

Natixis, awarded “Carbon Deal of the year”, launches new €500m carbon fund

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Natixis Environnement & Infrastructures (“Natixis E&I”), the investment manager of the European Carbon Fund (“ECF”), received the “**Carbon Finance Transaction of the Year**” award from the Environmental Finance Magazine in September 2007 for a large coal mine CDM transaction in China, under the Clean Development Mechanism (“CDM”).

The underlying projects will reduce emissions of CO₂ by 17.8 million tons between 2007 and 2012 as a result of the investment of Chinese group Yangquan Coal Industry (Group) Co., Ltd. (“YQ”). The investments concern the use of coal mine methane for power generation and alumina production projects in the province of Shanxi, P.R. China. The projects will also improve the safety in the mines.

Natixis E&I arranged a consortium of financial institutions including ECF, Fortis, Lehman Brothers, BNP Paribas and Orbeo (SocGen/Rhodia) to purchase the CERs from YQ. This is the largest ever carbon transaction under the Clean Development Mechanism of the Kyoto Protocol, apart from industrial gases projects.

The YQ deal is one of the 21 transactions carried out by the European Carbon Fund, which was launched in 2005 and now fully subscribed. The ECF has financed and arranged the reduction of more than 40Mt CO₂ from sustainable development projects of various technologies (renewable energy, energy efficiency, methane recovery, etc.) in Latin America, North Africa, Eastern Europe and Asia.

Responding to the growing interests of investors for alternative and de-correlated carbon assets and building on the success of the ECF, Natixis E&I will be launching a new carbon fund, the **European Kyoto Fund (“EKF”)**, with a target size of €500m. The EKF will be managed by the Natixis E&I carbon team with the support of the international network of Natixis. The EKF will be structured under the Luxemburg 2007 Specialised Investment Fund law as a regulated vehicle, offering transparency and reliability to investors.

Taking advantage of the tremendous development of the carbon markets, the EKF will follow the path led by the ECF while engaging in more elaborated strategies. It will invest in all types of carbon assets, including post-2012 emission reductions, in line with the long term emission reduction target announced by the European Union.

The EKF will be opened for subscription as of October 2007. Natixis will be the first sponsor with €50m committed.

Natixis Environnement & Infrastructures is a certified management firm specialized in project finance. It manages several investment funds in the environment and the infrastructures: FIDEME (Renewable energy), ECF (Carbon finance) and FIDEPPP and Cube (Infrastructures). In its capacity of manager, it is in charge of ECF's investments and divestments. It is a wholly owned subsidiary of Natixis. It aims to have € 1 500 million under management for the end of 2007.

The **European Carbon Fund (ECF)** was initiated by Caisse des Dépôts and Fortis. It comprises 14 banks, insurance companies and pension funds committed to the fight against global warming pooled into a SICAV under Luxembourg law.

Natixis, the "investments and projects bank" is the jointly held bank of Caisse d'Epargne and Banque Populaire in corporate and investment banking, asset management, private equity and private banking, financial services and receivables management. Backed by nearly 23,000 employees, with a net banking income of €7.2bn, it is a major player in its sector in Europe.

Natixis holds leading positions in its businesses in France, Europe and worldwide: number 1 asset management bank in France with €584bn under management, number 1 in France for employee savings. Natixis enjoys expertise worldwide acknowledged in credit insurance (number 3 worldwide), private equity and structured financing (real estate, commodities, asset-backed finance and leverage finance).

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