



- **Altira forms private equity division to focus on climate protection projects**
- **High return prospects in generating and selling climate protection credits**
- **Assets under management in this area to rise to some hundred million by the end of 2008**

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Altira AG (ISIN: DE0001218063), one of Germany's fastest growing asset management boutiques, has founded Climate Solutions Management GmbH. The new subsidiary intends to assume a leading role in the private equity segment for renewable energies, climate protection projects and related investment areas within the next five years. Climate Solutions Management also already has its first investment vehicle: eolutions GmbH & Co. KGaA ([www.eolutions.de](http://www.eolutions.de)).

Several seed investors invested €17 million in eolutions at the beginning. Other fundraising activities targeting especially institutional investors are scheduled to take place soon. Altira is planning to manage assets of at least €75 million in this segment by the end of the year, and this figure is expected to rise to more than hundred million by the end of 2008. The management believes that significantly larger volumes are possible in the medium term. From 2008, the newly created subsidiary will also make a significant contribution to Altira's earnings. Investments in this segment are largely uncorrelated to traditional equity and bond investments and thereby enable Altira AG, which will receive indirect remuneration through Climate Solutions Management GmbH in the form of fixed fees and performance fees, to diversify and stabilise its income flows further.

### **About climate change**

The United Nations' climate report published in early February presented climate change as an undisputed fact for the first time. This has drastic consequences. Even if no more greenhouse gases such as CO<sub>2</sub> (carbon dioxide) were released into the atmosphere from this day on, the climate would continue to get warmer for centuries to come. One of the key triggers of this climate change is the concentration of greenhouse gases in the atmosphere. CO<sub>2</sub> is considered to be one of the most important greenhouse gases. The rate of emissions has accelerated in recent years. According to a study by the Energy Information Administration, while emissions rose by an average of 0.8 percent per year from 1980 to 1999, they rose by an annual average of 3.2 percent between 2000 and 2005.

Although most experts share the opinion that climate change is fundamentally irreversible, a rapid reduction of greenhouse gas emissions – particularly CO<sub>2</sub> – can significantly lessen the consequences. At the same time, new technologies can help people to deal with the changing environmental conditions. Since the Kyoto Protocol was passed, trading in emissions rights has therefore become a key instrument for reducing environmentally harmful greenhouse gases. A central instrument in the Kyoto Protocol is the clean development mechanism, which allows acquisitions of emission reduction certificate for participation in climate protection projects in emerging economies.

### **Investment strategy of ecolutions**

ecolutions therefore primarily invests in projects all over the world that aim to reduce CO<sub>2</sub> emissions or to absorb CO<sub>2</sub>. Under the Kyoto Protocol, the operators of such projects receive so-called climate protection credits (emission rights certificates), which can later be sold for profit on European and other trading systems, though most sales are OTC to institutional customers. Examples of projects include sealing waste disposal sites, solar power facilities, biomass power stations and biofuels, particularly in emerging and developing economies. At present, clear double-digit returns are possible in this area. At other development stages, ecolutions will also invest in projects

and companies that either profit from changing climate conditions or that offer solutions for the problems they create.

Peter Brumm, CEO of Altira AG said: "The climate change that we have all played a part in inducing will pose humanity with a great many challenges and fundamentally change our world – economically, ecologically, (geo) politically and sociologically. At the same time, however, the fight against climate change, the complete reorganisation of energy provision it entails and the complex effect on practically all areas of the economy offer enormous opportunities – both financially and ethically/socially."

His colleague on the Board of Management Christian Angermayer added: "It is in the nature of business person to seize change as an opportunity. In the next 50 years, climate change will affect many areas of the economy – as well as a huge number of humanity's customs, dogmas and paradigms. The old will come to an end and a new system will be created, and we wish to play an active role right on the front lines."

### **About ALTIRA**

Altira is a diversified asset management group that operates in the investment classes of private equity, public equity and real estate with several independent subsidiaries. Altira sees itself as a growth platform whose network, infrastructure, management expertise and capital resources can be used by the various asset management models without them having to give up their own identity. In return, Altira is broadly diversified across various investment classes and customer groups and can thereby achieve highly stable corporate revenues.

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