

SUEZ ENVIRONNEMENT CHINE

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PRESS RELEASE

21st February 2013

SUEZ ENVIRONNEMENT ENTERS THE BOOMING SICHUAN MARKET IN CHINA:

SINO FRENCH WATER, A SUEZ ENVIRONNEMENT SUBSIDIARY, IS TEAMING UP WITH DAYI WATER, A LOCAL PARTNER, IN ORDER TO MANAGE WASTEWATER IN SHUANGLIU COUNTY. THE PROJECT INVOLVES TOTAL REVENUES OF €156 MILLION

On 31 January 2013, Sino French Water Development Company Limited ("Sino French Water"), a 50% subsidiary of SUEZ ENVIRONNEMENT, and Sichuan Dayi Water Company Limited ("Dayi Water") formed a new joint venture, Shuangliu Dayi Environmental Company Limited.

Under a 25-year strategic partnership, Sino French Water will hold 65% of the units in the new company and will jointly manage and operate eight wastewater treatment plants located in rural areas in Shuangliu County with Shuangliu Dayi.

The partnership will also involve the construction, management and operation of the Shuangliu Maojiawan wastewater treatment plant, which will have an ultimate capacity of 250,000 m³ per day. The plant will primarily serve industrial and commercial customers and the residents of the new Tianfu Urban Area, which is expanding rapidly. The projects as a whole are expected to generate revenues of around €156 million for the joint venture over the 25-year period.

More broadly, the aim of this strategic 25-year partnership is to broaden the cooperation between both parties on new Dayi Water projects in Sichuan Province. China's 12th Five-Year Plan identifies Tianfu as one of five key development areas in South-West China. Over the next five years, Shuangliu County is planning on a rapid expansion of the energy equipment, electronics, information services, and aviation equipment and maintenance sectors, i.e. a global market estimated at €60 billion.

SUEZ ENVIRONNEMENT, which already operates in this area via the construction of an industrial wastewater treatment plant in Chengdu, is now capitalising on the opportunity to join forces with a new local partner, Dayi Water – in accordance with its development strategy in China – in order to develop its water management services in this new area.

Commenting on these development opportunities, Quan Daming, the Chairman of Dayi Water, said, *"Shuangliu County aims to follow the developmental model of Chengdu in terms of scale and speed of growth. This ambition provides huge opportunities to environmental protection companies like ours. Our cooperation with Sino French Water enables us to leverage their technologies, experience and reputation in the international arena. In the long term, this partnership is intended to extend to other areas of the environmental protection sector in Sichuan."*

Steve Clark, Senior Vice President of SUEZ ENVIRONNEMENT in Asia and Executive Director of Sino French Water, added: *"The collaboration with Dayi Water is our first management project in the area. By signing this contract, not only will we transfer the success of our expertise in the water sector in China and throughout the world, but both parties will also be able to explore new cooperation projects in the environmental protection field in Sichuan. This partnership will have a multiplier effect on the province's sustainable development efforts."*

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About SUEZ ENVIRONNEMENT in China

Water

SUEZ ENVIRONNEMENT is primarily involved in the Chinese water sector through the Sino-French Holdings joint venture, which was set up in 1985 and has been owned by SUEZ ENVIRONNEMENT and NWS Holdings Limited since 1985. The Group continues to boost its presence in China through the award of large contracts in major cities like Chongqing (where SUEZ ENVIRONNEMENT has acquired a 13.4% interest in Chongqing Water Group, its local partner) and Qingdao. SUEZ ENVIRONNEMENT also manages the water and waste services for industrial chemicals and petrochemicals parks in Shanghai, Chongqing, Chengdu, and Wuhan. The Group provides drinking water services to over 15 million people in China.

Waste

SUEZ ENVIRONNEMENT manages its waste business in China through SITA Waste Services, a wholly-owned SUEZ ENVIRONNEMENT subsidiary that has been involved in the waste sector in Hong Kong since 1987 and in Macau since the 1990's. In Hong Kong, SUEZ ENVIRONNEMENT is involved along the entire waste management chain and operates two of the world's largest and most modern landfill facilities located in Hong Kong. These landfill facilities, known as WENT and NENT, have a combined capacity of around 100 million tonnes. In mainland China, under a cooperation agreement with local partners, SUEZ ENVIRONNEMENT has designed, built, and now operates a hazardous waste incineration plant with a capacity of 60,000 tonnes via SITA. The plant takes care of the waste produced by the Shanghai Industrial Chemicals Park.