

Zurich, August 28, 2008

## **SPG 2008 semiannual report**

- **Due to the challenging market environment, the leading investment company for sustainability investments, Sustainable Performance Group (SPG), was unable to follow through on its successful performance in the previous years.**
- **During the first half of 2008, the share price of SPG declined by 21.8% (30.6.2007: +20.9%), while its MSCI World ex Financials benchmark index recorded a 16.4% loss (30.6.2007: +11.6%).**
- **SPG is convinced that it is well positioned with its diversification in four future-oriented investment themes – energy, water, healthy living and resource efficiency – as well as its focus on small- to medium-sized companies. The attractive valuation of the companies in SPG’s portfolio and their promising growth outlook are grounds for confidence as the years progress.**
- **On May 13, 2008, SPG successfully placed the first sustainability-based convertible bond issue (volume: CHF 50 million). Not only was this the first CHF-denominated convertible bond to be issued in the Swiss capital market this year, it was also the world's first-ever CHF-denominated sustainability convertible bond. The strong demand for the issue underscores investors’ great interest in the investment strategy of SPG.**

The first half of 2008 was a challenging period for the global financial markets. The subprime crisis that emanated from the USA exerted a negative influence on equities throughout the world. Uncertainty and fear among investors that banks might have to take further writedowns on mortgage loans, combined with a sharp increase in energy and commodity prices that could lead to an economic slowdown, prevented any major recovery in the international equity markets.

Although SPG does not invest in the shares of financial services companies, its shares were unable to escape the generally unfavorable market conditions. The stock declined by 21.8% during the first half of 2008 (30.6.2007: +20.9%).

Although this is by no means a gratifying short-term development, SPG is convinced that the investment themes of energy, water, healthy living and resource efficiency offer above-average growth potential. The relevance of those four strategic areas of focus does not come into question because of the subprime crisis. Rather, the recent discussions at the G-8 summit in Japan attest to the fact that the problems surrounding global warming, as well as the issues of energy and water availability, have not lost their importance. A huge market is open to those innovative companies that develop and offer efficient and cost-effective solutions for reducing gases that are harmful to the environment. Moreover, the leap up to USD 140/bbl in crude oil prices during the first half of 2008 clearly points out that renewable and environmentally friendly energy sources as well as technologies for increasing energy efficiency are part of the future.

**Prof. Dr. Ernst A. Brugger, Chairman of the Board of SPG:** "Our continually updated analyses show that, with the strategic focus of SPG, we are well positioned to benefit over the long term and at an above-average rate from the opportunities that arise in connection with climate change and the shortage of natural resources. Thanks to our highly professional research and portfolio management, years of experience, and the international network of SAM and SPG, we are optimistic about our medium- and long-term outlook."

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**Agenda 2009:**

12<sup>th</sup> annual general meeting of shareholders: May 7, 2009

**For further information:**

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**Sustainable Performance Group AG (SPG)** is the world's first listed investment company for sustainability investments. SPG is an investment vehicle that enables private and institutional investors to benefit from the attractive growth outlook for sustainable megatrends. SPG combines the future-oriented themes of energy, water, healthy living and resource efficiency in a single share. SPG's strategic focus is aimed at incorporating these growth themes in a diversified portfolio and investing in promising small- and medium-sized companies throughout the world that are involved in those fields. The portfolio is supplemented up to a maximum of 10% with direct investments in young unlisted companies (private equity). Sustainable Asset Management AG acts as investment advisor to SPG.

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Investing in investment companies involves specific risks. Prior to investing in the convertible bonds or SPG, all interested investor should carefully study the prospectus and the "Risk Factors and Investment Considerations" set forth therein.