

SAM
Research

Sustainability, business management and financial indexes

an insight for the ICT sector

SAM

Sustainable

Asset

Management

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ETNO – Sustainability Conference

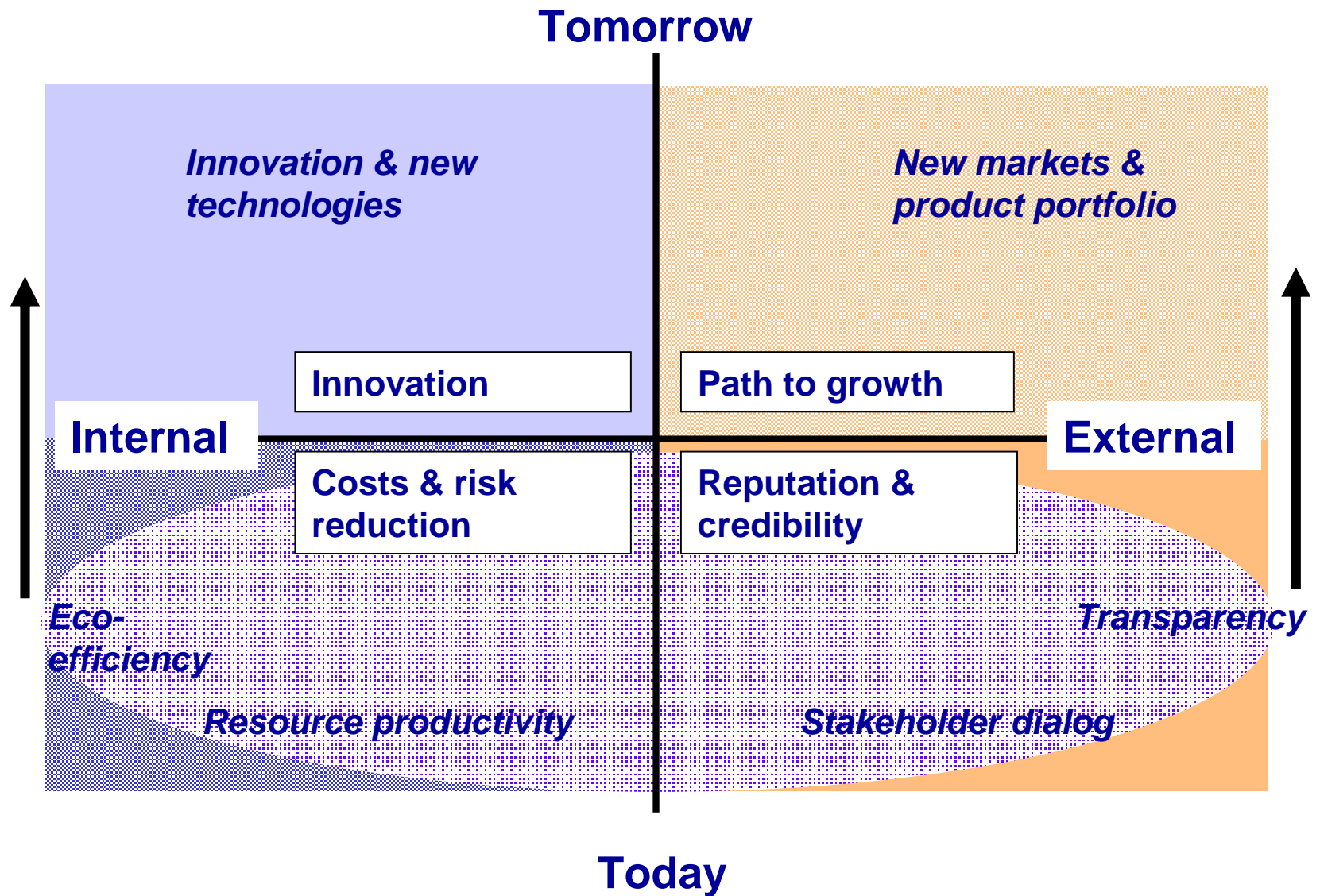
Budapest, November 25-26, 2004



SAM Sustainable Asset Management

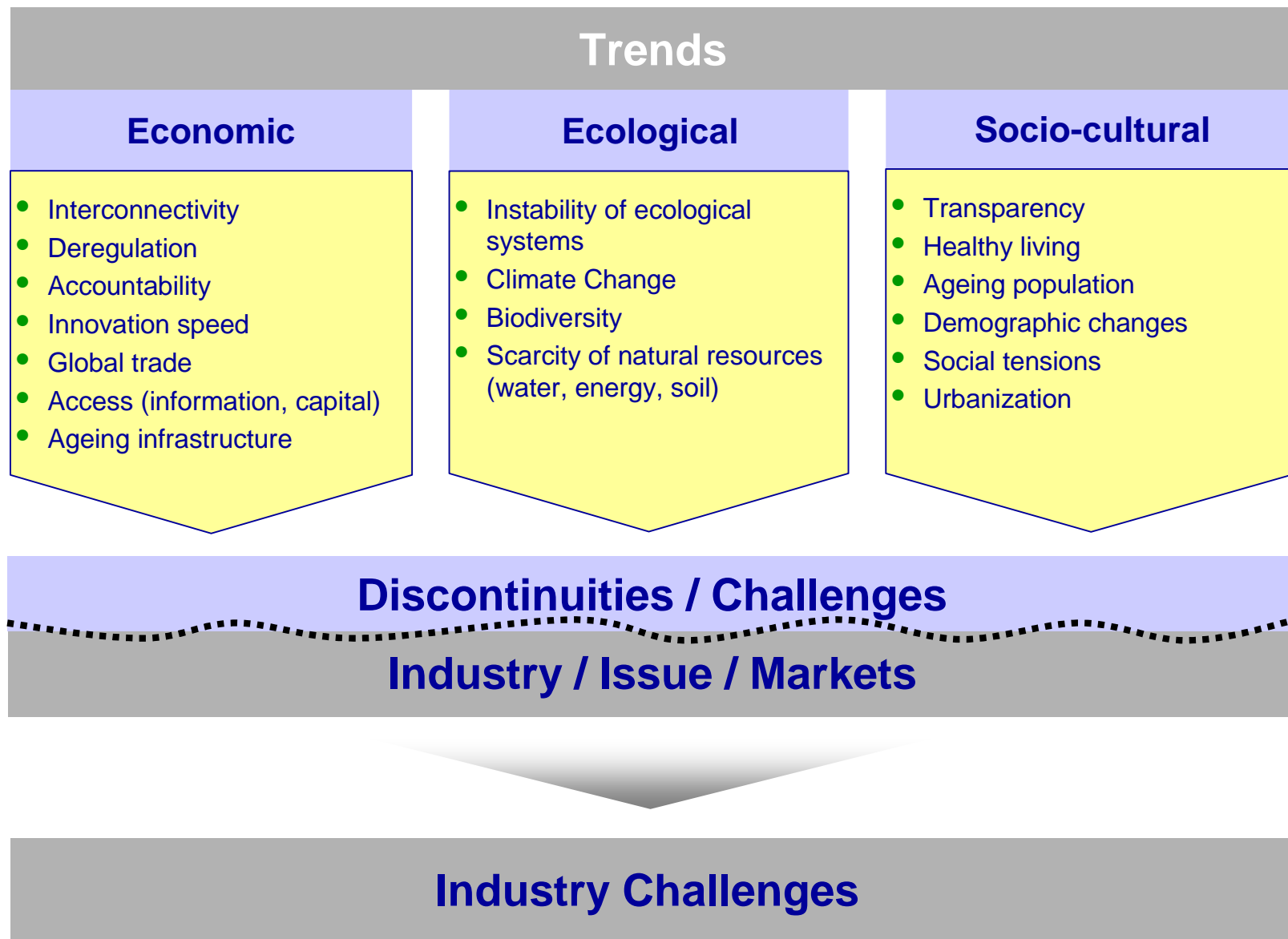
- Independent asset management Company, founded in 1995
- One of the world's largest and most experienced Sustainability Research Teams with 55 employees located in Switzerland, USA, Italy, Sweden and Australia (20 Analysts)
- Products: institutional and private asset management mandates, investment funds, investment companies, private equity
- Exclusively focused on Sustainable Asset Management
- Cooperation with Dow Jones Indexes – Launched the world's first global sustainability index (Dow Jones Sustainability Index) in 1999; Extended the European subset by launching the DJSI STOXX in September 2001
- More than Euro 1 bn managed directly, and more than Euro 2.8 bn managed by the index (50 licensees in 14 countries)

Focus of corporate sustainability



Source: Stuart Hart, SAM

Trends cause discontinuities and challenges



Competitiveness and value creation will depend on the ability to capitalize on key challenges

Key Sustainability Challenges in the Telecom Industry

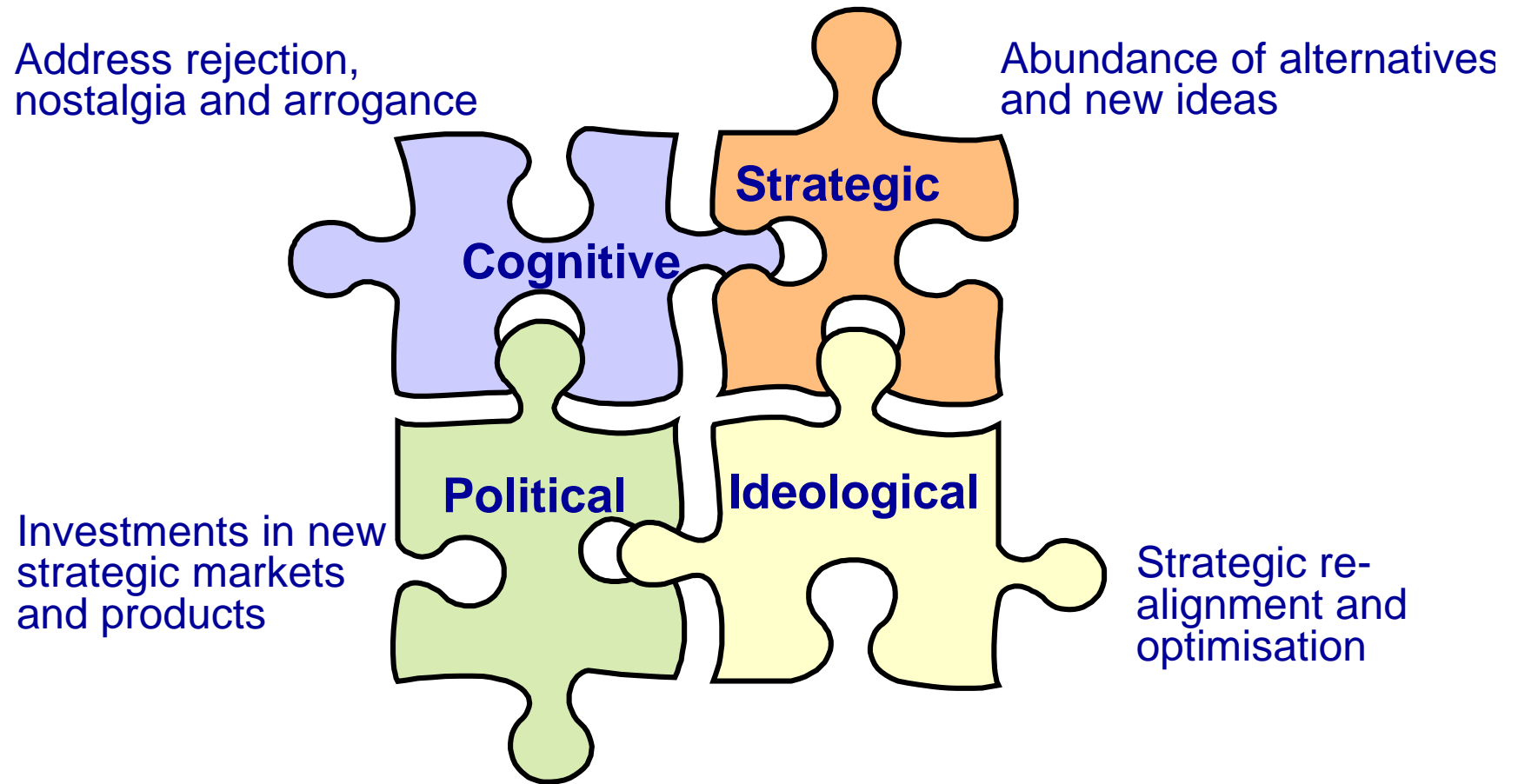
1. Reduce environmental footprint
2. Continuously improve workforce skills, and access to talents
3. Achieve accountability by stakeholder engagement and transparency
4. Achieve recognized excellence by your customers
5. Implement good governance and risk management
6. Enabling society to communicate
7. Integrate sustainability into traditional business processes

How competent is your company in addressing these challenges?

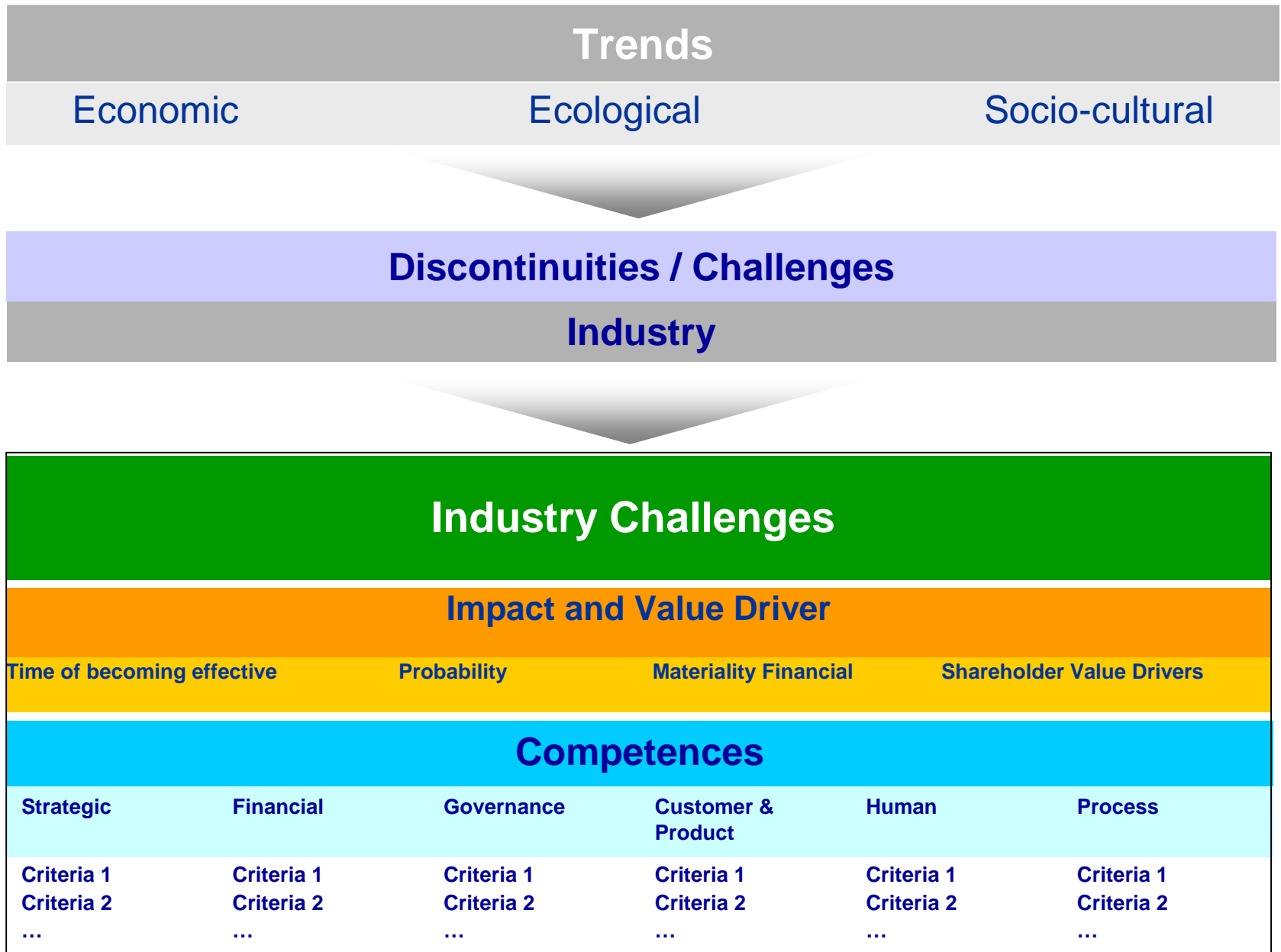
Competences for a strategic re-alignment and adaptation

- Strategic resilience

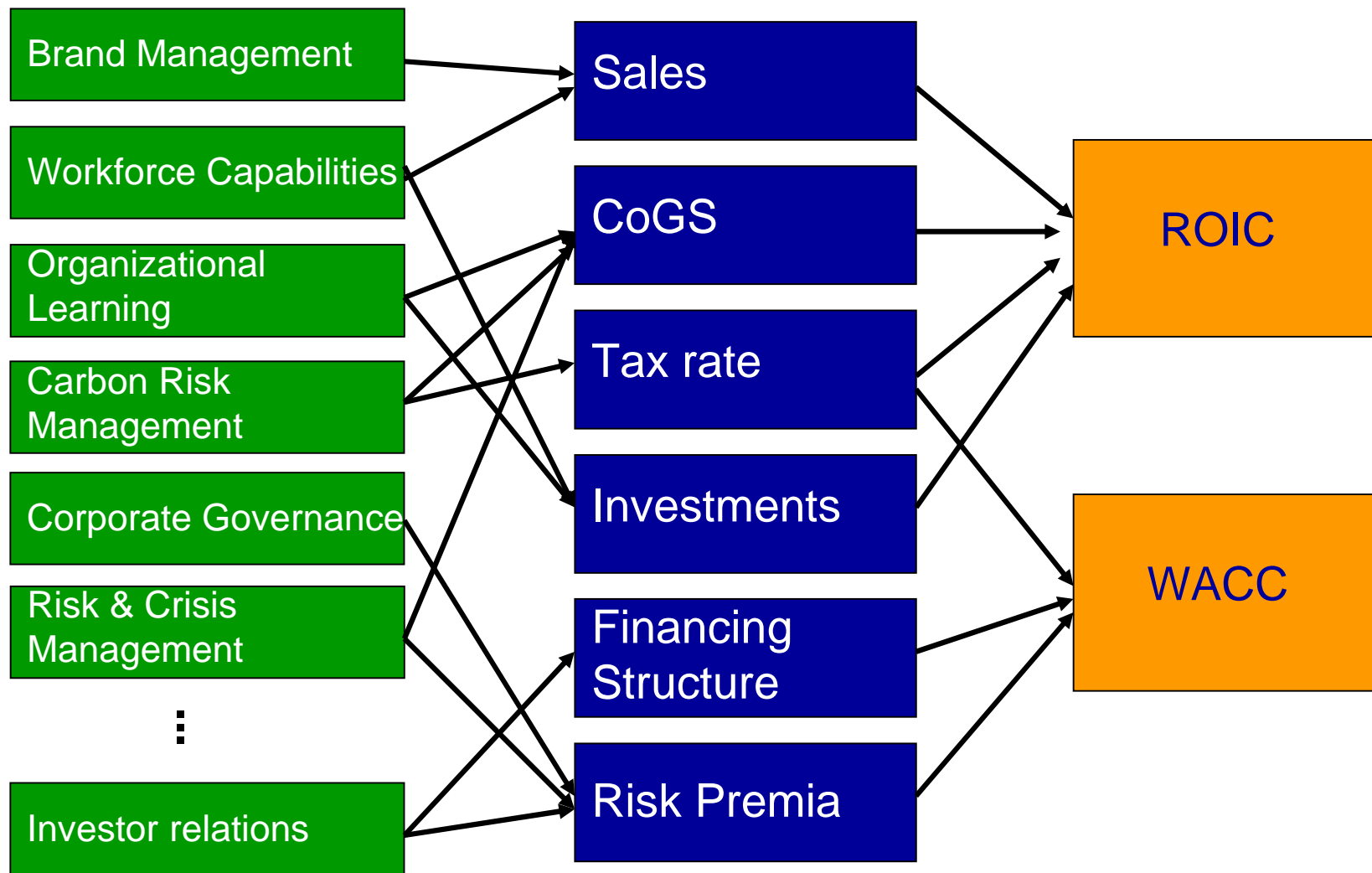
Challenges



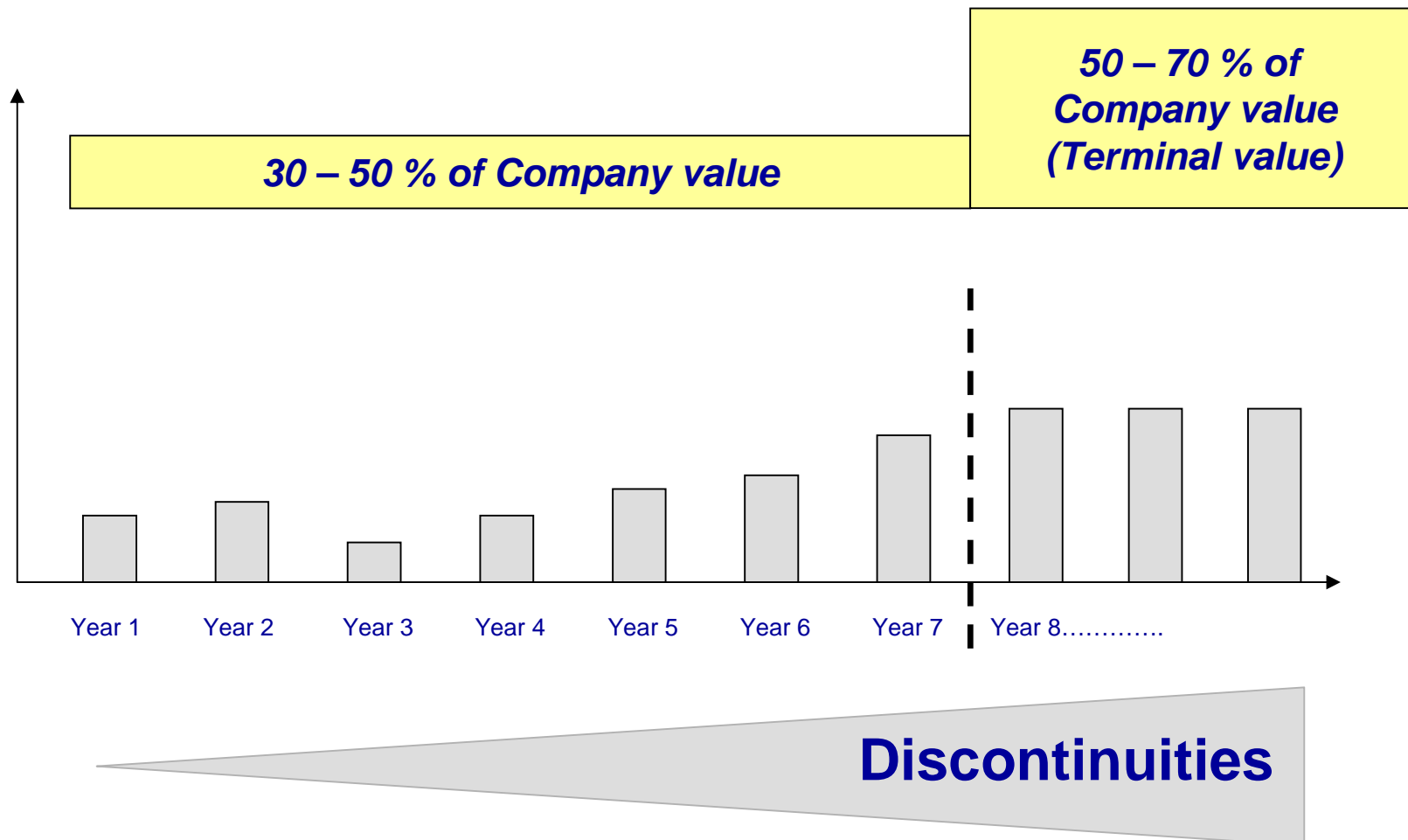
Challenges require competences



Linking Sustainability and Value Creation

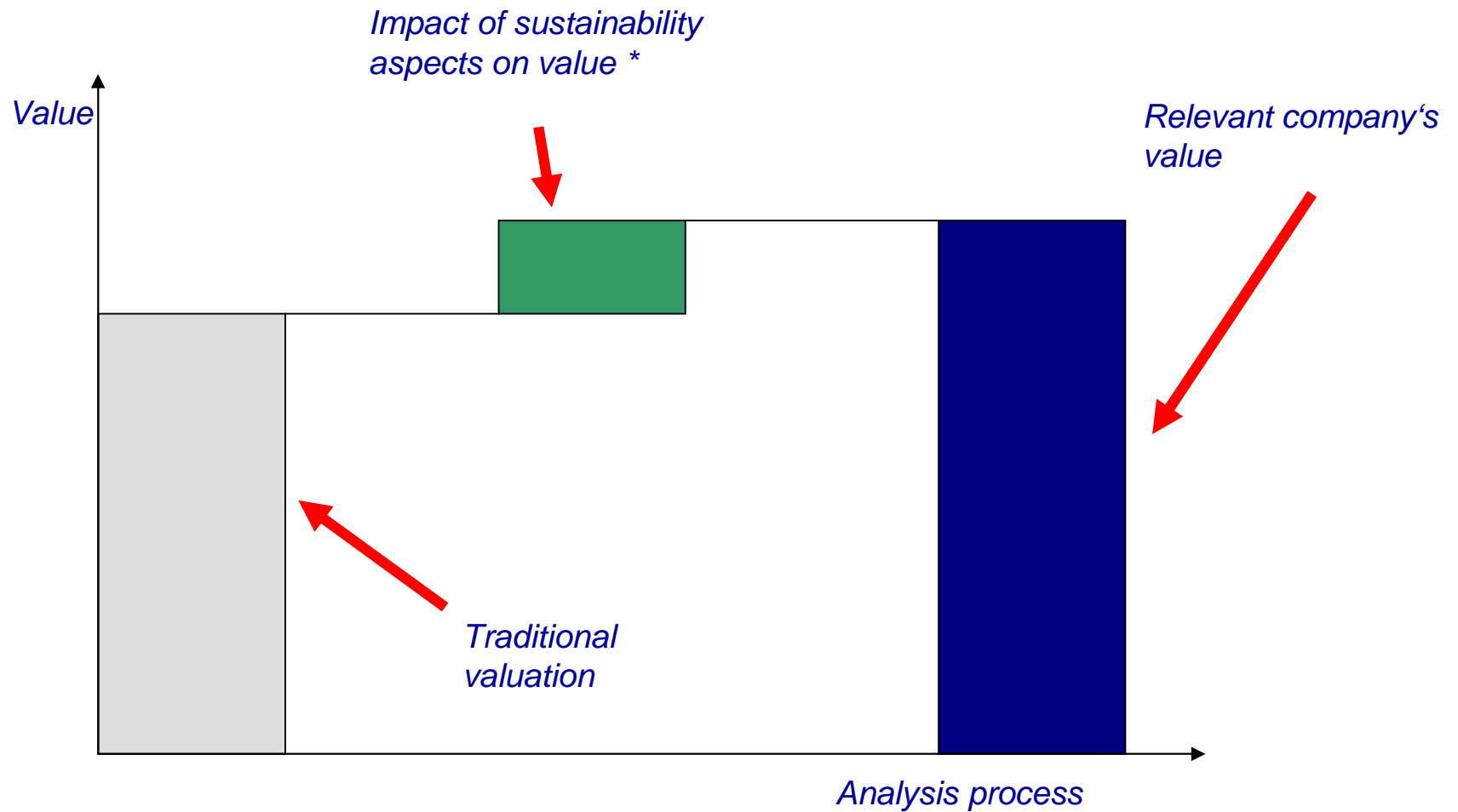


Information on long-term issue play an important part in the company's evaluation








Sustainability Criteria as long term value drivers

SAM explicitly considers Sustainability criteria in the valuation methodology

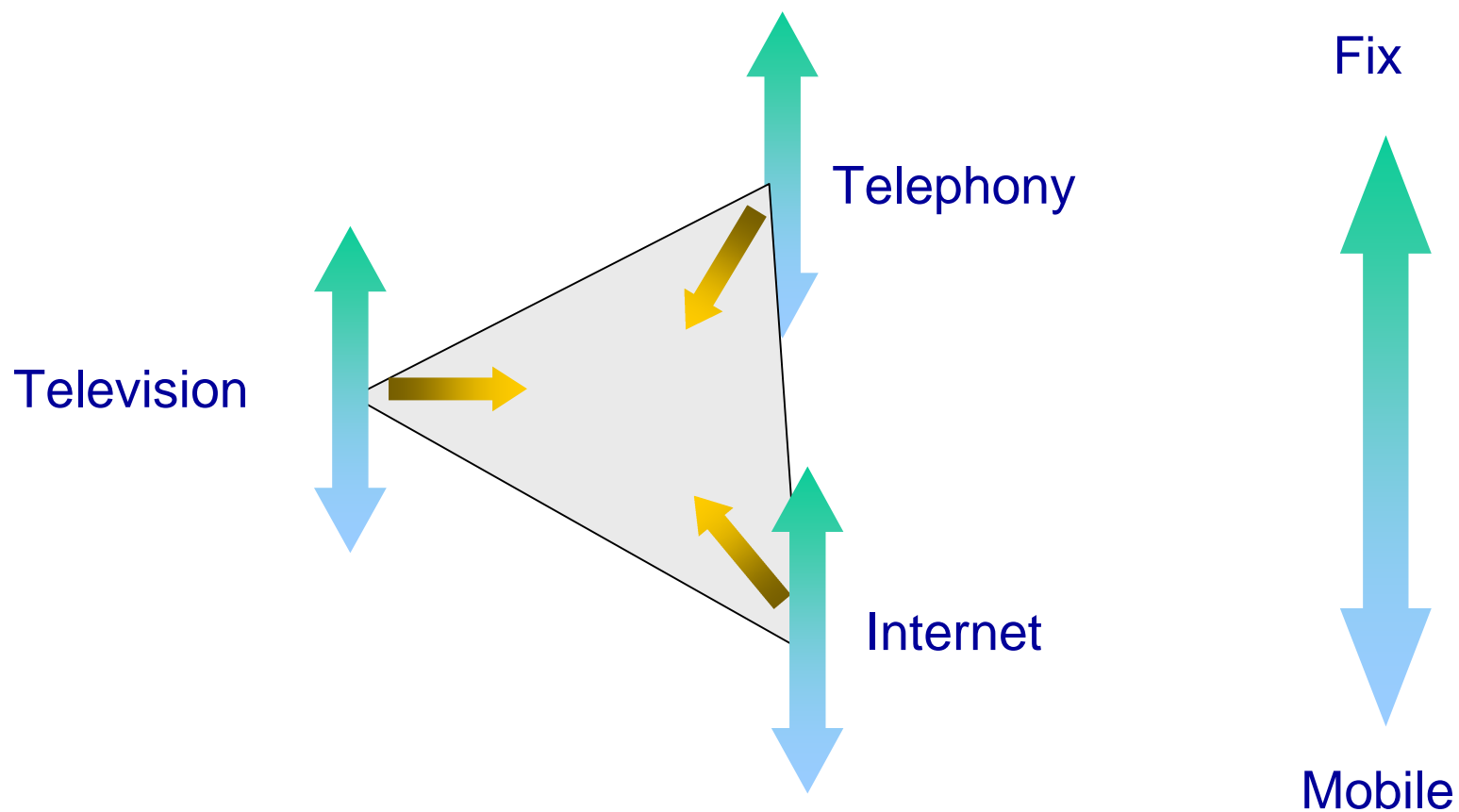


**can be negative*

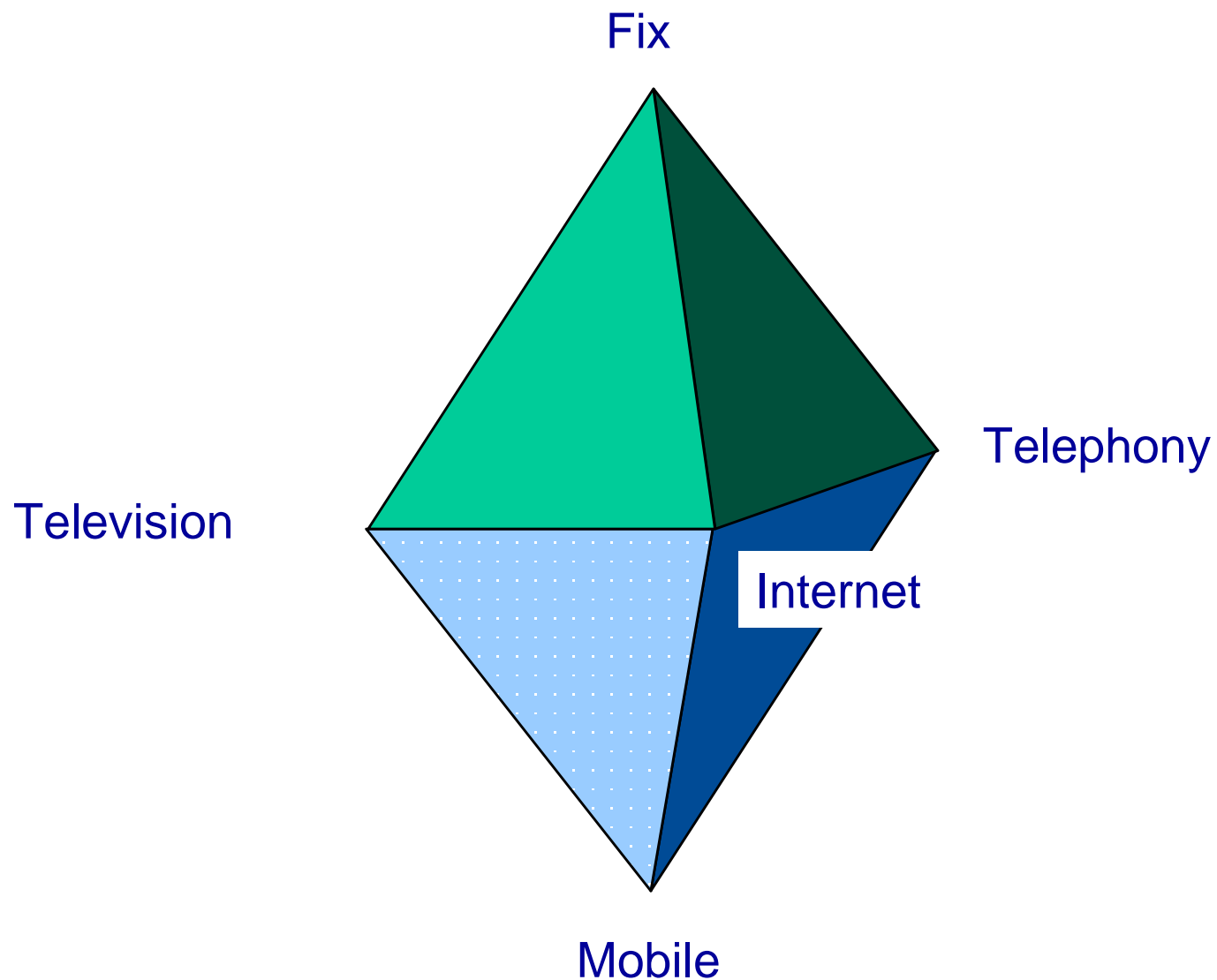
Changing Competitive landscape

	Telephony	Broadband Internet	Television
Cable	Widely offered ←	Widely offered ←	
Satellite	Widely offered ←	In Elaboration ←	
POTS/DSL	 →	Widely offered →	In Elaboration
GSM/UMTS	 →	In Elaboration →	?
Public Wireless LAN	?	← 	→ ?
MBWA	?	← In Elaboration →	?

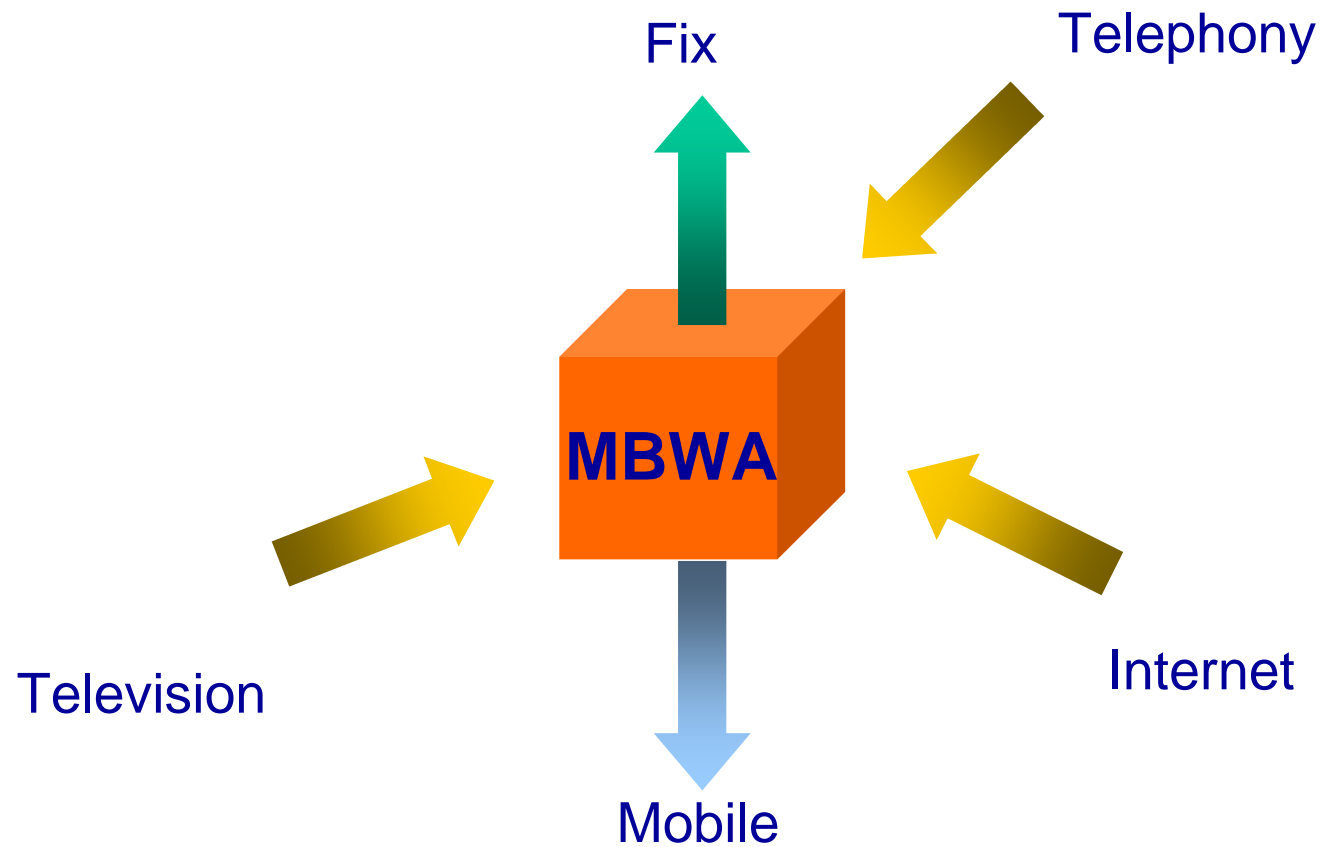
Which trends are shaping the ICT sector?



What implies convergence?



Which technology would have the full versatility?



How can MBWA change the landscape?

Opportunities

- Increase customer base
- Reduce costs
- Avoid expensive licenses
- Enter new markets

Risks

- Technology
- Management & Organizational
- Regulatory
- Market
- Environmental

Which competences do you need to meet this challenge?



is Carbon Neutral®

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Dow Jones Sustainability World Index

December 1993 – October 2004, Euro, Total Return Index

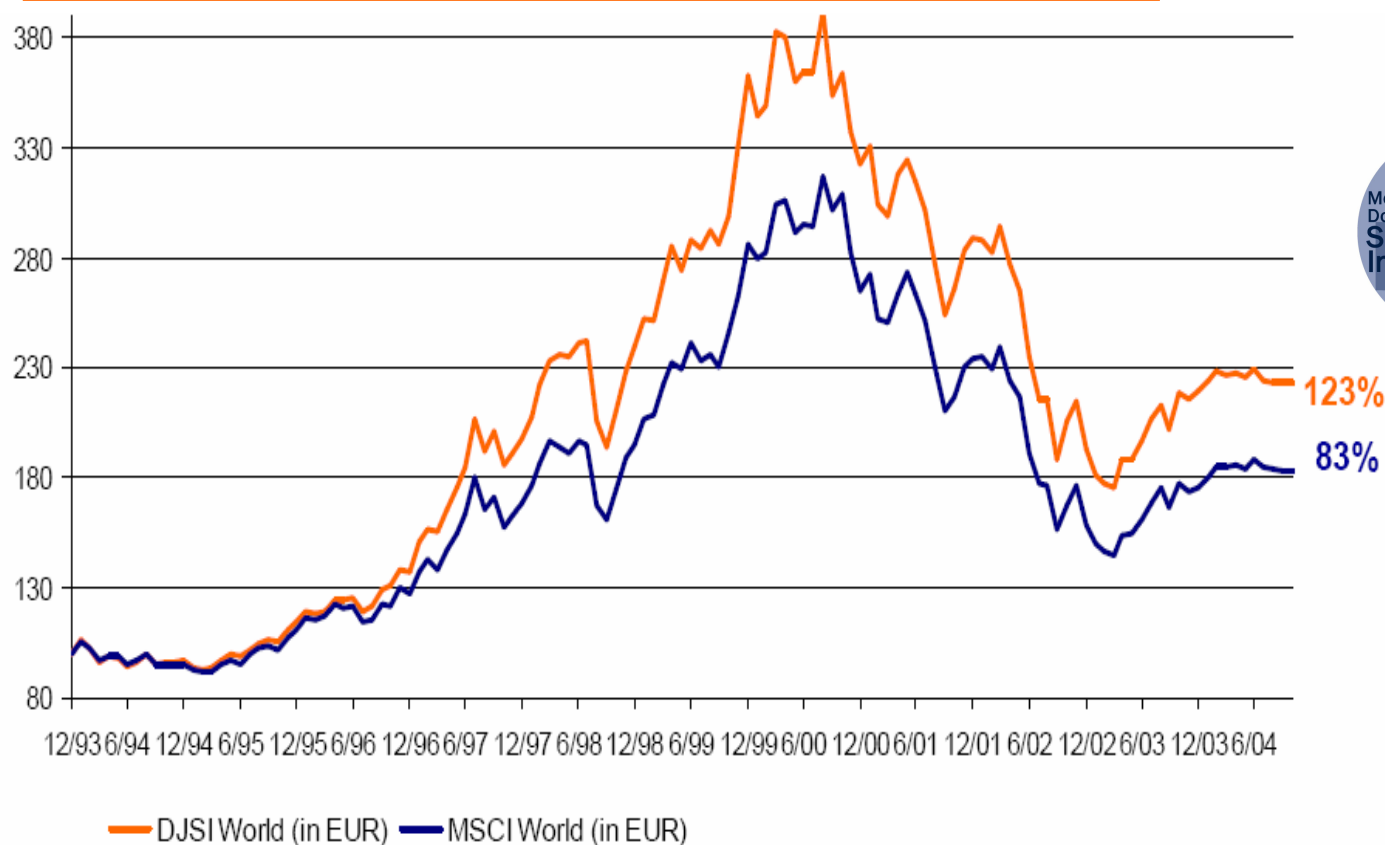
DJSI World / MSCI World:

Correlation: 0.9758

Tracking Error: 3.96%

DJSI Volatility: 17.82%

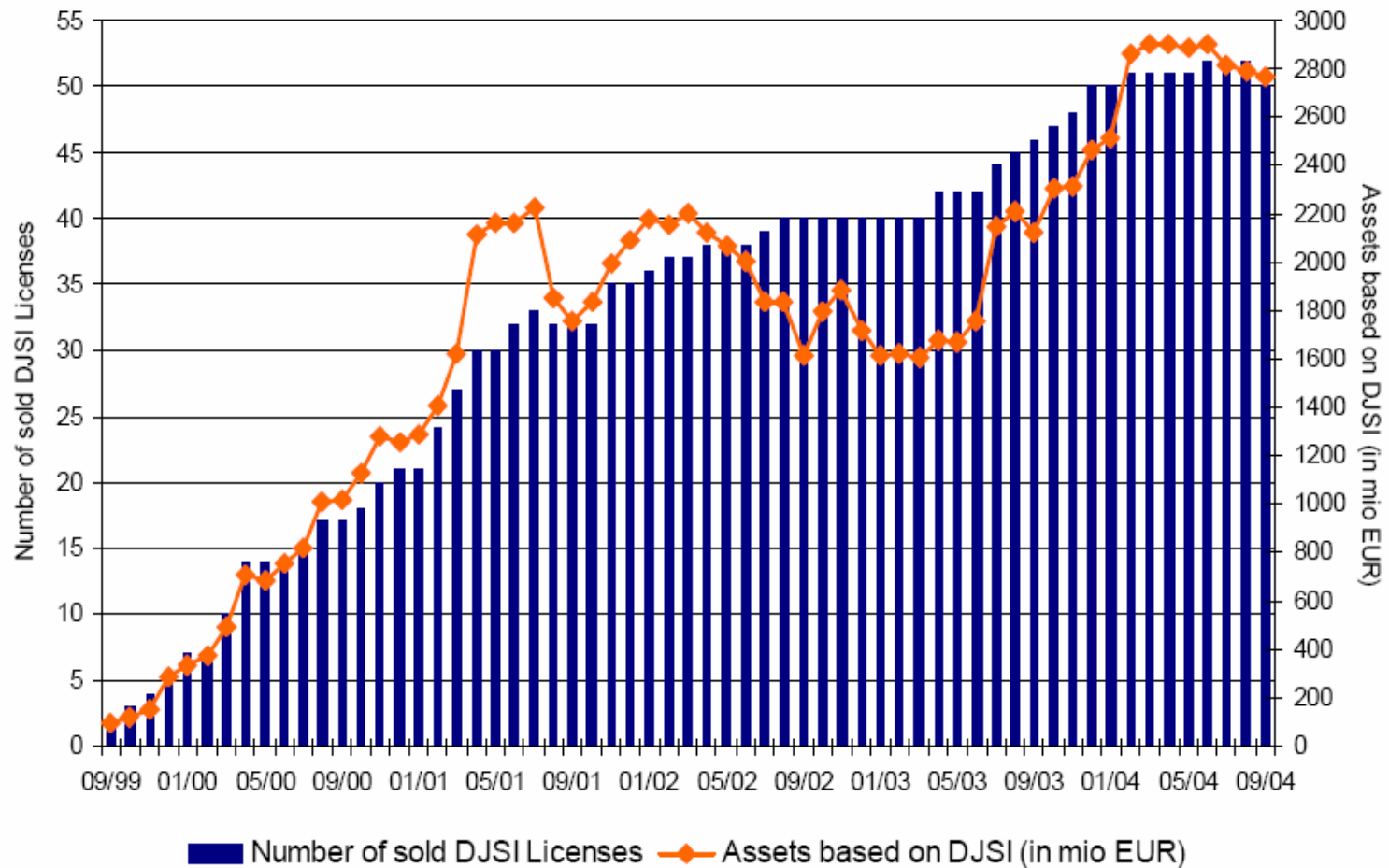
MSCI Volatility: 16.68%



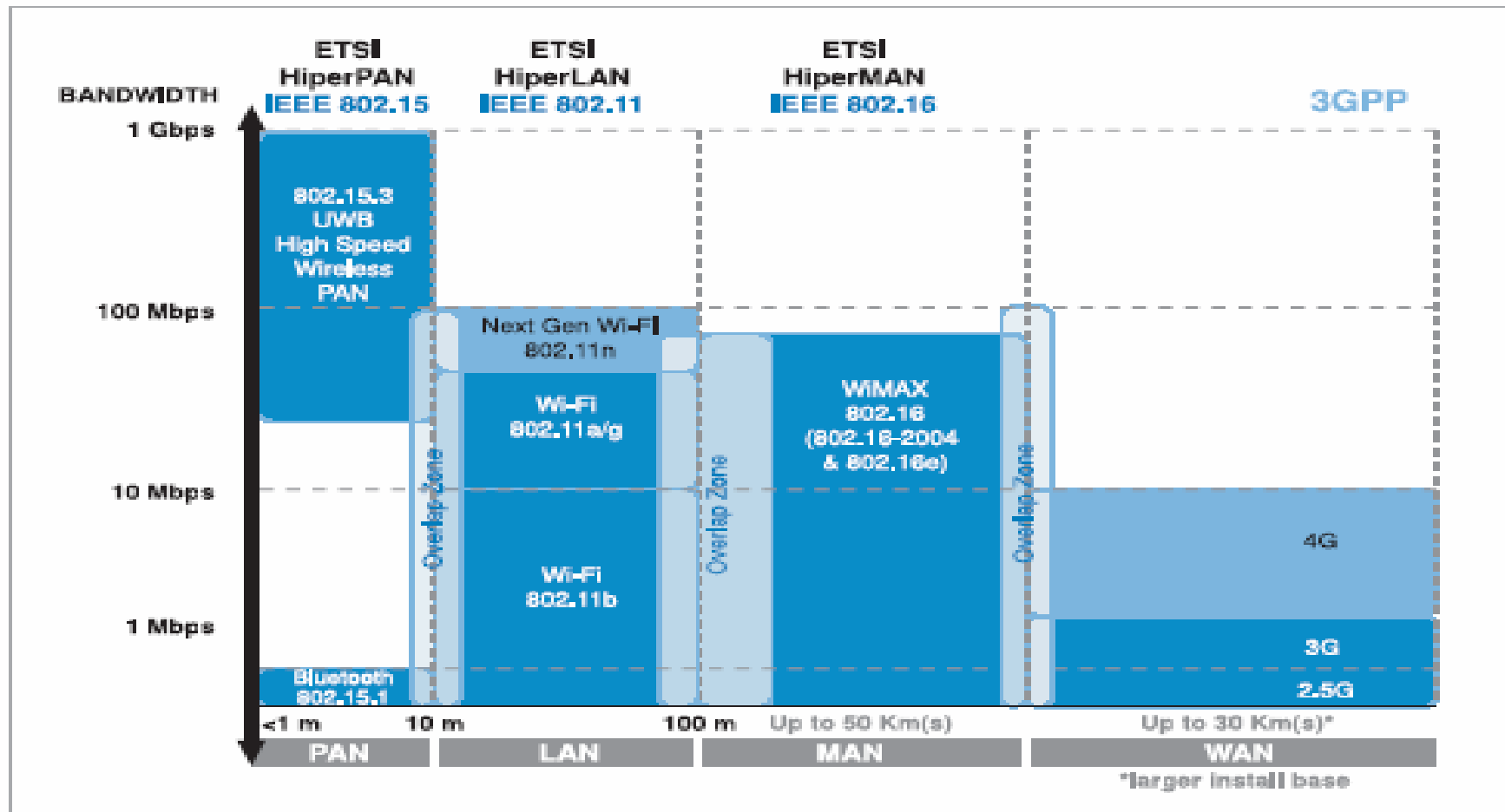
The DJSI now has 50 licensees and Euro 2.8 bn are invested based on the DJSI

DJSI – Assets & Sold Licenses

September 1999 - September 2004



Technology map



<http://www.intel.com/netcomms/technologies/wimax/304471.pdf>