

Welcome

A Clean Technology Outlook Panel Discussion

Hosted by Robert W. Baird & Co.

December 3, 2010

Panel Participants

The logo for Baird, consisting of the word "BAIRD" in white, uppercase, sans-serif font, set against a blue parallelogram background.

Christine Tezak

Senior Research Analyst– Energy & Environmental Policy, Baird Research

Christine is Baird's senior analyst in Energy & Environmental Policy Research. Prior to joining Baird in 2009, she was a senior vice president, Electricity, Natural Gas and Environmental Policy research, at Stanford Group Company and a principal, Washington Research Group, at Schwab Capital Markets. Also, she was a research associate at HSBC Securities/Washington Analysis corporation covering the water industry and at NatWest Securities/Washington Analysis Corporation covering the environment and agribusiness. Christine has a BA in Russian Language from Boston College and an MBA in Finance from George Washington University.



J. Michael Horwitz, Jr.

Senior Research Analyst – Clean Technology, Baird Research

Michael is Baird's senior analyst covering Clean Technology. Prior to joining Baird in 2009, he was managing director and head of clean technology research at Sanford Group Company, senior research analyst in clean technology at Pacific Growth Equities, LLC, and also worked at North Point Partners, Jackson Square Partners, Hilspen Capital Management, and Alex Brown & Sons, all in California. Michael received a BS in Financial Economics and a BA in Philosophy at Southern Methodist University.



Gary D. Vollen

Investment Banker – Clean Technology, Baird Investment Banking

Gary is a senior investment banking professional with 25 years experience and leads Baird's effort to establish relationships with and offer Baird's advisory services to clean technology companies, private equity and venture capital firms that invest in the sector. Gary is a member of the Advisory Board for the Clean Technology Investor Summit and was a member of San Francisco's Clean Tech Advisory Council. Prior to joining Baird, Gary led Stanford Group Company's clean tech investment banking practice. Previously, he was a Managing Director and Head of Technology Investment Banking at Pacific Growth Equities. Preceding that, Gary co-founded Prometheus Advisors, a boutique investment bank focused on providing M&A advisory services to technology companies. Gary received an MBA from the Anderson School of Management at UCLA and a BS from the University of California, Berkeley.

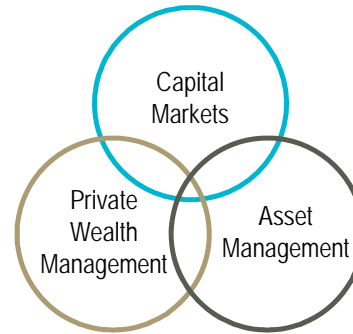
Overview of Baird



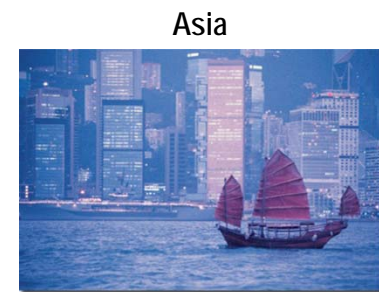
Key Statistics

- 1919**
Founded in Milwaukee
- 2004**
Baird becomes employee-owned
- \$79 billion**
Assets under management
- \$718 million**
2009 Revenue
- 2,500**
Employees
- 100+**
Office locations*
- 7**
Number of consecutive years Baird has been recognized as one of the FORTUNE 100 Best Companies to Work For®

A Comprehensive Wealth Management Firm



Baird's International Presence



Note: As of December 3, 2010.

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Equity Research

Award-winning small-cap and mid-cap research ⁽¹⁾

More than 600 stocks under coverage

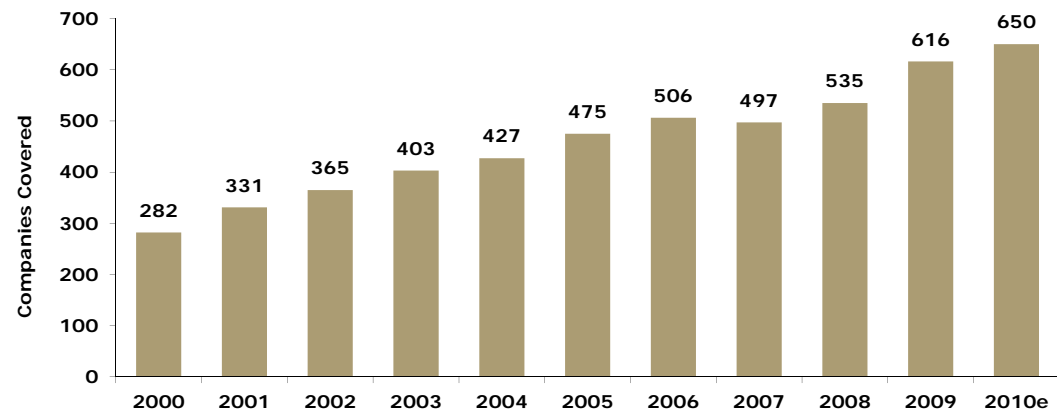
Sales & Trading

Proprietary investment ideas combined with quality execution

Best execution

15th consecutive year of record revenues

Coverage Growth 2000-2010



Note: As of December 3, 2010.

(1) Integrity Research Associates – U.S. Small Cap Research, May 2010. Surveys conducted with 141 portfolio managers and analysts from U.S. mutual funds, pension funds and hedge funds.

Investment Banking



Key Statistics

173

Investment banking professionals

13

Office locations

More than \$40 billion

M&A advisory value since 2000

\$72 billion

Equity raised since 2000

Comprehensive M&A advisory and capital raising capabilities

M&A Capabilities

- **Market insight** through dedicated industry teams
- **Execution excellence** through senior level attention
- **International access** through coordinated banking expertise across the globe
- **Unique perspective** through a balanced mix of buy-side and sell-side experience

Capital Markets Highlights

- Middle Market Bank of the Year – 2007
- Middle Market Deal Awards – 2005, 2006, 2007, 2008 and 2009
- Manufacturing Sector Adviser of the Year – 2008, 2009 and 2010



International Investment Banking Presence

Chicago

Milwaukee

London

Frankfurt

Shanghai

United States

Europe

Asia



Atlanta

Boston

Charlotte

Palo Alto

San Francisco

St. Louis

Tampa

Washington DC

Note: As of November 2, 2010.

Overview of Post-Election Regulatory & Legislative Landscape

Christi Tezak, Director and Senior Research Analyst

112th Congress = fiscal stewardship

- Republican House will scrutinize incentives given to renewable and alternative energy with an eye toward streamlining
- Most likely cost offset for programs will be changes to tax preferences for major oil and gas companies

New regulations for the EPA will be proposed or finalized in early 2011

- Retirement of old coal-powered plants will make way for new natural gas and renewable generation
- Gridlock may prevent Congress from doing much to prevent these regulations

Overview of Post-Election Regulatory & Legislative Landscape

Change in leadership on House Energy & Commerce

- Republicans will not undo every clean tech initiative of prior House majority
- E&C Committee has other priorities with jurisdiction over efforts to revise recently passed health care overhaul and financial services laws
- Programs with bipartisan agreement such as initiatives in the vehicle/fuel industries may be the first to gain constructive bipartisan attention

Financial and Investment Trends

Michael Horwitz, Managing Director and Senior Research Analyst

Macroeconomic factors have hit Clean Tech harder than other sectors; financial performance continues to lag broader market

- High capital requirements combined with unavailability of economically viable capital sources
- Global economic uncertainty in regions where Clean Tech has most exposure (i.e. Europe)
- Depressed natural gas prices, commodities' impact on electricity
- Uncertainty related to future of global economic subsidies, incentives

Financial and Investment Trends

2011 = the year to liquefy

- Investors will need to exit
- Healthy split between IPOs and M&A

Two key growth areas in 2011: solar and smart grid

- Solar
 - Supply and demand: U.S. has an opportunity to pick up falling demand in Europe
 - Successful companies will be ones that address either/both side of that equation by:
 - Bring down their costs to capture more market share
 - Work closely with their customers to implement solutions
 - Are incrementally more competitive than their peers – business models will be extremely important.

Financial and Investment Trends

Smart Grid

- More application-focused technology, less hardware
- Government stimulus will start having measureable effects; shed light on technology challenges as the U.S. “smartens” the grid
- Traditional metering companies will be challenged by small, entrepreneurial startups
- Increased competition from the mega-caps (Google, Microsoft, Cisco) which are developing strategies.

Outlook for Transaction Activity – Consolidation, IPOs

Gary Vollen, Managing Director – Investment Banking

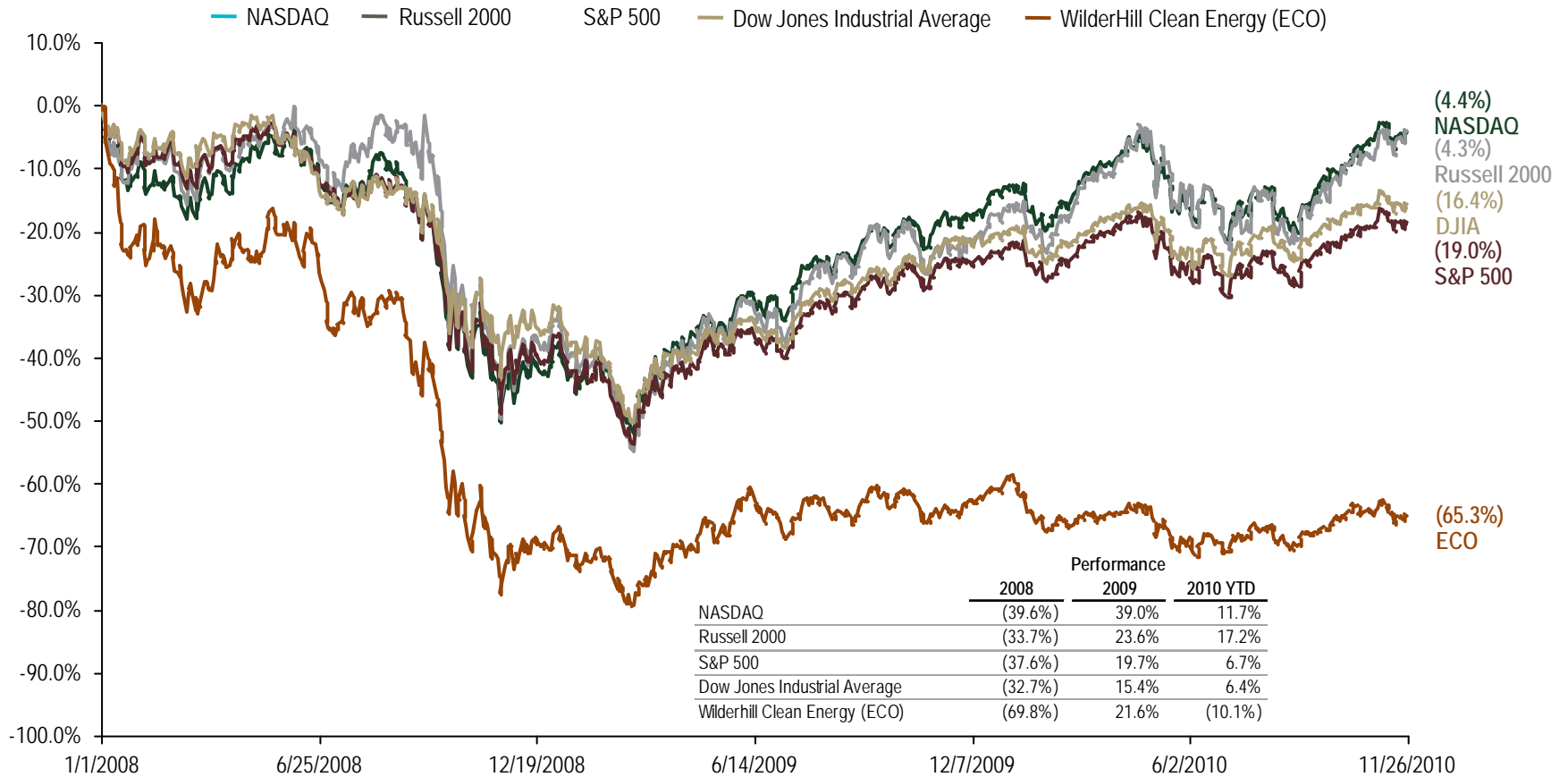
Clean Tech IPO market will gain momentum in 2011

- Extended rough patch for IPOs across the board; Clean Tech no exception
- Uptick in activity since Labor Day due to consistent equity fund inflows very positive
 - Examples: Amyris, Elster Group
- Pent-up supply of high-quality IPO candidates for 2011

Equity Market Performance Since 2008



While the broader equity markets recouped the substantial losses from 2008 in 2009, the Clean Technology sector continues to lag



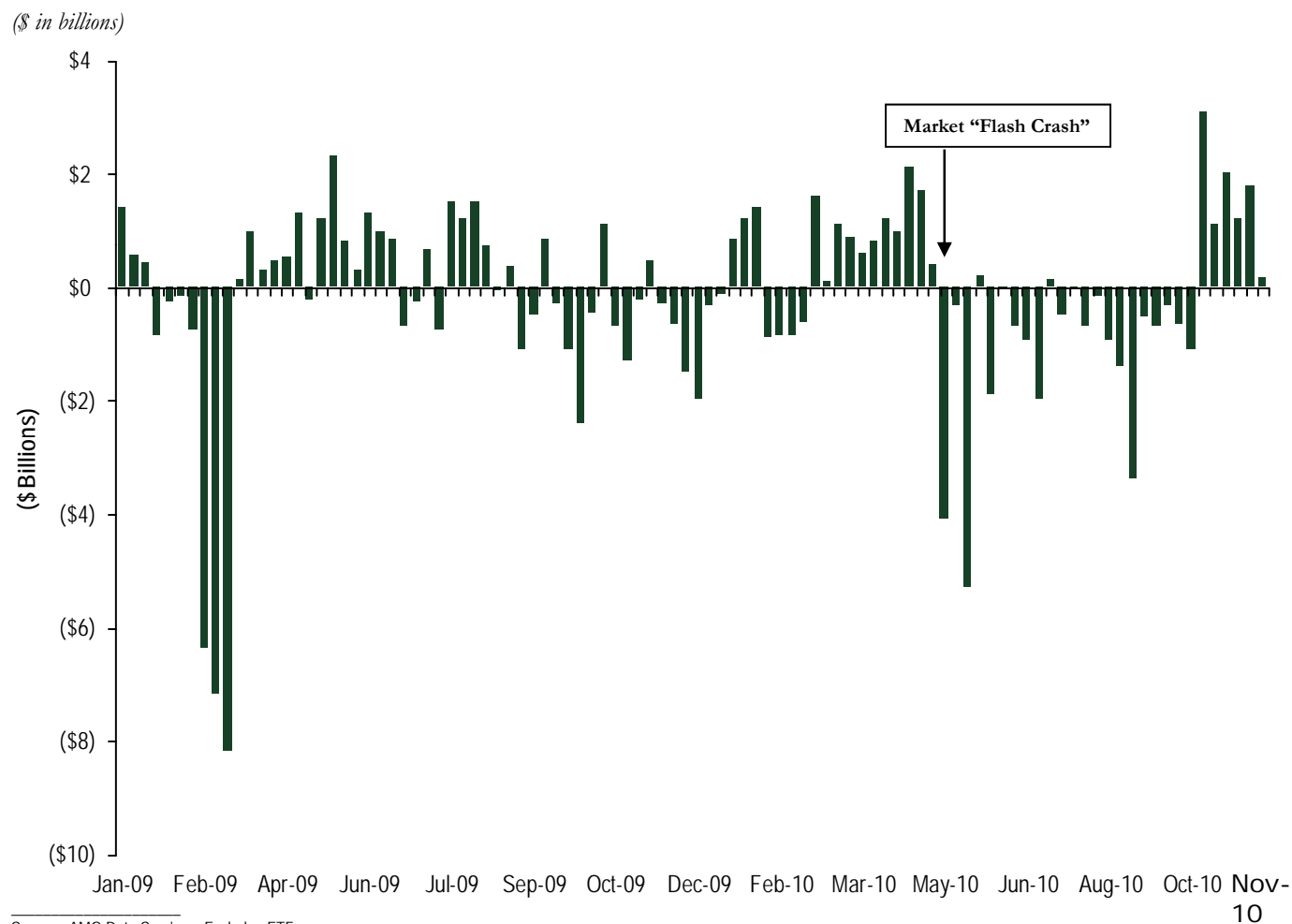
Source: Factset as of November 26, 2010.
 Note: Past performance is not a guarantee of future results.

Equity Mutual Fund Flow Activity

BAIRD

- Excluding ETFs, there have been \$9.3 billion of inflows since the week ended October 15th
- These were the first consecutive weeks of inflows greater than \$1.0 billion since July 2009
- This is an encouraging data point for any Company looking to access the equity capital markets

Weekly Equity Fund Flows Since the Beginning of 2009

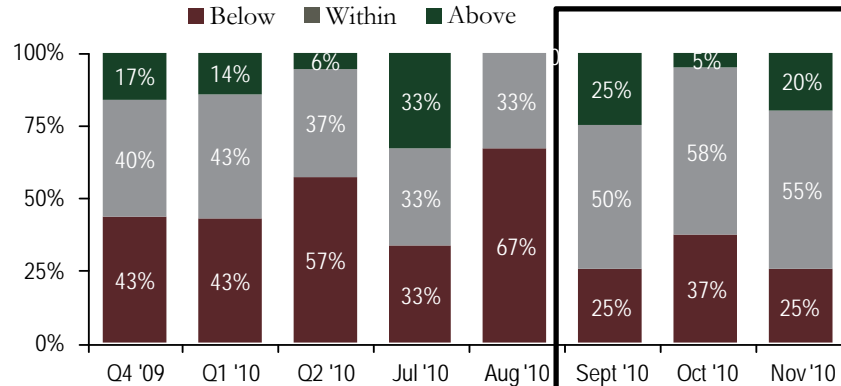


Source: AMG Data Services. Excludes ETFs.

IPO Market Review

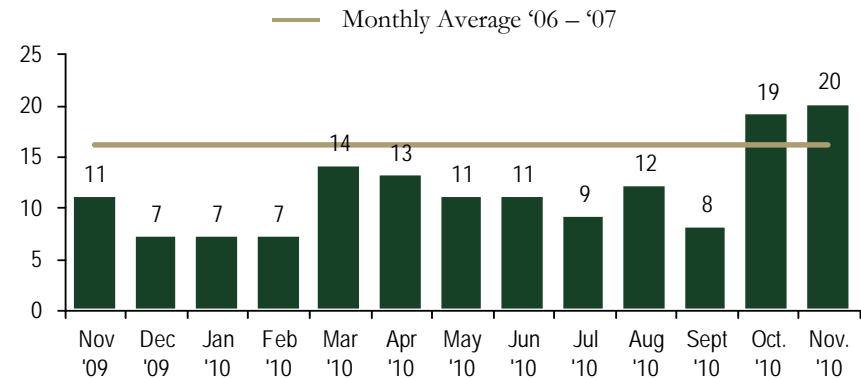
With meaningful cash being put to work in the equity markets and a renewed appetite for risk-taking, the IPO market has become more attractive post-Labor Day

IPO Pricing vs. Filing Range



% of IPOs Trading Above Offer (1)	
Q4 '09	50.0%
Q1 '10	46.4%
Q2 '10	45.7%
Jul '10	88.9%
Aug '10	66.7%
Sept '10	75.0%
Oct '10	68.4%
Nov '10	70.0%

IPO Pricings by Month



Source: Dealogic and FactSet. As of November 26, 2010.

(1) Represents the number of IPOs trading above offer price for the period.

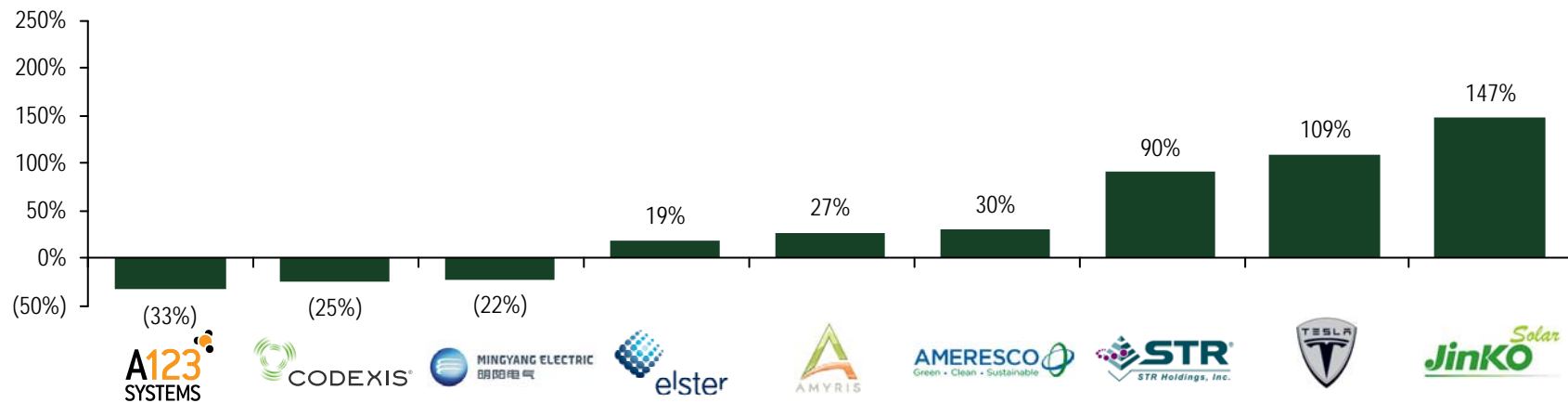
Clean Tech IPOs



Clean Tech IPOs (2009 – 2010)

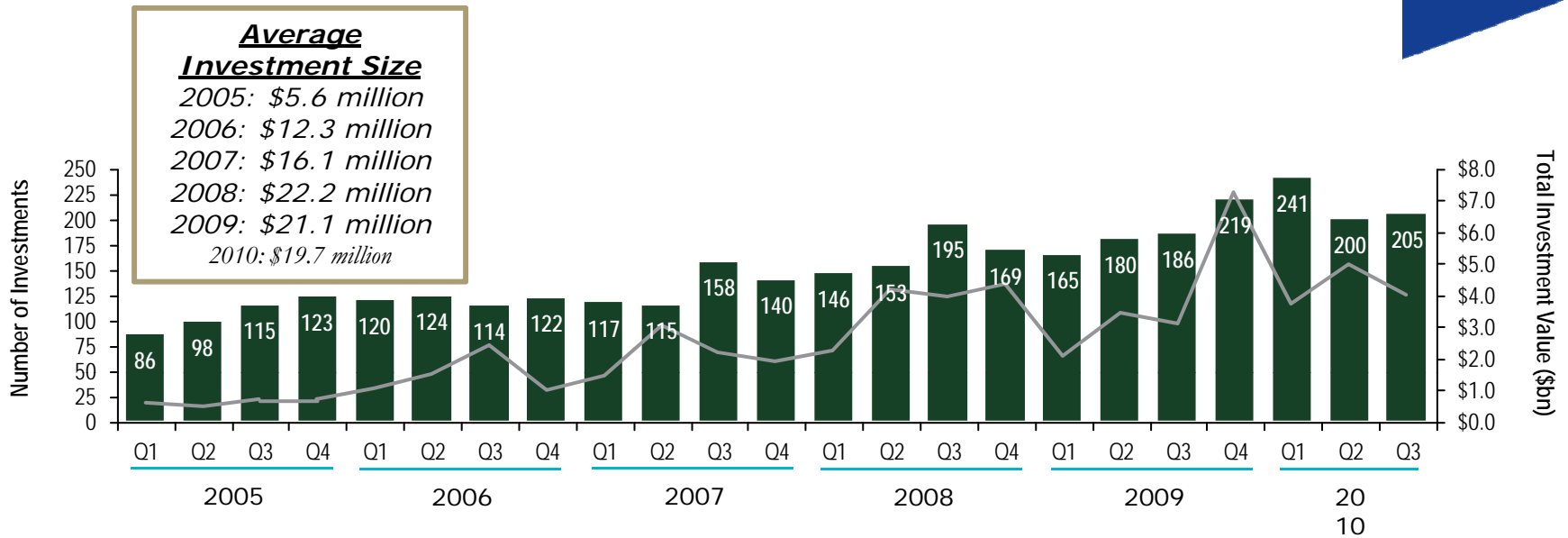


Clean Tech IPO Performance (Offer to Current)

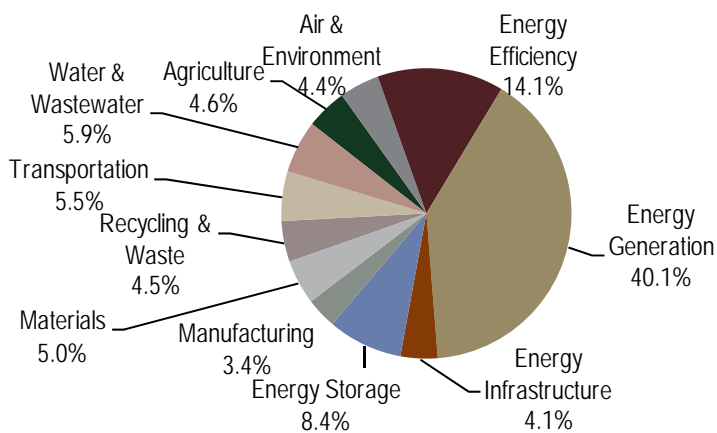


Source: Dealogic. As of November 26, 2010.

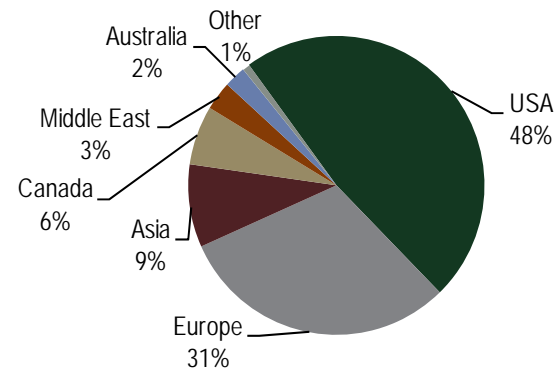
Cleantech Venture Capital Activity



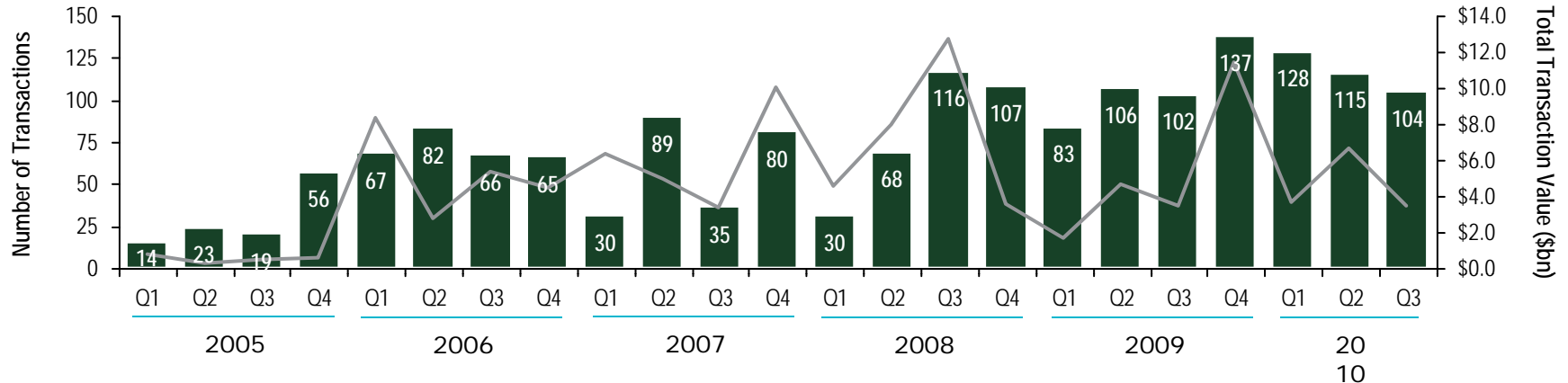
Number of Investments by Industry Since 2005



Number of Investments by Region Since 2005

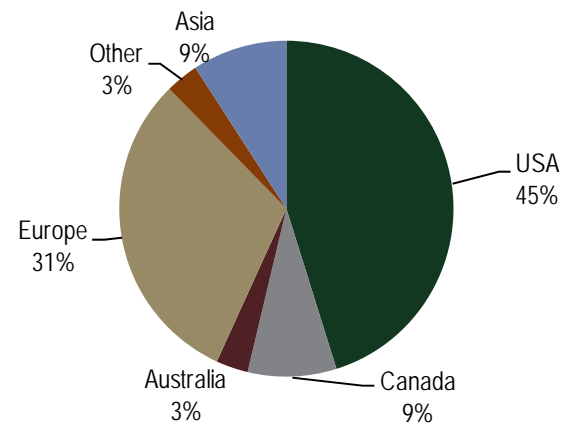
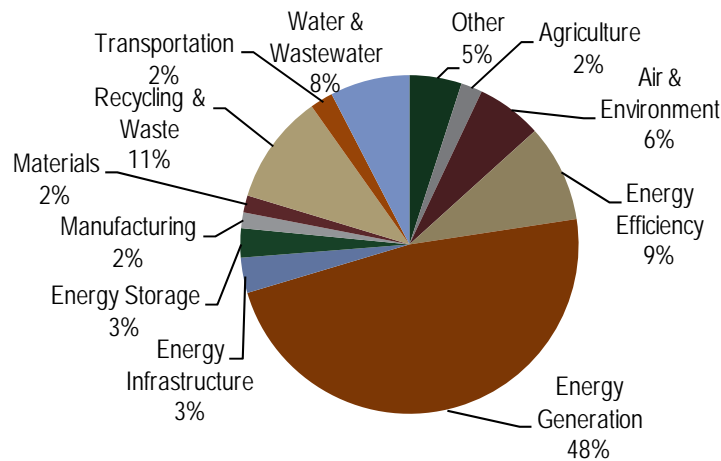


Cleantech M&A Activity



Number of Acquisitions by Industry Since 2005

Number of Acquisitions by Region Since 2005



Select Recent Cleantech Buyers

BAIRD

Cleantech

ENERNOC

First Solar

Landis
Gyr+

SILVERSPRING
NETWORKS

SUNPOWER

TENDRIL

Utilities / IPPs

AREVA

Constellation
Energy

Duke
Energy

NEXTERA
ENERGY
RESOURCES

NRG

Industrial / Other

ABB

COOPER

EMERSON

GE

Honeywell

Johnson
Controls

SIEMENS

VEOLIA
ENVIRONNEMENT

Technology

CISCO

IBM

ORACLE

SAP

SHARP



Questions and Answers

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