

## SUEZ ENVIRONNEMENT

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# PRESS RELEASE

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## **SUEZ ENVIRONNEMENT AND ITS PARTNERS SELECTED AS PREFERRED BIDDER FOR 30-YEAR €1.4 BILLION RESOURCE RECOVERY CONTRACT WITH MERSEYSIDE RECYCLING AND WASTE AUTHORITY**

SITA SEMBCORP UK, a consortium led by SITA UK, a subsidiary of SUEZ ENVIRONNEMENT, has been selected as preferred bidder for a resource recovery contract worth €1.4 billion<sup>1</sup> over 30 years with the Merseyside Recycling and Waste Authority. The other consortium members are Sembcorp Utilities UK and I-Environment, which is a wholly owned subsidiary of Itochu Corporation.

The contract is to manage over 430,000 tonnes of residual household waste each year from Merseyside and Halton. It includes the design, build, finance and operation of two key facilities which both have planning permission in place: a rail loading waste transfer station in Merseyside and a new purpose-built energy-from-waste facility in Teesside. Total capital investment for the two facilities will be around €295 million. Both key facilities are expected to be operational by 2016. In total, 75 permanent new jobs will be created by the contract with hundreds more temporary jobs during the construction of the two new facilities.

The rail loading waste transfer station will be developed at an existing rail-linked warehouse in Knowsley Industrial Estate. From here, waste will be transported by rail to the new 450,000 tonnes per year energy-from-waste facility, which will be developed on a rail linked site at Wilton International – a 2,000 acre industrial estate managed by Sembcorp Utilities UK near Redcar on Teesside.

The new energy-from-waste facility will generate electricity for the equivalent of 63,000 homes and has the potential to provide steam directly to adjacent business customers, which would further improve its efficiency. In total, over 90 per cent of the contract waste managed by the SITA Sembcorp UK consortium will be diverted from landfill and used to produce energy.

Jean-Louis Chaussade, CEO of SUEZ ENVIRONNEMENT, said: "We are delighted that the Merseyside Recycling and Waste Authority has selected the SITA Sembcorp UK consortium as preferred bidder for this important contract. SITA UK has a strong record of achieving financial close quickly and delivering the new waste management infrastructure that is needed by local authorities in the UK. This new contract fits well with SUEZ ENVIRONNEMENT's policy to develop new waste recovery facilities and fits with the UK's government aspiration to reduce the amount of waste going into landfill."

CLlr Joe DeAsha, Chairperson of Merseyside Recycling and Waste Authority said: "The appointment of SITA Sembcorp UK as our Preferred Bidder marks the beginning of an important chapter in the way Merseyside and Halton deals with its resources. I believe that the solution we have chosen is the best for the environment - saving natural resources, generating green electricity and providing value for money for taxpayers."

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<sup>1</sup> Total contract value is in excess of €2 billion with the addition of revenues from the management of third party waste and sale of electricity.



Carl Beer, Chief Executive of Merseyside Recycling and Waste Authority said: “We are extremely pleased to have progressed to this stage. I’m confident that we can now work towards putting our plans in place and concentrate on providing future generations in Merseyside and Halton with an effective and sustainable waste solution.”

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 €1.2 billion over 25 years. In April 2011, SITA UK signed a PFI contract with the South Tyne and Wear Waste Management Partnership worth over €850 million (€1.3 billion including third party waste and sale of electricity). And in April 2013, SITA UK and Cornwall Council agreed a PFI contract variation worth €1.3 billion of revenue. In the waste sector, this type of partnership was developed to allow British local authorities to develop alternative waste management facilities to landfill.

### **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 6,000 staff and has an annual turnover in excess of £700 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.*

**Merseyside Recycling and Waste Authority** (formerly Merseyside Waste Disposal Authority) is responsible for the disposal of municipal waste on Merseyside. Established in 1986 following the abolition of Merseyside County Council, it is a statutory Authority that works with all the local authorities on Merseyside – Knowsley, Liverpool, Sefton, St Helens and Wirral. MRWA takes a lead in advocating recycling, waste minimisation and safe and effective disposal of waste for Merseyside's residents. [www.merseysidewda.gov.uk](http://www.merseysidewda.gov.uk)

MRWA is a key partner in the Merseyside and Halton Waste Partnership which was established in 2005. All members of the MHWP have responsibilities for tackling the effective delivery of sustainable municipal waste management in Merseyside. [www.recycleformerseysideandhalton.com](http://www.recycleformerseysideandhalton.com)

**Sembcorp Utilities UK** is a leading industrial energy, water and services provider based at the Wilton International site near Redcar in North east England. The company, part of the Singapore-based Sembcorp Industries Group, became the pioneer of biomass power production in the UK in 2007 when the 35MW Sembcorp Biomass Power Station (also known as Wilton 10) came on line. The plant uses around 300,000 tonnes of sustainably sourced wood a year as its fuel.

**Sembcorp Industries** is a leading energy, water and marine group operating across six continents worldwide. With facilities with over 5,600MWs of gross power capacity and over seven million cubic metres of water per day in operation and under development, Sembcorp is a trusted provider of essential energy and water solutions to both industrial and municipal customers. It is also a world



*leader in marine and offshore engineering as well as an established brand name in urban development. The Group has total assets of over S\$12 billion and employs over 9,000 employees worldwide. Listed on the main board of the Singapore Exchange, it is a component stock of the Straits Times Index, several MSCI and FTSE indices as well as the Dow Jones Sustainability Asia Pacific Index.*

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