

Excerpt from BusinessWeek, December 25, 2010

<http://www.businessweek.com/news/2010-12-25/blackrock-blames-loan-crisis-for-clean-energy-outflow.html>

## **BlackRock Blames Loan Crisis for Clean-Energy Outflow**

Renewable-energy funds suffered record outflows this year, reversing their direction from 2009, as money managers including BlackRock Inc. said the credit crunch dimmed the outlook for solar and wind power projects.

Investors pulled 931 million euros (\$1.2 billion) in the first 10 months, already eclipsing the full-year withdrawals in 2008 when the global financial crisis spooked investors, according to data compiled by Lipper Inc. Last year clean-energy funds captured 1.3 billion euros of new money, Lipper said.

Tighter loan terms for clean-power projects, greater competition from Chinese manufacturers and reduced subsidies from European governments hammered some of the stocks that had been favorites of fund managers before 2010, such as Vestas Wind Systems A/S, the world's largest wind-turbine maker. Funds that held oil and gas companies were gainers, a separate survey said.

"The new-energy market and related stocks were significantly impacted by the credit crisis," .... Reduced demand for energy and "the fact that governments were perceived to have many new worries on their agenda combined to create a difficult environment," he said. New York-based BlackRock is the world's largest money manager.

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Vestas, which soared four-fold in Danish trading in the two years through June 2008, lost 46 percent this year through yesterday to 178.80 kroner. The WilderHill New Energy Global Innovation Index fell 15 percent in the period.

"Performance is always going to be key," said ... head of U.K. and cross-border research at Lipper. "If your performance isn't there, people aren't going to buy the fund."