



ERSTE-SPARINVEST and WWF Launch a Joint Environmental Fund Project

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9 October 2006 will see the start of an innovative co-operation on the Austrian investment funds market: ERSTE-SPARINVEST and the World Wide Fund for Nature (WWF) have announced that they will jointly manage an investment fund: the ESPA WWF STOCK UMWELT. This is an equities fund which has been on the market since 2001 and invests in companies all over the world which are exclusively or predominantly engaged in the field of environmental technology. Some of the earnings from the fund will benefit the WWF's water protection programme in Austria. This will not diminish the return for customers as ERSTE-SPARINVEST will forgo some of its profits in order to fund conservation.

"The industrialised nations and an increasing number of emerging markets now recognise that the only sensible strategy is to achieve a balance between economy and ecology," say the two organisations explaining their co-operation. "The result is a product which combines sustainable capital growth with investments in a better future," said Heinz Bedner, Managing Director of ERSTE-SPARINVEST, at a press conference this morning in Vienna.

Ethically and environmentally responsible investment funds have been widespread in the Anglo-American world for decades; they started gaining ground in German-speaking countries about 15 years ago. Today there are approximately 300 funds throughout the world which are managed according to ethical and ecological criteria and about 90 in the German-speaking world. In Austria the amount of money invested in "green" funds is still relatively modest. However, it has grown steadily in recent years, with volume rising from EUR 1.2 billion in 2003 to EUR 1.9 billion by the end of August 2006. ERSTE-SPARINVEST has a market share of more than 60% in the ethical and environmental investments segment.

All Good Things Come in Threes

The massive impact of climate change on flora and fauna can be seen everywhere, with floods, drought and extreme weather conditions as the direct consequences. WWF Director Hildegard Aichberger sees the new fund as a "constructive solution with which environmental protection can be established in the financial industry for the first time. The WWF therefore needs a competent partner who sees that environmental investments provide a link between the environment and business and who can deliver the necessary expertise. We are delighted that the WWF has now found such a partner in ERSTE-SPARINVEST." says Aichberger. According to the WWF, ESPA WWF STOCK UMWELT offers a three-fold return: On the one hand, investors benefit from the high profit potential of environmental shares; on the other, this fund supports the environmental technology industry, providing an opportunity to influence trends on the market. Thirdly, investors support important WWF environmental projects.

The WWF will use the income from the fund to finance its water protection programme. This includes, for example, the river rehabilitation project "Jeder Hektar zählt" for 24 Austrian rivers. Other WWF initiatives which benefit include "Unser Inn," which focuses on new river widening schemes and the rehabilitation of dead arms by connecting them to living riverine meadows.

Environmental Shares: An Attractive Addition to the Portfolio Mix

Over the last three years environmental shares have been an attractive investment, although this does not permit conclusions to be drawn about their future development. In this period ESPA WWF STOCK UMWELT has gained approximately 50%. Companies in the field of alternative energy generation (e.g. wind, solar power) performed especially well. The fund also invested in water processing, alternative waste processing systems and environmental management. The fund management team is headed by Hans Leitner (37), who is responsible for industry funds at ERSTE-SPARINVEST.

When selecting companies for the fund, Leitner can call on shares from large, well known international corporations as well as promising companies with low to medium market capitalisation. The fund currently invests 50% of its portfolio in US equities, 40% in European and 10% in Asian shares. The largest stocks at present are the wind turbine manufacturer Repower Systems, the solar power company Solarworld and the water company Severn Trent. According to Leitner, the driving factors behind WWF's involvement in ESPA WWF STOCK UMWELT are a desire to reduce the use of fossil fuels in energy production, the boom in wind and solar power and the growing importance of waste recycling even in the emerging markets.

Environmental Advisory Board Advises on Investment Criteria

An environmental advisory board especially set up for the fund advises the fund managers and monitors whether investment decisions comply with the fund guidelines. In co-operation with the environmental advisory board, criteria are defined which prohibit a stock being considered for investment: Companies may not for example be involved in nuclear power or genetic engineering, the arms industry or tolerate child labour and discrimination.

The members of the environmental advisory board of ESPA WWF STOCK UMWELT are:

Helmut Pechlaner: President of WWF Austria and Director of Schönbrunn Zoo

Christine Jasch: Scientist, Institute for Environmental Management and Economics (IÖW)

Max Deml: Expert for sustainable investment, publisher of "Öko-Invest"

Herbert Greisberger: Director of ÖGUT (Austrian Society for the Environment and Technology), and founder of the platform "Ethical-Ecological Investment"

Klaus Rosenkranz, Erste Bank's Corporate Social Responsibility (CSR) officer

The WWF is the world's largest independent conservation organisation and has more than 5 million supporters worldwide. The **WWF** is actively involved in 2000 projects in 94 countries. Its most important goals: To protect valuable natural landscapes and endangered species, the sustainable use of renewable resources and the reduction of environmental pollution.

With a fund volume of more than EUR 28 billion, **ERSTE-SPARINVEST**, the capital investment subsidiary of Erste Bank- und Sparkassengruppe, is the leading Austrian investment fund company for retail investment funds. The company which has received excellent ratings from international rating agencies manages successful equity funds, including ESPA STOCK BIO-TEC.