

New and Alternative Technologies An Investment Strategy David Gardner, Head of Ventures

Ventures – What do we do?

Our objective is to develop and grow SSE's portfolio of investments in SME's which provide products and services that will strategically support SSE's longer term position.

Ventures – Why?

- Support future competitive position
- Strategic collaboration
- Return on investment
- Building progressive, sustainable brand
- Develop staff 'know how'
- Developing entrepreneurial culture

Ventures – What differentiates us from the other investors?

SSE's competitive advantage:

- Industry - commercial, technical and regulatory experience
- Potential synergies with our businesses
- Brand
- Route to market
- Ability to take a long term view
- Cash

Ventures – What are our investment considerations?

- Mainly 'cleantech' products and services
- Commercial benefits for SSE businesses
- Size of investments
- Use of grant funding
- Direct investment or use of investment funds

Ventures – Commitments

- Pre-2007/08 – £27m of commitments
- 2007/08 - £44m of commitments
- 2008/09 – So far £15m with another £5m allocated

Ventures – Existing direct investments



Insource Energy



Ventures – Existing fund investments



Sigma Scottish GP No 2 Limited



Sigma GP No 3 Limited



VANTAGEPOINT
CLEANTECH PARTNERS II, L.P.



St Andrews Fuel Cells Ltd

Ventures – Investment targets 08/09

- Renewable heat
- Biomass and waste
- Low carbon homes
- Electric vehicles
- Energy efficiency
- ‘Big’ battery storage
- Micro wind
- Spin-outs from our R&D commitments

Questions?