

Impax Asset Management Group plc

Annual General Meeting

Financial Year Ending 30 Sept 2011

26 January 2012



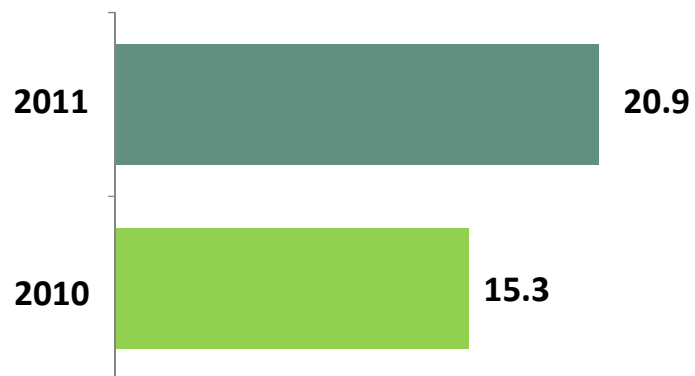
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Impax Asset Management Ltd is authorised and regulated by the Financial Services Authority

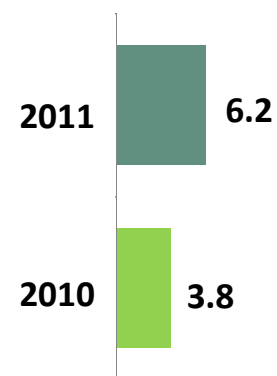
Impax is a registered investment advisor with the SEC

Financial Highlights

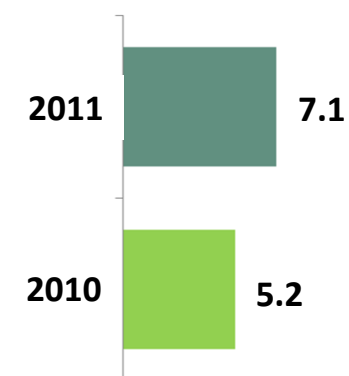
Revenue (£m)



Operating earnings (£m)*



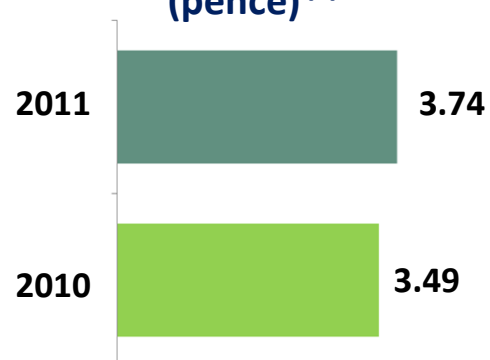
Profit before tax (£m)



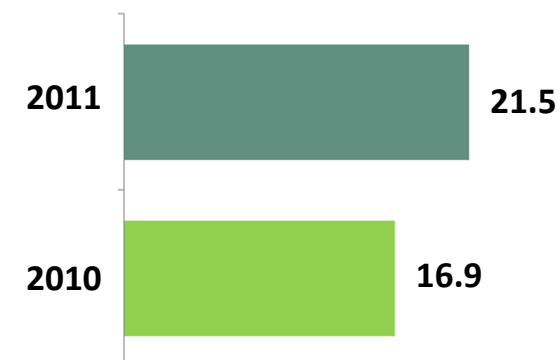
AUM (£m)



Diluted earnings per share (pence)**



Shareholders' Equity (£m)



*excluding £5.4m charge (2010: nil) due to share incentive schemes

**adjusted to exclude the IFRS2 charge for share schemes satisfied by primary shares

Commercial Highlights

- **Expansion of recently established products**

- IAEM plc C Share
- Impax New Energy Investors II

- **New listed equity mandates**

- LD pension fund
- BNP Paribas L1 Green Future Fund

- **International expansion**

- Hong Kong
- US

- **Corporate development**

- Senior staff
- New London office

Environmental Markets Update (I)

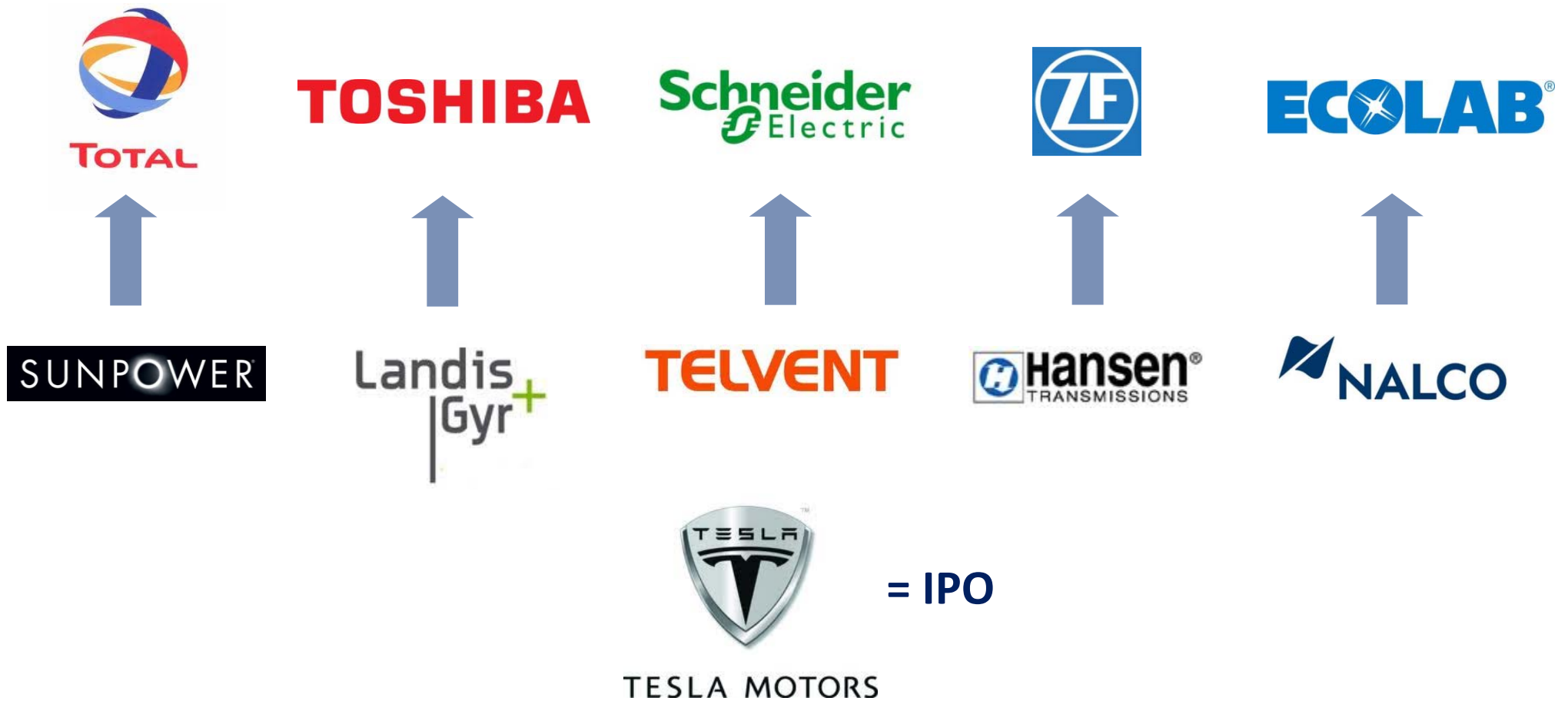
- **Major developments in environmental markets**
 - Fukushima
 - Arab spring/oil
 - Carbon taxes/markets
 - US drought

- **China's Five Year Plan**
 - c.\$1.5trn investment in environmental sectors by 2020*
 - Strategic sectors: Renewables, Industrial energy efficiency; LED lighting; Electric vehicles

* Impax calculation based on sub-sector investment target announcements. Sources: Nomura Anchor Report on Asian Water and Environment, 14 December 2011 (pages 30-38) and North Square Blue Oak, China Policy Research Report 'Upcoming Developments in New Energy (12th FYP)', 26 September 2011.

Environmental Markets Update (II)

Landmark corporate transactions



Listed Equity Strategy Performance (to 30/10/11) in GBP

	5Y	3Y	1Y	Forward PE*
Environmental Specialists	23.4%	40.8%	-6.2%	13.5x
Environmental Leaders	N/A	48.9%	-2.1%	12.6x
Water	N/A	63.3%**	0.4%	13.2x
FTSE World Index	19.1%	41.7%	0.4%	11.1x
FTSE ET50	-4.1%	-3.9%	-20.2%	12.9x

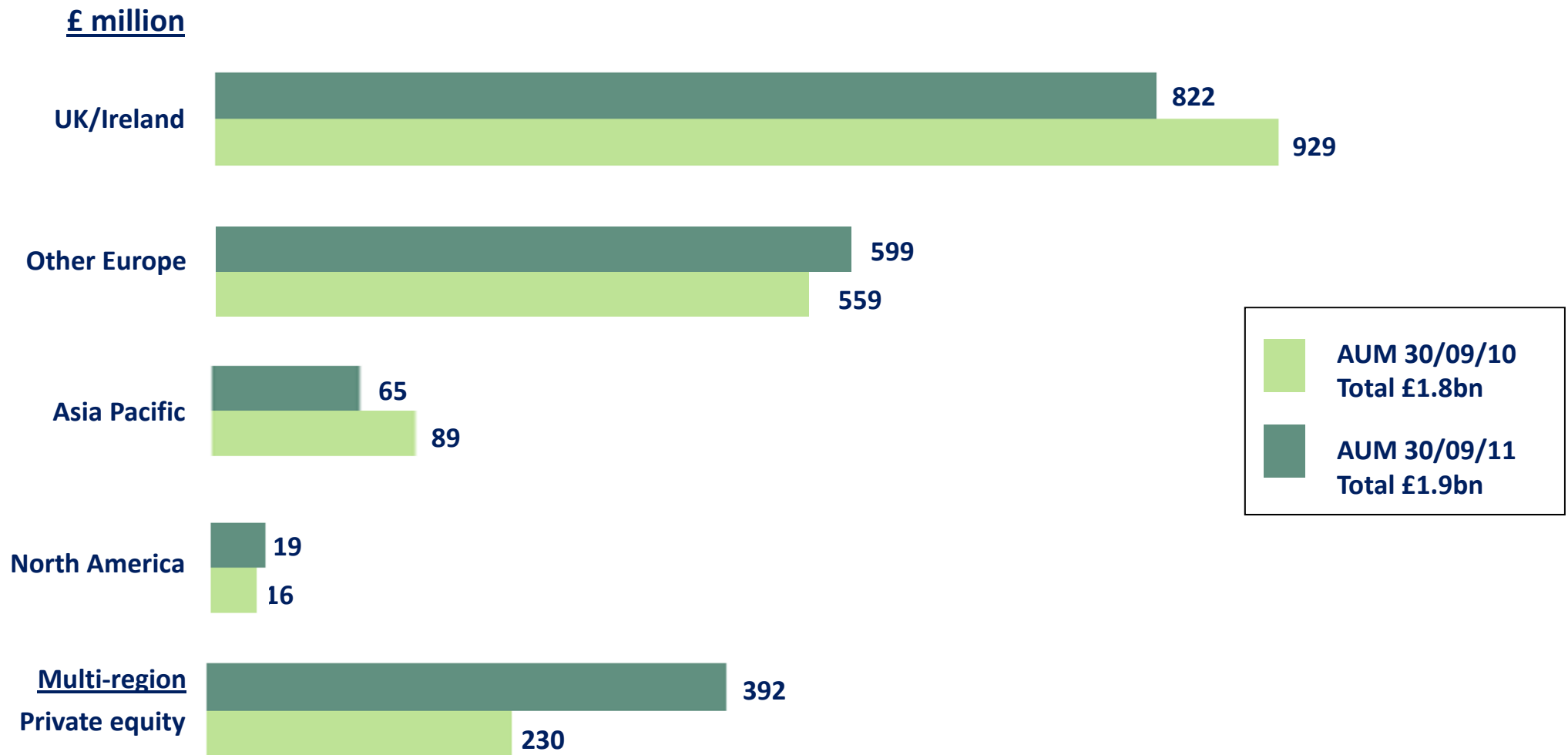
FTSE indices are total return (source: FactSet. FX rates taken 4pm, source: WM Reuters)

Volatilities calculated over 1 year period to 31 October 2011 (source: FactSet, WM Reuters)

**Forward 12 months to October 2012.*

*** Since Inception, December 2008*

Increase in AUM by Geographic Region (Client Domicile*)

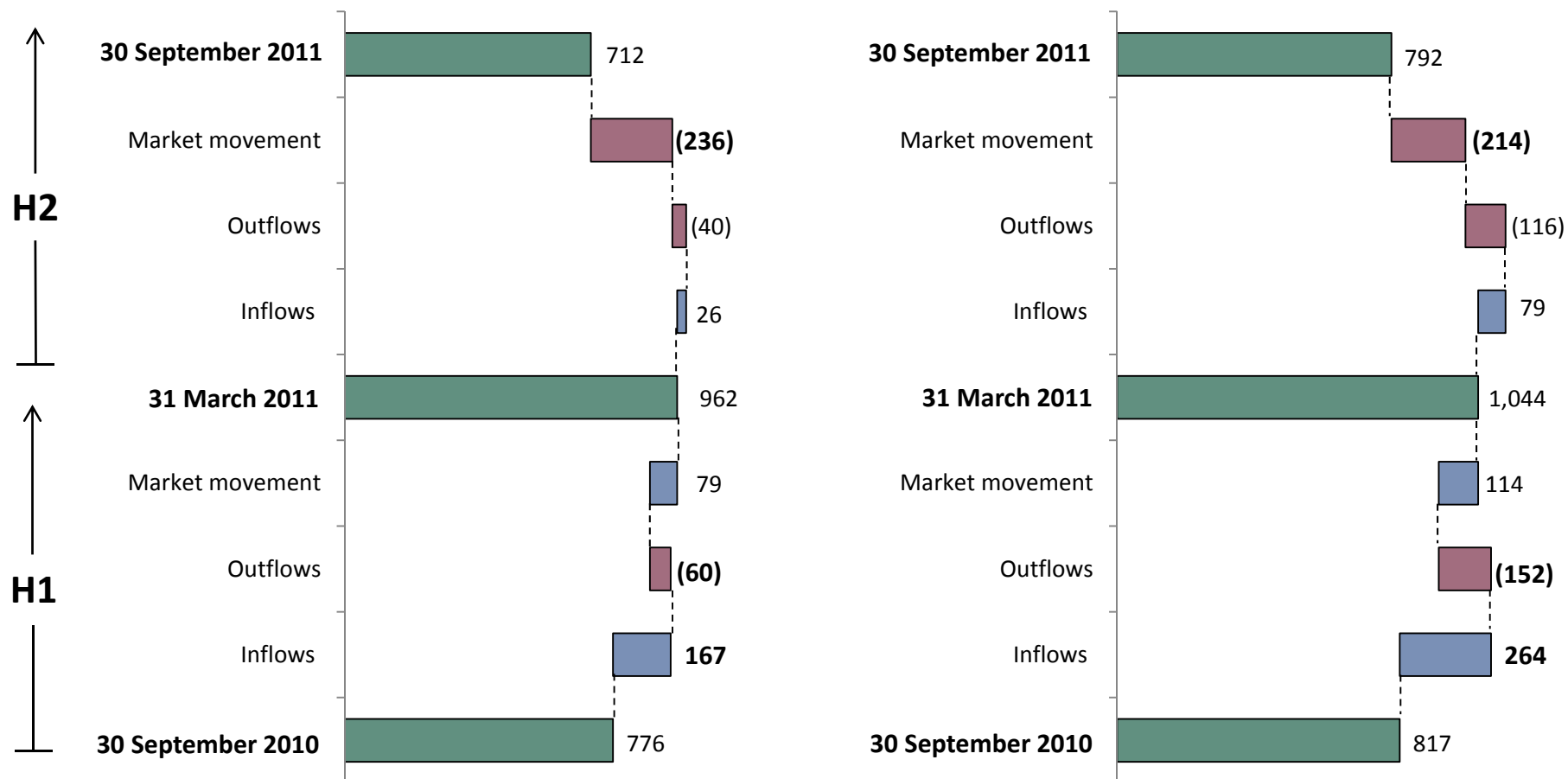


* Estimated breakdown based on fund domicile

Flows for “Impax label” and Third party funds/accounts

“Impax label” funds (£m)

Third party funds/accounts (£m)



Note: the data above refers to Listed Equity funds only

Private Equity Highlights

- **Significant investment opportunity**
 - Wind and solar PV: c.€230 billion investment by 2014 in EU*
 - Stable, long-term, inflation-protected cashflow
 - “Proprietary” deal flow
- **NEF I**
 - Fund I (€125m) now fully invested/committed
 - Impax committed to invest €3.76m into Fund (€2.75m drawn)
 - Core portfolio ready for sale
- **NEF II**
 - Final close of €330m (€3.3m investment by IPX)
 - “Re-ups” from Fund I investors
 - New investors from US and Japanese institutions
 - Five investments made to date

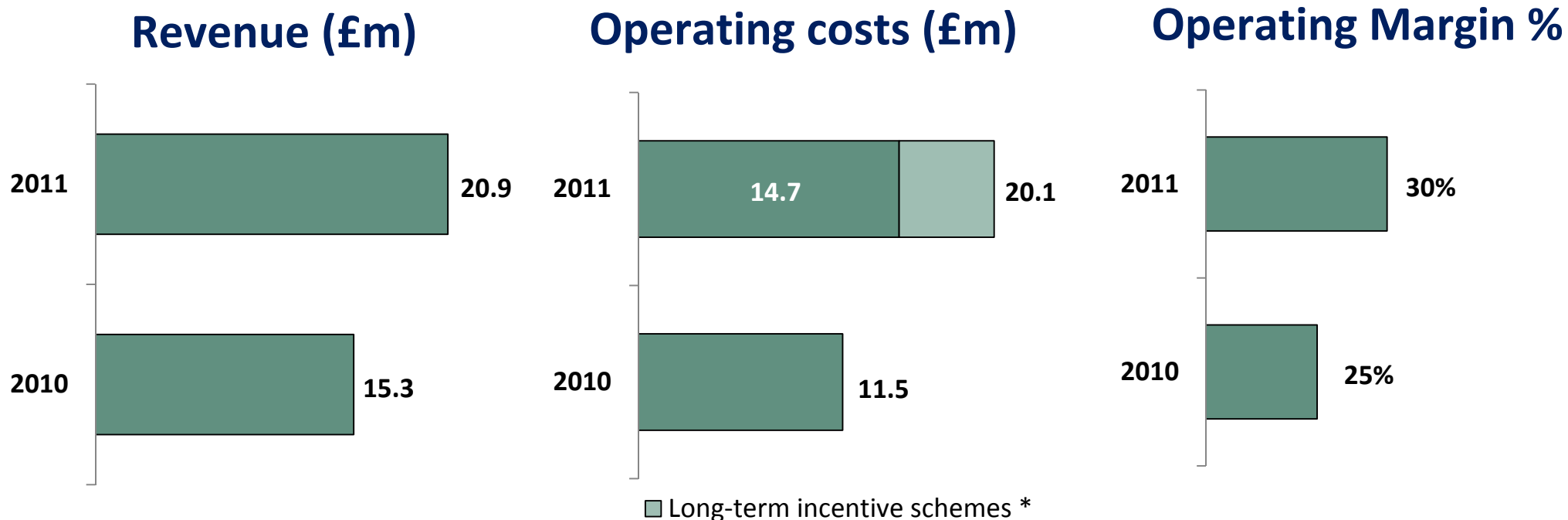


* Estimated. Source: EPIA, EWEA, GWEA, 2010.

Channels for Growth

- **US distribution**
 - Pax Global Green Fund (ca.\$40m, Morningstar “4 star”)
 - Impax Green Markets Fund LP
 - Consultants
 - Focus on endowments, foundations, family offices, charities
- **BNP Paribas Investment Partners**
- **New strategies**
- **Additional distribution resources**

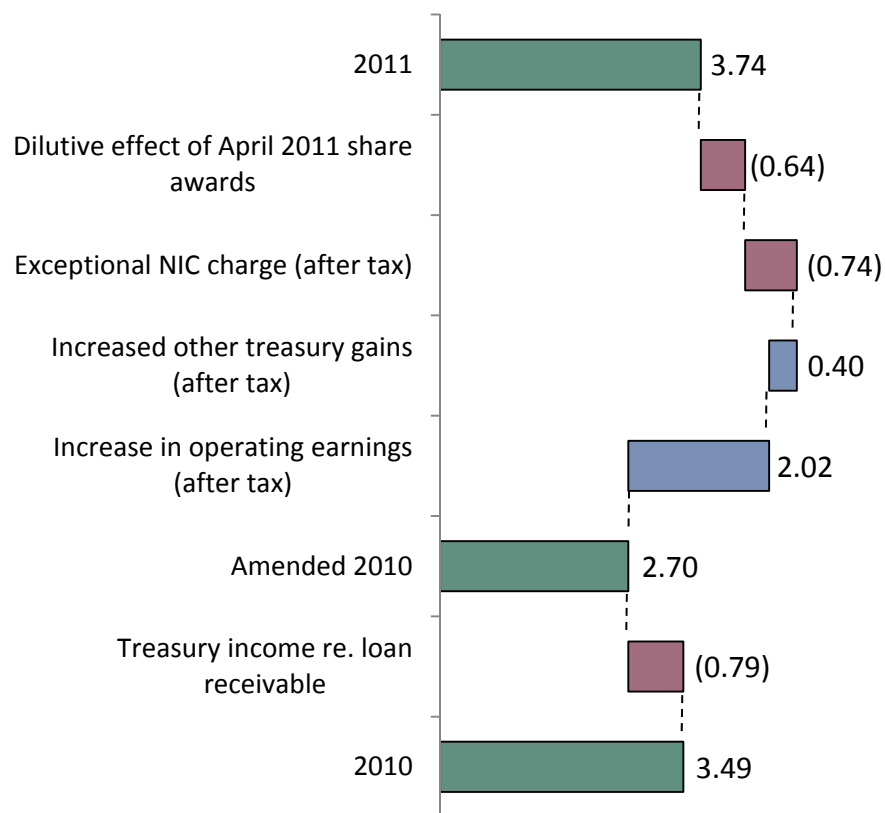
Final Results: Financial Highlights (1)



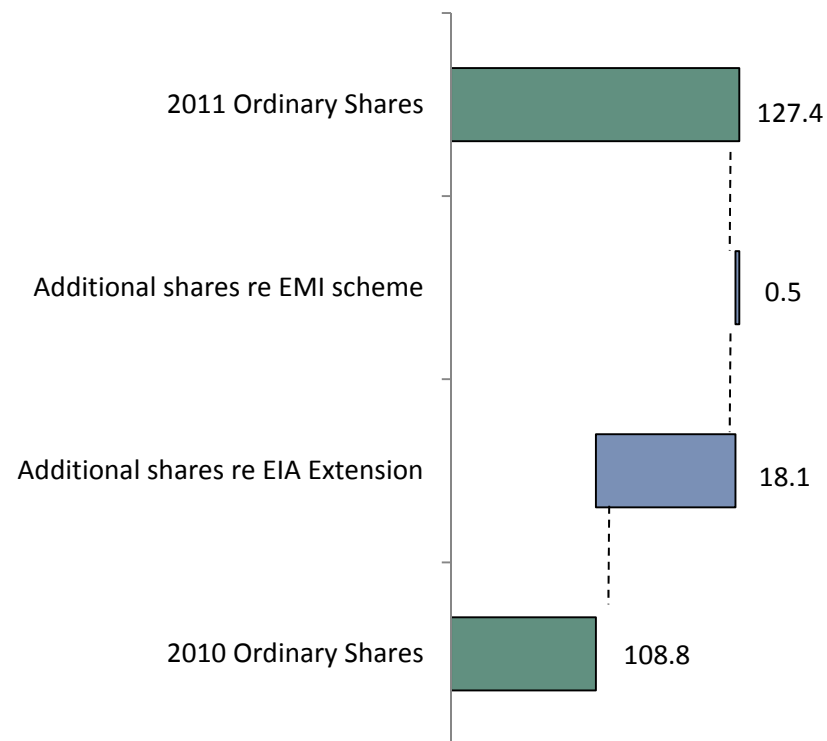
* Long-term incentive schemes include the IFRS 2 share based payment charge, exceptional NIC and other long-term incentive scheme related charges.

Final Results: Financial Highlights (2)

Diluted adjusted EPS (p)



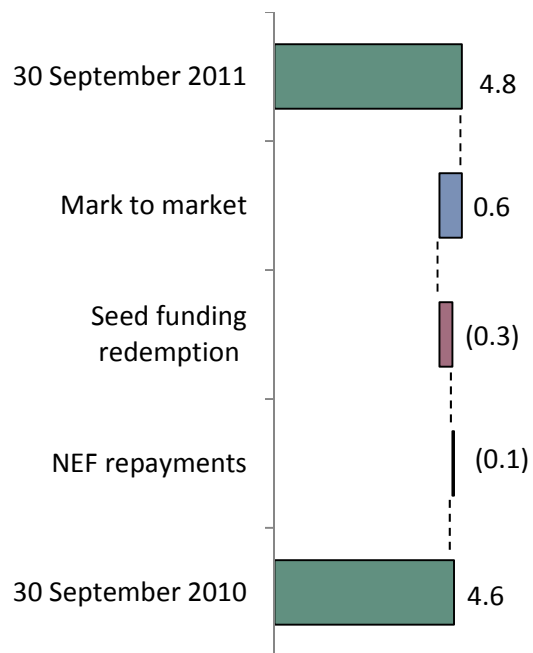
Ordinary Shares (m) (per diluted adjusted EPS)



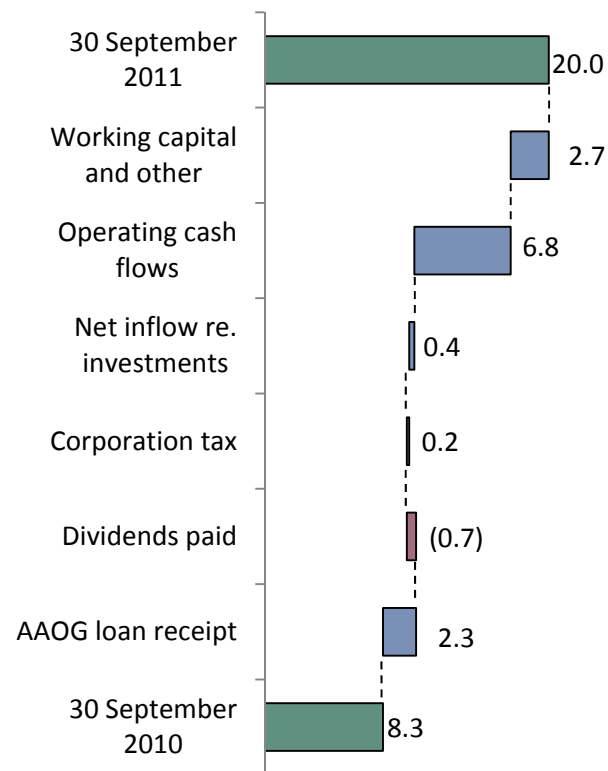
We understand Impax shares are “relevant business property” for UK IHT purposes

Final Results: Financial Highlights (3)

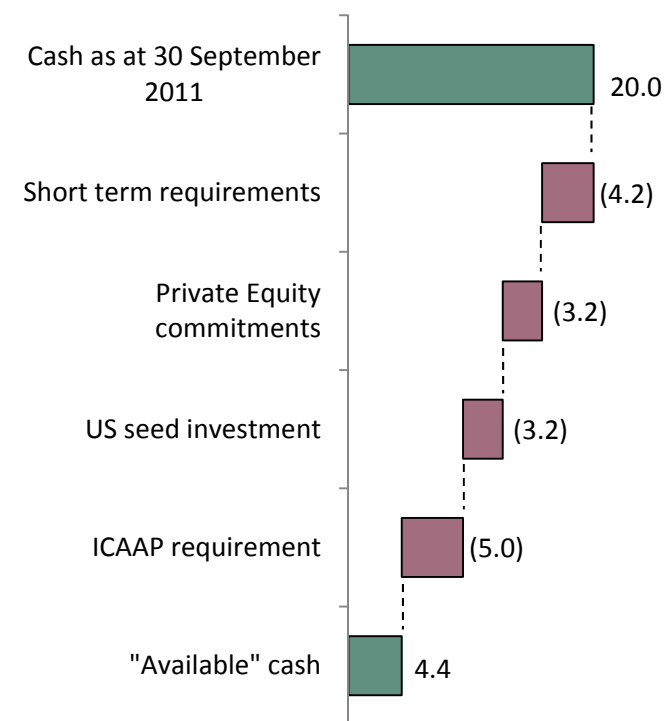
Investments (£m)



Cash reserves (operating entities) (£m)



Cash reserve commitments (£m)



New Remuneration Policy (2011 onwards)

- Market median salaries
- Variable remuneration pool (“VRP”): 45% of “EBIT before variable remuneration”
- VRP reduced by the fair value charge of a Employee Share Option Plan (“ESOP”)
- ESOP: “10% out-of-the-money options” over up to 14 million shares (FY 2011-14)
- Free cash flow to finance buybacks to reduce dilution
- Buybacks initiated (17 January 2012): 209k shares repurchased to date

**Declines with increasing profitability*

Outlook

- Attractive prospects for environmental markets to sustain “superior growth”
- Active investment management ideal for exploiting inefficient prices
- Impax “platform” well positioned for further expansion
- Scope for further increase in operating margin

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