

SPG PUBLIC INVESTMENTS LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2010

SPG PUBLIC INVESTMENTS LIMITED

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SPG PUBLIC INVESTMENTS LIMITED

MANAGEMENT AND ADMINISTRATION

Directors:

David Copperwaite
Richard Stapley
Ernst A. Brugger

Registered Office:

Trafalgar Court,
Les Banques,
St. Peter Port,
Guernsey
GY1 3QL

Secretary, Registrar and Administrator:

Northern Trust International Fund Administration
Services (Guernsey) Limited,
PO Box 255,
Trafalgar Court,
Les Banques,
St. Peter Port, Guernsey,
GY1 3QL

Manager & Investment Adviser:

SAM Sustainable Asset Management AG,
Josefstrasse 218,
8005 Zurich,
Switzerland

Independent Auditors:

PricewaterhouseCoopers CI LLP,
Royal Bank Place,
1 Glatigny Esplanade,
St Peter Port,
Guernsey
GY1 4ND

Global Custodian:

Credit Suisse Asset Management,
Paradeplatz 8,
8001 Zurich,
Switzerland

SPG PUBLIC INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

For the year ended 31 December 2010

The Directors present their Annual Report and the Audited Financial Statements of SPG Public Investments Limited (the "Company") for the year ended 31 December 2010.

Registration

The Company was incorporated and registered under the laws of Guernsey on 13 October, 2006 and is domiciled in Guernsey.

Principal Activity

The principal activity of the Company is to carry on the business of an investment holding company and to invest the capital and other monies of the Company in the purchase of, or upon the security, of shares, stocks, debentures, bonds, mortgages, obligations and securities of any kind issued by any company, corporation or undertaking of whatever nature or issued or guaranteed by any government, sovereign, ruler, authority or other body of whatever nature.

On 9 May 2008, the Company issued a convertible bond listed on the SIX Swiss Exchange. The gross proceeds to the Company amounted to CHF50 million before commission and transaction costs.

Results and Dividend

The results for the year are set out in the Statement of Comprehensive Income on page 8. Details of dividends declared and approved are disclosed in note 6 of the Financial Statements.

Directors

The Directors of the Company during the year are as set out on page 2.

Statement of Directors' Responsibilities in Respect of the Financial Statements

The Directors are responsible for preparing the Financial Statements for each financial year which gives a true and fair view, in accordance with applicable Guernsey law and International Financial Reporting Standards, of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these Financial Statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with The Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Statement

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

SPG PUBLIC INVESTMENTS LIMITED

REPORT OF THE DIRECTORS (continued)

For the year ended 31 December 2010

The maintenance of the SPG AG website, on which these Financial Statements are made available is the responsibility of the Directors of SPG AG. The work carried out by the auditors of SPG Public Investments Limited does not involve consideration of the website and accordingly, the Auditors accept no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website. Legislation in Guernsey governing the presentation and dissemination of Financial Statements may differ from the legislation in other jurisdictions.

Directors' Interests

There are no existing or proposed service contracts between any of the Directors and the Company. The Directors were appointed by the initial shareholders in accordance with the Articles of Incorporation. As at 31 December 2010, no Directors held any shares of the Company.

At 31 December 2010, Dr Ernst Brugger, a Director of the Company held 1,089 shares (2009: 696) in the Company's parent, Sustainable Performance Group AG; a company listed on the SIX Swiss Exchange.

Independent Auditors

PricewaterhouseCoopers CI LLP have indicated their willingness to continue in office. Accordingly, a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



David Copperwaite



Richard Stapley

8 April 2011

SPG PUBLIC INVESTMENTS LIMITED

INVESTMENT PORTFOLIO

As at 31 December 2010

Listed investment securities	Holding	Fair Value CHF	% of Net Asset Value
Advanced Battery Technologies	240,000	859,023	0.69
Aecom Technology	115,000	2,998,146	2.40
American Water Works	170,000	4,007,377	3.20
Ansaldo	150,000	1,997,608	1.60
Atrium Innovations	300,000	4,277,538	3.42
Avon Products	80,000	2,166,946	1.73
Canadian Solar	270,000	3,113,121	2.49
Celestial Nutrifoods*	10,000,000	-	-
CEMIG	220,000	3,401,978	2.72
Centrotec Sustainable	170,000	3,390,619	2.71
Chaoda Modern Agriculture	4,285,000	2,995,414	2.39
China Green	3,501,000	3,190,386	2.55
Covanta	130,000	2,082,964	1.66
Danaher	48,000	2,109,529	1.69
Ecolab	50,000	2,349,824	1.88
EDP Renovaveis	250,000	1,355,810	1.08
Gamesa	145,000	1,035,680	0.83
Geberit	16,000	3,459,200	2.76
Green Mountain Coffee	150,000	4,594,321	3.67
Guangdong Investment	3,000,000	1,438,861	1.15
Hanfeng Evergreen	300,000	1,674,431	1.34
Hera Spa	900,000	1,699,373	1.36
Iberdrola Renovables	750,000	2,489,976	1.99
Insituform Technologies	105,000	2,594,547	2.07
ITC Holdings	50,000	2,888,578	2.31
Johnson Controls	125,000	4,450,777	3.56
Kellogg	48,000	2,285,360	1.83
Konnikliijke	50,000	2,663,790	2.13
KSB	6,000	4,366,603	3.49
Kurita Water Industries	100,000	2,938,635	2.35
Landi Renzo	550,000	2,049,502	1.64
Linde AG	20,000	2,847,295	2.27
Maxwell Technologies	240,000	4,225,768	3.38
Mylan	240,000	4,722,391	3.77
Noble	117,000	3,898,741	3.12
Novo Nordisk	40,000	4,221,832	3.37
Novozymes	25,000	3,259,503	2.60
Oriflame Cosmetics	42,000	2,061,398	1.65
Quanta Services	210,000	3,897,203	3.11
Rubicon Technology	80,000	1,571,893	1.26
Shanks	1,400,000	2,553,849	2.04
Sonova	17,000	2,051,900	1.64
SPG AG#	66,831	10,499,150	8.39
Stantec	124,300	3,233,330	2.58
Suez Environnement	180,000	3,477,526	2.78
SunOpta	250,000	1,822,255	1.46
Symrise	110,000	2,808,780	2.24
Thermo Fisher Scientific	110,000	5,676,116	4.54
Trina Solar	170,000	3,704,725	2.96
Waste Management	97,000	3,333,553	2.66
Wavin	137,500	1,939,462	1.54

SPG PUBLIC INVESTMENTS LIMITED

INVESTMENT PORTFOLIO

As at 31 December 2010

		Fair Value CHF	% of Net Asset Value
Listed investment securities	Holding		
Yingli Green Energy	450,000	4,135,728	3.31
Zumtobel	80,000	2,076,262	1.66
Total Investments		<hr/> 158,944,577	<hr/> 127.02
Cash at bank and other net liabilities		(33,814,457)	(27.02)
Total Net Assets		<hr/> 125,130,120 <hr/>	<hr/> 100.00 <hr/>

*See disclosures in note 17 detailing the valuation basis for Celestial Nutrifooods.

#As of 31 December 2010, no shares of SPG AG (2009: 3,285) were lent to third parties.

SPG PUBLIC INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPG PUBLIC INVESTMENTS LIMITED

Report on the financial statements

We have audited the accompanying financial statements of SPG Public Investments Limited which comprise the Statement of Financial Position as of 31 December 2010 and the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of Guernsey law. The Directors are also responsible for such internal control as they determine necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion


In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

Report on other legal and regulatory requirements

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information is as detailed in the table of contents.

In our opinion the information given in the Report of the Directors is consistent with the financial statements.

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.


PricewaterhouseCoopers CI LLP

Chartered Accountants
Guernsey, Channel Islands

15 April 2010

SPG PUBLIC INVESTMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2010

	Notes	Year ended 31 December 2010 CHF	Year ended 31 December 2009 CHF
Income			
Dividend income	5	2,586,716	2,101,407
Bank interest income	5	5,542	12,445
Interest income on intercompany loans	5	548,076	640,887
Securities lending income	5	4,263	369
Net (losses)/gains on financial assets at fair value through profit or loss	1&3	(12,578,042)	40,944,116
Net losses on financial liabilities at fair value through profit or loss	1&3	(500,000)	(8,000,000)
Foreign exchange (losses)/gains	1&4	(1,973,374)	727,461
Total (deficit)/income		(11,906,819)	36,426,685
Expenses			
Management fee	14	1,525,968	1,556,166
Transaction charges		199,316	391,199
Administration fee	15	133,225	140,888
Custodian fee		73,294	65,987
Audit fee		37,047	35,446
Directors fees		49,242	40,287
General expenses		42,543	(10,416)
Coupon on convertible bonds		1,000,000	1,000,000
Total operating expenses		3,060,635	3,219,557
Net (loss)/profit from operations		(14,967,454)	33,207,128
Taxation	7	(560,333)	(519,646)
Total comprehensive (deficit)/income for the year after tax		CHF (15,527,787)	32,687,482
(Loss)/earnings per Ordinary Share - Basic and diluted	2	CHF (3,882)	8,172

The Company does not have any components of other comprehensive income. Therefore, comprehensive income is equal to net profit/(loss) reported for all periods presented.

All the items in the above statement derive from continuing operations.

The notes on pages 12 to 27 form part of these Financial Statements.

SPG PUBLIC INVESTMENTS LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2010

	Notes	Year ended 31 December 2010 CHF	Year ended 31 December 2009 CHF
ASSETS			
Non current assets			
Financial assets at fair value through profit or loss	8	158,944,577	178,221,840
Current assets			
Loan to SPG Private	14	11,031,620	11,385,542
Receivables	9	1,759,134	1,209,973
Cash and cash equivalents	1	3,839,413	1,923,044
		<u>16,630,167</u>	<u>14,518,559</u>
Total assets		<u><u>175,574,744</u></u>	<u><u>192,740,399</u></u>
EQUITY			
Share Capital	12	9,086	9,086
Distributable reserves	13	242,867,322	244,867,322
Revenue Reserves	13	(117,746,288)	(102,218,501)
		<u>125,130,120</u>	<u>142,657,907</u>
LIABILITIES			
Non-current liabilities			
Financial liabilities at fair value through profit or loss	11	49,500,000	49,000,000
Current liabilities			
Payables	10	944,624	1,082,492
Total liabilities		<u>50,444,624</u>	<u>50,082,492</u>
Total Equity and Liabilities		CHF <u><u>175,574,744</u></u>	<u><u>192,740,399</u></u>

The Financial Statements on pages 8 to 27 were approved by the Board of Directors on 8 April 2011 and signed on its behalf by:


David Copperwaite


Richard Stapley

The notes on pages 12 to 27 form part of these Financial Statements.

SPG PUBLIC INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2010

	Notes	Year ended 31 December 2010 CHF	Year ended 31 December 2009 CHF
Net assets attributable to holders of ordinary shares at the start of the year		142,657,907	111,970,425
(Decrease)/increase in net assets attributable to holders of ordinary shares	13	(15,527,787)	32,687,482
Distributions to holders of ordinary shares	6	(2,000,000)	(2,000,000)
(Decrease)/increase in net assets attributable to holders of ordinary shares from operations (after distributions)		<u>(17,527,787)</u>	<u>30,687,482</u>
Net assets attributable to holders of ordinary shares at the end of the year		<u><u>125,130,120</u></u>	<u><u>142,657,907</u></u>

The notes on pages 12 to 27 form part of these Financial Statements.

SPG PUBLIC INVESTMENTS LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2010

	Year ended 31 December 2010 CHF	Year ended 31 December 2009 CHF
Cash flows from operating activities		
Interest income	5,542	12,445
Dividend income	2,586,716	2,101,407
Withholding tax	(560,333)	(519,646)
Other operating income	552,339	641,256
Operating expenses	(2,060,635)	(2,219,557)
Foreign exchange (losses)/gains	(1,849,803)	466,937
Increase in receivables and payables	(687,029)	(649,650)
Premium from issue of options	-	415,810
Proceeds from sale of securities	79,281,387	110,119,503
Purchase of securities	(72,582,166)	(110,308,095)
Net cash inflow from operating activities	<u>4,686,018</u>	<u>60,410</u>
Cash flow from investing activities		
Loan to SPG Private	353,922	(2,073,065)
Net cash inflow/(outflow) from investing activities	<u>353,922</u>	<u>(2,073,065)</u>
Cash flow from financing activities		
Dividend paid	(2,000,000)	(2,000,000)
Interest expense on convertible bond	(1,000,000)	(1,000,000)
Net cash outflow from financing activities	<u>(3,000,000)</u>	<u>(3,000,000)</u>
Foreign exchange differences on cash and cash equivalents	(123,571)	260,524
Increase/(decrease) in cash and cash equivalents	2,039,940	(5,012,655)
Cash and cash equivalents at start of the year	1,923,044	6,675,175
Cash and cash equivalents at end of the year	<u><u>3,839,413</u></u>	<u><u>1,923,044</u></u>

The notes on pages 12 to 27 form part of these Financial Statements.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

GENERAL INFORMATION

SPG Public Investments Limited (the 'Company') is domiciled and incorporated under the laws of Guernsey. The address of its registered office is Trafalgar Court, Les Banques, St. Peter Port, Guernsey.

The Company's investment activities are managed by SAM Sustainable Asset Management AG (the 'Investment Manager and Adviser') with the administration delegated to Northern Trust International Fund Administration Services (Guernsey) Limited.

These Financial Statements were authorised for issue by the Board of Directors on 8 April 2011.

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently with items which are considered to be material in relation to the Company's Financial Statements.

Basis of Preparation

The Financial Statements of SPG Public Investments Limited have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the International Accounting Standards Board (IASB).

The Financial Statements have been prepared on a historical cost basis except for the measurement of financial assets and financial liabilities at fair value through profit or loss.

The accounting policies adopted are consistent with those of the previous financial year.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2010, but are not currently relevant for the Company.

- IAS 27 (Revised) - Consolidated and Separate Financial Statements
- IAS 39 (Amendment) - Financial Instruments: Recognition and Measurement - Eligible Hedged Items
- IFRS 2 (Amendment) - Share-Based Payments - Group Cash-Settled Share-Based Payment Transaction
- IFRS 3 (Revised) - Business Combinations
- IFRIC 9 - Reassessment of Embedded Derivatives
- IFRIC 17 - Distributions of Non-Cash Assets to Owners
- IFRIC 18 - Transfer of Assets from Customers

Adoption of standards

At the date of authorisation of these financial statements the following standards amendments and interpretations were in issue but not yet effective and were not early adopted in these Financial Statements:

- IAS 24 (Revised) - Related Party Disclosures (Effective from 1 January 2011)
- IAS 32 (Amendment) - Financial Instruments: Presentation - Classification of Rights Issues (Effective from 1 February 2010)
- IFRS 9 - Financial Instruments: Classification and Measurement (Effective from 1 January 2013)
- IFRIC 14 - Prepayments of a Minimum Funding Requirement (Effective from 1 January 2011)
- IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments (Effective from 1 July 2010)

The financial information in these Financial Statements has been prepared on the basis of standards applicable as at 31 December 2010, therefore the above standards and interpretations have not been applied. The directors are of the opinion that the adoption of these standards in future periods will have no material financial and disclosure impact on the Financial Statements of the Company.

Functional and presentation currency

The Board of Directors considers the swiss franc as its functional currency as it is the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The swiss franc is the currency in which the Company measures its performance and reports its results. This determination also considers the competitive environment in which the Company is compared to other Swiss investment products. The presentation currency of the Company is also swiss francs.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

1. ACCOUNTING POLICIES (continued)

Foreign Exchange

Transactions in currencies other than the functional currency are recorded using the exchange rate prevailing at the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and those from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Translation differences on non-monetary items such as financial assets and liabilities held at fair value through profit or loss are reported as part of net gains or losses on financial assets through profit or loss in the Statement of Comprehensive Income.

Financial assets and financial liabilities at fair value through profit or loss

(a) Classification

The Company classifies its investments in debt and equity securities, and related derivatives, as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are classified as held for trading or designated by the Board of Directors at fair value through profit or loss at inception.

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purposes of selling or repurchasing in the short term. These financial assets and liabilities are expected to be realised within 12 months of the statement of financial position date.

Derivatives are also categorised as financial assets or financial liabilities held for trading. The Company does not classify any derivatives as hedges in a hedging relationship.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the Company's documented investment strategy. The Company's policy is for the Investment Manager and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

(b) Recognition/derecognition

Regular-way purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires.

(c) Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Statement of Comprehensive Income. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Comprehensive Income in the period in which they arise. Interest income/expense from financial assets and financial liabilities at fair value through profit or loss is recognised in the Statement of Comprehensive Income on an accrual basis. Dividend income from financial assets at fair value through profit or loss is recognised in the Statement of Comprehensive Income within dividend income when the Company's right to receive payment is established.

(d) Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Company is the closing bid price; the appropriate quoted market price for financial liabilities is the closing ask price.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

1. ACCOUNTING POLICIES (continued)

Borrowings

Borrowings with the exception of those designated at fair value through profit or loss at inception are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate method.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's Statement of Financial Position when the Company became a party to the contractual provisions of the instrument. Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate method.

Services settled in equity instruments

Services received in exchange for an equity-settled share-based payment are measured directly at their fair value and are recognised on an accruals basis.

Cash and cash equivalents

Cash and cash equivalents comprises cash balances and short term deposits.

Income

Investment income is accounted for when the right to receive payment is established. Investment income is included gross of any applicable withholding tax. Income from bank deposits is accounted for on an effective yield basis and securities lending is accounted for on an accruals basis.

Expenses

All expenses, including management fees and custodian fees, are recognised in the Statement of Comprehensive Income on an accruals basis.

Transaction costs are costs incurred to acquire financial assets or financial liabilities at fair value through profit or loss. Transaction costs when incurred are immediately recognised in the Statement of Comprehensive Income as an expense.

Taxation

The Company is taxed at the Guernsey company standard rate of 0%. As the Company is wholly owned by non-Guernsey resident shareholders, withholding tax on deemed and actual distributions will be at the company standard rate of tax of 0%.

Withholding tax may be charged on dividend income received by the Company at time of payment. The withholding tax charged for the period is detailed in Note 7.

2. EARNINGS PER ORDINARY SHARE

The basic and diluted earnings per ordinary share has been calculated on a weighted average basis and is arrived at by dividing the decrease in Net Assets attributable to holders of Ordinary Shares for the year, CHF 15,527,787 (2009: increase of CHF 32,687,482) by the weighted average number of Ordinary Shares in issue, 4,000 (2009: 4,000).

There are no instruments which are convertible into potential ordinary shares of the Company in existence at 31 December 2010.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

3. NET LOSSES ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS	Year ended 31 December 2010 CHF	Year ended 31 December 2009 CHF
Financial assets		
Premium from issue of options	-	415,810
Gains/(losses) realised on investments sold during the year	1,809,126	(64,284,563)
Unrealised (losses)/gains arising from changes in fair value during the year	(14,387,168)	104,812,869
Net (losses)/gains on financial assets at fair value through profit or loss	<u>(12,578,042)</u>	<u>40,944,116</u>
Financial liabilities		
Unrealised losses arising from changes in fair value during the year	<u>(500,000)</u>	<u>(8,000,000)</u>
 4. FOREIGN EXCHANGE (LOSSES)/GAINS		
	Year ended 31 December 2010 CHF	Year ended 31 December 2009 CHF
Foreign exchange (losses)/gains	(1,973,374)	727,461
	<u>(1,973,374)</u>	<u>727,461</u>
 5. INCOME		
	Year ended 31 December 2010 CHF	Year ended 31 December 2009 CHF
Income from securities designated at fair value through profit or loss:		
Dividend income	2,586,716	2,101,407
Securities lending income	4,263	369
Income from financial assets which are not at fair value through profit or loss:		
Interest on intercompany loans	548,076	640,887
Bank interest income	5,542	12,445
	<u>3,144,597</u>	<u>2,755,108</u>

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

6. DIVIDENDS TO HOLDERS OF ORDINARY SHARES

The following dividends to holders of ordinary shares were declared and approved during the year:

31.12.2010

Date	No. of ordinary shares	Dividend per share	CHF
07-May-10	4,000	250	1,000,000
11-Nov-10	4,000	250	1,000,000

31.12.2009

Date	No. of ordinary shares	Dividend per share	CHF
27-May-09	4,000	250	1,000,000
28-Aug-09	4,000	250	1,000,000

7. TAXATION

	Year ended 31 December 2010 CHF	Year ended 31 December 2009 CHF
Withholding tax	560,333	519,646

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2010 CHF	31 December 2009 CHF
Fair value at beginning of year	178,221,840	137,504,942
Cost of investments:		
Additions	72,582,166	110,308,095
Disposals	(77,472,261)	(174,404,066)
Unrealised (losses)/gains for the year	(14,387,168)	104,812,869
Fair value at end of year	158,944,577	178,221,840

9. RECEIVABLES

	31 December 2010 CHF	31 December 2009 CHF
Interest receivable on intercompany loan	1,544,293	1,171,268
Dividends receivable	212,164	38,336
Other receivables	2,677	369
	1,759,134	1,209,973

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

10. PAYABLES

	31 December 2010	31 December 2009
	CHF	CHF
Management fees	248,478	422,330
Administration fees	36,434	-
Audit fees	31,000	22,000
Directors' fees	12,690	19,373
Other accruals	-	2,767
Accrued interest on convertible bonds	616,022	616,022
	<u>944,624</u>	<u>1,082,492</u>

11. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2010	31 December 2009
	CHF	CHF
Fair value at the beginning of year	49,000,000	41,000,000
Unrealised losses on convertible bond	500,000	8,000,000
	<u>49,500,000</u>	<u>49,000,000</u>

On 9 May 2008, the Company launched the issue of a convertible bond listed on the SIX Swiss Exchange. The issue is guaranteed by Sustainable Performance Group ("SPG AG") and the gross proceeds to the Company amount to CHF50 million before commissions and transaction costs. The nominal value of each bond is CHF5,000 and carries a 2% coupon payable yearly on 20 May. The convertible bond matures on 20 May 2013.

Each bond entitles the holder to convert to one ordinary share of the guarantor, SPG AG, at a cost of CHF423 per share and conversion can occur any time between 30 June 2008 to 15 May 2013. The bond can be converted into a maximum of 118,203 SPG bearer shares drawn from conditional capital or treasury shares.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

12. SHARE CAPITAL

	CHF
Authorised Share Capital	
Unlimited number of ordinary shares of no specified value	-
	-

Issued and fully paid	Number of shares		Share Capital	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
<i>Ordinary Share Capital</i>				
In issue at the start of the year	4,000	4,000	9,086	9,086
Issued during the year	-	-	-	-
In issue at 31 December	<u>4,000</u>	<u>4,000</u>	<u>9,086</u>	<u>9,086</u>

The Company has the power to issue shares of different types which have a nominal or par value or issue shares of no specified value and can issue an unlimited number of shares.

13. RESERVES

	Distributable Reserves CHF	Revenue Reserves CHF	Total CHF
Balance at start of the year	246,867,322	(134,905,983)	111,961,339
Movement during the year	-	32,687,482	32,687,482
Dividends paid during the year	(2,000,000)	-	(2,000,000)
Balance at 31 December 2009	<u>244,867,322</u>	<u>(102,218,501)</u>	<u>142,648,821</u>
Balance at start of the year	244,867,322	(102,218,501)	142,648,821
Movement during the year	-	(15,527,787)	(15,527,787)
Dividends paid during the year	(2,000,000)	-	(2,000,000)
Balance at 31 December 2010	<u>242,867,322</u>	<u>(117,746,288)</u>	<u>125,121,034</u>

Under The Companies (Guernsey) Law 2008 all other reserves are considered distributable reserves.

14. RELATED PARTY TRANSACTIONS

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions as defined by IAS 24.

(i) Directors

The Directors are responsible for the overall control, management and supervision of the Company's affairs and are responsible for the overall implementation of the investment objective and policies of the Company.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

14. RELATED PARTY TRANSACTIONS (continued)

(i) Directors (continued)

The Company has three directors, all independent of the Adviser other than Mr Brugger who is a member of SAM Sustainable Asset Management AG. Each Director is entitled to a fee of £10,000.

(ii) Investment Advisory Fee

Under the terms of the Investment Advisory Agreement dated 1 January 2007, the Company shall pay to SAM Sustainable Asset Management AG consideration consisting of (i) a basic fee, (ii) a performance fee and (iii) expenses.

(i) The basic fee amounts to a percentage fee payable at the end of each calendar quarter of the Cumulative NAV as follows: (i) 1.0 per cent. per annum on Cumulative NAV equal to or below CHF250million; (ii) 0.9 per cent. per annum on Cumulative NAV between CHF250million and CHF400million; and (iii) 0.8 per cent. per annum on Cumulative NAV above CHF400million. For the purpose of calculating the quarterly basic fee, the relevant Cumulative NAV shall be defined as the arithmetic average of the last trading day of each month within the respective quarter of the combined Net Asset Value of SPG Public Investments Limited and SPG Private Investments Limited.

The Investment Advisory Agreement was amended on 25 November 2010 and the basic fee charged is 0.8 per cent. per annum of the Cumulative NAV payable at the end of each calendar quarter with retrospective effect from 1 July 2010.

Total management fees of CHF1,525,968 (2009: CHF1,556,166) has been charged to the Statement of Comprehensive Income during the year of which CHF248,478 (2009: CHF422,330) remained outstanding at the year end.

(ii) The annual performance fee depends on the gain in the Cumulative NAV relative to the MSCI World ex Financials Index (the "Benchmark"). If the Cumulative NAV exceeds the Benchmark by 2 per cent. on an annualised basis, the performance fee comes to 15 per cent. of the portion of the gain which exceeds the annualised excess performance limit of 2 per cent. vis-a-vis the Benchmark.

For the purpose of calculating the annual performance fee, the gain in relevant Cumulative NAV and Benchmark shall be defined as the difference between the year-end value and value at the beginning of the year, divided by the value at the beginning of the year. The value at the beginning of the year is defined as the closing value of the first trading day of the calendar year.

No performance fee is paid for annualised excess performance of less than 2 per cent. The performance fee is reset at the end of each calendar year.

The performance fee is paid 50 per cent. in cash and the other 50 per cent. is in form of shares of Sustainable Performance Group AG, calculated with the closing share price as at the last trading day of the respective calendar year. These shares are subject to a lock-up period of 3 years.

As at 31 December 2010, the criteria for the payment of performance fee has not been reached and no performance fee (2009: CHF Nil) was payable at the year end.

(iii) SPG Private Investments Limited

At 31 December 2010, the Company has loans receivable from SPG Private Investments Limited, a subsidiary of SPG AG amounting to CHF11,031,620 (2009: CHF11,385,542) under the terms of the Inter-Company Loan Agreement between SPG Public Investments Limited and SPG Private Investments Limited. The loans which are unsecured carried interest at 6 per cent. per annum until 21 May 2010 when the interest rate was changed to 4 per cent. per annum. During the year ended 31 December 2010, interest of CHF548,076 (2009: CHF640,887) was earned by the Company and CHF1,544,293 (2009: CHF1,171,268) was receivable at the year end.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

15. ADMINISTRATION FEES

The Company's administrator, secretary and registrar is Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator"). The Administrator is entitled to receive a fixed fee of £80,000 per annum. In addition, the Administrator is entitled to be reimbursed certain expenses incurred in the course of carrying out its duties. During the year to 31 December 2010, administration fees of CHF133,225 (2009: CHF140,888) were charged to the Company and CHF36,434 (2009: CHFNil) was payable at the year end.

16. SEGMENT REPORTING

The Board of Directors makes the strategic resource allocations on behalf of the Company. The Company has determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions.

The Board is responsible for the Company's entire portfolio and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and the Company's performance is evaluated on an overall basis. The breakdown of investments by geographical segment is provided.

The Company trades in a highly diversified portfolio of listed securities with the potential for sustainable value enhancement.

The internal reporting provided to the Board for the Company's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS.

The Company has no assets classified as non-current assets. The Company has a highly diversified portfolio of investments and no single investment accounts for more than 8% of the Company's income. There were no changes in the reportable segments during the year.

	31 December 2010	31 December 2009
	CHF	CHF
Austria	2,076,262	1,625,557
Bermuda	-	1,251,736
Brazil	3,401,978	2,795,777
Canada	14,120,675	16,388,782
Cayman Islands	10,835,867	10,881,772
China	-	4,705,630
Denmark	7,481,335	12,397,226
France	3,477,526	6,532,487
Germany	13,413,297	18,045,161
Hong Kong	4,629,247	3,402,566
Italy	5,746,483	4,441,065
Japan	2,938,635	3,220,232
Luxembourg	2,061,398	-
Netherlands	4,603,252	2,855,108
Norway	-	3,682,833
Spain	4,881,466	7,447,975
Switzerland	16,010,250	18,404,627
United Kingdom	2,553,849	3,120,017
United States of America	60,713,057	57,023,289
Total	<u>158,944,577</u>	<u>178,221,840</u>

Revenue earned is reported separately on the face of the Statement of Comprehensive Income as dividend income, bank interest income, interest income on intercompany loans, securities lending income and net gain or losses on financial instruments.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows financial instruments analysed between those whose fair value is based on:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	31 December 2010			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss				
Investments	158,944,577	-	-	158,944,577
Financial liabilities at fair value through profit or loss				
Convertible bond	49,500,000	-	-	49,500,000
				31 December 2009
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Investments	176,970,104	1,251,736	-	178,221,840
Financial liabilities at fair value through profit or loss				
Convertible bond	49,000,000	-	-	49,000,000

Celestial Nutrifooods has been transferred from Level 2 to Level 3 investments during the year; however the investment has been valued at zero as it has been suspended from trading for over 18 months and had difficulties repaying the early redemption of its bonds. This was approved by the Board on 26 November 2010. Provisional liquidators were appointed to Celestial Nutrifooods on 24 December 2010.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

18. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and market price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Directors review and agree policies with the Manager and Investment Adviser for managing these risks and they are summarised below.

Market price risk

The nature of the business in which the Company is involved, which entails holding a large proportion of total assets in securities, means that the Company is highly exposed to market price risk which arises mainly from the uncertainty about future prices of the securities held by the Company. It represents the potential loss the Company may suffer through holding market positions in the face of price movements. Market price risk is mitigated by the Company's Investment Adviser by constructing a diversified portfolio of securities traded on various markets. The Company's investments are monitored continually by the investment adviser and regularly by the Board of Directors. At the time of investment no more than 15% of investment assets may be invested in securities of the same company. At least each quarter, the Board of Directors are informed about market development, performance and changes in the Portfolio.

	% of net assets valued at bid / ask	
	Fair value	market price
31 December 2010		
Financial assets at fair value through profit or loss	158,944,577	127%
Financial liabilities at fair value through profit or loss	49,500,000	-40%
	% of net assets valued at bid / ask	
	Fair value	market price
31 December 2009		
Financial assets at fair value through profit or loss	178,221,840	125%
Financial liabilities at fair value through profit or loss	49,000,000	-34%

As of 31 December 2010 market price risk is affected by the fluctuation in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. Impact of fluctuation of exchange rates is discussed under currency risk.

As the majority of the Company's financial instruments are carried at fair value with fair value changes recognised in the Statement of Comprehensive Income, all changes in market conditions will directly affect net investment income.

Most of the Company's equity investments are listed on European and American stock exchanges. A 10% (2009: 10%) increase in stock prices and the price of the convertible bond at 31 December 2010 would have increased the net assets attributable to shareholders and the changes in net assets attributable to shareholders by CHF10,944,458 (2009: CHF12,922,184); an equal change in the opposite direction would have decreased the net assets attributable to holders of ordinary shares by an equal but opposite amount.

Currency risk

The Company uses the Swiss francs as its functional currency. However, the Company may make investments in other currencies besides the Swiss francs. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. The Company's policy is to only enter into currency swaps in exceptional cases.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

18. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Currency risk (continued)

Currency swaps may be used in exceptional cases as a way of hedging exchange rate risk. As the Company's net asset value is calculated and reported in Swiss francs, foreign currency fluctuations may significantly affect the Company's performance. Furthermore, fluctuations in exchange rates and currency regulations may influence the Company's net asset value and income as measured in Swiss francs. The Company's investments are monitored continually by the investment adviser and quarterly by the Board of Directors.

At the reporting date the Company had the following exposure:

Currency	31.12.2010	31.12.2009
Australian Dollar	1.68%	1.37%
Brazilian Real	0.00%	0.00%
Canadian Dollar	7.35%	7.39%
Danish Krone	6.02%	8.69%
Euro	34.14%	33.68%
Pound Sterling	3.82%	3.78%
Hong Kong Dollar	6.21%	5.76%
Japanese Yen	2.36%	2.77%
Norwegian Kroner	0.09%	2.58%
Swedish Kroner	1.69%	0.00%
Singapore Dollar	0.00%	0.88%
United States Dollar	62.67%	54.32%

At 31 December 2010

Balance position:	USD	DKK	EURO	GBP	CAD	Other
<i>All amounts stated in Swiss Francs</i>						
ASSETS						
Cash and cash equivalents	884,322	48,764	1,659,761	99,522	11,234	330,281
Investments	76,890,864	7,481,335	34,198,286	2,553,849	9,185,299	12,624,694
Loans to SPG Private	384,025	-	6,043,197	1,877,885	-	1,852,845
Receivables	258,589	-	822,198	332,134	-	245,728
LIABILITIES						
Payables	-	-	-	(80,124)	-	-
Net positions	78,417,800	7,530,099	42,723,442	4,783,266	9,196,533	15,053,548

At 31 December 2009

Balance position:	USD	DKK	EURO	GBP	CAD	Other
<i>All amounts stated in Swiss Francs</i>						
ASSETS						
Cash and cash equivalents	485,711	2,280	14,335	8,458	11,791	804,554
Investments	76,507,254	12,397,226	40,947,353	3,120,017	10,535,070	16,310,293
Loans to SPG Private	425,905	-	6,438,665	2,025,797	-	1,802,917
Receivables	68,445	-	650,450	275,871	-	151,965
LIABILITIES						
Payables	-	-	-	(44,140)	-	-
Net positions	77,487,315	12,399,506	48,050,803	5,386,003	10,546,861	19,069,729

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

18. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Currency risk (continued)

At 31 December 2010, had the Swiss Franc strengthened by 10% (2009: 10%) in relation to all currencies, with all other variables held constant, net assets attributable to shareholders and the change in net assets attributable to shareholders per the Statement of Comprehensive Income would have decreased by the amounts shown below.

All amounts stated in Swiss Francs

	31.12.2010	31.12.2009
United States Dollar	7,841,780	7,748,732
Danish Kroner	753,010	1,239,951
Euro	4,272,344	4,805,080
Pound Sterling	478,327	538,600
Canadian Dollar	919,653	1,054,686
Total	<u>14,265,114</u>	<u>15,387,049</u>

A 10% (2009: 10%) weakening of the Swiss Franc against the above currencies would have resulted in an equal but opposite effect on the above financial statement amounts to the amounts shown above, on the basis that all other variables remain constant.

Interest Rate Risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities. The majority of the Company's financial assets and financial liabilities are non-interest bearing except for the convertible bond. Other interest bearing financial assets and interest bearing financial liabilities mature or reprice in the short-term, no longer than twelve months. As a result, the Company is subject to some exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested short term at market interest rates.

The table below shows the interest rate profiles of the financial assets and liabilities of the Company.

At 31 December 2010

	Fixed Rate CHF	Floating Rate CHF	No Interest Rate Associated CHF	Total 31.12.2010 CHF
Financial assets:				
Investments	-	-	158,944,577	158,944,577
Cash at bank	-	3,839,413	-	3,839,413
Loan to SPG Private	11,031,620	-	-	11,031,620
Receivables	-	-	1,759,134	1,759,134
				<u>175,574,744</u>
Financial liabilities:				
Payables	-	-	(944,624)	(944,624)
Convertible bond	(49,500,000)	-	-	(49,500,000)
				<u>(50,444,624)</u>

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

18. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Interest rate risk (continued)

At 31 December 2009

	Fixed Rate CHF	Floating Rate CHF	No Interest Rate Associated CHF	Total 31.12.2009 CHF
Financial assets:				
Investments	-	-	178,221,840	178,221,840
Cash at bank	-	1,923,044	-	1,923,044
Loan to SPG Private	11,385,542	-	-	11,385,542
Receivables	-	-	1,209,973	1,209,973
				192,740,399
Financial liabilities:				
Payables	-	-	(1,082,492)	(1,082,492)
Convertible bond	(49,000,000)	-	-	(49,000,000)
				(50,082,492)

Liquid assets (cash at bank) earn interest at standard rates.

The value of the convertible bond declines both when interest rates rise and when the price of the SPG share falls. Assuming that the price of SPG shares remains constant, the price of the convertible bond will fall from 99 to 96.75 if the yield of currently 2.2% rises by 100 basis points to 3.2%. The price of the convertible bond will rise from 99 to 101.4 if the yield of currently 2.2% falls by 100 basis points to 1.2%. Apart from this, the Company is not exposed to any substantial interest rate risk.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the statement of financial position date. This relates also to financial assets carried at amortised cost, as they have a short-term to maturity.

At the reporting date, the Company's financial assets exposed to credit risk amounted to the following:

<i>All amounts stated in Swiss Francs</i>	31.12.2010	31.12.2009
Securities lent	-	735,512
Loan to SPG Private	11,031,620	11,385,542
Cash at bank	3,839,413	1,923,044
Interest and dividend receivable	1,759,134	1,209,973
Total	16,630,167	15,254,071

Amounts in the above table are based on the carrying value of all accounts.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

18. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Credit risk (continued)

As at 31 December 2010, no shares of SPG AG were lent to third parties (2009: 3,285) while commissions from securities lending amounted to CHF4,263 (2009: CHF369).

The Company only maintains business relationships with banks having a first-class credit rating (at least S&P A/Moody's Aa2). Securities and cash balances are held with Credit Suisse, the Company's custodian which has been assigned a long-term credit rating of Aa2 and A from Moody's and Standard and Poor's respectively.

Counterparty credit risk arising from the intercompany loan is monitored by the Board of Directors through the Inter-Company Loan Agreement and any increase to the loan amount is approved by the Board of Directors.

Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk increases because of the possibility that the Company could be required to pay its liabilities earlier than expected. The Company's policy throughout the year has been to ensure liquidity by investing in securities listed on various stock exchanges to ensure there is a readily realisable market to meet expected cash outflows.

Residual Contractual maturities of financial assets

	Less than 1 month CHF	1-3 months CHF	3 months to 1 year CHF	More than 1 year CHF
31 December 2010				
Investments	158,944,577	-	-	-
Loan to SPG Private	-	-	-	11,031,620
Receivables	-	212,164	-	1,546,970
Cash and cash equivalents	3,839,413	-	-	-
	162,783,990	212,164	-	12,578,590
31 December 2009				
Investments	178,221,840	-	-	-
Loan to SPG Private	-	-	-	11,385,542
Receivables	369	38,336	-	1,171,268
Cash and cash equivalents	1,923,044	-	-	-
	180,145,253	38,336	-	12,556,810

Residual Contractual maturities of financial liabilities

	Less than 1 month CHF	1-3 months CHF	3 months to 1 year CHF	More than 1 year CHF
31 December 2010				
Convertible bond	-	-	-	49,500,000
Accrued expenses	297,602	31,000	-	-
Accrued interest on convertible bond	-	-	616,022	-
	297,602	31,000	616,022	49,500,000

SPG PUBLIC INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2010

18. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

Liquidity risk (continued)

	Less than 1 month CHF	1-3 months CHF	3 months to 1 year CHF	More than 1 year CHF
31 December 2009				
Convertible bond	-	-	-	49,000,000
Accrued expenses	422,330	44,140	-	-
Accrued interest on convertible bond	-	-	616,022	-
	<u>422,330</u>	<u>44,140</u>	<u>616,022</u>	<u>49,000,000</u>

Liquidity needs in relation to the convertible bond results from the corresponding terms of the issue. Conversion or repayment depends on market development by the expiration date of 20 May 2013.

Fair value

Many of the Company's financial instruments are carried at fair value on the Statement of Financial Position. Usually the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. For certain other financial instruments, including amounts due from/to brokers, loan to/from group company accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

Capital Management

The capital managed by the Company consists of the equity reported in the Statement of Financial Position and the convertible bond. The Company's objectives when managing its capital is to safeguard its ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders. The Company manages its capital structure and makes adjustments to it in light of changes to economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders, issue new shares or raise additional debt.

19. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

20. ULTIMATE CONTROLLING PARTY

Sustainable Performance Group AG, a company incorporated in Switzerland, is the immediate parent company. In the opinion of the directors there is no ultimate controlling party.

21. COMMITMENTS

The Company has no forward currency contracts outstanding at 31 December 2010 (2009: Nil).

22. EVENTS AFTER THE BALANCE SHEET DATE

On 4 February 2011, the Board of Directors approved a dividend to be paid to Sustainable Performance Group AG (SPG AG) by way of a distribution of 67,199 shares held by the Company in the capital of SPG AG. Prior to the distribution to SPG AG, the book value of the shares will be adjusted to actual fair market value at the point of the distribution as communicated to the Company by SAM.

On 22 February 2011, the Board of Directors approved a cash dividend of CHF1,000,000 to be paid to SPG AG.