

SPG – Sustainable Performance Group

Sustainable performance with the future
in one share



Semi-Annual
Report
2009

In Brief

SPG – THE FUTURE IN ONE SHARE

Sustainable Performance Group (SPG) is a joint-stock company based in Zurich. The company's shares are listed on the main market of the SIX Swiss Exchange. SPG combines the investment themes Energy, Water, Healthy Living and Resource Efficiency and focuses on small and medium-sized companies.

COMPELLING REASONS TO INVEST IN SPG

- Sustainable and innovative technologies in one listed share
- Focus on small and medium-sized companies
- Broadly diversified portfolio
- Experienced investment advisor, close collaboration with hands-on, independent Board of Directors
- Benefits of a listed investment company (autonomy, transparent reporting and voting rights at the general meeting of shareholders)

INVESTMENT ADVISOR

SAM (Sustainable Asset Management) acts as investment advisor to SPG. With nearly 14 years of specialized investment expertise, SAM ranks among the globally leading managers of sustainability investments. SAM has a vastly experienced and highly qualified research team and maintains one of the world's biggest sustainability databases. Thanks to its extensive know-how in investment themes of the future, SAM is ideally equipped to translate sustainability trends into attractive investment opportunities.

BOARD OF DIRECTORS

The Board of Directors of Sustainable Performance Group brings together leading personalities from the worlds of business, research and academia, as well as management consulting. Besides its independent control function, the Board of Directors works closely with SAM on a strategic level to develop SPG's investment strategy and monitor its implementation. Close collaboration between the investment advisor SAM and the SPG Board of Directors ensures a regular review and dynamic adjustment of the investment themes within the portfolio.



(l. to r.) Klaus Woltron, PhD, Prof. Ernst A. Brugger, PhD,
 Doris M. Schönemann, PhD, Prof. Alexander Zehnder, PhD

Board of Directors	
Prof. Ernst A. Brugger, PhD	– Chairman and Managing Partner, BHP-Brugger und Partner AG, Zurich – Chairman, SV-Group, Zurich – Chairman, BlueOrchard Finance S.A., Geneva – CEO, The Sustainability Forum Zurich, Zurich
Doris M. Schönemann, PhD	– Founder of Investor's Dialogue GmbH, Zurich – Vice-Chairman of the Board of Directors, Equalisation Fund of AHV, Switzerland's state pension system
Klaus Woltron, PhD	– Managing Partner, Minas Beteiligungs- und Management GmbH, Vienna – Managing Partner, Hill Woltron Management Partner GmbH, Vienna – Managing Partner and Chairman of the Board of Directors, Advengys Advanced Energy Systems AG, Vienna
Prof. Alexander Zehnder, PhD	– Scientific Director, Alberta Water Research Institute, Edmonton – Member of the Royal Dutch Academy of Science, Amsterdam and the Russian Academy of Sciences, Moscow



Contents

REVIEW & OUTLOOK	5
Letter to Shareholders	5
Portfolio as at June 30, 2009	6
Portfolio Report	7
Investment Strategy	8
Investment Theme Energy	9
Investment Theme Water	9
Investment Theme Healthy Living	10
Investment Theme Resource Efficiency	10
COMPANY PORTRAITS	11
Listed Companies	12
Private Equity Companies	16
FINANCIAL REPORTING	17
Consolidated Interim Financial Statements 2009	17
Consolidated Balance Sheet	18
Consolidated Statement of Comprehensive Income	19
Consolidated Statement of Changes in Shareholders' Equity	19
Consolidated Statement of Cash Flows	20
Selected explanatory notes to the Consolidated Interim Financial Statements 2009	21
Report of the Statutory Auditors	30
Shareholder Information	32



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SPG Semi-Annual Report 2009 – Letter to Shareholders

Dear Shareholder

The global financial crisis that sent all asset classes into a downward spiral last year continued to dominate stock market developments in the first half of 2009. Most stock markets remained under severe pressure until mid-March. Sentiment improved in the second quarter when investors became somewhat more optimistic about the future again. The recovery took markets back to levels seen at the end of 2008, followed by a sideways movement amid persistent economic uncertainties.

In this challenging environment, the share of the Sustainable Performance Group (SPG) gained 9.5% in the first half of 2009. The benchmark index (MSCI World ex Financials TRN) rose by 7.6% during the same period. The outperformance of the SPG share can be attributed to the disciplined pursuit of the investment strategy defined by the administrative board, which is geared towards innovative small and medium-sized companies associated with the investment themes of Water, Energy, Resource Efficiency and Healthy Living.

SPG's investment themes have lost none of their political and economic significance as a result of the financial crisis. On the contrary: These megatrends are as significant as ever and, indeed, are being reinforced by the massive government stimulus programmes implemented around the globe. These measures aim to foster economic growth through significant investments in energy efficiency, renewable energy, resource efficiency, water and climate protection. As a result, companies active in these areas can look forward to significant growth impulses. For example, the US government alone plans to invest USD 67 billion in clean and efficient energy,

which in turn is supposed to lead to the creation of half a million "green" jobs. China has launched a huge USD 580 billion programme to boost the economy through massive investments in such areas as energy efficiency and water treatment.

Additional international initiatives should also show an effect: For example, investors will be closely watching December's climate conference in Copenhagen, which is likely to provide additional impetus to the carbon market. SPG aims to further develop its portfolio within the parameters of its proven investment process and keep investors informed through publications and events.

All in all, the attractive valuation of the SPG portfolio also gives us cause for optimism: The average growth rate of the companies in SPG's portfolio is estimated at 14.6% as of 30 June 2009, with an estimated price/earnings ratio of 14.1 for the current year. Conversely, the average long-term growth of the companies listed in the MSCI World Index is estimated at 7.9%, at an estimated PE of 17.1 for 2009. This means that SPG's shareholders participate in a portfolio of companies characterised by disproportionate growth potential and on average more attractive relative valuations than global stock markets.

In these challenging times we are particularly concerned about providing regular information and organising periodic events for our shareholders as well as further enhancing our offering. We have therefore scheduled several events for the second half of the year and would be very happy to send you an invitation in due course. This dialogue will benefit all of us.



A handwritten signature in blue ink, appearing to read 'Ernst Brugger'.

Prof. Ernst A. Brugger, PhD
Chairman of the Board
of Directors
Sustainable
Performance Group

Portfolio as at June 30, 2009

Themes	Company	Country	No. of shares on 31.12.08	No. of shares on 30.6.09	Local currency	Price in local currency	Market value in CHF
Energy	SMA Solar Technology	Germany	60 000	60 000	EUR	52.39	4 795 106
	ITC	USA	–	90 000	USD	45.35	4 438 835
	Yingli Green Energy	China	470 000	300 000	USD	13.54	4 417 628
	JA Solar	China	–	800 000	USD	4.68	4 071 787
	Iberdrola Renovables	Spain	–	550 000	EUR	3.25	2 726 746
	First Solar	USA	–	15 000	USD	161.97	2 642 257
	Gamesa	Spain	200 000	115 000	EUR	13.51	2 370 019
	Noble Corporation	USA	114 000	70 000	USD	30.25	2 302 887
	Canadian Hydro Developers	Canada	489 600	489 600	CAD	3.69	1 691 819
	XTO Energy	USA	40 000	40 000	USD	38.12	1 658 296
	ENER1	USA	–	250 000	USD	5.46	1 484 506
	Energy Conversion Devices	USA	90 000	90 000	USD	14.14	1 384 016
	Schmack Biogas	Germany	70 000	70 000	EUR	5.62	600 113
Water	KSB	Germany	9 000	9 000	EUR	322.00	4 420 760
	Ittron	USA	70 000	70 000	USD	55.06	4 191 635
	American Water Works	USA	–	195 000	USD	19.07	4 044 218
	Kurita Water Industries	Japan	100 000	100 000	JPY	3 110.00	3 505 499
	Pall	USA	185 000	119 500	USD	26.52	3 446 598
	Geberit	Switzerland	25 000	25 000	CHF	133.50	3 337 500
	Stantec	Canada	160 000	125 000	CAD	27.84	3 258 857
	Ecolab	USA	110 000	71 000	USD	38.98	3 009 882
	Suez Environnement	France	–	150 000	EUR	12.44	2 846 494
	Wavin	Netherlands	567 741	567 741	EUR	2.85	2 465 678
	Danaher	USA	–	24 000	USD	61.74	1 611 488
	Veolia Environnement	France	57 375	40 028	EUR	20.99	1 281 361
	Tsurumi Manufacturing	Japan	176 000	176 000	JPY	598.00	1 186 324
Healthy Living	Thermo Fisher Scientific	USA	122 000	122 000	USD	40.77	5 409 408
	Avon	USA	–	140 000	USD	25.77	3 923 663
	ChinaGreen	Hongkong	2 499 000	3 000 000	HKD	8.15	3 431 023
	Atrium Innovations	Canada	240 000	300 000	CAD	12.21	3 430 228
	Novo Nordisk	Denmark	–	54 000	DKK	287.00	3 174 650
	Hain Celestial	USA	180 000	180 000	USD	15.61	3 055 798
	Chaoda Modern Agriculture	Hongkong	7 500 000	4 285 000	HKD	4.52	2 717 903
	Deckers Outdoor	USA	–	35 000	USD	70.27	2 674 775
	SunOpta	Canada	1 000 000	1 000 000	USD	2.38	2 588 369
	Danisco	Denmark	–	60 000	DKK	208.00	2 556 435
	Kellog	USA	–	48 000	USD	46.55	2 430 022
	Johnson & Johnson	USA	61 000	38 000	USD	56.74	2 344 888
	Sonova	Switzerland	60 000	17 000	CHF	88.30	1 501 100
Celestial Nutrifooods	China	10 000 000	10 000 000	SGD	0.17	1 277 393	
Resource Efficiency	SGL Carbon	Germany	125 000	125 000	EUR	21.96	4 187 366
	Waste Management	USA	–	97 000	USD	28.16	2 970 665
	Novozymes	Denmark	42 000	33 600	DKK	431.00	2 966 448
	Wabtec	USA	75 000	75 000	USD	32.17	2 623 986
	Centrotec Sustainable	Germany	220 000	220 000	EUR	7.50	2 516 996
	Umicore	Belgium	170 000	95 000	EUR	16.17	2 342 599
	Covanta	USA	100 000	100 000	USD	16.94	1 842 310
	Hanfeng Evergreen	Canada	–	300 000	CAD	5.91	1 660 332
	Landi Renzo Spa	Italy	–	340 000	EUR	3.20	1 657 099
	Crown	USA	–	60 000	USD	24.14	1 575 207
	Gurit	Switzerland	4 300	2 995	CHF	498.75	1 493 756
	Shanks	UK	600 000	1 000 000	GBP	0.68	1 222 379
	Catalytic Solutions	USA	853 762	853 762	GBP	0.05	76 293
Total listed shares							140 841 400
Private Equity	Pelamis Wave Power	UK					3 672 011
	inge watertechnologies	Germany					3 516 257
	AgraQuest	USA					3 420 682
	Emerald Cleantech Fund II LP (investment fund units)	UK					2 956 660
	AquaSpy	Australia					1 973 325
	Identec Solutions	Austria					1 299 290
Total unlisted shares							16 838 226
Total portfolio assets (Market capitalization + convertible bond)							181 926 000

Portfolio Report

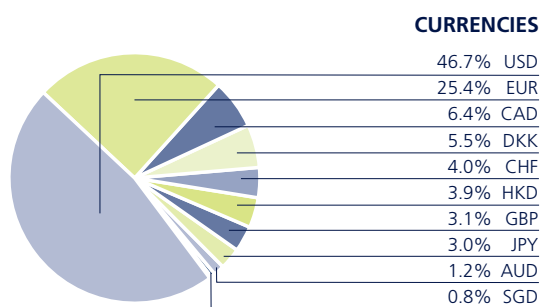
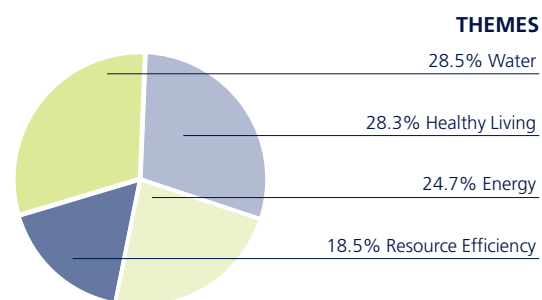
In the first six months of the year the stock market advanced almost 8%, measured by the MSCI World Index. There were two distinct phases to the reporting period, however. The downturn from the previous year continued into the first week of March, in some instances with massive corrections in individual sectors and stocks. As concerns about further radical restructuring went the rounds, the financial market once again came under huge pressure. In the automotive sector Chrysler and GM, two of the former "Big Three", filed for Chapter 11 bankruptcy protection. Overall the macroeconomic data were disappointing, which was reflected in a historically low level of consumer confidence. On March 9th, the mood turned: although the unemployment rate has continued to rise and consumers have been holding back on spending, there is a growing expectation that the recession has reached its trough and that the situation will improve again.

The performance of the SPG portfolio was also volatile due to its focus on small and mid cap shares. Although the price did fall sharply for a while, the SPG share benefited more than average from the market rebound, as expected. At the end of the first six months of the year the portfolio had

gained 9.5%. The biggest contribution came from the "Energy" investment cluster. Shares in solar and wind energy benefited on the one hand from globally coordinated packages to stimulate the economy which have earmarked enormous sums for alternative energy systems, and on the other hand from a general increase in investors' risk appetite. The Chinese solar company Yingli Green Energy, whose shares more than doubled in value, also enjoys a significant competitive advantage over its European peers thanks to its lower cost base. In the investment theme "Water", Andritz also advanced thanks to a series of new and large contracts for hydro power projects. "Resource Efficiency" made a negative contribution to performance. The portfolio's significant underweighting here proved to be the right strategy. The two cosmetics producers in the "Healthy Living" cluster, Natura Cosmeticos and Oriflame, both performed well. Both companies produce natural products at relatively low prices – an ideal market positioning given consumers' reluctance to spend.

The SPG share still has an extremely attractive valuation and enjoys a higher than average growth rate.

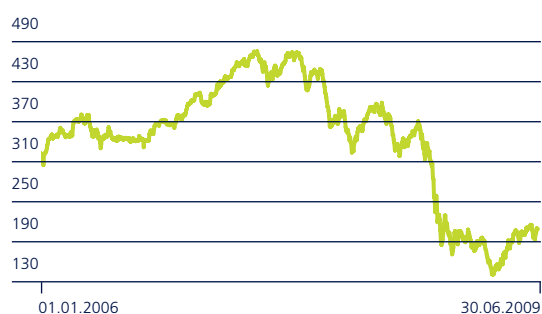
PORTFOLIO



PERFORMANCE (IN CHF)

	31.12.2008	30.6.2009	Performance
Share price	190.00	208.00	9.5%
Net asset value (NAV) ¹	179.52	197.15	9.8%
Premium/discount	5.8%	5.5%	

SHARE PRICE (IN CHF)



COUNTRIES

USA	39.7%
Germany	12.7%
Canada	8.0%
China	6.2%
Denmark	5.5%
UK	5.0%
Switzerland	4.0%
Hongkong	3.9%
Spain	3.2%
Japan	3.0%
France	2.6%
Netherlands	1.6%
Belgium	1.5%
Australia	1.3%
Italy	1.1%
Austria	0.8%

¹ Published NAV based on information available at the closing date.

Investment Strategy

INVESTMENT CONCEPT

The Sustainable Performance Group's (SPG) goal is to achieve long-term capital growth for its shareholders. Assets are invested in a focused share portfolio with above-average growth potential. In doing so, SPG concentrates on the investment themes of Energy, Water, Healthy Living, and Resource Efficiency. All of these themes are subject to global challenges such as climate change, resource shortages and demographic shifts. These offer various investment options. SPG concentrates mainly on small and medium-sized companies with a high degree of innovation and dynamic growth rates.

INVESTMENT STRATEGY

The investment strategy employs three phases: development of the investment universe, company analysis, and portfolio construction. This approach identifies companies that on the one hand profit from an above-average growth rate and on the other hand adopt a leading role in terms of sustainability. The portfolio accordingly invests in those companies that are attractively valued on the stock market. An ongoing

risk control process highlights inherent risk factors and determines the composition of the portfolio.

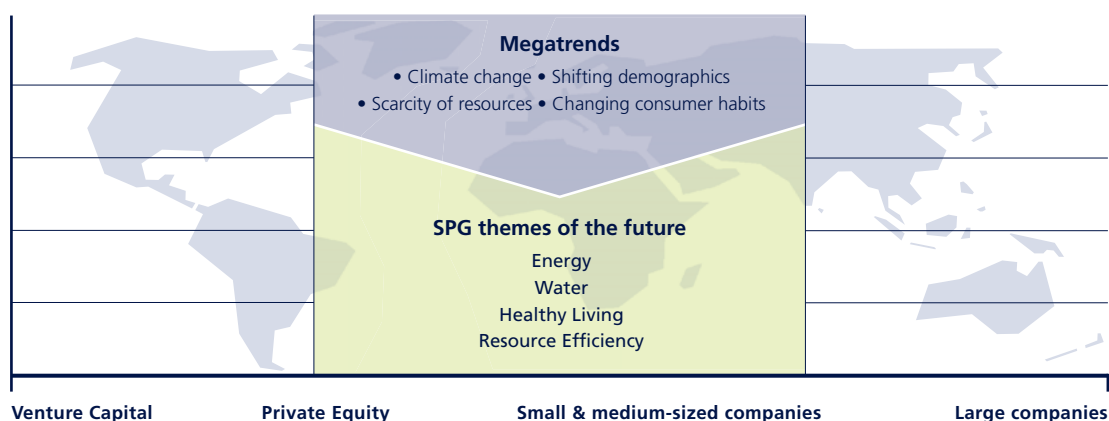
INVESTMENT THEMES

The implementation of the SPG investment strategy requires a high degree of specialist expertise and extensive research capacity. The combination of an experienced investment advisor and board members active in different disciplines provides an excellent platform for frequent knowledge exchange and continuous monitoring of the investment concept.

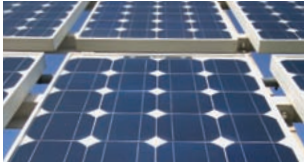
PORTFOLIO

The portfolio is actively managed and invests in some 45 to 65 stocks. Up to 10% of the portfolio value can be taken up by unlisted companies in the clean technology sector. Allocation is according to the relative attractiveness of the individual stock, resulting in a dynamic theme weighting process. At any given time, the portfolio therefore reflects the best investment options in the Water, Energy, Healthy Living and Resource Efficiency investment themes.

Small and medium-sized companies have very promising technologies in the growth markets researched by SPG. They also offer enormous growth potential thanks to their innovative products and services.



Energy



New law promoting renewable energy

The US is starting to move in a more sustainable direction after years of neglecting its energy policy. On June 26th, the House of Representatives approved the American Clean Energy and Security Act of 2009. The bill would change the landscape for the US oil refiners, the utilities and their suppliers of coal. More importantly, the bill would certainly favor developers and manufacturers of renewable energy. One of the main initiatives that will form the future carbon-light energy development is the introduction of a carbon cap-and-trade system to regulate Green House Gas (GHG) and CO₂ emissions. The bill aims to reduce GHG emissions from the covered sources by 17% from 2005 levels by 2020. The power industry will be granted free allowances for 85% of their carbon emissions, but the amount will be reduced

each year. To describe this as an aggressive move would be an exaggeration, but with projected prices for carbon going from USD 13 per ton of CO₂ equivalent (tCO₂e) in 2015 to USD 70/tCO₂e by 2050 it will greatly depress the profitability of coal-fired power stations. The second initiative is a requirement that utilities meet a rising percentage of their load with electricity generated from renewable energy and electricity savings. These requirements rise from 6% of retail electricity in 2012 to 20% in 2020. At least 75% of the target must be met by renewable energy; thus in 2020, utilities must supply at least 15% of their load from renewable energy. An annual growth in renewable power generation capacity of 14% through to 2020 will be required to meet this target.

The United States wants to fundamentally alter the competitive landscape in the energy business with binding caps on greenhouse-gas emissions and the stipulation that a rising proportion of energy must be generated by renewable sources.

Water



Recession boosts privatisation of the water supply

The economic downturn has now reached water suppliers too: not through economic necessity on the part of the companies, as one might expect, but through political and fiscal considerations on the part of the authorities. In Spain and Greece it has been announced in recent months that the authorities are seeking to part-privatise the local water supply companies. In September 2008 the sale of 49% of the Madrid water supply company was announced, with the towns of León, Cuenca und Avilés following this spring. Greece is seeking to reduce its investment in Thessaloniki Water & Sewage from 75% to 51%. Following the deregulation of electricity and telecom markets in Europe, a renewed impetus towards the privatisation of public companies is emerging. On the one hand this seeks to promote efficiency increases

and improve innovation. On the other hand, this step also has its roots in the recession, because the income of the aforementioned local authorities from land sales and taxation has collapsed, and the sell-off will bring in large quantities of cash in the short term. This is indeed an opportunity for the private sector to grow further, through its skills and knowledge. On a global level, the privatisation of entire water companies does not seem to be catching on. The province of Selangor in Malaysia is even seeking to "renationalise" its "inefficient water sector". On the other hand, in terms of water supply and sewerage projects, the handing over of individual plants to the private sector is experiencing constant growth worldwide. In May of this year, almost 100 projects of this type were announced or put out to tender.

In Europe, the privatisation of public companies is increasing, providing growth opportunities for the private sector.



Healthy Living

Safe supply chains enhance health protection

Only through active management of the entire supply chain can food producers ensure the required hygiene standards for consumers.

Last year a scandal involving contaminated milk in China killed six people and damaged the health of more than 300 000 children. Unscrupulous local producers had added melamine – a toxic mix of plastic and glue – to the substandard milk to boost the apparent protein content. Not just milk was affected, but also products containing milk such as chocolate and ice cream. Consumer confidence in China has been shattered by the scandal and the public is demanding greater transparency for the quality of food.

Other cases of bacterial or chemical contamination of food in the last two years have shown that they can do extensive damage to the reputation of indi-

vidual brands and companies, leading to a fall in sales and in extreme cases even a boycott by consumers. Investors also respond to such events, as commonly reflected in the plummeting share price of the company affected. Since legislation on food hygiene is inadequate in many countries, it is in the interests of food producers and distributors themselves to uphold high quality standards. Management of the entire supply chain is essential. Consumers are prepared to pay a higher price for increased safety and transparency. This trend benefits companies with a vertical structure (i.e. integrated supply chains) which have superior quality control, as well as manufacturers of natural and nutritious foods.



Resource Efficiency

Efficient wood production for the pulp industry

An optimum choice of location and tree type allows for more efficient forest use.

It is now several years since the advocates of technology began predicting the imminent demise of print media. Nonetheless, the statistics indicate continuing growth in per capita paper consumption even in the most technologically advanced countries – to say nothing of the emerging market nations. For this reason it is essential that land area already under cultivation is used more efficiently, to prevent even more land being allocated to human use. Efficiency can be greatly increased through the selection of appropriate locations and appropriate species of tree. For example, in tropical forests the trees mature more rapidly than they do in temperate zones. Among tree

types, the eucalyptus has proven itself to be particularly suited to the production of short fibres in tropical climates. For example, on average around five times as much wood can be harvested per hectare per year in Brazil than is the case in Scandinavia. This brings with it an enormous saving in terms of land use. However, it goes without saying that plantations of this type leave little room for animals and wild plants. For this reason, an area almost half as large as the plantation itself is forested with indigenous trees around such plantations. These surrounding belts link into existing native forests and therefore help to maintain biodiversity.

Company Portraits

On the following pages two companies for each investment theme will be presented. In addition, you will find two portraits representative for the private equity firms.

INVESTMENT THEME	LISTED COMPANIES	
ENERGY	Iberdrola Renovables	12
	SMA Solar	12
WATER	Geberit	13
	Kurita Water Industries	13
HEALTHY LIVING	Danisco	14
	Atrium Innovations	14
RESOURCE EFFICIENCY	Hanfeng Evergreen	15
	SGL Carbon	15
	UNLISTED COMPANIES	
PRIVATE EQUITY	AgraQuest	16
	Pelamis Wave Power	16



Iberdrola Renovables

Energy

Key data	
Employees	28 096
www.iberdrolarenovables.es	
All figures in CHF Mio.	2008
Total revenue	41 246
Net profit	4 540
Market cap.*	46 278

* As of 30.06.2009
Source: Bloomberg

COMPANY PROFILE

Iberdrola Renovables (IBR) is a Spanish renewable energy company focusing on the design, development, construction management, and operation of renewable power stations. The company has the largest wind power portfolio in the world. It emerged through the merger of the wind assets of Iberdrola and ScottishPower. IBR's installed capacity stands at 9.6 GW, which should double by 2012. IBR focuses on Spain, the USA and the UK, and it also has a presence in Greece, Poland, France and 13 other countries. Other operations include a natural gas storage facility, energy management and thermal generation (gas) in the USA.

INVESTMENT CASE

IBR is the largest wind developer in the world. Its strategy to build up assets in the USA and in the UK is extremely valuable and will deliver returns to the shareholder. By operating wind farms, the company has a low carbon exposure, which removes the "carbon legislation risk" going forward. The company has suffered from its exposure to Spain and to commodity prices this year, hence it will benefit from their recovery. Overall, the company has a clean balance sheet and it is focused in very profitable sites.



SMA Solar

Energy

Key data	
Employees	2 709
www.sma.de	
All figures in CHF Mio.	2008
Total revenue	1 082
Net profit	190
Market cap.*	2 761

* As of 30.06.2009
Source: Bloomberg

COMPANY PROFILE

The German company SMA Solar (SMA) focuses on developing, producing and marketing inverters for the photovoltaic industry. The company offers the entire power range of inverters for residential, commercial and industrial solar installations, which can be connected to the grid or work off grid. SMA has been setting new standards in the industry for more than 25 years, and has contributed significantly to the development of solar technology.

egy of launching 5 to 6 new products on a yearly basis will increase its technology and reputation hedge, driving sales and margins higher. The company has a strong balance sheet and low net working capital, a good product pipeline and a clear strategy for the future. Last but not least, every solar installation needs inverters which convert direct current (DC) from a solar module into alternating current (AC) for the electricity grid. Therefore, SMA is not exposed to the short-term oversupply seen in the module market, but benefits from the growth in installations, which is expected to be in the region of 50% CAGR over the next 5 years.

INVESTMENT CASE

As shown during Q1 2009, SMA's business model is highly flexible and delivers good margins. Its strat-



Geberit

COMPANY PROFILE

Headquartered in Jona, Switzerland, Geberit provides sanitary technology solutions for new and renovated buildings. It has six product lines split across its two product areas of Sanitary Systems (Installation and Flushing Systems, Waste Fittings and Traps) and Piping Installations (Building Drainage Systems, Supply Systems). The company has 17 production sites in eight different countries and sales offices in around 40 countries.

Geberit's flushing systems are today world leaders in economical water consumption. Some of the strengths that allow Geberit to steer its way safely through the crisis include strict cost control, close relationships with architects and plumbers, as well as reliable management. With no net debt and operating margins of around 25%, Geberit stands far above the industry average, while more weakly positioned competitors battle with restructuring costs and high levels of debt. After its product range has traditionally focused on behind-the-wall fittings, Geberit is breaking new ground in 2009 with the launch of the Shower-WC AquaClean, stepping conveniently into a gap left by the demise of its insolvent competitor Closomat.

INVESTMENT CASE

Geberit's system solutions in the field of sanitary technology are based on eco-efficient products with a long service life. Thanks to technological innovations and ground-breaking hydraulic modeling,

Key data	
Employees	5 697
www.geberit.com	
All figures in CHF Mio.	2008
Total revenue	2 179
Net profit	466
Market cap.*	5 745

* As of 30.06.2009
Source: Bloomberg



Kurita Water Industries

COMPANY PROFILE

Kurita Water Industries (Kurita) is one of Japan's leading producers of water treatment systems. Kurita manufactures, sells and maintains water treatment systems, mainly in Japan (88%) but with an increasingly international dimension. Its product range includes systems for purifying, clarifying and treating water. The company also produces and markets chemicals for water purification.

intensive manufacture of integrated circuits and electronic equipment can be significantly reduced through the use of Kurita's water treatment systems. Through appropriate legislation, Japan has succeeded in increasing the level of water recycling in industry to 80%, so that industrial water consumption has remained constant over the last 50 years despite large increases in production levels. Despite its dependency on the highly cyclical semiconductor industry, Kurita has held up well in the current crisis thanks to its solid management, strong market position and service-oriented business model with long-term contracts, and should benefit more than most from the recovery that is already under way.

INVESTMENT CASE

Kurita's products provide efficient and safe purification of water for industrial processes and for treating wastewater before it returns to the water cycle. In particular, water consumption in the extremely water-

Key data	
Employees	4 404
www.kurita.co.jp	
All figures in CHF Mio.	2008
Total revenue	749
Net profit	91
Market cap.*	4 667

* As of 30.06.2009
Source: Bloomberg



DANISCO

Healthy Living

Danisco

COMPANY PROFILE

Headquartered in Denmark, Danisco is one of the world's leading suppliers of food ingredients, enzymes and industrial bio products. With 80 production facilities worldwide, Danisco's bio-based ingredients meet market demand for healthier and safer products. The company's ingredients are used globally in a wide range of industries – from bakery, dairy and beverages to animal feed, laundry detergents and bio ethanol.

INVESTMENT CASE

Danisco offers healthy solutions for formulating tasty foods with an improved nutritional profile, including a variety of enablers that allow the reduction of calories,

fat, sugar and salt. The company also offers health-promoting ingredients, including probiotics and fibers. Danisco is the largest player within the food ingredients market, estimated at USD 24 billion globally and growth rates at around 3–5% annually, and holds number one or two position in each category. Additionally, Danisco's Genecor (31% of total sales in FY08/09) is the second-largest global developer and manufacturer of industrial enzymes after market leader Novozymes. The current global market for industrial enzymes is estimated to be around USD 2.9 billion and is growing at 6–8% annually. Major application areas include industries as diverse as animal nutrition, bioethanol, and food and beverages.

Key data	
Employees	6 999
www.danisco.com	
All figures in CHF Mio.	2008
Total revenue	668
Net profit	30
Market cap.*	2 031

* As of 30.06.2009
Source: Bloomberg



ATRIUM
BIOTECHNOLOGIES

Atrium Innovations

Healthy Living

COMPANY PROFILE

Atrium Innovations (Atrium) is a leading provider in the health and wellness sector. The company develops high quality food supplement products which are distributed through a network within the healthcare sector (e.g. doctors and physiotherapists). In the course of a carefully targeted acquisition strategy, the company has expanded its business activities, significantly and very successfully, from North America to Europe.

INVESTMENT CASE

Atrium is a niche provider in the field of food supplements and is therefore positioned within a rapidly expanding segment of the healthcare market. The company benefits from a generally increasing level

of health consciousness and from the "wellness" trend, as well as from an ageing population. The company's products are distributed through a network of healthcare practitioners, guaranteeing proximity to the end client. Atrium has a 13% share of the highly fragmented US food supplements market. The company is continually expanding its geographical footprint and strengthening its end-product business through targeted acquisitions such as the takeover of Nutri-Health Supplements in the USA, a leading provider of probiotic and enzyme-based food supplement products. The expansion of these particularly high-margin product segments is having a positive effect on the company's overall trading result.

Key data	
Employees	625
www.atrium-bio.com	
All figures in CHF Mio.	2008
Total revenue	314
Net profit	88
Market cap.*	370

* As of 30.06.2009
Source: Bloomberg



Hanfeng Evergreen

COMPANY PROFILE

Hanfeng Evergreen Inc. (Hanfeng), headquartered in Toronto, Canada, provides slow-release fertilizer to the agriculture market in China. Hanfeng focuses on combining its technology with single nutrient fertilizers (urea) and compound fertilizers (nitrogen, phosphate, and potassium or NPK) to produce slow-release products. Hanfeng's facilities are located in two key regions in China: the northeast region in the Heilongjiang province and the east region located in Jiangsu Province. At the end of 2008, Hanfeng had a production capacity of 725 000 metric tons per annum. The company has recently guided to increase production capacity to 2–2.5 million metric tons per annum by 2012.

INVESTMENT CASE

SPG hold a favorable view of Hanfeng's business model on one hand due to the company's first-mover advantage in a fast-growing market (slow-release fertilizers in China), the economic and environmental benefits of Hanfeng's products versus traditional fertilizers, the company's strong technological position (exclusive license with Agrium, strong brand name, IP protection) and on the other hand due to Hanfeng's strong financial position (negative net debt, further access to loan facilities worth C\$42m, low interest rates in China). With its goal to triple production capacity in the next four year and a strong management track record, we believe Hanfeng can deliver significant earnings growth in the years to come.

Key data	
Employees	850
www.hanfengevergreen.com	
All figures in CHF Mio.	2008
Total revenue	278
Net profit	36
Market cap.*	340

* As of 30.06.2009
Source: Bloomberg



SGL Carbon

COMPANY PROFILE

The German company SGL Carbon (SGL) is one of the world's leading manufacturers of carbon-based products. The Group's principal activity is to manufacture carbon, graphite and composite materials. SGL Technologies division develops new business opportunities based on the Group's competencies for high-technology materials, processes and applications. The company has operations in Europe, as well as in North, Central and South America. SGL plans to issue a 7-year EUR 190m convertible bond to fund future capital expenditure (CaPex).

used to conduct electrical current during the melting of scrap steel in electric arc furnaces ("mini mills"). The application of the graphite electrode in electric arc furnaces raises the furnace productivity, while reducing unit costs and increasing the efficiency of the furnace as it can be operated at higher currents. SGL's carbon fibers find their way into wind turbine blades, where they reinforce plastics and provide greater rigidity and tensile strength than fiberglass-reinforced plastics. SGL will benefit from two fundamental trends: from the industrialization of the Eastern world and from investments in alternative energies, lightweight materials and energy-conserving technologies.

Key data	
Employees	6500
www.sglgroup.com	
All figures in CHF Mio.	2008
Total revenue	2557
Net profit	301
Market cap.*	2171

* As of 30.06.2009
Source: Bloomberg

INVESTMENT CASE

The core business of SGL is graphite electrodes,



AgraQuest

Private Equity

Key data

Employees	171
www.aquaspy.com	

COMPANY PROFILE

AgraQuest develops, produces and markets biological pest management products based on naturally occurring microbes. The flagship product, Serenade, is approved by the US EPA and by similar regulatory organizations around the world. A strong research & development team continues to identify and develop new products for launch over the medium term.

INVESTMENT CASE

AgraQuest is targeting what it refers to as “low-chemical” farming. With this approach, farmers reduce the chemical load on crops by synergistically combining traditional pesticides and bio-pesticides, or they increase productivity by adding a bio-

pesticide to their chemical treatment programs. AgraQuest’s strategy is to convince major agricultural chemical companies to switch from viewing bio-pesticides as “fringe” competition to seeing them as complementary solutions that work synergistically with traditional agricultural chemicals. AgraQuest has built a formidable product pipeline, achieved traction on a global basis and generated ongoing growth in revenue. Further growth through additional distribution and licensing agreements, as well as the launch of new products, is expected to further enhance AgraQuest’s value proposition and position the company for a possible IPO or trade sale in late 2010 or 2011.



Pelamis Wave Power

Private Equity

Key data

Employees	73
www.inge.ag	

COMPANY PROFILE

Pelamis Wave Power designs and manufactures “Pelamis” – the world’s leading wave energy converter. Pelamis uniquely addresses all the fundamental design concepts required to provide a commercially attractive product capable of generating reliable low-cost power.

INVESTMENT CASE

Once generated, deep-water waves travel immense distances with negligible loss of energy; this makes the resource highly predictable. Wave energy is the most concentrated form of renewable energy, as almost all of it is stored in the top 50m

of the ocean. Other renewable energy sources, such as wind and solar energy, are heavily influenced by local weather conditions which can be quick to change and difficult to predict. By contrast, the predictability of wave power makes its integration into the energy supply system much more straightforward, helping generators to avoid situations where the amount of electricity bid in typical trading slots is under or over supplied. Pelamis has delivered three units to Portugal as part of the world’s first commercial wave energy project which have been connected to the grid in 2008.

Consolidated Interim Financial Statements 2009

FINANCIAL REPORTING

Consolidated Balance Sheet	18
Consolidated statement of comprehensive income	19
Consolidated Statement of Changes in Shareholders' Equity	19
Consolidated Statement of Cash Flows	20
Selected explanatory notes to the Consolidated Interim Financial Statements 2009	21
Report of the Statutory Auditors	31

Consolidated Balance Sheet

Assets in CHF	Notes	as of 30.6.2009	as of 31.12.2008
Current assets			
Cash and cash equivalents	3	8 472 473	7 937 784
Financial instruments	4	157 679 626	145 781 425
Other receivables		370 207	46 924
Accrued income		51 923	120 682
		166 574 229	153 886 815
Total assets	8	166 574 229	153 886 815
Liabilities and Shareholders' equity in CHF			
Current liabilities			
Other payables		60 182	270 191
Accrued expenses		1 024 605	1 711 357
		1 084 787	1 981 548
Long-term liabilities			
Convertible bond	5	42 150 000	41 000 000
		42 150 000	41 000 000
Shareholders' equity			
Share capital	6	82 656 000	82 656 000
Capital reserves	6	237 502 918	239 086 570
Treasury shares	6	-7 621 502	-7 591 012
Retained earnings (accumulated deficit)	6	-189 197 974	-203 246 291
		123 339 442	110 905 267
Total liabilities and shareholders' equity		166 574 229	153 886 815
Intrinsic value per share		195.02	173.16

The notes constitute an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

in CHF	Notes	1.1.–30.6.2009	1.1.–30.6.2008
Operating income			
Interest income		9 941	76 255
Dividend income		1 480 018	1 820 760
Net gains/loss on securities		16 449 556	-62 840 634
Profit from convertible bond	5	-1 150 000	625 000
Other income		359 145	219 682
	8	17 148 660	-60 098 937
Operating expenses			
Interest expenses		500 000	114 130
Management fees		879 593	1 368 289
Issuance convertible bond	5	0	1 015 000
Other expenses		1 380 163	2 054 736
		2 759 756	4 552 155
Net profit before tax		14 388 904	-64 651 092
Income tax expenses		371 077	314 470
Net profit/loss		14 017 827	-64 965 562
Total comprehensive income		14 017 827	-64 965 562

The income per share for the first half of 2009 amounts to CHF 21.77 (first half of 2008: Loss CHF 97.73)

Consolidated Statement of Changes in Shareholders' Equity

in CHF	Share capital	Capital reserves	Retained earnings	Treasury shares	Total
Balance as of 01.01.2008	82 656 000	240 574 076	-34 170 155	-8 683 370	280 376 551
Semi-Annual loss	0	0	-64 965 562	0	-64 965 562
Treasury share transaction ¹	0	167 773	0	8 686 741	8 854 514
Balance as of 30.06.2008	82 656 000	240 741 849	-99 135 717	3 371	224 265 503
Balance as of 01.01.2009	82 656 000	239 086 570	-203 246 291	-7 591 012	110 905 267
Semi-Annual income	0	0	14 017 827	0	14 017 827
Transfer from capital reserve to free reserve	0	-174 141 899	174 141 899	0	0
Treasury share transactions ¹	0	-1 553 162	0	-30 490	-1 583 652
Balance as of 30.06.2009	82 656 000	63 391 509	-15 086 565	-7 621 502	123 339 442

¹ Profits and losses from transactions in treasury shares are shown in capital reserves. The notes constitute an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows

in CHF	1.1.–30.6.2009	1.1.–30.6.2008
Cash and cash equivalent at the beginning of the year	7 937 784	5 424 833
Cash flows from operating activities		
Sales of financial instruments	59 543 576	42 550 757
Purchases of financial instruments	-54 992 213	-87 515 534
Interest income	9 941	76 255
Dividend income	1 480 018	1 820 760
Income tax paid	-371 077	-314 470
Other income	359 145	219 682
Administrative and other expenses (net)	-2 470 745	-4 438 025
Increase/decrease of receivables and accruals	-254 527	-709 655
Increase/decrease of liabilities and deferrals	-396 761	1 688 620
Total cash flows from operating activities	2 907 356	-46 621 610
Cash flows from financing activities		
Funds raised from convertible bond	0	50 000 000
Interest payments on convertible bond	-1 000 000	0
Repurchase of treasury shares	-8 757 364	-4 709 185
Proceeds from sales of treasury shares	7 173 712	13 625 450
Total cash flows from financing activities	-2 583 652	58 916 265
Foreign currency translation effects on cash and cash equivalents	210 985	-201 104
Increase/decrease in cash and cash equivalent	534 689	12 093 551
Cash and cash equivalent at the end of the period	8 472 473	17 518 384

The notes constitute an integral part of the consolidated financial statements.

Selected explanatory notes to the Consolidated Interim Financial Statements 2009

1. COMPANY AND BUSINESS ACTIVITIES

Sustainable Performance Group AG (SPG), Zurich is a joint-stock corporation under Swiss law which was founded on May 21, 1997 and since September 1, 2008 has had its head office at Josefstrasse 218, 8005 Zurich. On August 8, 1997, it was listed in the "Investment Companies" segment of SIX Swiss Exchange. SPG's purpose is the investment in companies which are characterized by sustainable growth potential and to generate above-average shareholder value. SPG holds its investments indirectly through two wholly owned subsidiaries, SPG Public Investments Limited, Guernsey and SPG Private Investments Limited, Guernsey (hereinafter referred to jointly as "the Group").

2. ACCOUNTING POLICIES

General

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, and comply with the SIX Swiss Exchange Listing Rules, including the Additional Rules for the Listing of Investment Companies, under the historical cost convention, except that financial instruments, derivative financial instruments and the convertible bond have been measured at fair value. The consolidation methods and accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those used in the preparation of the consolidated annual financial statements for the year ended December 31, 2008. The consolidated interim financial statements for the six months ended June 30, 2009 should be read

in conjunction with the consolidated annual financial statements 2008.

Application of new and amended standards

The amendments and new standards and interpretations effective as of January 1, 2009 have been applied in the preparation of these financial statements. The following amended IFRS standards and interpretations are required to be applied for the Group as of January 1, 2009:

- IAS 1 (revised) relates to the "Presentation of Financial Statements" (effective from January 1, 2009). The amended standard prohibits the presentation of items of income and expense (that is, non-owner changes in equity) in the statement of changes in equity, requiring instead that such changes in equity be presented separately from transactions with owners in their capacity as owners. All non-owner changes in equity must therefore be shown in a performance statement. Entities can choose to present these items in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The principles governing recognition and measurement remain unchanged.
- IAS 39 (revised) relates to two issues. The amendment to IAS 39, "Financial Instruments: Recognition and Measurement" (effective from July 1, 2008) permits financial assets previously designated as "held for trading" or "available for sale" to be reclassified into another category subject to meeting certain criteria. Such reclassifications trigger various disclosure requirements. This amend-

ment is not applicable to derivatives and assets that were classified as “at fair value through profit or loss”. “Eligible hedged items” (effective from July 1, 2008) includes two significant amendments: it clarifies, firstly, that inflation may not be designated as a qualifying component of fixed-rate debt and, secondly, that time value may be excluded in hedging one-sided risks with options. The amendments are to be applied retrospectively.

- IFRS 7 (revised) relates to “Improving Disclosures about Financial Instruments” (effective from January 1, 2009). The amendments establish a three-level hierarchy for disclosing fair value that distinguishes fair value measurements by the significance of the inputs used. The disclosures are expected to improve comparability between entities about the effects of fair value measurements and increase convergence of IFRSs and US Generally Accepted Accounting Principles (US GAAP). In addition, the amendments are intended to enhance disclosure requirements about the nature and extent of liquidity risks arising from financial instruments to which an entity is exposed.
- IFRS 8, “Operating Segments” (effective from January 1, 2009) replaces IAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, “Disclosures about segments of an enterprise and related information”. The new standard impacts the reportable segments and the content of the segment reporting. It requires a “management approach”, under which segment information is presented on the same basis as that used for internal reporting purposes. The new standard permits segment carrying amounts and

segment profit or loss to be presented based on the nature of the financial instruments.

Application of the above-mentioned IFRS standards and interpretations does not affect or change the Group’s accounting policies.

The following new and amended standards and interpretations have been issued, but are not applicable to the Group until January 1, 2010 and were not early-adopted in these consolidated interim financial statements:

- IFRS 1 (revised, effective from July 1, 2009) – First-time Adoption of International Financial Reporting Standards and IAS 27 (revised) – Consolidated and Separate Financial Statements
- IAS 39 (revised, effective from July 1, 2009) – Financial Instruments: Recognition and Measurement
- IFRIC 17 (effective from July 1, 2009) – Distributions of Non-cash Assets to Owners
- IFRIC 18 (effective for transfers received on or after July 1, 2009) – Transfers of Assets from Customers

The Group has assessed the effects of the above-mentioned standards and interpretations and concluded that this new standard, the revised standard and the interpretations do not materially affect or change its accounting policies.

Segment reporting

Information is reported both by geographical segment and for listed and unlisted financial instruments with the potential for sustainable value

enhancement. The group discloses the segments “listed financial instruments”, “unlisted financial instruments” and “Holding”. See 9. for a description of the segments.

Estimates required in the preparation of the consolidated interim financial statements

Preparation of the consolidated interim financial statements requires management to make estimates and assumptions that affect the reported carrying amounts of the financial instruments and the net gain or loss on financial instruments of Private Equity portfolio companies. In making estimates, management must consider the information available and apply judgment. Actual future results may differ from these estimates, which could result in significant differences in the consolidated interim financial statements.

Consolidation

The consolidated interim financial statements include SPG and the wholly controlled subsidiaries SPG Public Investments Limited, Guernsey and SPG Private Investments Limited, Guernsey. Subsidiaries are consolidated from the date on which control is transferred to the Group and deconsolidated from the date that control ceases. Acquisition accounting uses the purchase method. All intercompany transactions and balances are eliminated on consolidation. All consolidated companies have the same reporting period end-date, June 30, 2009.

Intrinsic value per share

The intrinsic value per share is the total shareholders’

equity value in the consolidated financial statements divided by the time-weighted average number of outstanding shares.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise current account balances and short-term cash investments with banks with a maturity of three months or less.

4. FINANCIAL INSTRUMENTS

With the exception of the shares in AgraQuest, AquaSpy, Inge watertechnologies, Pelamis Wave Power, Identec Solutions and Emerald Cleantech Fund II LP, all financial instruments held by the Group at June 30, 2009 are traded on a recognized stock exchange and therefore measured at their bid price. Premiums received from issuing options amounted to CHF 415 810 (June 30, 2008: 0) and were recognized “under net income” from securities. In 2009, securities lending and borrowing generated no commissions (June 30, 2008: CHF 219 682). Shares in unlisted companies are measured at fair value.

Portfolio companies	Valuation method
AgraQuest	Last financing round
AquaSpy	Next financing round (prior year: last financing round)
Identec Solutions	Revenue comparison (1.4x) (prior year: revenue comparison [2.6x])
Inge watertechnologies	Last financing round
Pelamis Wave Power	Last financing round
Emerald Cleantech Fund II LP	Net asset value per share as of March 31, 2009, plus payment received in second quarter of 2009 (prior year: last financing round)

Listed financial instruments:							
Company	Number of shares 31.12.2008	Number of shares 30.6.2009	Local currency	Price in local currency 30.6.2009	Market value in local currency 30.6.2009	Market value in CHF 30.6.2009	Market value in CHF 31.12.2008
Thermo Fisher Scientific	122 000	122 000	USD	40.77	4 973 940	5 409 408	4 424 013
SMA Solar Technology	60 000	60 000	EUR	52.39	3 143 400	4 795 106	3 315 559
ITC Holdings	0	90 000	USD	45.35	4 081 500	4 438 835	0
KSB	9 000	9 000	EUR	322.00	2 898 000	4 420 760	3 861 494
Yingli Green Energy	470 000	300 000	USD	13.54	4 062 000	4 417 628	3 011 472
Itron	70 000	70 000	USD	55.06	3 854 200	4 191 635	4 749 662
SGL Carbon	125 000	125 000	EUR	21.96	2 745 000	4 187 366	4 423 704
JA Solar	0	800 000	USD	4.68	3 744 000	4 071 787	0
American Water Works	0	195 000	USD	19.07	3 718 650	4 044 218	0
Avon Products	0	140 000	USD	25.77	3 607 800	3 923 663	0
Kurita Water Industries	100 000	100 000	JPY	3 110.00	311 000 000	3 505 499	2 788 562
Pall	185 000	119 500	USD	26.52	3 169 140	3 446 598	5 588 157
China Green	2 499 000	3 000 000	HKD	8.15	24 450 000	3 431 023	2 093 474
Atrium Innovations	240 000	300 000	CAD	12.21	3 663 000	3 430 228	2 667 212
Geberit	25 000	25 000	CHF	133.50	3 337 500	3 337 500	2 827 500
Stantec	160 000	125 000	CAD	27.84	3 480 000	3 258 857	4 121 867
Novo Nordisk	0	54 000	DKK	287.00	15 498 000	3 174 650	0
Hain Celestial	180 000	180 000	USD	15.61	2 809 800	3 055 798	3 647 740
Ecolab	110 000	71 000	USD	38.98	2 767 580	3 009 882	4 115 309
Waste Management	0	97 000	USD	28.16	2 731 520	2 970 665	0
Novozymes	42 000	33 600	DKK	431.00	14 481 600	2 966 448	3 477 104
Suez Environnement	0	150 000	EUR	12.44	1 866 000	2 846 494	0
Iberdrola Renovables	0	550 000	EUR	3.25	1 787 500	2 726 746	0
Chaoda Modern Agriculture	7 500 000	4 285 000	HKD	4.52	19 368 200	2 717 903	5 098 448
Deckers Outdoor	0	35 000	USD	70.27	2 459 450	2 674 775	0
First Solar	0	15 000	USD	161.97	2 429 550	2 642 257	0
Wabtec	75 000	75 000	USD	32.17	2 412 750	2 623 986	3 163 514
SunOpta	1 000 000	1 000 000	USD	2.38	2 380 000	2 588 369	1 713 604
Danisco	0	60 000	DKK	208.00	12 480 000	2 556 435	0
Centrotec Sustainable	220 000	220 000	EUR	7.50	1 650 000	2 516 996	3 427 409
Wavin	567 741	567 741	EUR	2.85	1 618 062	2 465 678	1 957 136
Kellogg	0	48 000	USD	46.55	2 234 400	2 430 022	0
Gamesa	200 000	115 000	EUR	13.51	1 553 650	2 370 019	3 760 888
Johnson & Johnson	61 000	38 000	USD	56.74	2 156 120	2 344 888	3 881 237
Umicore	170 000	95 000	EUR	16.17	1 536 150	2 342 599	3 475 937
Noble	114 000	70 000	USD	30.25	2 117 500	2 302 887	2 677 883
Covanta	100 000	100 000	USD	16.94	1 694 000	1 842 310	2 337 313
Canadian Hydro Developers	489 600	489 600	CAD	3.69	1 806 624	1 691 819	1 253 693
Hanfeng Evergreen	0	300 000	CAD	5.91	1 773 000	1 660 332	0
XTO Energy	40 000	40 000	USD	38.12	1 524 800	1 658 296	1 501 159
Landi Renzo	0	340 000	EUR	3.20	1 088 000	1 657 099	0
Danaher	0	24 000	USD	61.74	1 481 760	1 611 488	0
Crown	0	60 000	USD	24.14	1 448 400	1 575 207	0
Sonova	60 000	17 000	CHF	88.30	1 501 100	1 501 100	3 795 000
Gurit	4 300	2 995	CHF	498.75	1 493 756	1 493 756	1 935 000
ENER1	0	250 000	USD	5.46	1 365 000	1 484 506	0
Energy Conversion Devices	90 000	90 000	USD	14.14	1 272 600	1 384 016	2 410 114
Veolia Environnement	57 375	40 028	EUR	20.99	840 188	1 281 361	1 877 685
Celestial Nutrifooods	10 000 000	10 000 000	SGD	0.17	1 700 000	1 277 393	2 696 427
Shanks	600 000	1 000 000	GBP	0.68	680 000	1 222 379	993 910
Tsurumi Manufacturing	176 000	176 000	JPY	598.00	105 248 000	1 186 324	1 295 677
Schmack Biogas	70 000	70 000	EUR	5.62	393 400	600 113	350 050
Catalytic Solutions	853 762	853 762	GBP	0.05	42 688	76 293	239 260
Vestas Wind Systems	85 000	0	DKK	0.00	0	0	5 127 799
Andritz	130 000	0	EUR	0.00	0	0	3 458 183
Toro	95 000	0	USD	0.00	0	0	3 336 737
Natura Cosmetics	300 000	0	BRL	0.00	0	0	2 600 172
Wacker Chemie	23 000	0	EUR	0.00	0	0	2 548 054
Oriflame Cosmetics	80 000	0	SEK	0.00	0	0	2 401 128
Sunpower	60 000	0	USD	0.00	0	0	2 355 194
Puma	10 000	0	EUR	0.00	0	0	2 087 722
Bare Escentuals	250 000	0	USD	0.00	0	0	1 380 994
Centrotherm Photovoltaic	40 000	0	EUR	0.00	0	0	1 220 291
Steico AG	120 000	0	EUR	0.00	0	0	321 347
Schmack Biogas Anrechte	70 000	0	EUR	0.00	0	0	27 963
Total listed financial instruments						140 841 400	131 819 757

Unlisted financial instruments (incl. loans and options):								
Company	Number of shares/ options 31.12.2008	Number of shares/ options 30.6.2009	Local currency	Acquisition cost per share in local currency 30.6.2009	Fair Value per share in local currency 30.6.2009	Fair Value in local currency 30.6.2009	Fair Value in CHF 30.6.2009	Fair Value in CHF 31.12.2008
AgraQuest								
Series F Preferred Shares*	400 000	400 000	USD	5.00	0.21	82 106	89 103	28 848
Series G Preferred Shares*	467 091	467 091	USD	5.00	0.21	95 878	104 048	33 687
Series H Preferred Shares	13 256 030	13 256 030	USD	0.07	0.21	2 721 003	2 952 888	1 053 900
Common Shares	1 232 917	1 232 917	USD	0.01	0.21	253 075	274 642	88 918
Warrant Common shares	0	0	USD	0.00	0.00	0	0	0
Warrant Series G	0	0	USD	0.00	0.00	0	0	0
Total AgraQuest	5 356 038	15 356 038	USD			3 152 062	3 420 682	1 205 353
AquaSpy								
Common Shares	4 157	2 710 987	AUD	14.07	0.64	1 731 604	1 512 260	0
A-Class Shares	98 516	0	AUD	18.45	0.00	0	0	0
B-Class Shares	922 175	0	AUD	2.97	0.00	0	0	1 379 453
Total shares	1 024 848	2 710 987	AUD			1 731 604	1 512 260	1 379 453
Convertible Loan			AUD			280 000	244 532	0
Shareholder loans			AUD			247 940	216 533	107 998
Total loan			AUD			527 940	461 065	107 998
Options Series A Shares	40 220	0	AUD	0.00	0.00	0	0	0
Options Series B Shares	603 137	0	AUD	0.00	0.00	0	0	0
Total options	643 357	0	AUD			0	0	0
Total AquaSpy			AUD			2 259 544	1 973 325	1 487 451
Identec Solutions								
Ordinary shares	1 499 999	1 499 999	EUR	1.50	0.57	852 329	1 299 290	2 118 979
inge watertechnologies								
Common Shares	16 520	16 520	EUR	0.25	2.00	33 040	50 366	49 259
Series B Preferred Shares	561 860	577 088	EUR	3.85	3.94	2 273 610	3 465 891	3 225 057
Total inge watertechnologies	578 380	593 608	EUR			2 306 650	3 516 257	3 274 316
Pelamis Wave Power								
Series B Preferred Shares	204 832	204 832	GBP	7.53	10.00	2 048 320	3 672 011	3 135 360
Emerald Cleantech Fund II LP								
Investment fund units			EUR			1 939 557	2 956 660	2 740 209
Total unlisted financial instruments						16 838 226	13 961 668	
Total financial instruments						157 679 626	145 781 425	

* Because of the lower issue price of the Series H Preferred financing round, the dilution protection of Series F Preferred ("weighted ratchet") and of Series G Preferred ("full ratchet") will apply.

– Recognition of gains and losses on financial instruments

Both realized gains and losses on financial instruments and unrealized changes in the value of those instruments are recognized in the consolidated income statement.

5. CONVERTIBLE BOND

On May 9, 2008, SPG launched a convertible bond issue, which was listed on SIX Swiss Exchange. The issue was launched in the name of SPG Public Investment Limited, Guernsey and guaranteed by SPG AG. The gross proceeds for the company amounted to CHF 50 million before commissions and transaction costs. The bond may be converted into a total of no more than 118 203 SPG bearer shares, drawn from contingent capital or treasury shares.

The terms of the convertible bond are as follows:

Conversion premium:	10 % of the reference share price
Conversion price:	CHF 423
Nominal value:	CHF 5 000 per bond
Coupon:	2%
Interest date:	May 20
Maturity date:	May 20, 2013

– Classification

The convertible bond is classified as 'at fair value through profit or loss'. This category includes financial instruments that were designated as at fair value through profit or loss on initial recognition. Financial instruments at fair value through profit or loss were designated as such by management because they are managed on a fair value basis and their performance is also evaluated and monitored on that basis.

– Recognition in the consolidated statement of financial position

The convertible bond is recognized in the consolidated statement of financial position as of the trade date; financial instruments that are sold are derecognized as of the trade date. On initial recognition, the convertible bond was stated at fair value (excluding transaction costs). The transaction costs were recognized as an expense.

– Measurement

Following its initial recognition at fair value, the convertible bond is measured at fair value based on the ask price.

– Recognition of gains and losses on the convertible bond

Both realized gains and losses on the convertible bond and unrealized changes in its value are recognized in the consolidated income statement.

6. EQUITY

SPG's share capital comprises 672 000 bearer shares with a par value of CHF 123 each. The Company is empowered to increase the authorized share capital by a maximum of 336 000 bearer shares with a par value of CHF 123 each, which must be paid up in full. The authorized share capital amounts to CHF 41 328 000. The General Meeting on May 14, 2008 authorized to increase the contingent capital to CHF 41 328 000 (336 000 bearer shares with a par value of CHF 123 each).

The General Meeting on May 7, 2009 resolved to transfer CHF 174 141 899 from legal reserves to free reserves and to approve a CHF 43 reduction in the par value of each of the 672 000 bearer shares from CHF 123 per share to CHF 80 per share. The CHF 28 896 000 reduction in par value and transfer to free reserves will be implemented following the call for claims to be filed in the second half of 2009.

At June 30, 2009, the financial statements showed 39 558 treasury shares (December 31, 2008: 31 513) carried at an acquisition cost of CHF 7 621 502 (December 31, 2008: CHF 7 591 012). During the reporting period, 48 070 shares (June 30, 2008: 12 365) were purchased at an average price of CHF 182.18 (June 30, 2008: CHF 380.85) and 40 025 shares (June 30, 2008: 35 558) sold at an average price of CHF 179.23 (Jun 30, 2008: CHF 383.19). The intrinsic value per share is CHF 195.02 (December 31, 2008: CHF 173.16).

Breakdown of purchases/sales of treasury shares 2009	Jan.	Feb.	March	April	May	June	Total
No. of treasury shares acquired	11 747	2 062	5 257	6 288	20 621	2 095	48 070
Average purchase price in CHF	178.30	171.59	151.47	181.36	191.04	206.60	182.18
No. of treasury shares sold	15 179	5 914	9 086	3 530	2 395	3 921	40 025
Average selling price in CHF	183.62	179.85	151.15	188.38	199.08	206.03	179.23

Breakdown of purchases/sales of treasury shares 2008	Jan.	Feb.	March	April	May	June	Total
No. of treasury shares acquired	4 979	517	1 274	834	3 181	1 580	12 365
Average purchase price in CHF	395.40	375.60	337.02	354.54	385.99	375.60	380.85
No. of treasury shares sold	11 765	9 415	3 205	5 478	4 211	1 484	35 558
Average selling price in CHF	409.96	375.68	340.19	362.29	389.20	371.58	383.19

Calculation of earnings per share	as of 30.6.2009	as of 30.6.2008
Weighted number of shares outstanding	643 804	664 741
Consolidated comprehensive income in CHF	14 017 827	-64 965 562
Basic earnings per share in CHF	21.77	-97.73
Diluted earnings per share in CHF	21.77	-97.73

As of June 30, 2009 no positions with dilution potential were held or outstanding.
As a consequence, basic and diluted earnings are identical.

7. ADDITIONS, DISPOSALS AND UNREALIZED GAINS/LOSSES ON LISTED AND UNLISTED FINANCIAL INSTRUMENTS:

in CHF	30.6.2009	30.6.2008
Listed financial instruments		
Shareholdings at beginning of year (market value)	131 819 757	261 837 099
Additions (purchase price)	54 309 006	83 896 953
Disposals (selling prices)*	-59 127 766	-42 550 757
Unrealised gains	53 129 853	0
Unrealised losses	-8 106 349	-76 898 147
Realised net capital gain/loss*	-31 183 100	15 421 945
Listed financial instruments at the end of period (market value)	140 841 400	241 707 093
Unlisted financial instruments		
Shareholdings at beginning of year (market value)	13 961 668	17 813 353
Additions (purchase prices)	683 207	3 618 581
Disposals (selling prices)	0	0
Unrealised valuation gains	3 082 064	50 051
Unrealised valuation losses	-888 713	-1 275 130
Realised net capital gain/loss	0	0
Unlisted financial instruments at end of period (fair value)	16 838 226	20 206 855
Total financial instruments at end of period	157 679 626	261 913 948

* incl. premiums received from issuing options amounted to CHF 415 810 (see note 4. Financial instruments)

8. GEOGRAPHICAL BREAKDOWN

The following table shows a geographical breakdown of assets:

in CHF	30.6.2009	31.12.2008
USA	62 562 315	43 139 086
Germany	20 036 598	30 124 718
UK	13 060 556	4 129 270
Canada	12 629 605	8 042 772
China	12 484 712	10 806 347
Switzerland	10 017 457	19 724 446
Denmark	8 697 532	8 604 903
Spain	5 096 764	3 760 888
Japan	4 691 823	4 084 239
France	4 127 854	1 877 685
Hongkong	3 431 023	2 093 474
Netherlands	2 465 678	1 957 136
Belgium	2 342 599	3 475 937
Australia	1 973 325	1 487 451
Italy	1 657 099	0
Austria	1 299 290	5 577 162
Luxembourg	0	2 401 128
Brasil	0	2 600 172
Total	166 574 229	153 886 815

The following table shows a geographical breakdown of operating income:

in CHF	30.06.2009	30.06.2008
China	4 451 584	-6 597 382
USA	1 575 014	-23 320 247
Luxembourg	1 390 052	0
Denmark	1 378 175	-1 052 189
Germany	1 231 556	-8 570 446
Brasil	1 181 473	24 098
Canada	905 408	-5 442 598
Hongkong	873 327	0
UK	868 755	-410 311
Switzerland	737 654	-7 307 851
Austria	663 049	-444 296
Japan	643 174	-211 502
Netherlands	542 830	-3 491 965
Spain	368 048	-468 396
Belgium	336 502	-889 084
Australia	178 761	-93 587
Italy	17 068	0
Norway	0	667 981
Singapore	0	46 246
France	-193 770	-2 537 409
Total	17 148 660	-60 098 937

9. SEGMENT REPORTING

in CHF	Listed financial instruments		Unlisted financial instruments		Holding		Group	
	1.1.–30.6.09	1.1.–30.6.08	1.1.–30.6.09	1.1.–30.6.08	1.1.–30.6.09	1.1.–30.6.08	1.1.–30.6.09	1.1.–30.6.08
Operating income								
Interest income	9 301	71 416	77	468	563	4 371	9 941	76 255
Dividend income	1 480 018	1 820 760	0	0	0	0	1 480 018	1 820 760
Net gains/loss on securities	14 256 205	-61 615 555	2 193 351	-1 225 079	0	0	16 449 556	-62 840 634
Profit from convertible bond	-1 150 000	625 000	0	0	0	0	-1 150 000	625 000
Other income	359 145	219 682	0	0	0	0	359 145	219 682
	14 954 669	-58 878 697	2 193 428	-1 224 611	563	4 371	17 148 660	-60 098 937
Operating expenses								
Interest expenses	500 000	114 130	0	0	0	0	500 000	114 130
Management fees	717 853	1 149 399	79 906	94 500	81 834	124 390	879 593	1 368 289
Issuance convertible bond	0	1 015 000	0	0	0	0	0	1 015 000
Other expenses	85 815	199 932	53 769	112 481	1 240 579	1 742 323	1 380 163	2 054 736
	1 303 668	2 478 461	133 675	206 981	1 322 413	1 866 713	2 759 756	4 552 155
Net profit before tax	13 651 001	-61 357 158	2 059 753	-1 431 592	-1 321 850	-1 862 342	14 388 904	-64 651 092

in CHF	Listed financial instruments		Unlisted financial instruments		Holding		Group	
	30.6.09	31.12.08	30.6.09	31.12.08	30.6.09	31.12.08	30.6.09	31.12.08
Segment assets	149 004 793	138 602 732	16 840 996	13 963 759	728 440	1 320 325	166 574 229	153 886 815
thereof financial instruments	140 841 400	131 819 757	16 838 226	13 961 668	0	0	157 679 626	145 781 425
Segment liabilities	42 691 391	42 166 969	50 316	51 465	493 080	763 114	43 234 787	42 981 548
thereof convertible bond	42 150 000	41 000 000	0	0	0	0	42 150 000	41 000 000

“Listed financial instruments” segment

The “listed financial instruments” segment encompasses the management of shares in listed companies that are traded on a recognized stock exchange and for which a bid price is regularly available for the valuation of those shares.

“Unlisted financial instruments” segment

The “unlisted financial instruments” segment encompasses the management of shares in unlisted compa-

nies and the granting of shareholder loans and options that are not traded in an active market. These are measured on the basis of recent transactions or by reference to other, similar financial instruments.

“Holding” segment

The “Holding” segment encompasses the holding and management of investments and the related strategy, marketing, management, coordination and financing activities.

10. CONTINGENT LIABILITIES AND OFF-BALANCE SHEET TRANSACTIONS

Commitments made but not yet settled amounted to EUR 2 340 379 (December 31, 2008: EUR 2 529 141). There were no other contingent liabilities or off-balance sheet transactions at June 30, 2009.

11. RELATED PARTY TRANSACTIONS

Transactions with related parties are based on standard forms of contract and concluded on arm's length terms.

12. TRANSACTIONS AFTER THE END OF THE REPORTING PERIOD

See 6. Equity and 10. Contingent liabilities and off-balance sheet transactions.

Report of the Statutory Auditors to the Board of Directors of Sustainable Performance Group AG, Zurich

Zurich, August 13, 2009

As statutory auditors, we have audited the condensed consolidated interim financial statements (balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and selected explanatory notes/pages 18 to 30) of Sustainable Performance Group for the half-year ended June 30, 2009.

The Board of Directors is responsible for the preparation of the condensed consolidated interim financial statements in accordance with International Accounting Standard (ISA) 34 "Interim Financial Reporting" and the accounting provisions as contained in the Additional Rules for the Listing of Investment Companies of the SIX Swiss Exchange as well as the requirements of Swiss law. Our responsibility is to express an opinion on these condensed consolidated interim financial statements based on our audit. We confirm that we meet the legal requirements concerning licensing and independence.

Our audit was conducted in accordance with Swiss Auditing Standards and with the International Standards on Auditing, which require that an audit be planned and performed to obtain reasonable assurance about whether the condensed consolidated interim financial statements are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the condensed consolidated interim financial statements. We have also assessed the accounting principles used, significant estimates made and the overall condensed consolidated interim financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the condensed consolidated interim financial statements comply with International

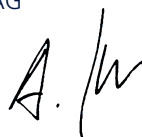
Accounting Standard (IAS) 34 "Interim Financial Reporting" and the accounting provisions as contained in the Additional Rules for the Listing of Investment Companies of the SIX Swiss Exchange as well as with Swiss law.

Without qualifying our opinion, and in accordance with Art. 20 of the Additional Rules for the Listing of Investment Companies of the SIX Swiss Exchange, we draw attention to Note 4 of the condensed consolidated interim financial statements. As indicated in Note 4, the condensed consolidated interim financial statements include unlisted investments stated at their fair value of CHF 16 838 226.–. Because of the inherent uncertainty associated with the valuation of such investments and the absence of a liquid market, these fair values might differ from their realizable values and the difference could be material. The fair values of these investments have been determined by the Board of Directors and have been disclosed in Note 4. We have reviewed the procedures applied by the Board of Directors in valuing such investments and have viewed the underlying documentation. While in the circumstances procedures appear to be reasonable and the documentation appropriate, the determination of fair values involves subjective judgement which cannot be independently verified.

PricewaterhouseCoopers AG



Thomas Huber
Audit expert
Auditor in charge



Adrian Keller
Audit expert

Sustainable
performance
with the future
in one share



Shareholder Information

Reporting	
– Printed publications:	Audited Semi-annual and Annual Report, Quarterly reports
– Online publications:	Monthly reports

Share Price	
– Internet:	www.sustainable.ch
– Bloomberg:	SPG SW Equity
– Reuters:	SPG.5

Net Asset Value (NAV)	
– Internet:	www.sustainable.ch
– Bloomberg:	SPG SW Equity NAV
– Reuters:	SUSTAIN01 (and following pages)

Structure	
– Established:	May 21, 1997
– Legal domicile:	Zurich, Switzerland
– Stock Exchange Listing:	SWX Swiss Exchange, since August 8, 1997
– Swiss security number:	650216
– ISIN:	CH0006502162

To order documents	
– by phone:	+ 41 44 687 22 66
– by e-mail:	info@sustainable.ch
– to register for mailing list:	www.sustainable.ch/unterlagen

Sustainable Performance Group AG (SPG) was founded in 1997. The individual investments are made entirely through two wholly owned subsidiaries of SPG, namely SPG Public Investments Limited (investments in listed companies) and SPG Private Investments Limited (predominantly investments in unlisted companies), both domiciled in Guernsey. Acting as investment adviser to the two subsidiaries

is SAM Sustainable Asset Management AG which boasts an experienced and qualified team in the fields of sustainability research, guaranteeing the professional implementation of the investment strategy developed by it. The shareholdership of SPG is made up of around 1,500 private and institutional investors. Approximately two thirds of shares are held by institutions and around one third by private investors.

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SOLAR TRIMARAN POWERED BY HYBRID TECHNOLOGY

This ferry, with capacity for 600 passengers, has a conventional diesel engine fitted in its central hull and solar-powered electrical motors in each side hull, or outrigger. The hydrofoils can pivot, which allows them to be used as sails as well.

