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## **SUEZ is awarded the first military dismantling and ship-breaking contract**

**On September 11, 2006, two SUEZ subsidiaries, Endel and SITA France, and their partner CMN (Constructions Mécaniques de Normandie) won a French Navy RFP to handle the first Naval ship-breaking contract, for the "Lucifer."**

This is the first such operation involving a French military vessel. It recognizes the complementary expertise of two Group companies:

- Endel in dismantling industrial facilities (nuclear, chemical, etc.)
- SITA in global waste management and, more particularly, in dismantling (for example, the Metaleurop site and end of life aircraft (Process for Advanced Management of End-of-life Aircraft - PAMELA).

This operation is another example of the synergy which exists between two SUEZ business lines: SUEZ Energy Services (Endel) and SUEZ Environment (SITA). The two SUEZ companies presented a remarkably complementary offer to meet the customer's needs, particularly from the environmental protection and worker safety perspectives. These two areas of concern were at the heart of the proposal and have been of major importance since the start of the project.

The "Lucifer," an anti-submarine warfare frigate (ASW), was built in 1942 and decommissioned in 1959. From then until 2002, anchored at Querqueville, near Cherbourg, the Lucifer continued to serve as a French Navy training ship for fire safety exercises. Today, in order to ensure full environmental protection, the ship's dismantling will take place "in dry dock." As the Lucifer cannot be moved, a temporary dike will be built around her, with a watertight retention basin planned to eliminate any risk of leaks and protect the environment. This barrier will also improve working conditions for the personnel.

Beyond performing these decontamination and safety services, the "Endel/SITA" project relies for each phase upon the daily work of experts in metal breakup and recycling. The performance guarantee of the two companies is further backed by their successful integration the local industrial fabric.

The manner in which this project has been organized will ensure that every scrap of waste on the ship can be traced, from its original location onboard to disposal or recycling.

Endel and SITA have thus positioned themselves as responsible leaders in this budding market for breaking up and dismantling end of life Naval vessels.

The EUR 3.3 million project will begin in 2007 and is expected to take one year.

***To perform this contract, Endel and SITA have, with their related subsidiaries, established a special grouping of shared-purpose ventures:***

- *GIE ACE (a joint venture company, 50% Endel and 50% CMN – Constructions Mécaniques de Normandie), located at Querqueville, which has been chosen by the co-contractors to act as group leader,*
- *SNN, a regional service subsidiary of SITA in the Lower Normandy Region (Basse Normandie),*
- *SANE-SERC, SITA's regional industrial and maintenance subsidiary in the Normandy Region, and*
- *SIREC, the SITA subsidiary specialized in metal salvaging in the English Channel region (Manche).*

**SUEZ**, an international industrial Group, designs sustainable and innovative solutions for the management of public utility services as a partner of public authorities, businesses and individuals. The Group aims to meet essential needs in electricity, natural gas, energy services, water and waste management. SUEZ is listed on the Brussels, Luxembourg, Paris, New York and Zurich stock exchanges and is represented in the major international indices: CAC 40, BEL 20, DJ STOXX 50, DJ EURO STOXX 50, Euronext 100, FTSE Eurotop 100, MSCI Europe and ASPI Eurozone. The Group employs 157,650 people worldwide and achieved revenues of EUR 41.5 billion in 2005, 89% of which were generated in Europe and in North America.

**Endel** is the French leader in industrial maintenance and related services, with revenues in 2005 of EUR 560 million and 6,000 employees.

Endel is part of SUEZ Energy Services, with Axima, Elyo, Fabricom GTI, GTI, Ineo and Tractebel Engineering. SUEZ Energy Services is the European leader in multi-technical services and offers its customers in industry, services, and civil works global solutions, from equipment design, production, and maintenance to energy and utilities management and long-term, multi-technical management. SUEZ Energy Services employs 66,000 people and achieved EUR 10.3 billion in revenues in 2005.

**SITA France**, a subsidiary of SUEZ Environment, generated EUR 2.3 billion in revenues in 2005. It has over 18,400 employees serving 3,000 municipalities and 55,000 industrial and commercial customers. Its activities cover the entire spectrum of waste management services: collection, sorting, recovery, and processing of both solid and liquid household and hazardous waste (excluding nuclear waste), urban cleaning services, and industrial maintenance. SITA is also developing specialty expertise in end of life product recycling (including waste electrical and electronic equipment, end of life vehicles, and non reusable used tires).

#### **Disclaimer**

*This press release contains certain forward-looking statements, particularly with respect to future events, trends, plans or objectives. These statements are based on management's current views and assumptions and involve a number of risks and uncertainties that may lead to a significant difference between actual results and those suggested either explicitly or implicitly in these statements (or suggested by past results). Additional information about these risks and uncertainties appears in documents filed by SUEZ with the U.S. Securities and Exchange Commission and the Autorité des Marchés Financiers (French securities regulator). The present forward-looking statements are made as of the date of the present release, with no undertaking by SUEZ to update or revise them, whether in connection with new information, future events, or any other factor.*

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