

Media Release

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SAM Private Equity invests EUR 1.2mio in Schmack Biogas AG

Schmack Biogas AG, a leading German provider of biogas plants receives a total of EUR 3.0 in growth capital to expand business within Europe and further develop the core technology of anaerobic digestion.

SAM Private Equity participated with EUR 1.2 million as a new investor in a financing round which was structured and lead by Abel Beteiligungs GmbH in November 2004. The syndicate was joined by existing investors, a Bavarian regional fund S-Refit and by Japanese agricultural equipment maker Cornes&Co.

The largely untapped market of converting agricultural biomass into energy and the strong competitive advantage of Schmack's proven product portfolio were convincing arguments for SAM Private Equity to join the syndicate. Investment director Philipp Hasler says: „After 4 years of intensive screening and assessment of more than 140 different biomass companies, we came to the conclusion that Schmack Biogas has a considerable upside potential and will become an attractive investment for all shareholders. The well-proven and modular components, combined with an extensive biology know-how satisfy current market needs and ensure stable operation of the anaerobic processes with high biogas yields and high capacity factors, i.e. enabling highly profitable plant operation. The biogas market will increasingly be driven by professional investors who are attracted by highly profitable biogas projects. And these investors will rely on partners like Schmack Biogas. A sustainable cultivation and use of agricultural biomass for energy production enable an alternative and sustained income for the farmers, without negatively affecting environment and fertility of soil. The economic relevance of biogas today has likely arrived at a point where the wind industry started its success story about 25 years ago.”

The closing of this EUR 3.0 million transaction and the participation of SAM Private Equity as an international investor allows Schmack Biogas AG to continue its rapid growth. “ This additional capital injection allows us to quickly and consequently execute our opportunities and to expand our leading role in anaerobic digestion of agricultural biomass”, adds Schmack CEO Herbert Abel.

Ulrich Schmack emphatically welcomes the participation of SAM Private Equity and the earlier investment by Abel Beteiligungsgesellschaft GmbH: “This commitment confirms our



belief that Schmack Biogas has chosen the right strategy: Focus on fermentation of renewable feedstocks.

We were positively surprised by the profound know-how of the SAM team since our first contact. Few investors cover this sector in such intensity and put that much emphasis on the sustainability of their investments. I am convinced that SAM Private Equity is the right partner and that they will bring many valuable contacts and ideas to us through their global network."

About Schmack Biogas:

Schmack Biogas was founded in 1995 and today is one of the leading players in the German biogas industry. The plant engineer and constructor supports its customer from the initial planning phase to the maintenance and daily operation of the biogas plants. The main components of the process are patented and proprietary developments. The company reached its outstanding position through year-long operational experience and consistent further development of the technology both on plant construction as well as on microbiological process monitoring. The extensive expertise of Schmack Biogas in biology and plant operation ensure stable fermentation processes with high gas yields, thus allowing the plant operator to reach a high profitability.

Currently, more than 130 biogas plant with an installed electric capacity of about 27 Megawatts are built or under construction. Schmack Biogas employs today 75 people.

About SAM Private Equity:

SAM Private Equity is a leading international venture capital firm focusing on emerging technologies in the energy, materials and water sectors. Founded in 2000, SAM Private Equity is a pioneer in the development of this fast growing "Cleantech" investment sector. With assets under management of around EUR 150 million, 30 portfolio companies and offices in Zurich and Montreal, SAM Private Equity today is one of the internationally leading VCs in this sector.

SAM Private Equity manages two venture capital funds and two venture capital mandates of large North American institutional investors. SAM Private Equity's investors include CDP (Caisse de dépôt et placement du Québec), SwissRe, EDF (Electricité de France), Norsk Hydro, Ontario Power Generation, Hydro Quebec, Suncor and Mitsui.

SAM Private Equity is part of SAM Sustainable Asset Management, headquartered in Zurich, Switzerland.



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SAM Sustainable Asset Management (SAM) was founded in 1995 as an independent asset management company specializing in sustainability investments. Today SAM ranks among the world's leading institutions in this sector. Its clients include banks, insurance companies, pension funds, trusts and private investors. Through systematic analysis, SAM seeks to identify companies with sustainable success criteria. Integrating these forward-looking criteria into the investment process gives the investor the greatest possible degree of control, transparency and an attractive return. Besides individual mandates for institutional investors and private clients, SAM offers financial products in the field of innovative energy technologies, sustainable food production, water, efficient use of resources, sustainability pioneers, sustainability leaders and private equity. SAM's expertise stems from its own research as well as an active, worldwide sustainability network. In cooperation with Dow Jones Indexes and STOXX, SAM launched the world's first family of sustainability indexes, tracking the performance of companies that lead their industry in terms of sustainability. For SAM this means evaluating more than 1,000 companies each year.

SAM Sustainable Asset Management is headquartered in Zurich (Switzerland), and has branches and representative offices in Sonoma (California, USA), Melbourne (Australia), Milan (Italy), Montreal (Canada), Stockholm (Sweden) and Barcelona (Spain).
