

Impax Environmental Markets plc (the 'Company')
Interim Management Statement
For the four months ended 30 April 2009

This interim management statement covers the period from 1 January 2009 to 30 April 2009, and is prepared in accordance with the UK Listing Authority's Disclosure and Transparency Rule 4.3.

Investment objective and policy

The Company's objective is to enable investors to benefit from rapid and sustained growth anticipated in the markets for cleaner or more efficient delivery of basic services of energy, water and waste ("Environmental Markets"). Investments are made predominantly in quoted companies which provide, utilise, implement or advise upon technology-based systems, products or services in Environmental Markets, particularly those of alternative energy and energy efficiency, water treatment and pollution control, and waste technology and resource management.

Performance

The period under review has been characterised by pronounced market volatility. Deteriorating macroeconomic data, continued stress in financial markets and poor financial results led to ongoing weakness in equity markets in January and February, prompting a global response by Governments in the form of stimulus packages designed to restore the world economy to growth. Subsequently, over the last couple of months, there have been early signs of a reversal of these trends, leading to a strong rally in equity markets.

During the period from 1 January 2009 to 30 April 2009, the Company's diluted Net Asset Value ("NAV") per Ordinary Share (excluding current year net revenue) rose by 1.1% from 98.8p to 99.9p, outperforming the MSCI World Index, which fell 3.2% but slightly underperforming the MSCI World Small Cap Index, which rose 2.2% during the period (both priced in pounds sterling).

A dividend of 0.85p per Ordinary Share in respect of the year ended 31 December 2008 will be paid on 18 May 2009 to shareholders who were on the register at the close of business on 17 April 2009.

Share buybacks

Having generally traded at a premium since the middle of 2005, the share price has traded at a discount to NAV since the market upheaval in the middle of last year. This discount has widened in recent months and the Board has responded by buying in shares. In aggregate the Company has bought back 716,505 shares which are currently being held in treasury. The share price discount to NAV at 30 April 2009 was 9%.

Portfolio activity

The Manager has sought to selectively increase weightings in early cycle companies, higher beta companies and those companies well positioned to benefit from global stimulus packages. Simultaneously, the Manager has selectively reduced holdings in defensive holdings which have outperformed. The top ten holdings as at 30 April 2009 are set out below.

Company	Activity	% of net assets
Ormat	Geothermal power	2.9%
Pall Corp	Filtration	2.8%
LKQ	Automotive recycling	2.6%
Regal Beloit	Electric motors	2.5%
Pentair	Water treatment	2.5%
Clean Harbors	Hazardous waste	2.4%
Chloride	Uninterruptible power supply	2.3%
Gamesa	Wind turbines	2.2%
Nibe	Heat pumps	2.2%
Kurita Water	Water treatment	2.1%

In the unquoted holdings part of the portfolio, the Company has made small follow-on investments in those companies that show promise but has undertaken several additional write-downs of the valuation of others. As at 30 April 2009, unquoted companies represented 3.9% of the Company's net assets.

Outlook

In recent weeks, stock markets have moved up sharply to reflect, in part, tentative signs of economic recovery and the partial easing of credit markets. In the environmental sector, new legislation, particularly in the US, and increased visibility on the substantial environmental components of government stimulus packages have underpinned an improvement of investor sentiment for stocks, as evidenced by a number of successful rights issues.

With a portfolio valuation at the lower end of the historical range, the Directors and the Manager continue to believe that the Company represents a compelling medium-term investment opportunity.

The interim management statement will be made available on the Manager's website www.impax.co.uk

12 May 2009