

BT Group Plc
FTS Fixed Line Communications

Company	
Country	United Kingdom
Number of Employees	104'400
Web	www.btplc.com

Share	
Market cap (mil)	20'024
Currency	GBP
High 52 week	250.8
Low 52 week	200.5
Last Price	240.8

Key Data	2005	2006E
Sales (mil)	19'514	19'962
EPS	21.18	21.52
P/E Ratio	11.36	11.17

Source: Bloomberg / August 21, 2006

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

Source: ISS, SAM Research

Company Description

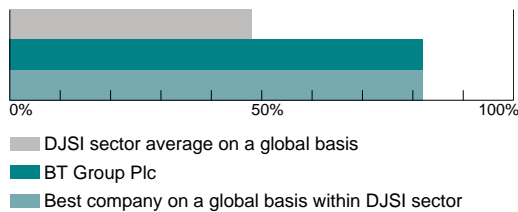
Formerly known as British Telecommunications, BT Group and its subsidiaries provide communication solutions and services to business, residential, and wholesale customers in Europe, the Americas, and Asia-Pacific. It offers local and long-distance phone service through about 30 million access lines to 19 million customers and more than 1 million business clients. It also provides Internet access and other data services. In a major reorganization, BT Group has turned itself into a holding company. Ordered to upgrade and open its domestic networks, it has split its UK fixed-line network operations into separate wholesale and retail businesses. It also offers consultancy services to help organizations understand network performance, and operate their networks and applications. The company was founded in 1981 and is based in London.

Sustainability Performance

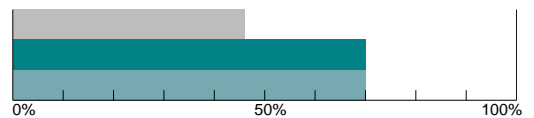
BT Group again confirmed its position as sustainability leader in the fixed-line telecommunications sector. Although an out-performer in most sustainability criteria, BT particularly excels in the environmental and social dimensions. The company's sustainability efforts are very much aligned with the group's wider corporate strategy. For instance, the group focuses on 'new wave' businesses such as integrated network solutions, as well as recent technologies that include voice-over-IP and video-on-demand. In addition, BT's commitment to society at large and the environment remain an important strategic focus to the firm, as illustrated by its efforts in energy efficiency and its responsible disposal of redundant equipment. Furthermore, the group is an above-average performer with regard to addressing the issue of digital inclusion, and allocates considerable resources to reduce that divide and offer affordable telecommunication solutions in emerging markets.

Sustainability Scores

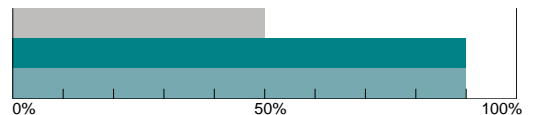
Total Score



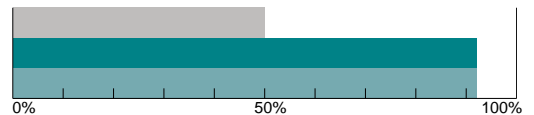
Economic Dimension



Environmental Dimension



Social Dimension



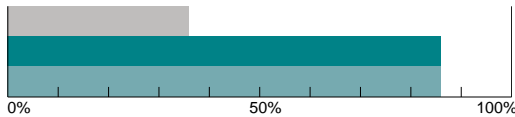
Industry Driving Forces

The fixed line telecommunication industry can be characterized by a fiercely competitive environment, with declining voice prices, regulatory pressures, and the continuous blurring of the boundaries between fixed and wireless telephony. It is also an industry which can significantly transform working practices and lifestyles, potentially leading to a reduction of travel, transportation, and its related environmental impact. In this context, companies operating in this sector must adopt flexible business models that enable them to integrate new technologies and services, such as voice-over-IP, mobile telephony, and video-on-demand, in order to remain competitive. With regard to the environmental dimension, energy efficiency, state-of-the-art infrastructures, and adequate disposal of redundant equipment remain the key challenges. In the social dimension, reducing the digital divide and offering low-cost, appropriate telecommunication solutions in developing markets remains the basis for future sustainable top-line growth.

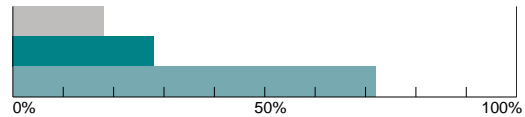
Company Performance for selected Criteria

Economic

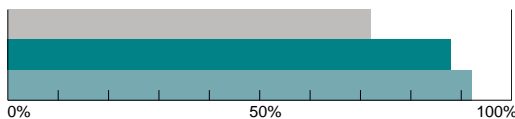
Customer Relationship Management



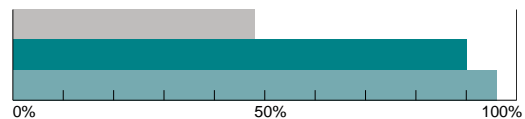
Service development



Corporate Governance

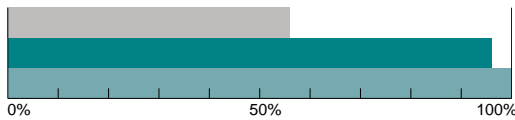


Risk & Crisis Management

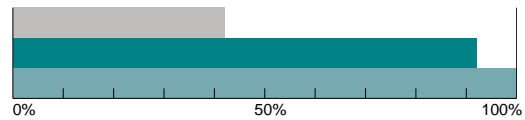


Environmental

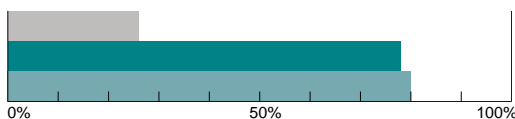
Environmental Policy/Management



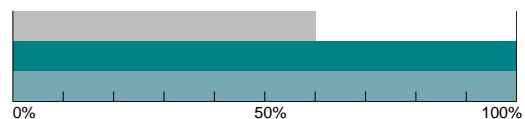
Environmental Performance (Eco-Efficiency)



Climate Strategy

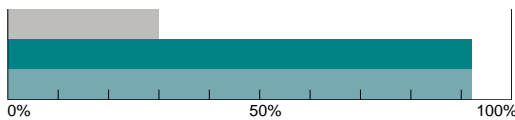


Environmental Reporting

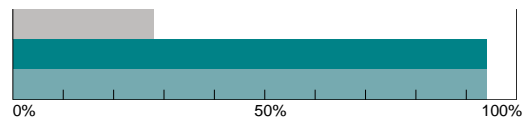


Social

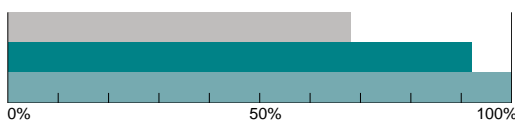
Digital Inclusion



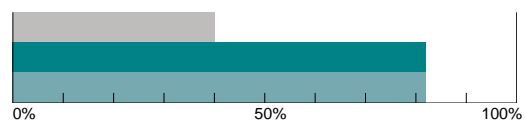
Human Capital Development



Labor Practice Indicators



Talent Attraction & Retention



■ DJSI sector average on a global basis
■ BT Group 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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