

# PRESS RELEASE

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## SUEZ ENVIRONNEMENT

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### **The main chemical and industrial platform in Shanghai entrusts its waste incineration to SUEZ Environnement**

Shanghai Chemical Industrial Park (SCIP), the operator and developer of the main chemical and industrial platform of Shanghai, has entrusted SUEZ Environnement with treating the industrial solid, liquid and gas waste of the site. The result of a joint-venture between the two historical partners of SUEZ in China, New World (water) and Swire (waste services), the agreement relates to the construction and operation of an incineration plant with an annual processing capacity of 60,000 tons.

As owners of the incinerator, the shareholders in the joint venture have entrusted the operational management of the project to Swire Sita Waste Services, the Group's affiliate in China dedicated to waste services. With an initial term of 30 years, the business plan forecasts an estimated total sales turnover of 600 million Euros, with a high potential for extension to support growth of the site and developments in regulations.

Designed to process the waste output by the chemical industries present on the platform, the incinerator will also be open to process waste from firms outside the site. The construction of two ovens will take two years, the incinerator will start operation in 2006. It includes an environmentally-compliant smoke treatment process comparable with European standards, and energy recovery as steam.

The presence of the Group on the SCIP site dates back to 2001, when a 50-year contract to treat the industrial effluents of the site was awarded to Sino-French Water Development (SFWD), the Group's affiliate in China dedicated to water. Since that date, the contract has been extended to managing the industrial water cycle, and the developer of the site is now calling on the expertise of SUEZ Environnement in treating hazardous industrial waste. The technical complementarity of its business lines thus enables SUEZ Environnement to reinforce its presence in China, in particular on the industrial market.

This success follows on from the water concession awarded to the company in September 2004 for the Tanggu district in the municipality of Tianjin, one of the largest harbor areas in the world with one of the highest GDP growth rates in the country. The contract concerns the supply of water services to an estimated population of nearly one million inhabitants, and should generate a forecast total sales turnover of more than one billion Euros.

SUEZ ENVIRONNEMENT, a division of SUEZ, 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. Through its three international brands, Ondeo (water distribution), Degrémont (water treatment plants) and SITA (solid waste management), SUEZ ENVIRONNEMENT employs over 82,900 people worldwide and in 2003, generated a turnover of 12.3 billion Euros.

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