

**SUEZ ENVIRONMENT**

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**SUEZ Environment and the municipality of Chongqing (China)  
conclude a strategic water partnership**

Through its Sino-French subsidiary, SUEZ Environment has signed a strategic partnership with the municipality of Chongqing for water. This partnership recognizes Sino-French<sup>1</sup> as a preferred partner of the Chongqing water company for future projects covering the entire water cycle: the construction and operation of water treatment plants, the production and distribution of drinking water, waste water treatment as well as customer relations management. Chongqing, with a population of 32 million inhabitants, is the biggest city in Western China.

This partnership is represented by opportunities for privileged tender applications granted to Sino-French for all these projects and by the setting up of a new 50/50 company between Sino-French and the Chongqing water company with the purpose of supporting selected projects. This company will be provided with an initial investment capacity of 120 million euros, 80% of which could be financed in local currency. The total investment in the city of Chongqing will reach more than 200 million euros, of which 25% will be carried by SUEZ.

Within the framework of this partnership, an initial investment sum has been set aside and relates to projects for the production of water; an extension of the existing concession already assigned to Sino-French in 2002 and the management of waste water treatment in this same concession area. These projects will be the subject of technical and financial development during the course of the next two years.

Sino-French currently manages the concession for water services for the Northeast area of the city for a period of 50 years and supplies one million inhabitants in Chongqing.

The signature of this strategic partnership with the Chongqing municipality is in recognition of the excellent service and added value brought by Sino-French and SUEZ to the water industry. It bears witness to the quality of the relationships established with the municipality and the Chongqing water company, who recognize SUEZ as a long-term preferred partner.

Through this commitment, SUEZ is revealing its confidence in the development potential of China in general and of Chongqing in particular and its willingness to be a major player in the environmental sector in China.

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<sup>1</sup>Sino-French is a 50/50 joint venture between SUEZ and the New World Group of Hong Kong – NWS Holdings Ltd. Sino-French has been present in China for more than 20 years in the area of water production and distribution.

*SUEZ, an international industrial Group, designs sustainable and innovative solutions for the management of public utilities, as a partner of public authorities, businesses and individuals. The Group aims to answer 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, DJ STOXX 50, DJ EURO STOXX 50, Euronext 100, FTSE Eurotop 100, MSCI Europe and ASPI Eurozone. The Group employs 160,700 people worldwide and achieved revenues of €40.7 billion in 2004, 89% of which were generated in Europe and in North America.*

*SUEZ Environment, a branch activity of the SUEZ group provides the equipment and services essential for life and protection of the environment: the production and distribution of drinking water, the waste water collection and treatment, the disposal and recovery of waste material. In 2004, SUEZ Environment achieved a turnover of 11.4 billion euros with a workforce of 72 780 workers.*

#### **Disclaimer**

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