



PRESS RELEASE

April 11, 2013

SITA UK, SUBSIDIARY OF SUEZ ENVIRONNEMENT, AGREES PFI CONTRACT VARIATION WITH CORNWALL COUNCIL IN THE UNITED KINGDOM

SITA UK, a subsidiary of SUEZ ENVIRONNEMENT, and Cornwall Council have agreed a 30-year Private Finance Initiative (PFI) contract variation to manage residual household waste and recycling worth €1.4billion of revenue*.

The 30-year integrated waste management contract between SITA UK and Cornwall Council was originally signed in October 2006. However, following delays in getting planning permission to build an energy-from-waste facility a contract variation was required**.

The contract is to manage the treatment and disposal of all of Cornwall Council's household waste. Key to the contract is the design, build, finance and operation of an energy-from-waste facility in St Dennis with a capacity of up to 240,000 tonnes per year, which will generate electricity for the equivalent of around 21,000 homes.

This facility, which has planning permission and an Environmental Permit, is expected to be operational in 2016. The county's residual waste is currently taken to Connon Bridge landfill site, near Liskeard.

Over the past six years, the contract has yielded many benefits to local residents and the environment with €30million invested in improving waste and recycling facilities across Cornwall. These have included upgrading works to a number of household waste recycling centres and the construction of new centres in St Austell, Bude, St Erth, Falmouth and Launceston, along with new waste transfer stations at Connon Bridge, St Erth, Launceston and Pool.

Jean-Louis Chaussade, CEO of SUEZ ENVIRONNEMENT, said: *"This is a significant PFI contract for SUEZ ENVIRONNEMENT and SITA UK. Building on a strong performance in the delivery of the first six years of this contract we now have a clear path to proceed with the delivery of the much needed Cornwall Energy Recovery Centre which will reduce the county's reliance on landfill and create energy by putting residual waste to good use."*

A spokesman for Cornwall Council said: *"The signing of the revised project plan provides long term security for the management of Cornwall's waste. At the centre of the plan is the establishment of the new Energy Recovery Centre. This facility, which is expected to become operational in 2016, will generate enough electricity to supply 21,000 homes in Cornwall."*

Funding for SITA Cornwall will be provided by The European Investment Bank (EIB), Bank of Tokyo-Mitsubishi, Mizuho Corporate Bank and Helaba. SITA UK, Itochu and Lloyds will provide equity.

SITA UK has developed a number of PPP (Public Private Partnership) contracts across the UK including Kirklees, Northumberland, the Isle of Man and Teesside. In October 2010, SITA UK signed a PFI contract with Suffolk County Council and in 2011 signed a PFI

contract with the South Tyne and Wear Waste Management Partnership. Both contracts involve revenues in excess of €1.2billion when electricity and third party waste gate fee revenues are taken into account. In the waste sector, this type of partnership was developed to allow British local authorities to develop waste management facilities to replace landfill.

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Notes to Editors:

*Once third party waste and electricity revenues are taken into account, total project revenues are expected to reach €1.6billion over the life of the project.

The Net Present Value of cost for the Authority on a comparable basis has only increased by 1.6% from €502million to €510million, despite the significant additional costs caused by repeated challenges to the planning permission.

****SITA UK/Cornwall Council contract background:**

SITA Cornwall's planning application for the Cornwall Energy Recovery Centre was refused permission by Cornwall County Council in March 2009. However, as instructed by the Council, SITA Cornwall submitted an appeal to the Planning Inspectorate. On 20 May 2011, SITA Cornwall received notification from the Secretary of State, Eric Pickles MP, that he had granted planning permission for the Cornwall Energy Recovery Centre.

Local opponents to the Cornwall Energy Recovery Centre launched a challenge against the decision of the Secretary of State and their S288 appeal was upheld by the High Court in October 2011.

The Secretary of State then appealed that High Court judgment. On 29 March 2012, the Court of Appeal allowed the Secretary of State's appeal and confirmed the validity of the Secretary of State's decision to grant planning permission for the Cornwall Energy Recovery Centre.

Due to these delays in obtaining planning permission, SITA UK went back out to the market to identify and negotiate with potential investors.

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ITOCHU Corporation (<http://www.itochu.co.jp/en/>) is a Japanese trading and investment firm operating globally across the world.

SWIP Infrastructure Funds is a greenfield PPP funds management platform in Scottish Widows Investment Partnership a leading European asset management company, part of Lloyds Banking Group.

SITA UK

SITA UK, a subsidiary of SUEZ ENVIRONNEMENT, is a recycling and resource management company, generating environmental value, social value and economic value from our nation's waste. The company delivers environmentally responsible and increasingly innovative solutions for the public, local government, industry and commerce, enabling our customers to reduce their impact on the environment. SITA UK serves over 12 million people and handles more than eight million tonnes of domestic, commercial and industrial waste through a network of recycling,

composting, energy-from-waste and landfill facilities. SITA UK employs over 5,500 staff and has an annual turnover in excess of £772 million.

SUEZ ENVIRONNEMENT

Natural resources are not infinite. Each day, SUEZ ENVIRONNEMENT (Paris: SEV, Brussels: SEVB) and its subsidiaries deal with the challenge of protecting resources by providing innovative solutions to industry and to millions of people. SUEZ ENVIRONNEMENT supplies drinking water to 96.6 million people, provides wastewater treatment services for 66.3 million people and collects the waste produced by 50 million people. SUEZ ENVIRONNEMENT has 79,550 employees and, with its presence on five continents, is a world leader exclusively dedicated to water and waste management services. In 2012, SUEZ ENVIRONNEMENT, a subsidiary in which GDF SUEZ has a 35.7% interest, generated revenues of EUR 15.1 billion.

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