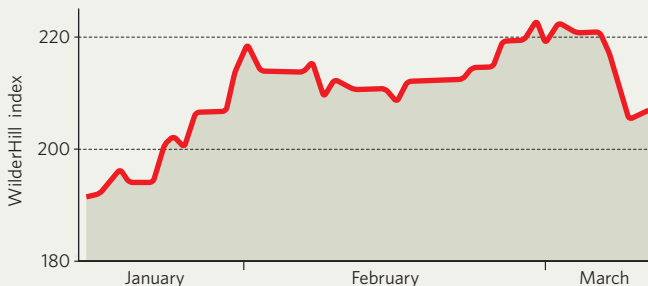


# MARKET WATCH

## CLEAN-ENERGY STOCKS



January 2006 featured an unexpected endorsement of clean energy by the president of the United States.

But although shares in clean-energy companies reached their highest level since 2001 around the time of George W. Bush's State of the Union address, they then fell back somewhat.

The WilderHill index, which tracks clean-energy firms that are listed on stock markets in the United States, enjoyed strong growth through 2005 and rose by more than a quarter in the month of January, before slipping back in early March.

Robert Wilder, whose company compiles the index, said that the slip was due partly to shareholders cashing in their profits, and partly to a slump at Distributed Energy Systems, a company that integrates power from different sources. Shares in the Connecticut-

based firm fell by a third on 8 March after it issued a weak earnings forecast.

But Michael Liebrich, head of London-based New Energy Finance and a member of the index's advisory board, says the fundamentals of the sector remain powerful. "In 2005, there was US\$44 billion of investment in renewable energy worldwide — about 7% of all energy investment," he says bullishly. "In which direction is that going to go?" He thinks it can grow fivefold in ten years.

And although Wilder sees Bush's speech as significant, he says that solid financial progress — exemplified by the \$125-million contract that Evergreen Solar of Massachusetts won from a German wholesaler on 15 March — is the source of the sector's strength.

**Colin Macilwain**