

OVERVIEW

FTSE ENVIRONMENTAL TECHNOLOGY INDEX SERIES



The FTSE Environmental Technology Index Series measures the performance of companies globally whose core business is in the development and deployment of environmental technologies, including alternative energy, water treatment, pollution control and waste management.

Created in collaboration with environmental technology specialist Impax Asset Management, the series comprises the FTSE ET50 Index and the FTSE Environmental Opportunities All-Share Index, providing attractive investment solutions in this growing area, and further enhancing FTSE's suite of Responsible Investment indices.

MEETING THE NEEDS OF RESPONSIBLE INVESTORS

Investment products based on the FTSE Environmental Technology Index Series will appeal to a broad range of institutional and retail investors who are looking to:

- Invest in the environmental technology sector via an investable and transparent FTSE index
- Maximise environmental growth opportunities within their portfolios
- Invest in companies that are best placed to succeed in a future low carbon environment
- Support the growth and development of the renewable energy and environmental technology sector

CONSTRUCTION OF INDICES

Identify Index Universe

Global environmental technology companies are identified by Impax Asset Management as those businesses whose activities provide value-added solutions to environmental problems, falling into one of the three categories below:

- Alternative Energy & Energy Efficiency e.g. wind turbine and solar manufacturers
- Water Technologies & Pollution Control e.g. filtration, purification & separation technology companies
- Waste Technologies & Resource Management e.g. production using recycled material

Impax Asset Management's selections are then approved by FTSE's Environmental Technology Advisory Committee.

Impax Asset Management then conduct further analysis on each of the selected companies, considering each of the following parameters:

- (1) Environmental technology revenues versus total revenues
- (2) Environmental technology-invested capital versus total invested capital
- (3) Net income of environmental technology business versus total net income of company

FTSE ET50 Index Methodology

A company will be considered a 'pure-play' ET company if any of the three parameters is greater than 50%.

Apply FTSE liquidity and free float methodology.

Rank by total market capitalisation

Of the eligible companies, the top 50 companies worldwide by full market capitalisation are then selected as the constituents of the index.

FTSE ET50 Index

FTSE Environmental Opportunities All-Share Index Methodology

A company will be considered an environmental opportunity company if any of the three parameters is greater than 20%.

Apply FTSE liquidity and free float methodology.

FTSE Environmental Opportunities All-Share Index

All eligible companies are included within the index.

FTSE Environmental Opportunities All-Share Index

ABOUT IMPAX ASSET MANAGEMENT

Impax is a specialist investment manager in the environmental sector with over US\$1.9 billion under management across a range of funds investing in quoted securities and private equity.

The firm was founded in 1994 as a specialist finance house focusing on the markets for cleaner or more efficient delivery of basic services of energy, water and waste. These markets are expanding rapidly, as business and political leaders encourage the development of cleaner products and services in response to the increasing pressures placed on the environment.

Impax's dedicated team of professionals, with many years of experience in the financial and environmental sectors, is ideally placed to understand and take advantage of the investment opportunities arising from these growing markets.

For more information, please visit www.impax.co.uk

ABOUT THE FTSE ENVIRONMENTAL TECHNOLOGY INDEX COMMITTEE

FTSE has set up an independent committee of clean tech and investment professionals, who will govern both the research and management of the FTSE ET50 Index.

The Chair is Winston Hickox, an industry leader with unparalleled experience in environmental policy, regulation and environmental investing. Mr Hickox designed and implemented CalPERS environmental investment mandates, served as the Chair of the California Market Advisory Committee and is the former Secretary of the State of California Environmental Protection Agency (Cal/EPA).

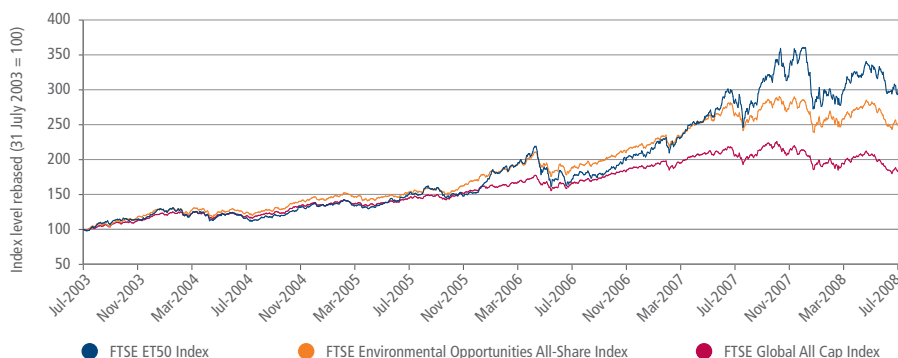
The independent members of the Committee include:

- Winston Hickox** - Chair
- David Russell** - Head of Responsible Investment, USS
- Eric Borremans** - Head of Sustainable & Responsible Investments, BNP Paribas
- Mark Thompson** - Director in Equity Research, Canaccord Adams

FTSE and Impax representatives also attend the meetings in an ex-officio capacity.



FTSE ENVIRONMENTAL TECHNOLOGY INDEX SERIES 5 YEAR PERFORMANCE (USD TOTAL RETURN)



Source: FTSE Group and Thomson Datastream, data as at 31 July, 2008

FTSE ENVIRONMENTAL TECHNOLOGY INDEX SERIES PERFORMANCE (USD TOTAL RETURN)

	3M (%)	6M (%)	YTD (%)	12M (%)	3YR (%)	5YR (%)	3YR (%pa)	5YR (%pa)
FTSE ET50 Index	-4.6	6.5	-14.9	6.8	103.2	205.9	26.7	25.1
FTSE Environmental Opportunities All-Share Index	-6.9	0.3	-11.1	-5.1	65.2	153.1	18.2	20.4
FTSE Global All Cap Index	-8.9	-4.9	-12.7	-10.1	28.7	86.0	8.8	13.2

Source: FTSE Group and Thomson Datastream, data as at 31 July, 2008

FTSE ENVIRONMENTAL TECHNOLOGY INDEX SERIES VOLATILITY (USD TOTAL RETURN)

	1YR Vol (%pa)*	3YR Vol (%pa)**	5YR Vol (%pa)**
FTSE ET50 Index	28.9	23.5	20.1
FTSE Environmental Opportunities All-Share Index	19.2	14.7	13.4
FTSE Global All Cap Index	16.4	11.8	10.9

* Based on daily total returns and annualised based on 260 trading days in a year

** Based on monthly total returns

Source: FTSE Group and Thomson Datastream, data as at 31 July, 2008

FTSE ENVIRONMENTAL TECHNOLOGY INDEX SERIES 5 YEAR CORRELATION TABLE (USD TOTAL RETURN)

	FTSE ET50 Index	FTSE Environmental Opportunities All-Share Index	FTSE Global All Cap Index
FTSE ET50 Index	1.000	0.875	0.824
FTSE Environmental Opportunities All-Share Index		1.000	0.944
FTSE Global All Cap Index			1.000

Based on monthly total returns

Source: FTSE Group and Thomson Datastream, data as at 31 July, 2008

INDEX FEATURES

- The index is designed for the creation of derivatives, index tracking funds and ETFs
- Stocks are free-float weighted to ensure that only the investable opportunity set is included within the index
- Stocks are liquidity screened to ensure that the index is tradable
- Capital and total return indices are available for this index

INFORMATION

- For further details on the FTSE ET50 Index please visit: www.ftse.com/ET50
- For further details on the FTSE Environmental Opportunities All-Share Index please visit: www.ftse.com/EO

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