

PRESS RELEASE

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PUBLIC SERVICE CONCESSION CONTRACT FOR SANITATION

AN EXEMPLARY PROJECT FOR THE ENVIRONMENT AND THE TOURIST TRADE IS LAUNCHED IN THE FRENCH ALPS

— Lyonnaise des Eaux, a subsidiary of the SUEZ Group, has just signed a 25-year public service concession contract for sanitation with the Community of Municipal Authorities in the Briançon region (Hautes Alpes). Cumulative sales for the overall term of the contract stand at EUR 115 million.

A reference contract for Lyonnaise des Eaux

The contract involves bringing the entire wastewater collection and treatment system for the 12 communes in the Briançon region up to standard, including the winter sports resorts of Serre Chevalier and Montgenèvre.

It also requires connecting all the villages and hamlets that have yet to be linked to the sewage network, as well as the installation of 30 kilometres of collectors, and the construction of 4 mountain sewage plants with a total capacity of 100,000 population equivalents.

The Briançon sewage plant, with a capacity of 90,000 population equivalents, will be built by Degrémont, a subsidiary of SUEZ Environment, and should be commissioned in 2008. Equipped with Densadeg® units for primary decantation and six Biofor® units for carbon and nitrate treatment, the new plant will benefit from the compact equipment and advanced technologies developed by Degrémont to meet the latest European requirements and return treated water of high quality back to the natural environment.

The total value of the investments stands at EUR 29.5 million, two thirds of which will be financed by Lyonnaise des Eaux.

The company will be in charge of operating the facilities, processing the sludge, and managing the customer service.

Thanks to this concession contract, the Community of Municipal Authorities in the Briançon region can transfer the industrial risks inherent to designing, building and operating the facilities to Lyonnaise des Eaux. It also means the authorities can benefit from the quick construction of wastewater treatment facilities, while keeping control of water and sanitation prices over the long term.

An ambitious environmental and economic project

The sanitation programme replies to environmental and economic issues of major importance for the Briançon and Hautes-Alpes regions. At present, the existing wastewater treatment facilities are not up to standard and are no longer sufficient to meet the needs of the population, which expands from 20,000 to 90,000 inhabitants during the tourist season.

The installation of an effective sanitation system will preserve the rivers and the environment of the region, the objective being to guarantee that the quality of the wastewater released into the natural environment is compliant with that required for bathing water.

Over and above its environmental value, however, the project will be of considerable benefit to the economic development of the region, which is mainly based on the tourist trade generated by winter sports, open-air activities, and water sports. In addition, by choosing to delegate the sanitation utility to Lyonnaise des Eaux, the Community of Municipal Authorities in the Briançon region preserves the financial capacities required to develop community services in the region.

Raising awareness about protecting the natural heritage of the High Alps

While 97% of French people consider wastewater treatment to be essential for protecting the environment, only 48% know what the wastewater cycle actually involves¹. This means people need to be informed about the issues involved in the water cycle and the concerns related to sanitation. Public exhibitions, lectures and visits to the building sites will be organised in order to raise awareness among the inhabitants of the Briançon region about the importance of safeguarding their environment.

The sanitation scheme illustrates the commitment of Lyonnaise des Eaux and the Community of Municipal Authorities of the Briançon region to sustainable development. It also falls within the scope of the Lyonnaise des Eaux Charter of Commitments, which contains 12 tangible undertakings in favour of sustainable water management, to serve consumers today and the generations to come.

¹ C.I.EAU/TNS SOFRES 2006 survey

Lyonnaise des Eaux, a subsidiary of the SUEZ Group with over 8,600 employees, provides drinking water for 14 million people and treats wastewater for more than 9 million inhabitants in France. The company puts its customers at the heart of its concerns, by planning operations and projects in line with sustainable development.

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