



Impax Group plc announces first closing of a €125 million fund to invest in renewable energy projects

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Impax Group plc (“Impax” or the “Group”), the AIM-quoted asset management and financial advisory business specialised in the environmental markets sector has announced the successful launch and first closing of Impax New Energy Investors LP (the “New Energy Fund”), a private equity fund targeting investments in projects in the renewable energy and related sectors, predominantly in Western Europe.

The New Energy Fund, which will be managed by Impax Asset Management Ltd. (a wholly-owned Impax subsidiary), aims to exploit the significant investment opportunities in Europe arising from favourable regulations, including binding targets for renewable energy supply.

The New Energy Fund’s first closing at €60 million has been supported by Dexia Crédit Local, the sponsoring investor and a prominent provider of finance to the energy and infrastructure sectors in Western Europe, together with several other major financial institutions. Impax, assisted by Dresdner Kleinwort Wasserstein, the lead placement agent, will continue to market the fund to new investors with the aim of reaching the target fund size of at least €125 million within twelve months.

The fund’s investment team will be led by Director of Investments, Peter Rossbach, who has 18 years experience in energy project finance.

Mr Rossbach said: “We are excited about the prospects for the New Energy Fund and have already identified many attractive investment opportunities. We are particularly interested in small to medium sized project sponsors where we can add value to the project, and in equity recycling opportunities.”

Mr Rossbach noted that the investment agenda of the New Energy Fund is to invest in companies with generation assets in the renewable energy and related sectors. The New Energy Fund may invest in construction or operating assets, as well as acquisitions of such assets. The New Energy Fund may invest in development stage businesses on a very limited basis, and usually only in connection with the funding of construction or operation assets.

The Fund’s typical investment amount will be €10-15 million per transaction. Subject to capital structure, the assets of the investee company are likely to range from 40MW to 200MW in total capacity.

The investment instruments favoured by the New Energy Fund will include both mezzanine and equity investments, with the option to invest as majority, minority or as sub-debt investor.

Impax was established in 1994. Impax Group plc listed on London’s Alternative Investment Market in July 2001. The New Energy Fund takes the Group’s funds under management and advisory to over £150 million, making it one Europe’s biggest and most experienced investors in renewables and other environmental technologies.

Dexia has a strategic objective of supporting sustainable development. In this context, it developed a strong capability in the financing of renewable energy projects, of which it has financed more than 40 in 9 different countries. It received twice the Infrastructure Journal award of "Renewables Arranger of the Year" in 2003 and 2004.

Mr Rossbach added, "We welcome the backing of Dexia, our sponsoring investor, in its first co-operative effort with Impax. Dexia's support has been important for the first closing and should assist with the investment prospects of the Fund as well."

Mr Patrick Blanchard, Global Head of Project & Sectorial Finance, said, "Dexia's sponsoring of the New Energy Fund is part of a continued and growing support for the renewable energy sector, and as a complement its lending and advisory activities."

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