

### SUEZ ENVIRONMENT

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### **SUEZ Environment named preferred bidder for 30 year full services water contract for the city of Changshu (CHINA)**

SUEZ Environment has been named preferred bidder for a concession type contract to manage the water services for the city of Changshu, located in the delta of the Yangtze River under the administration of Suzhou, near Shanghai. Granted after an international call for tenders, the 30-year full services contract represents first year turnover of EUR 30 million. The cumulated turnover of the contract over its entire term will be over EUR 1 billion (exclusive of average 10% forecast yearly growth in water demand). The contract is scheduled to start at the end of 2006.

For the purposes of this major project, SUEZ Environment joined with its historical partner in China, New World through their joint venture Sino-French Holding in buying up 49% of the shares in the Changshu Water Supply Company Limited, the other 51% remaining the property of the city. A new joint venture will be set up to manage the contract, headed by SUEZ Environment.

SUEZ Environment will be in charge of the production and distribution of drinking water (involving 3 plants with a total capacity of 675,000 m<sup>3</sup>/day, and 2,500 km of piping networks) as well as the management of the customer service for a population of 1.5 million. As part of the contract, SUEZ Environment will transfer its know-how in terms of managing water assets, optimising yields, and will increase the coverage rate. Changsu has an important tourist trade and is one of the richest cities in China with a GNP per capita of EUR 5,500.

*"This project will be the 19<sup>th</sup> joint venture for Sino-French and our 6<sup>th</sup> water concession. It follows major long-term services contracts with SCIP and SPARK, Shanghai's main industrial parks. Changsu is a large-scale project in a highly strategic location for SUEZ Environment who recently set up its Asia-Pacific base in Shanghai. Above all, it underlines the solidity of our local partnership and our determination to support the Chinese authorities in facing their environmental issues",* indicated Jean-Louis Chaussade, Executive Vice-President in charge of SUEZ Environment.

In June 2006, SUEZ Environment opened the first Research and Development centre in China dedicated to industrial wastewater and hazardous waste. The centre has been developed in the heart of the Shanghai Chemical Industry Park (SCIP), the largest petrochemical industrial site in Asia.

*SUEZ Environment, a SUEZ business line, provides equipment and services that protect the environment and deliver the essentials of life. Its activities include drinking water production and distribution, wastewater collection and treatment, and waste treatment and recovery. Backed by its experience in the water and waste cycles, SUEZ Environment has a wide-ranging portfolio of know-how providing a sustainable solution to the requirements of local authorities and businesses. SUEZ Environment employs over 72,130 people worldwide and in 2005, generated turnover of 11.1 billion euros.*

#### **Press contacts**

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