

## **SUEZ ENVIRONNEMENT**

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# **PRESS RELEASE**

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## **SUEZ ENVIRONNEMENT AND LEND LEASE SIGN A 25-YEAR PFI CONTRACT WITH THE SOUTH TYNE AND WEAR WASTE PARTNERSHIP FOR 825 MILLION EUROS REVENUES\***

SITA UK, subsidiary of SUEZ ENVIRONNEMENT, has signed a Private Finance Initiative (PFI) contract worth 825 million euros\* over 25 years with the South Tyne and Wear Waste Partnership, representing Gateshead, South Tyneside and Sunderland local authorities. SITA UK formed part of a consortium, which includes Lend Lease and I-Environment Investments Ltd, subsidiary of ITOCHU Corporation. The signing of the contract comes seven months after the SITA Consortium was selected as preferred bidder.

Jean-Louis Chaussade, CEO of SUEZ ENVIRONNEMENT, said: "This is a major PFI contract for SUEZ ENVIRONNEMENT and SITA UK. Thanks to a strong presence and experience in the North East of England, we have worked hard to develop a competitive solution for the Partnership. By recovering energy from residual waste, this project fits well with the Government's aspiration to reduce the amount of residual waste that is landfilled."

The contract is to manage 190,000 tonnes of residual household waste each year. It includes the design, build, finance and operation of an energy-from-waste facility in Teesside with a capacity of up to 256,000 tonnes per year, which will generate electricity for the equivalent of around 30,000 homes. This facility, which already has planning permission and an Environmental Permit, is expected to be operational in 2014. Also included in the contract is the development of three waste transfer stations and a visitor centre. In total over 90 per cent of the contract waste managed by SITA UK will be diverted from landfill.

Dan Labbad, Chief Executive Officer - EMEA, Lend Lease, added: "SITA UK and Lend Lease are extremely pleased to have been appointed to work with Gateshead, South Tyneside and Sunderland local authorities, to help them significantly reduce the amount of waste they send to landfill and increase their recycling rates. Reaching financial close recognises the expertise of the consortium in this emerging market sector."

SITA UK has developed a number of PPP (Public Private Partnership) contracts across the UK including: Surrey, South Gloucestershire, Kirklees, Cornwall, Northumberland, Aberdeen, the Isle of Man and Teesside. In September 2010, SITA UK signed a PFI contract with Suffolk County Council worth £1 billion over 25 years. In the waste sector, this type of partnership was developed to allow British local authorities to develop additional waste management facilities other than landfill.

\*total contract value is in excess of 1.2 billion Euros with the addition of revenues from the management of third party waste and sale of electricity

### **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 10 million tons of domestic, commercial and industrial waste through a network of recycling, composting, energy-from-waste and landfill facilities. SITA UK employs over 5,800 staff and has an annual turnover in excess of 856 million euros.*

### **LEND LEASE**

*Founded in Australia in the 1950s and listed on the Australian Stock Exchange, Lend Lease is a leading real estate specialist, which creates, enhances and manages real estate assets around the world. The Group's activities are primarily focused in the regions of Asia Pacific, Europe and the US, and cover 40 countries on six continents. In the UK its business is focused primarily on the delivery of large scale integrated developments designed to regenerate town centre and major urban sites. Lend Lease provides cohesive in-house solutions for mixed-use developments, from planning and consultation, to development, funding, construction and asset management. The Group also provides international project and construction management services.*



**SUEZ ENVIRONNEMENT**

*Natural resources are not infinite. Each day, SUEZ ENVIRONNEMENT (Paris: SEV, Brussels: SEVB) and its subsidiaries deal with the challenge to protect resources on a daily basis by providing innovative solutions to industries and to millions of people. SUEZ ENVIRONNEMENT supplies drinking water to 91 million people, provides wastewater treatment services for 61 million people and collects the waste produced by more than 50 million people. SUEZ ENVIRONNEMENT has 79,554 employees and, with its presence on five continents, is the world's leader exclusively dedicated to environmental services. SUEZ ENVIRONNEMENT, a 35.4% GDF SUEZ affiliate, reported sales turnover of 13.9 billion euros at the end of financial year 2010.*

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