

Severn Trent Plc
Water

Company	
Country	United Kingdom
Number of Employees	14'500
Web	www.severn-trent.com

Share	
Market cap (mil)	3'286
Currency	GBP
High 52 week	10.7
Low 52 week	8.3
Last Price	9.5

Key Data	2004	2005E
Sales (mil)	1'852	2'081
EPS	0.54	71.86
P/E Ratio	15.73	13.22

Source: Bloomberg / August 18, 2005

Sales in	
Alcohol	No
Armaments	No
Firearms	No
Tobacco	No
Gambling	No

Source: IRR, SAM Research

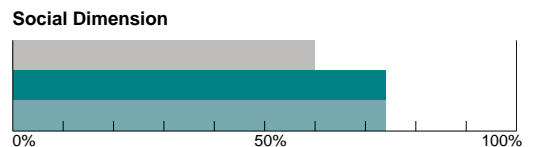
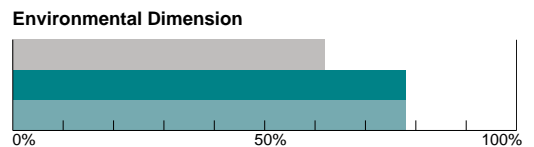
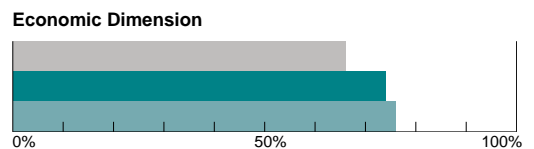
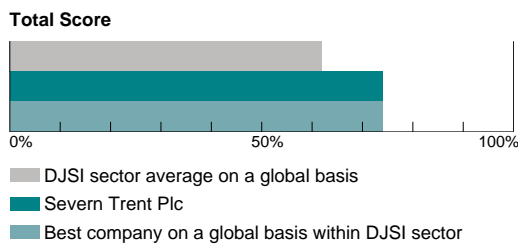
Company Description

Severn Trent Plc (ST) is a major environmental services group, providing water and sewerage, waste, and utility services. Its core businesses include ST Water - the regulated UK water and wastewater collection and treatment services arm; Biffa, which is active in collection, landfill and special waste services in the UK and Belgium; ST Laboratories, a major environmental testing company; and ST Services, comprising Water Purification and Operating Services, offering products and services associated with water, wastewater and contaminated land. Operating Services includes ST Water International focusing on management and consultancy services in Europe and the developing world, and the smaller Metering Services and Pipeline Services businesses. Other businesses include IT-services; engineering consultancy; and facility developing. In the financial year ended 31 March 2005, water and sewerage accounted for 47% of group turnover; waste management, 32%; water purification and operating services, 10%; laboratories 7%; and others, 4%. Revenues outside UK accounted for 18% of total turnover. In 2005, Severn Trent acquired two waste management businesses and added one laboratory company.

Sustainability Performance

ST has again been identified as the leading company in the utility market sector due to its outstanding performance in all three dimensions of sustainability. This result is supported by ST's successful completion of the regulatory five year period, meeting and outperforming in many cases Ofwat's targets for water and sewerage operations. In order to be able to keep pace with regulatory requirements and latest developments in research, the company is investigating into cost effective solutions to remove contaminations in drinking water and sewage. ST can also be found among the leading companies in many other areas with low numbers for indicators tracking serious pollution incidents, imposed fines, or customer complaints. And like last year, the company successfully managed to reduce its environmental footprint. On the social side, the company maintains strong ties to its employees which is reflected by the highest score among water utilities in labor related issues with outperformance especially in human capital development.

Sustainability Scores



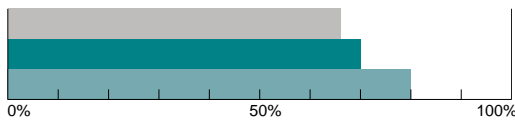
Industry Driving Forces

Water utility companies are challenged by an increased scarcity of accessible and clean water resources, infrastructure maintenance and national and international regulation. Leading companies demonstrate responsibility by limiting drinking water losses from distribution infrastructure and ensuring adequate transport and treatment of sewage and effluents. Substantial benefits can be achieved by extended research and development and partnerships with technology providers in the field of advanced water treatment focusing on handling existing or emerging water pollutants (e.g. endocrine disruptors). The trend towards liberalization of water utilities increases competition and therefore rewards integrated, cost-efficient and customer-oriented water management strategies. Consequently, pricing strategies will come under increased scrutiny. In addition, access to water is increasingly political and demands effective stakeholder engagement.

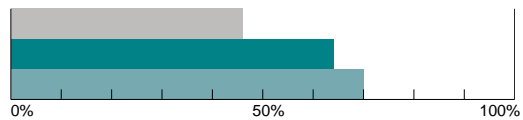
Company Performance for selected Criteria

Economic

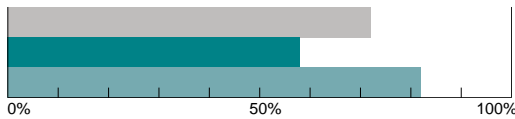
Codes of Conduct



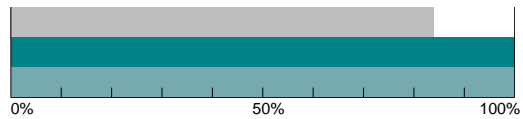
Operational Performance



Corporate Governance

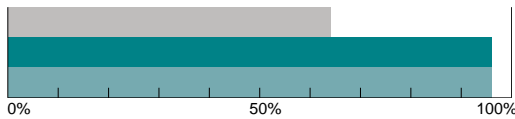


Customer Relationship Management

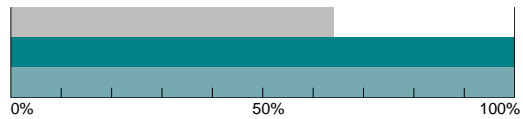


Environmental

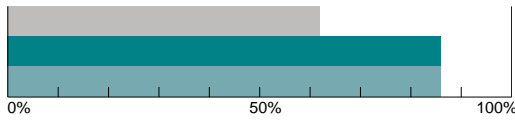
Environmental Performance



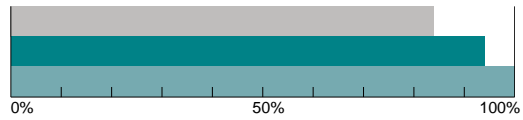
Biodiversity



Advanced Environmental Management

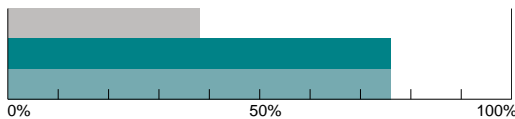


Environmental Management

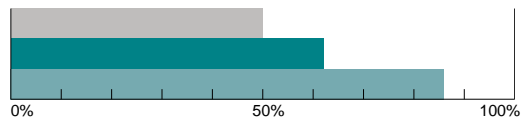


Social

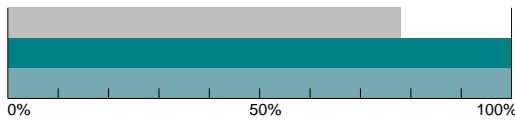
Human Capital Development



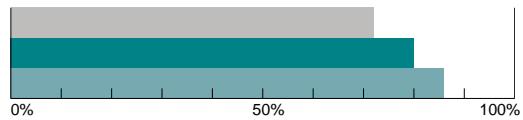
Corporate Citizenship



Stakeholder Engagement



Labor Practice Indicators



■ DJSI sector average on a global basis
■ Severn Trent Plc
■ Best company on a global basis within DJSI sector

For information on assessment criteria, visit www.sustainability-indexes.com

"Corporate Sustainability is a business approach to create long term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments."

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