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PRESS RELEASE

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LYONNAISE DES EAUX, SUBSIDIARY OF SUEZ ENVIRONNEMENT, SEALS 12-YEAR WATER CONTRACT RENEWAL WITH THE CITY OF ORLEANS WORTH €110 MILLION

At its Municipal Council meeting of 8 July, the City of Orleans reaffirmed its confidence in Lyonnaise des Eaux, a subsidiary of SUEZ ENVIRONNEMENT, awarding its utilities contract to manage drinking water production and distribution. This 12-year agreement takes effect on 1 January 2012 and is worth €110 million overall.

With this new contract, Lyonnaise des Eaux and the City of Orleans will be advancing a new standard in water utilities management by applying new solutions based on innovation, transparency, plus a social dimension and sustainable resource management.

NEW GOVERNANCE APPROACH BETWEEN THE CITY AND LYONNAISE DES EAUX FOR GREATER CLARITY AND DIALOGUE

Following on from "New Ideas For Water", a participative initiative launched in 2010 by Lyonnaise des Eaux to position water and water conservation at the heart of public debate, new governance rules will be implemented as part of this new contract with the City of Orleans. Four committees will be created (a technical committee, users committee, scientific committee and a contract steering committee) enabling the City of Orleans to exercise governance over its public drinking water service.

Lyonnaise des Eaux will create a dedicated company in the form of a partnership, Orléanaise des Eaux, to provide the service.

INNOVATION FOR RESOURCE PROTECTION

Thanks to investments plus efficient management of drinking water distribution networks by Lyonnaise des Eaux, network output already exceeds the 85% target imposed on local authorities by the *Grenelle de l'Environnement*.

To go yet further in resource preservation, Lyonnaise des Eaux from 2012 will be equipping itself with permanent acoustic detection devices to optimise leak tracking. These sensors, placed along the pipes, will be listening 24 hours a day and will reduce intervention times.

Lyonnaise des Eaux will be developing innovative technologies, in particular a system for reading water meters remotely, that will allow every resident to know their consumption in real time and so be able to manage their water use, and detect leaks without the physical intervention of a human meter reader. This equipment will be deployed within two years on all 20,000 meters in Orleans.

With water quality being a major challenge in this new contract, Lyonnaise des Eaux has offered to carry out a feasibility study for chlorine-free water distribution in Orleans. This initiative is in line with a research project successfully run by the SUEZ ENVIRONNEMENT Research and Development Centre (CIRSEE).

MEASURES TO LIMIT ENVIRONMENTAL IMPACT

As part of its anti-pollution and resource-protection measures, Lyonnaise des Eaux has developed a modelling tool that predicts and quantifies the transfer of phytosanitary products to surface and ground water: the Phyto'scope. This project will be conducted in conjunction with local SME members of the DREAM¹ competitiveness cluster.

Also closely involved in protecting biodiversity, Lyonnaise des Eaux has committed to redeveloping the Bras de Bou zone, situated close to the City of Orleans' main drinking water catchments. By reestablishing the necessary slope, and planting trees to allow insects, birds and small fauna to return,

¹ Competitive Cluster : Sustainability Water Management and its Environment



this zone will continue to perform its role as a biodiversity refuge, water purification system, and flood control resource.

To reduce greenhouse gas emissions, Lyonnaise des Eaux will rely on green energy for its power supply, and the Orléanaise des Eaux automobile fleet will be made up entirely of "clean" vehicles. Some of them will even be fitted with a system that injects tap water into the combustion chamber, reducing fuel consumption by 15%.

IMPLEMENTATION OF A PROGRESSIVE SOCIAL PRICING SYSTEM AND COMMUNITY SUPPORT MECHANISM

To help the most disadvantaged to have access to water while encouraging water savings, Lyonnaise des Eaux has offered the City of Orleans a pricing system that provides a lower rate for the first 40 cubic metres. This rate, dubbed "Essential Water", applies to all users whether they live in collective accommodation or private houses. This mechanism is supplemented by a community support fund managed by the community social action centre (CCAS) which aims to provide solutions for people undergoing the greatest hardship. This community support fund will issue *Chèques Ô* ("water cheques") of €50 each.

Lyonnaise des Eaux

Lyonnaise des Eaux, a subsidiary of SUEZ ENVIRONNEMENT, has 9,800 employees, supplies drinking water to 12 million residents and provides wastewater treatment for more than 9.3 million people in France. The company puts its customers at the heart of its concerns and bases all its activities and projects on a perspective of sustainable development. In September 2006, Lyonnaise des Eaux released its charter of 12 commitments for sustainable water management. This charter is integrated into the sustainable development policy of SUEZ ENVIRONNEMENT for the protection of the environment and management of energy consumption. www.lyonnaise-des-eaux.fr

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 91 million people, provides wastewater treatment services for 61 million people and collects the waste produced by 50 million people. SUEZ ENVIRONNEMENT has 79,554 employees and, with its presence on five continents, is a world leader exclusively dedicated to water and waste management services. In 2010, SUEZ ENVIRONNEMENT, a subsidiary owned 35.4% by GDF SUEZ, achieved revenues of 13.9 billion euros.

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