

SUEZ ENVIRONNEMENT

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PRESS RELEASE

31 October 2013

**SUEZ ENVIRONNEMENT HAS BEEN AWARDED THE PUBLIC SERVICE SANITATION
OUTSOURCING CONTRACT FOR THE MARSEILLE PROVENCE METROPOLE URBAN
DISTRICT VIA ITS LYONNAISE DES EAUX SUBSIDIARY (SERAM) ; THE CONTRACT
AMOUNTS TO €1.2 BILLION OVER 15 YEARS**

On 31 October 2013, the District Council voted in favour of awarding the public sanitation concession for the District of Marseille, and for the neighbouring districts of Allauch, Septèmes-les-Vallons, Carnoux-en-Provence, Le Rove and the Gémenos Industrial Zone to Suez Environnement via its Lyonnaise des Eaux subsidiary. This contract includes the collection and treatment of waste water and the management of urban rainwater for around 900,000 residents in the Marseille Provence Métropole Urban District.

The future public service sanitation contract, which will generate average annual revenues of €80 million over a 15-year period, will meet the challenges posed by increasing urbanisation in the Marseille region and its development as a tourist area (2 million tourists per year), based on a proactive policy that aims to protect an exceptional natural heritage.

Marseille Provence Métropole (MPM) wanted to offer its residents a local public sanitation service that had been entirely renewed and was fully controlled by the local authority. MPM has decided to make its sanitation service a benchmark service, and the most advanced model in France, via the services proposed and the technologies implemented under this contract. The aim is to make MPM the cutting-edge Euro-Mediterranean capital in terms of sanitation technology.

Jean-Louis Chaussade, the Chief Executive Officer of SUEZ ENVIRONNEMENT, made the following comments: *"We are delighted and proud to have been chosen by MPM via a new contract that is even more ambitious than the previous one in investment terms, in order to meet the new challenges faced by the region. SUEZ ENVIRONNEMENT will work alongside MPM in order to make it a standard-setter for coastal sanitation at the national level. We are going to build the first sanitation service in France that will manage terrestrial sanitation infrastructure, the impact on the environment and on the host marine environments in real-time and simultaneously. The measures applied will help to significantly reduce the access restrictions to beaches regularly faced by the people of Marseille. Service quality, innovation, and a business offer based on performance, governance and guaranteed transparency commitments, under the strict control of the*

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local authority, are the cornerstones of this innovative contract that draws inspiration from the Contract for Water Health, which aims to modernise the partnership between the local authority and the concession holder."

AN AMBITIOUS PROGRAMME AIMED AT SECURING ACCESS TO BEACHES AND ENSURING THE PROTECTION OF NATURAL ENVIRONMENTS

- PH@RE, an ultra-modern and proactive integrated waste and rain water management control centre.

A new integrated management centre, known as "PH@RE" will manage the sanitation network in a proactive manner. It will anticipate, monitor and control the entire sanitation system and its impact on the environment in real-time, including urban streams, storm water ponds, the coast and the Bay of Marseille.

The centre, which is a genuine access and management tool shared with the local authority, not only guarantees optimal operation of the infrastructure in dry and wet weather, but limits its impact on ecosystems. It is open to the local authority, and will also be a collaborative tool serving consumers in the region via a dedicated "Digital Gatekeepers" application. It will enable the public to become a genuine "public watch" that plays a part in digital and interactive sanitation.

All these innovations over the next 15 years are novel, and will contribute to a greater day-to-day quality of life for residents.

- Major investments aimed at securing access to beaches and improving the environmental management of host marine environments

A new storm water storage pond with a capacity of over 50,000 m³ will be built near the Géolide waste water treatment plant at the Ganay Stadium between 2014 and 2017. This pond will enable the Géolide waste water treatment plant to treat all the waste and rain water even during periods of heavy rainfall. Today, untreated pollution during major storms may actually result in the beaches being closed.

Suez Environnement will invest a total of €60 million throughout the duration of the contract in order to guarantee the compliance of the sanitation system with the Prefectural Decree and the European Directive, to improve the quality of bathing water, and to reduce the untreated waste water discharged into the Cortiou *Calanque* at the heart of the Calanque National Park by 50%.

A "POSITIVE BIODIVERSITY" PROGRAMME TO ENRICH THE FAUNA AND FLORA IN THE BAY OF MARSEILLE

To limit the City's impact on ecosystems, Lyonnaise des Eaux is turning sanitation into a "positive biodiversity" service, which is enriching the fauna and flora in the Bay of Marseille and in the Calanques National Park.

- Re-conquering natural habitats thanks to the planting of endemic algae;
- Pilot development on the quays of the Old Port in Marseille involving artificial underwater environments that promote the survival and increase of endemic species. This pilot project will result in a research and development programme with the City's research organisations, like the Marseille Oceanographic Institute, the Marseille National Scientific Research Council (CNRS) or the Human and Environment "Mediterranean Coast" Observatory.

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SHARED GOVERNANCE TO ENSURE BETTER MANAGEMENT OF THE CONTRACT BY THE LOCAL AUTHORITY, AND ACTIVE INVOLVEMENT OF CIVIL SOCIETY

The new governance process for this contract, which was requested by MPM, guarantees its 900,000 residents a thorough, transparent, and shared management process that is open to civil society.

A dedicated company known as “**SERAM Métropole**” will be set up (450 employees). This company will have three new decision-making bodies, i.e. a Board of Directors, a contract Steering Committee and a User Committee, all of which will be open to civil society.

The bodies will include local MPM officials, representatives from the local authority departments, outside expertsⁱ and representatives from Lyonnaise des Eaux, and their representatives will review the quality of the service, the contractual undertaking, the contract accounts, and the relations with consumers.

MPM will have access to the operator’s tools and technical, business and financial data in real time. The local authority, which will track the quality of the service, will be in a position to assess and monitor the contract’s compliance, and the quality of the service provided.

SUEZ ENVIRONNEMENT

Natural resources are not infinite. Every day, SUEZ Environnement (Paris: SEV, Brussels: SEVB) and its subsidiaries deal with the challenge of protecting resources by providing innovative solutions to industries and to millions of people. SUEZ Environnement supplies drinking water to 91 million people, provides waste water treatment services for 63 million people and collects the waste produced by 57 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. SUEZ Environnement generated total revenues of EUR 15.1 billion in 2012.

Lyonnaise des Eaux

Lyonnaise des Eaux, a subsidiary of SUEZ Environnement, has 11,300 employees, supplies drinking water to 11 million residents and provides waste water treatment to over 12 million people in France.

Protecting the quantity and quality of water resources is at the heart of its concerns. To guarantee the future of water on a collective basis, Lyonnaise des Eaux launched the Contract for Water Health in November 2011; this is a modern partnership with local authorities that offers innovative proposals where governance, innovation, and business models are concerned. The effectiveness of its commitments is monitored by Vigeo, an independent extra-financial rating agency.

SERAM

Société d’Exploitation du Réseau d’Assainissement de Marseille (SERAM), a subsidiary of Lyonnaise des Eaux, which is part of the SUEZ Environnement Group, is a 30-year-old service company that ensures the proper running of the waste water and rain water collection and treatment infrastructure for the Marseille Provence Métropole Urban District. The company has 440 employees, and generates revenues of around €60 million. To fulfil its public service remit, the company is responsible for cutting-edge facilities, equipment, and technological resources that enable it to be warned and informed in real time of any event that occurs at any point on the 1,780 kilometres of underground pipes and galleries, so as to limit any inconvenience for the population. SERAM also manages and operates the Géolide waste water plant, which is buried under the plaza of the Vélodrome Stadium in Marseille, and the Frioul Islands waste water plant, as well as the sludge treatment plant located in the La Cayolle Quarry, south of Marseille.

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ⁱ Representatives of the District Interests Committee, a player involved in the region’s economy, etc.