

Cleantech – Opportunity for Switzerland

Nick Beglinger is the president of *swisscleantech*, a trade association founded in late 2009. He sees great potential for young Swiss growth firms in the utilization of environmentally friendly technologies and services. New Value asked Beglinger about the focus of his current work and his assessment of the role of private equity firms in supporting young, innovative companies.

Cleantech is a broad field.

What aspects of it are you focusing on?

We don't see cleantech as one specific economic sector. Rather, cleantech stretches across all industries. It's not just heating and water purification systems that can be more efficient and environmentally friendly – law offices could also use less paper and minimize air travel, for example.

As a trade association, we want to position Switzerland as a cleantech leader. A Chinese municipal government looking to modernize its sewage system, like Kunming, for example, should associate Switzerland with cleantech as much as with finance and cheese. *swisscleantech* promotes the improvement of the regulatory and business environment as well as select development and high-profile projects that support the achievement of this goal. One example is the Green Embassy project. The Swiss embassy in Washington will be renovated and certified in accordance with the Minergie standard and equipped with Swiss technology, such as windows from EgoKiefer, ventilation from Zehnder and sanitary facilities from Geberit. The US pilot project will support the export of Swiss design, building technology and materials. The project's goal of creating the «greenest embassy in Washington» should provide ample publicity, both for Switzerland as a cleantech country and for the participating firms as well.

What are some of Switzerland's cleantech success stories?

There are five fundamental factors behind the successful positioning of Switzerland in the cleantech industry. (1) According to the WEF (World Economic Forum), the country's economy is among the world's most competitive. (2) The same goes for Swiss innovation – according to the European Innovation Score Board, we are Europe's leaders. (3) Equally crucial is quality of life: Zurich, Bern and Geneva are among the world's ten most desirable cities for top talent. This is critical, as talent is in high demand in the fast-growing cleantech industries. (4) Our educational system at the university and trade school level is one of



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the best in the world. (5) Finally, due to its size and experience as a tourist destination, Switzerland is accustomed to dealing with limited resources and recognizes the value of unspoiled nature. That's why we have a great appreciation for sustainability, not to mention important systems knowledge from many years of experience with clean infrastructure and strict environmental regulation. In a sense, Switzerland 'lives' cleantech. This is further evidenced by the country's excellent ranking on Yale University's Environmental Performance Index (<http://epi.yale.edu/countries>). The index also shows several cleantech industries in which Switzerland ranks among the world's top countries. These include sustainable building, recycling/material reuse, water management, electric power management, public transportation, etc. Our top cleantech firms include Coop, ABB and Geberit, to name just a few.

**What do Swiss cleantech companies have to offer?
How can they help young growth firms profit?**

As a trade association, swisscleantech offers its members services, consortium support (with topics such as urban mining and smart grid) and project management for high-profile projects (such as Green Embassies, the cleantech innovation park in Dübendorf or the Swiss Village in Masdar, Abu Dhabi). Other important offerings include a database and a news service that allows cleantech firms to exchange information and needs and provides targeted research and market information. Our luncheons and quarterly events are also very popular. Along with update events and subject matter lectures, they represent a great networking platform. We hold strategy and training workshops, with active participation from our advisory councils and sponsorship committee. In consortia and projects, our job is to bring together competencies that allow our members to develop and offer systems solutions.

How would you rate the involvement of public and private institutions in Switzerland in promoting the commercialization of new, environmentally sound technologies?

Our cooperation with public agencies is positive. President Leuthard launched the government's cleantech action plan in November. That is the right top-level approach. Several public agencies are now actively working together: the Federal Environmental Agency (BAFU), the Federal Energy Agency (BFE), SECO and the Federal Professional Training and Technology Agency (BBT). We have the opportunity via the BBT to provide regular input as a trade association. For example, it is extremely important that private enterprise and government work closely together to select research focuses, develop professional training programs or

promote innovation. For professional training programs, for example, we provide up-to-date training materials to help them keep up with ever-changing knowledge as a result of innovation. Today, for example, sanitation engineers must have knowledge of thermal solar technology to ensure the use of renewable energy and thus their ability to offer cleantech solutions.

What is swisscleantech doing to support growth companies?

As a trade association, supporting growth is one of our key missions. We provide the right government incentives, knowledge exchange among private investors and investor networking. swisscleantech works on specific recommendations with the aim of allowing access to additional capital for initial and growth cleantech financing. One of our ideas was the launch of a matching fund, in which government funds supplement private investment capital. Let me add a side note here: entrepreneurship in Switzerland must be more strongly supported and protected. We are in urgent need of a change in mentality here. The stigmatization of entrepreneurs who fail on their first attempt is a shame and inhibits innovation. We hope that cleantech can create additional motivation in this regard, as successful cleantech entrepreneurs also contribute to sustainable development (fewer emissions, reduced resource needs, etc.).

How would you evaluate the role of pension funds? How can they make a greater contribution to promoting new future technologies?

Today, pension funds are still investing very little in start-up companies. Given the risk profiles of these institutions, this is understandable in many respects. However, we would still like to see pension funds make greater contributions to financing the growth of innovative cleantech companies – including in the interest of the national economy. This involves jointly identifying opportunities and developing the appropriate instruments. One approach is to cooperate with private equity investors to provide matching funds. With New Value and other investors, private equity is particularly well represented in the Swiss cleantech sector.

If you could ask Swiss economic policy makers for one wish, what would it be?

I'd like to see Switzerland stand behind cleantech 100%. This is a great opportunity and a win-win situation for both the federal government and private enterprise. Thanks to its status as a prime location, even little Switzerland can make an important global contribution to cleantech.

swiss cleantech Association

The trade association swisscleantech is a member organization that promotes the leading role of Switzerland and Liechtenstein in the cleantech industry. As a political lobbyist, swisscleantech works to ensure a clear cleantech strategy, the right cleantech goals and a favorable regulatory and business environment. The association also promotes consistent cost internalization, a secure cleantech workplace and transparency for firms and investors. swisscleantech was officially launched on December 7, 2009, in Bern. It currently consists of about 130 member companies, three councils (policy council, science council and association council) and a sponsorship committee led by Bertrand Piccard.

Acquisition of the FotoDesk Group

Entering the online business printing segment

The FotoDesk Group entered the business printing segment with the acquisition of the online photo and business printing divisions of netservice.cc media AG effective July 1, 2010. In an asset deal, Colorplaza AG, Basel, a subsidiary of FotoDesk Group AG, acquired the customers and business operations of Liechtenstein and Austria-based netservice.cc media AG.

By acquiring the business operations of netservice.cc media AG, FotoDesk Group AG will expand its customer base in the German-speaking region and broaden its online business with the addition of an extensive array of new products and services for business customers. Via the www.netprint.cc online portal, customers can easily order brochures, posters, stationery, business cards and other print products. FotoDesk plans to update and expand the Netprint online print software by September.

Specialist in online photo and business printing

The expansion makes FotoDesk one of the few companies worldwide that can offer its customers both photo and business printing products and services and set up online photo printing platforms for third parties. Above all, FotoDesk expects the acquisition to allow for synergies with existing business in the photo printing segment and a strengthening of the market position thanks to a larger sales base. With its new offerings, FotoDesk can also meet the needs of over one million existing customers. The

technical integration of the new business divisions is largely complete and orders are already being processed using FotoDesk systems.

«This expansion is an important milestone for FotoDesk,» explains Bal Balaji, CEO of FotoDesk. «Not only are we increasing our customer and sales base, but we were also able to demonstrate our technical expertise by very quickly integrating the Netservice web portals into our IT and order processing systems. We believe the online business printing segment is an attractive growth market.»

Quarterly information

NAV maintained – Closing of additional investments expected shortly

In Q1 of fiscal year 2010/2011 (as of June 30, 2010), New Value, the investment firm focused on supporting young Swiss growth firms in the cleantech and health industries, was able to maintain the net asset value (NAV) of its portfolio at the previous quarter's level. NAV per share closed at CHF 24.22, slightly below the CHF 24.27 at the beginning of the quarter. The shareholder's meeting of July 8, 2010, approved a share buyback program of up to 10% of existing capital stock. The proposed alternative of a capital reduction was rejected. The terms of the share buyback program will be announced at a later time.

One of New Value's primary activities during the reporting period was evaluating new investments, the results of which led to an investment in cleantech firm ZWS Zukunfts-orientierte Wärme Systeme GmbH, Neukirchen-Vluyn (Germany), in March 2010. ZWS is a renewable-energy-based modern building services systems provider (see portrait on page 6). The management of New Value expects to close additional deals in the coming weeks.

Silentsoft moves forward with international expansion

Silentsoft, a specialized provider of telemetry monitoring systems with a strong focus on cleantech applications, continued its expansion in the waste management and green building segments in the first quarter. The company deployed specialized sales teams in Switzerland, Germany, France and the UK. All four teams have already landed their first projects. Meanwhile, Silentsoft also obtained new projects and contracts in telemetry monitoring for service stations. For silos in the agriculture and food sectors, Silentsoft worked with technology firm Endress + Hauser to develop a sensor and telemetry solution. Provimi, one of the world's leading animal food manufacturers, has also initiated a project with Silentsoft to install 8,000 sensors in Germany and Spain in a pilot project scheduled for the fall of 2010.

Natoil sees recovery and FotoDesk conducts an acquisition

Natoil, a provider of energy-efficient and naturally manufactured lubricants, is experiencing increased demand from industrial customers, particularly reorders of hydraulic lubricants from customers using Arburg injection molding machines. Natoil is also working with an international retail chain to develop a biological lubricant in a spray can for the do-it-yourself market, with market launch scheduled for this year. FotoDesk announced its acquisition of the online photo and business printing divisions of netservice.cc media AG. The move will allow FotoDesk to increase its sales base in the photo printing segment and tap the market for business printing services (see report on page 3).

Bogar expands product palette and strengthens leadership

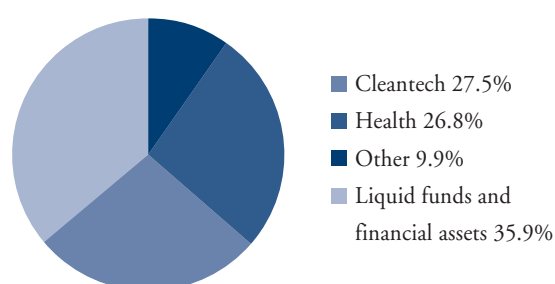
In May 2010, Bogar, the specialized provider of plant-based animal health and nutrition products, unveiled its new plant-based biocides and supplements for pets at Interzoo 2010, the world's leading pet industry trade show. The new *bogadual* product line includes a new anti-flea agent and the world's first harvest mite gel, made from a combination of neem extract and a synthetic enhancer. Bogar also added two new products to its nutritional supplement line: *bogafit Anti-Aging* with ginseng and *bogafit Verdauung* with artichoke for regulating indigestion in dogs and cats. In addition, in June the shareholders' meeting elected Peter Hänsli to the Board of Directors of Bogar; in the subsequent, constitutive meeting, he was confirmed as President. Peter Hänsli is a proven pet industry expert who will bring greater knowledge of the industry to the company's leadership.

QualiLife on the move in German-speaking Switzerland

Earlier this summer, the renowned Hildebrand private rehabilitation clinic in the Italian-speaking Swiss canton of Ticino presented the advantages of the QualiMedical UCS

software solution to a large audience of over 50 infirmary directors and IT managers from Swiss clinics. The solution combines general information, entertainment options and patient and treatment data on a single bedside multimedia terminal. Another recent QualiLife project was launched at the Klinik Pyramide am See in Zurich. QualiMedical UCS also received the Health Media Award from the Trendforum Gesundheit health forum in Cologne, Germany. The distinction will support the company's ongoing market expansion efforts.

Investment portfolio by industry as of June 30, 2010



| Company | Security type | No. of shares / nominal | Price | Market value in CHF ¹⁾ | Share of portfolio ²⁾ | Share of company |
|--|---------------------|----------------------------|---------|--------------------------------------|-------------------------------------|---------------------|
| Cleantech | | | | | | |
| Mycosym International AG www.mycosym.com | Shares | 194 336 | 16.86 | 3 276 500 | 5.5% | 49.1% |
| | Loan | 757 648 | 100.00% | 757 648 | | |
| Natoil AG www.natoil.ch | Shares | 125 274 | 6.34 | 794 015 | 2.8% | 29.9% |
| | Convertible loan | 205 981 | 635.50% | 1 309 016 | | |
| Silentsoft SA www.silentsoft.ch | Shares | 20 312 | 176.13 | 3 577 553 | 6.0% | 25.7% |
| | Convertible loan | 750 000 | 119.78% | 898 336 | | |
| Solar Industries AG www.solarindustries.ch | Shares | 1 554 100 | 5.00 | 7 770 500 | 10.5% | 33.1% |
| ZWS GmbH | | | | | | |
| www.zws.de | Loan (EUR) | 1 500 000 | 100.00% | 1 993 500 | 2.7% | 0.0% |
| Health | | | | | | |
| Bogar AG www.bogar.com | Shares | 223 500 | 3.21 | 718 324 | 3.3% | 31.6% |
| | Convertible loan | 521 500 | 326.59% | 1 703 151 | | |
| Idiag AG www.idiag.ch | Shares | 6 928 621 | 0.64 | 4 434 317 | 8.5% | 41.5% |
| | Convertible loan | 518 458 | 361.82% | 1 875 868 | | |
| Qualilife SA www.qualilife.com | Shares | 661 706 | 3.02 | 2 000 000 | 4.3% | 38.1% |
| | Loan | 1 200 000 | 100.00% | 1 200 000 | | |
| Swiss Medical Solution AG www.swissmedicalsolution.ch | Shares | 311 581 | 5.00 | 1 557 905 | 10.7% | 38.9% |
| | Convertible loan I | 970 331 | 505.48% | 4 904 547 | | |
| | Convertible loan II | 1 218 680 | 117.80% | 1 435 578 | | |
| Other | | | | | | |
| Fotodesk Group AG www.fotodesk.com | Shares | 4 502 115 | 0.67 | 3 001 405 | 9.9% | 45.0% |
| | Loan | 960 000 | 100.00% | 960 000 | | |
| | Convertible loan | 1 300 000 | 257.07% | 3 341 961 | | |
| Total | | | | 47 510 124 | 64.1% ³⁾ | |

¹⁾ In accordance with IFRS, the market value of convertible loans includes a valuation of the borrowed capital portion at net present value using the effective interest method and of the option portion

²⁾ Based on market value including liquid funds and financial investments

³⁾ Market value / net assets (investment level)

Portrait of ZWS Zukunftsorientierte Wärme Systeme GmbH

Intelligent building systems

In March 2010, New Value invested in cleantech firm ZWS Zukunftsorientierte Wärme Systeme GmbH of Neukirchen-Vluyn (Germany). ZWS is a full-range supplier of modern, renewable-energy-based building service systems, such as thermal, photovoltaic or rainwater recycling systems.

Its products cover the entire spectrum of modern building systems, including thermal solar systems (water heating, heating system support), photovoltaic systems, heating (heat pumps, pellet, wood, storage solutions), system technology (building systems combining different technologies), ventilation (heat recovery and cooling) and sanitary and rainwater recycling. Plans call for bringing innovative storage solutions, improved pellet ovens and fuel cells to market in the near future.

Support from renewable energy partners

ZWS outsources the manufacture of its products and sells them under the ZWS brand or, in some cases, under third party manufacturer brands. ZWS also develops its own innovative products in close cooperation with partner firms, such as those in the solar-based heating segment, where over the last 15 years the company has taken on a leadership role and contributed greatly to the spread of solar technology in Germany.

Dynamic growth

The demand for increased energy efficiency in building systems has risen sharply in the last several years. ZWS is at the cutting edge of this trend with its broad spectrum of products. Accordingly, sales in the last three years grew at a rate of over 40% per year. ZWS currently has around 60 employees in 18 locations in German and Austria. ZWS is also building a network of sales representatives to better meet the needs of direct customers (new construction and renovation projects) as well as the secondary installer market. To profit from extremely dynamic market performance, ZWS is currently expanding its organization and broadening its sales structures. New Value provided necessary growth capital in March 2010 in the form of a EUR 1.5 million mezzanine loan.

Product highlight:

SANUSOL 600 Multivalent Heat Pump



Cross section of SANUSOL storage unit with built-in boiler

ZWS unveils its new heating concept for existing buildings on the exact date of its 15th year anniversary: SANUSOL 600 is a highly integrated compact storage system. It allows the more efficient and environmentally friendly use of existing heating systems, leading to long-term reductions in energy costs! Using the latest technology, heating systems can be equipped with solar heat and hot water support without sky-high renovation or construction costs. Other energy sources such as wood can also be easily integrated – SANUSOL 600 already offers the necessary variety of connection options.

In the news

[Finanz und Wirtschaft, April 10, 2010, page 23](#) Investment firm New Value seeks to become more attractive. «We are capable of investing another CHF 30 million or so in young, up-and-coming companies,» says Rolf Wägli, President of the Board of Directors, in the interview. «We are working to continuously increase the value of our portfolio and achieve an average total return on investment of 10% per year.»

[Stocks, April 30, 2010, Online](#) The sale of Meyer Burger opens up new investment opportunities. After selling its share in solar company Meyer Burger, New Value, the publicly traded private equity firm, is looking to make new corporate investments in the cleantech and health industries.

[Handelszeitung, Special Private Equity, article by Peter Letter: «Megatrends as drivers of growth», May 26, 2010, page 47](#) Innovative business concepts that are helping solve the challenges of the 21st century are showing particularly promising performance potential. New Value, a publicly traded investment firm, has been active as a growth financier in these industries for many years.

[Finanz und Wirtschaft, June 16, 2010, page 14](#) Venture capital firm New Value earned CHF 10 million in profit in the 2009/2010 fiscal year ending March 31. The value of the portfolio increased by 11.5% in the period from April 2009 to March 2010. Risk-friendly investors with an interest in providing long-term support to startup companies may view New Value as a worthwhile addition to their portfolios.

Current News Swiss Equity cleantech day – the sustainable investments conference

October 12, 2010 – SIX Swiss Exchange, ConventionPoint, Zurich

Beginning this year, the Swiss Equity sustainability day launched in 2009 will be renamed and continued as the Swiss Equity cleantech day. The motto of the conference is «Cleantech innovation as a sustainable investment opportunity.» In addition to an introductory keynote presentation by Prof. Carl Christian von Weizsäcker of the Max Planck Institute, the event will cover building technology, mobility, smart grid/networks and investment strategies in greater detail.

Six firms, ranging from startups to publicly traded firms (including Silensoft SA and Pavatex SA), will present at the conference. Renowned experts such as Prof. Holger Wallbaum of the ETH Zürich Institute for Building and Infrastructure Management, Ruedi Kriesi of Zehnder Group Management and Vice President of the Minergie Association will address the latest trends and developments in lectures and panel discussions. The event also includes an exhibition, as well as plenty of time for networking.

For more information, visit www.cleantechday.ch

Swiss Equity cleantech day

Discounted admission

Interested newsvalue readers may order tickets to the one-day event at a 30 % discount through September 2010 by e-mailing info@newvalue.ch

Company Profile New Value

| Ticker | Listing |
|-----------|--------------------------------|
| NEWN (CH) | SIX Swiss Exchange |
| N7V (DE) | Xetra, Frankfurt (Open Market) |

New Value AG is the pioneer in long-term direct investment in young Swiss growth companies. Listed on the SIX Swiss Exchange, New Value invests directly in up-and-coming private companies with above-average market and growth potential in Switzerland and neighboring countries. As an investment firm, New Value promotes innovative business models using venture capital and provides them with support until they achieve market success.

The portfolio includes companies of different degrees of maturity, from startups to established small- or medium-sized enterprises with stable profits. Companies from the cleantech and health industries form an integral part of the portfolio.

In selecting businesses for its portfolio, New Value places great value on ethical business concepts and excellent corporate governance. Criteria such as meaningfulness, social responsibility and economic sustainability are regarded by New Value as decisive competitive advantages that promote the quality of products and services offered, thereby making above-average performance possible.

Publications & Events

September 9, 2010

«Wertkreierer oder Rohrkrepierer?» Podium discussion organized by the Swiss Private Equity & Corporate Finance Association (SECA) and New Value, Widder Hotel Zurich

September 15, 2010

New Value at the Swiss Equity Conference, SIX Swiss Exchange, ConventionPoint Zurich

October 12, 2010

Swiss Equity cleantech day, SIX Convention Point, Zurich

November 2010

Semi-annual report as of 09/30/2010 to be released

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