

LETTER OF OFFER

This Document is important and requires your immediate attention

This Letter of Offer is being sent to you as a Shareholder of Ondeo Nalco India Limited ("ONIL"). If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or the Manager to the Offer / Registrar to the Offer. In case you have recently sold your shares in Ondeo Nalco India Limited, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and transfer deed to the purchaser of the shares or the member of stock exchange through whom the sale was effected.

CASH OFFER (The "Offer")

by

Suez

Registered Office : 16, rue de la Ville l'Evêque, 75008 Paris, France

Tel: +33 140066400; Fax: + 33 140066644

for purchase of upto 1,000,000 fully paid-up equity shares of Rs. 10 each representing upto 20% of the issued equity share capital of

Ondeo Nalco India Limited

Registered office: 20 A, Park Street, Kolkata - 700 016, India

Tel : +91 33 2217 2066/ 22172494; Fax : +91 33 2249 3999

at a price of Rs. 323 per share (the "Offer Price") plus interest of Rs.271.98 per share, calculated at the rate of 15% p.a. from August 8, 1999 till March 17, 2005 i.e. the latest scheduled date of the payment of consideration payable in cash (the interest amount is subject to change depending upon the actual date of dispatch of payment to the Shareholders)

The Offer is being made by Suez, pursuant to and in compliance with the order of Chairman, Securities and Exchange Board of India ("SEBI") dated April 9, 2003 (the "SEBI Order") directing Suez to make public announcement as required under Chapter III of the SEBI(Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (the "Regulations"), in terms of Regulation 10 and 12 of the Regulations, and taking the same date as the reference date. For the purpose of the Offer and in terms of the Regulations, Suez is the "Acquirer".

This Offer is subject to the approval of the Foreign Investment Promotion Board ("FIPB") for the acquisition of equity shares of ONIL; and approval of the Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999 ("FEMA") to acquire equity shares from resident and non-resident Shareholders and to open the escrow account. Suez shall make the applications to FIPB and RBI, as required. To the best of the knowledge of Suez, there are no other statutory approvals required to implement the Offer other than those indicated above. If any other statutory approvals become applicable, the Offer would be subject to such statutory approvals, as the case may be. In case of delay in receipt of any statutory approval, SEBI has the power to grant an extension of the time required for the payment of the consideration under the Offer, provided that Suez agrees to pay interest in accordance with Regulation 22 (12) of the Regulations.

Shareholders may note that this offer is not a competitive bid to the pending offer of Nalco Holdings LLC and Nalco Company, USA made vide their public announcement dated November 28, 2003 and January 9, 2004.



Shareholders who shall accept the Offer by tendering the requisite documents in terms of the Public Announcement/Letter of Offer, can withdraw the same up to three working days prior (i.e. on or before February 28, 2005) to the date of the closure of the Offer.

The Acquirer is permitted to revise the Offer Price upward any time upto seven working days prior to the date of the closure of the Offer (i.e. February 22, 2005). If there is any upward revision in the Offer Price before the last date of revision (i.e. February 22, 2005) or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same newspapers where the original Public Announcement has appeared. Such revised Offer Price would be payable by the Acquirer to all Shareholders who tender their equity shares at any time during the Offer and which are accepted under the Offer. However, the Acquirer does not intend to revise the Offer Price.

If there is a competitive bid:

- **The public offers under all the subsisting bids shall close on the same date;**
- **As the Offer Price cannot be revised during seven working days prior to the closing date of the offers/bids, it would, therefore, be in the interest of Shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**

A copy of the Public Announcement and the Letter of Offer (including Form of Acceptance-cum-Acknowledgement and Form of Withdrawal) is also available on SEBI's web-site (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <p>JM Morgan Stanley Private Limited 117, Himalaya House 23, Kasturba Gandhi Marg, New Delhi 110 001, India Phone : +91 11 5130 5000 Fax : +91 11 5151 0401 Email : udai.kumar@jmmorganstanley.com Contact Person: Mr. Udai Kumar</p>	 <p>Intime Spectrum Registry Limited C-13, Pannalal Silk Mill Compound L.B.S. Marg, Bhandup West, Mumbai 400 078 Tel: +91 22 5555 5454 Fax: +91 22 5555 5353 E-mail: nikunj@intimespectrum.com Contact Person: Mr. Nikunj Daftary</p>

The schedule of activities is as per the following table:

Public Announcement (PA) Date	Thursday, December 23, 2004
Specified Date	Friday, December 24, 2004
Last date for a competitive bid	Wednesday, January 12, 2005
Date by which Letter of Offer will be dispatched to the Shareholders	Friday, February 4, 2005
Offer Opening Date	Saturday, February 12, 2005
Last date for revising the Offer Price/number of shares	Tuesday, February 22, 2005
Last date for shareholders for withdrawing their acceptance tendered in the Offer	Monday, February 28, 2005
Offer Closing Date	Thursday, March 3, 2005
Date by which the acceptance/ rejection would be intimated and the corresponding payment for the acquired shares be dispatched and/ or the share certificate for the rejected shares will be dispatched/ credited	Thursday, March 17, 2005

TABLE OF CONTENTS

	Page nos.
Disclaimer Clause	3
Background to the Offer	3
Details of the Offer	4
Background of the Acquirer	5
Background of ONIL	8
Reasons for the Offer and Future Plans	10
Acquirer's Current Shareholding	11
Offer Price	11
Financial Arrangement	11
Delisting	12
Statutory Approvals	12
Terms and Conditions of the Offer	12
Procedure for Acceptance and Settlement	13
Documents for Inspection	16
Declaration by the Acquirer	16

DEFINITIONS

Acquirer	Suez
Agreement and Plan of Merger	Dated June 27, 1999 between H2O Acquisition Company, Suez and Nalco Company, USA
BSE	The Stock Exchange, Mumbai
Escrow Account	Account established with the Escrow Bank in terms of the Escrow Agreement dated December 20, 2004 comprising a Bank Guarantee (being more than 25% of the maximum consideration payable under this Offer) of Rs.149,708,288 dated December 20, 2004, through BNP Paribas, Mumbai and a Cash Deposit of USD 140,000 (being not less than 1% of the maximum consideration payable under this Offer) with BNP Paribas, Paris
Escrow Agreement.....	Escrow Agreement dated December 20, 2004 between Suez, BNP Paribas, Mumbai and JM Morgan Stanley Private Limited
Escrow Bank	BNP Paribas, a French "société anonyme", incorporated in the Republic of France and having its registered office at 16 Boulevard des Italiens, Paris (75009), France, and a branch office among others at French Bank Building, 2 nd Floor, 62, Homji Street, Fort, Mumbai- 400 001, India
FIPB	Foreign Investment Promotion Board
Form of Acceptance	Form of Acceptance-cum-Acknowledgement
GAAP	Generally Accepted Accounting Principles
KSE	The Kolkata Stock Exchange Association Limited
Manager/ Manager to the Offer	JM Morgan Stanley Private Ltd.
New Acquirers	Nalco Holdings LLC together with Nalco Company, USA
NRI	Non-resident Indian
NSE	The National Stock Exchange of India Ltd.
Offer	Cash offer being made by the Acquirer to Shareholders of Ondeo Nalco India Limited
Offer Price	Rs. 323.00 per equity share of Ondeo Nalco India Limited determined on the basis of the valuation of ONIL made by an independent valuer, PricewaterhouseCoopers Pvt. Ltd, in accordance with Regulation 20 (3) of the Regulations as applicable on April 9, 1999
ONIL /Target Company	Ondeo Nalco India Limited
Public Announcement.....	Announcement of the Offer made by the Acquirer on December 23, 2004
RBI	Reserve Bank of India
Registrar/ Registrar to the Offer	Intime Spectrum Registry Limited
SEBI	Securities and Exchange Board of India
Shareholder(s)	For the purposes of this Offer, all the shareholder(s) of ONIL whose names appear in the register of members on the Specified Date and also those persons who own equity shares of ONIL at any time prior to the closure of the Offer, whether they are registered or not, other than the promoters, Nalco Holdings LLC and Nalco Company, USA.
Specified Date	December 24, 2004
Stock Purchase Agreement....	Dated August 31, 2003 between Nalco Holdings LLC, Suez and Leo Holding Company
The Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto, as applicable on April 9, 1999

CURRENCY OF PRESENTATION

In this Letter of Offer, all references to "EUR" are to "Euro". Certain financial details contained herein are denominated in Euro. The Rupee equivalent quoted in each case is calculated in accordance with the average of the buying and selling TT exchange rates appearing on December 16, 2004 issue of *The Economic Times*, Mumbai; namely 1 EUR = Rs. 58.5.

In this Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off.

1 DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS IN ORDER TO FACILITATE THE SHAREHOLDERS OF ONIL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR ONIL OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 5, 2005, TO SEBI IN ACCORDANCE WITH THE REGULATIONS. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the Letter of Offer or the Public Announcement or any material issued by, or at the instance of the Acquirer and the Manager to the Offer, and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.

2 BACKGROUND TO THE OFFER

Suez, a société anonyme organized under the laws of the Republic of France, with its registered office at 16, rue de la Ville l'Évêque, 75008 Paris, France (the "Acquirer" or "Suez") is making this Offer to the Shareholders of Ondeo Nalco India Ltd (the "Target Company" or "ONIL") to acquire upto 1,000,000 equity shares of Rs. 10 each, representing upto 20% of the equity share capital of ONIL at a price of Rs. 323 per share (the "Offer Price") plus interest of Rs.271.98 per share, calculated at the rate of 15% p.a. from August 8, 1999 till March 17, 2005 i.e. the latest scheduled date of the payment of consideration (the interest amount is subject to change depending upon the actual date of dispatch of payment to the Shareholders) payable in cash, as directed by the SEBI Order (the "Offer").

This Offer is being made by Suez pursuant to the SEBI Order directing Suez to make a public announcement as required under Chapter III of the Regulations, in terms of Regulation 10 and 12 of the Regulations because of its acquisition of indirect control over Nalco Company, USA (then known as Nalco Chemical Company which name was changed to Ondeo Nalco Company, USA on such acquisition in 1999), a company incorporated and existing under the laws of the State of Delaware, USA, with its registered office at 1209, Orange Street, Wilmington, Delaware 19801, USA, by virtue of the 'Agreement and Plan of Merger' entered into on June 27, 1999 between H2O Acquisition Company, Suez and Nalco Company, USA (the "Agreement and Plan of Merger") and in terms of the Stock Purchase Agreement dated August 31, 2003 as described hereinbelow under the heading "Purchase of Nalco Company, USA by Nalco Holdings in August, 2003".

Agreement and Plan of Merger

The Agreement and Plan of Merger containing a composite scheme of arrangement including merger contemplated that H2O would make an offer to acquire all the securities of Nalco Company, USA, and as promptly as practicable after consummation of the offer, H2O will be merged with and into Nalco Company, USA

In terms of the composite scheme under the Agreement and Plan of Merger, H2O submitted a non-hostile offer on July 1, 1999 to acquire all the shares of Nalco Company, USA at a price of US\$ 53 per share through a Tender Offer, which closed on November 8, 1999 after the receipt of all the relevant statutory approvals. Subsequent thereto, the scheme of merger in terms of the Agreement and Plan of Merger was made effective on December 20, 1999 when in terms of the laws of the State of Delaware the Certificate of Merger effecting the merger of H2O with Nalco Company, USA was received and filed with the Office of the Secretary of State of the State of Delaware, USA. Following the merger the separate corporate existence of H2O ceased, and Nalco Company, USA continued to be the surviving corporation.

Background to SEBI action

By virtue of the above transaction, Suez was said to have acquired indirect control over Nalco Company, USA, which, at that time, was a substantial Shareholder of ONIL, and thereby is said to have acquired indirect control over ONIL and thus said to have triggered the Regulations on April 9, 1999 requiring Suez to make an open offer for the 20% of the voting capital of ONIL.

On July 8, 2002, SEBI issued a show cause notice to Suez pursuant where to SEBI conducted its enquiry and on April 9, 2003, the Chairman of SEBI passed an order directing Suez to make a public announcement as required under Chapter III of the said Regulations in terms of Regulations 10 and 12, taking April 9, 1999 as the reference date for the calculation of the offer price. The public announcement was to be made in 45 days of the passing of this order. Further, a direction was also issued to pay interest @15% per annum on the offer price from August 8, 1999 till the actual date of the payment of consideration to all the Shareholders who tender the shares in the offer to be made by Suez in terms of the said SEBI Order and whose shares are accepted by Suez.

Appeal to Securities Appellate Tribunal ("SAT") and interim stay granted by SAT

Suez preferred an appeal bearing no. 57 of 2003, from the said SEBI Order to SAT challenging the direction against Suez. In the appeal, Suez obtained interim relief from SAT on May 29, 2003 staying the operation of the impugned order initially for a period of eight weeks, and subsequently the stay was to continue, pending final decision on the appeal by SAT.

Suez has also received a letter bearing reference A&E/SVK/99/2003 dated June 17, 2003 from the Adjudication and Enquiry Officer appointed by SEBI calling upon Suez to show cause as to why an inquiry should not be held against them in terms of Rule 4 of SEBI (Procedure for holding Enquiry and Imposing Penalty by Adjudicating Officer) Rules, 1995, and why penalty should not be imposed on them under Section 15H (ii) of the SEBI Act for not having made the public announcement within a period of 4 days from the reference date i.e. April 9, 1999.

Since by this time, Suez had already obtained the interim relief from SAT on May 29, 2004, Suez approached SAT with an application seeking appropriate order pending the hearing and final disposal of the appeal that the inquiry sought to be initiated in the said notice be stayed. Pursuant to a hearing on this application, SEBI has not proceeded with the inquiry and adjudication proceedings, and the same is pending.

Purchase of Nalco Company, USA by Nalco Holdings in August, 2003

On August 31, 2003, during the pendency of the appeal before SAT, Nalco Holdings LLC, a Delaware limited liability company with its principal office located at 345, Park Avenue, New York- NY 10154, USA (“Nalco Holdings” or “New Acquirer”) entered into a Stock Purchase Agreement with Suez and Leo Holding Company, a Delaware corporation and a subsidiary of Suez pursuant to which Nalco Holdings agreed to purchase all the outstanding shares of capital stock of Nalco Company from Leo Holding Company and all the outstanding shares of capital stock of certain subsidiary of Nalco International S.A.S. a société par actions simplifiée organized under the laws of the Republic of France and also a subsidiary of Suez for an aggregate purchase price of US\$ 4,200,000,000 in cash and on November 4, 2003 it consummated such purchase. This acquisition by Nalco Holdings was part of a global acquisition pursuant to which Nalco Holdings acquired the equity of several companies and businesses involved in providing integrated water treatment and process improvement services, chemical and equipment programs for industrial and institutional applications located in different countries (the “Global Acquisition”). The portion of the total consideration for the Global Acquisition allocated to the indirectly acquired Shares of ONIL is US\$ 6.22 per share (said to be equivalent to Rs. 288.00 @ 1 US\$= Rs. 46.30 as disclosed in public announcement dated November 28, 2003 made by Nalco Holdings and Nalco Company, USA, together the “New Acquirers”).

Suez did not itself in the past nor does it currently hold any equity shares in ONIL. Furthermore, with the consummation of the Global Acquisition on November 4, 2003 Suez does not even have any indirect interest in ONIL.

In pursuance of the Stock Purchase Agreement it has been agreed by and between the New Acquirer, Suez and its subsidiary Leo Holdings that if, after the closing of the transaction, Suez was to acquire any shares of ONIL, then as promptly as practicable after such acquisition under this Offer, the Closing Date (as defined in the Stock Purchase Agreement) and the receipt of all Indian Approvals (as defined in the Stock Purchase Agreement), Suez shall sell all such shares to and all such shares will be purchased by the New Acquirers or an entity designated by the New Acquirers for a purchase price equal to the number of shares of ONIL so acquired multiplied by US\$ 6.22.

In pursuance of such a Global Acquisition, Nalco Holdings made the public announcement on November 28, 2003 in terms of the Regulations to the remainder Shareholders holding 20% of the share capital of ONIL at an offer price of Rs. 288.00 per share. Subsequently, arising out of a SEBI advice not to proceed with the offer, the New Acquirers made a further public announcement on January 9, 2004 informing the Shareholders of ONIL that the time schedule as mentioned in the earlier public announcement was not being pursued.

Vacation of interim stay granted by SAT

In deference to SEBI Order, and Suez having since exited from the shareholding of ONIL, Suez has withdrawn the said appeal on December 20, 2004 and is hereby therefore making this Open Offer to the Shareholders of ONIL, subject to receipt of all the statutory approvals as specified in para 11 under the heading “Statutory Approvals”.

3 DETAILS OF THE OFFER

Suez is making this Offer, pursuant to the SEBI Order directing Suez to make public announcement as required under Chapter III of the Regulations, in terms of Regulation 10 and 12 of the Regulations, to the Shareholders of fully paid-up equity share capital of ONIL to acquire upto 1,000,000 fully paid-up equity shares of Rs. 10 each, representing upto 20% of the fully paid-up equity share capital of ONIL at the Offer Price of Rs. 323.00 per share plus interest of Rs.271.98 per share, calculated at the rate of 15% p.a. from August 8, 1999 till March 17, 2005 i.e. the latest scheduled date of the payment of consideration (the interest amount is subject to change depending upon the actual date of dispatch of payment to the Shareholders) payable in cash, as directed by the SEBI Order. Thus the total consideration per share will be Rs. 594.98 (comprising of Offer Price of Rs. 323.00 per share plus interest of Rs.271.98 per share). **Please note that the actual amount of interest paid is subject to change depending upon the actual date of dispatch of payment to the Shareholders.**

Suez will acquire all equity shares tendered and accepted under the Offer, subject to the terms and conditions as set out in this Letter of Offer to be sent to the Shareholders and shall, in pursuance of the Stock Purchase Agreement, if Suez was to acquire any shares of ONIL, then as promptly as practicable after such acquisition under this Offer, the Closing Date (as such date was defined in the Stock Purchase Agreement) and the receipt of all Indian Approvals (as also defined in the Stock Purchase Agreement) sell all such shares to, and all such shares will be purchased by, the New Acquirers or an entity designated by the New Acquirers for a purchase price equal to the number of shares of ONIL so acquired multiplied by US\$ 6.22.

The equity shares of ONIL are listed on the Stock Exchange, Mumbai (“BSE”) and the Kolkata Stock Exchange, Kolkata (“KSE”). The equity shares of ONIL were also permitted to be traded on the National Stock Exchange of India Limited (“NSE”) until May 11, 2001. With April 9, 1999 as the reference date, the equity shares of ONIL are infrequently traded on the BSE, NSE and KSE within the meaning of Regulation 20 of the Regulations (Source: www.bseindia.com, www.nseindia.com & official data received from KSE). Hence, the Offer Price of Rs. 323.00 per share has been determined on the basis of the valuation of ONIL made by an independent valuer, PricewaterhouseCoopers Pvt. Ltd, in accordance with Regulation 20 (3) of the Regulations as applicable on April 9, 1999.

The Public Announcement, as per Regulation 15(1) of the Regulations, was made in the following newspapers on Thursday, December 23, 2004:

<u>Newspaper</u>	<u>Language</u>	<u>Editions</u>
<i>Financial Express</i>	English	All editions
<i>Jansatta</i>	Hindi	All editions
<i>Aaj Kaal</i>	Bengali	Kolkata
<i>Mumbai Tarun Bharat</i>	Marathi	Mumbai

The copy of the Public Announcement is also available on the SEBI website at www.sebi.gov.in

If there is any upward revision in the Offer Price before the last date of revision (i.e. February 22, 2005) or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same newspapers where the original Public Announcement has appeared. Such revised Offer Price would be payable to all Shareholders who tender their equity shares at any time during the Offer and which are accepted under the Offer. However, the Acquirer does not intend to revise the Offer Price.

Neither Suez nor any of its directors have acquired any equity shares of ONIL in the twelve (12) months prior to April 9, 1999 nor subsequently upto the date of the Public Announcement. Further, Suez has not been allotted equity shares in ONIL through preferential allotment in the twelve (12) months prior to April 9, 1999 nor subsequently upto the date of the Public Announcement. Suez did not itself in the past nor does it currently hold any equity shares in ONIL. Furthermore, with the consummation of the Global Acquisition on November 4, 2003 Suez does not even have any longer any indirect interest in ONIL. Nalco Company, USA is currently holding 4,000,000 equity shares in ONIL constituting 80% of ONIL's paid-up equity capital.

The Acquirer has not been prohibited by SEBI from dealing in securities, under Section 11B of the SEBI Act, 1992. Based on information received from ONIL and the SEBI website, the Acquirer understands that ONIL has not been prohibited by SEBI from dealing in securities, under Section 11B of the SEBI Act, 1992.

The Offer is not subject to any minimum level of acceptance by the Shareholders, and the Acquirer will acquire all the fully paid-up equity shares of ONIL that are tendered in valid form in terms of this Offer upto a maximum of 1,000,000 equity shares.

Shareholders may note that this offer is not a competitive bid to the pending offer of Nalco Holdings LLC and Nalco Company, USA made vide their public announcement dated November 28, 2003 and January 9, 2004.

4. BACKGROUND OF THE ACQUIRER

SUEZ

Suez is a company incorporated and existing under the laws of the Republic of France with its registered office at 16, rue de la Ville l'Evêque – 75008 Paris, France. It was incorporated on February 23, 1880 for an initial term of 99 years, with an initial expiration date of December 31, 2040, subject to extension or early dissolution. It is a Joint Stock Company with a Board of Directors, subject to the provisions of Book II of the French Commercial Code applicable to business corporations, together with all other legal provisions applicable to commercial companies. The shareholders of Suez at their combined annual and extraordinary general meeting held on May 4, 2001, approved a resolution changing the corporate name from "Suez Lyonnaise des Eaux" to "Suez".

Suez provides services that meet the essential needs of a diversified clientele. Suez has evolved from a conglomerate to a global industrial group promoting sustainable development and offering a comprehensive range of solutions in the energy and environment (water and waste services) sectors, for companies, individuals and municipalities.

Suez enjoys leading positions in each of its two major business areas : Energy and Environment. Suez is a leading energy player with recognised expertise in every phase of the value chain, whether electricity generation and supply, energy trading as a support activity, transmission, distribution and sale of electricity and natural gas, or related services. In Environment, Suez is one of the world's leading players in water-related services and waste services.

Suez develops, designs, implements, and operates systems and networks in each of these areas to meet the needs of its customers. Suez also aims to provide its customers with customized and innovative solutions. The Group's development is sustained by the diversity of its services, which benefit from its extensive expertise, its long experience, its client base, its financial flexibility resulting from recurrent cash flow, and by its vast international network.

Suez is listed on Euronext (Paris), Euronext (Brussels), Luxembourg, Zurich and in the form of ADS on the New York Stock Exchange (NYSE).

The shareholding pattern of Suez, as on December 31, 2003 is as follows:

<u>Name of Shareholder</u>	<u>No. of shares</u>	<u>% of share capital</u>	<u>% of voting rights</u>
Groupe Bruxelles Lambert (GBL)	72,457,485	7.19%	12.45%
Employee shareholders	39,129,959	3.88%	4.49%
Crédit Agricole	34,236,401	3.40%	5.76%
Caisse des depots et consignations (CDC)	31,719,141	3.15%	3.74%
Compagnie Générale des Matières Nucléaires (COGEMA)	22,795,000	2.26%	2.79%
CNP Assurances	16,693,551	1.66%	1.48%
CAIXA	15,500,000	1.54%	1.37%
Treasury Stock	13,548,300	1.34%	-
SOFINA	11,958,325	1.19%	1.06%
General Public	749,641,644	74.39%	66.86%
Total	1,007,679,806	100.00%	100.00%

The Directors of Suez and their official addresses are as listed below:-

Name	Designation	Official Address
Mr. Mestrallet Gerard	President Director General	16, rue de la Ville, l'Evêque 75008, Paris, France
Mr. Jean Peyrelevede	Director	Crédit Lyonnais, 19, boulevard des Italiens, 75002, Paris, France.
Mr. Gandois Jean	Director	16, rue de la Ville, l'Evêque 75008, Paris, France.
Mr. Cromme Gerhard	Director	ThyssenKrupp AG, August-Thyssen, Strasse D-40211, Düsseldorf.
Mr. Lagarde Jacques	Director	1314 Arch Street, Berkeley, CA 94708, USA.
Mr. Douroux Lucien	Director	Banque de. Gestion Privée, Indosuez 20, rue de la, Baume 75008, Paris France.
Mr. Davignon Etienne	Director	Suez-Tractebel, 1, Place du Trône, 1000 Brussels, Belgium.
Mr. Frere Albert	Director	Groupe Bruxelles Lambert , Avenue Marnix, 24 B-1000, Brussels, Belgium.
Mr. Desmarais Paul Jr	Director	Power Corporation du, Canada 751, Square Victoria, Montreal – Quebec, H2Y 2J3, Canada.
Ms. Lauvergeon Anne	Director	Areva, 27/29 rue Le, Peletier 75009, Paris, France.
Lord Simon Of Highbury	Director	53 Davies Street, London W1K 5JH, United Kingdom.
Mr. Salane Jean - Jacques	Director	Lyonnaise des, Eaux Pays Basque, 15, Avenue, Charles Floquet, 64202 Biarritz, France.
Mr. Brufau Niubo Antonio	Director	Caixa, Avenida Diagonal 621/629, 08028 Barcelona, Spain.
Mr. De Rudder Thierry	Director	Groupe Bruxelles Lambert, Avenue Marnix 24, 1000 Brussels, Belgium.
Mr. Carron René Joseph	Director	Crédit Agricole SA, 91-93 boulevard Pasteur, 75015 Paris, France.
Mr. Alphandery Edmond	Director	CNP Assurances, 4 Place Raoul Dautry, 75015 Paris, France.

Please note that any correspondence to the directors must be addressed to the Official address of the directors only. None of the directors of Suez is on the board of directors of ONIL.

Summary of the audited financial details of Suez for the year ending December 31, 2001, December 31, 2002, December 31, 2003 and for the period January 1, 2004 to June 30, 2004 is as follows:

Profit & Loss Account	Financial Year (in millions)						January 1, 2004	
	2001		2002		2003		to June 30, 2004	
	EUR	Rs.	EUR	Rs.	EUR	Rs.	EUR	Rs.
Average Exchange Rate		58.50						
Profit & Loss Statement:								
Income from Operations	42,359	2,478,002	46,090	2,696,265	39,622	2,317,887	19,921	1,165,379
Other Income	1,774	103,779	2,074	121,329	1,488	87,048	819	47,912
Total Income	44,133	2,581,781	48,163	2,817,536	41,110	2,404,935	20,780	1,215,630
Total Expenditure	36,971	2,162,804	41,385	2,421,023	35,383	2,069,906	17,642	1,032,057
Profit Before Depreciation Interest and Tax	7,163	419,036	6,779	396,572	5,727	335,030	3,098	181,233
Depreciation	3,099	181,292	3,071	179,654	2,522	147,537	1,212	70,902
Financial Income, Exceptional profit & loss, Companies accounted for under the equity method	(521)	(30,479)	(3,091)	(180,824)	(3,739)	(218,732)	406	23,751
Profit/ (Loss) before Tax	3,543	207,266	617	36,095	(534)	(31,239)	2,292	134,082
Provision for Taxation	722	42,237	657	38,435	721	42,179	480	28,080
Profit/ (Loss) after Tax	2,821	165,029	(40)	(2,340)	(1,255)	(73,418)	1,812	106,002

Balance Sheet Statement	As on December 31, (in millions)						As on	
	2001		2002		2003		June 30, 2004	
	EUR	Rs.	EUR	Rs.	EUR	Rs.	EUR	Rs.
Sources of Funds								
Paid-up share capital	8,896	520,416	8,455	494,618	8,485	496,373	8,490	496,665
Reserves & Surplus (excluding revaluation reserves)	11,948	698,958	7,314	427,869	3,258	190,593	3,829	223,997
Net Worth	20,844	1,219,374	15,768	922,428	11,743	686,966	12,319	720,662
Total Loans	33,761	1,975,019	34,545	2,020,883	26,694	1,561,599	24,001	1,404,059
Others	34,877	2,040,305	33,838	1,979,523	31,513	1,843,511	30,263	1,770,386
TOTAL	89,481	5,234,639	84,151	4,922,834	69,950	4,092,075	66,583	3,895,106
Uses of Funds								
Net Fixed Assets	52,546	3,073,941	45,890	2,684,565	34,612	2,024,802	33,950	1,986,075
Investments	11,163	653,036	11,100	649,350	7,018	410,553	6,488	379,548
Net Current Assets	17,793	1,040,891	16,322	954,837	14,263	834,386	13,910	813,735
Total miscellaneous expenditure not written off	7,979	466,772	10,839	634,082	14,058	822,393	12,234	715,689
Total	89,481	5,234,639	84,151	4,922,834	69,950	4,092,075	66,583	3,895,106

Other Financial Data	Financial Year						As on	
	2001		2002		2003		June 30, 2004	
	EUR	Rs.	EUR	Rs.	EUR	Rs.	EUR	Rs.
Dividend (%)	-	-	-	-	-	-	-	-
Earning Per Share	2.12	124	(0.87)	(51)	(2.18)	(128)	(1.65)	(97)
Return on Networth	15.1%		-8.3%		-31.9%		-22.3%	
Book Value Per Share	14.00	819	10.50	614	6.80	398	7.40	433

Note: All financial information including the ratios reported for Suez, are reported as per French GAAP.

ACQUIRER'S SUBSIDIARIES IN INDIA

Suez has the following indirect subsidiaries in India:-

Suez controlled entity	Business Activity of Suez controlled entity	Name of Company in India	% Shareholding
Suez-Tractebel , Belgium	Provides engineering consultancies in the area of energy and infrastructure solutions to private and public companies.	Tractebel Engineers and Constructors Private Ltd.	100%
Degremont, France	Design and construction of water treatment plant	Degremont Ltd.	51%

Tractebel Engineers and Constructors Private Ltd.

Date of incorporation	: March 2, 2000
Registered office address	: 2D/ 1 Taj Apartments, Rao Tularam Marg, New Delhi - 110 022
Nature of business	: Specialises in the production implementation of : <ul style="list-style-type: none"> o industrial installations, chemical, petrochemical or pharmaceutical factories o gas terminals including installations for loading and unloading, and gas transportation pipelines

Brief summary of the audited financial results for the last three years:

(in Rs. Million)

Particulars	Financial Year ending March 31,		
	2002	2003	2004
Total income	56.07	127.36	144.81
Profit after tax	16.95	51.63	50.49
Equity capital	4.50	10.00	10.00
Reserves & Surplus	26.06	55.31	60.67
Earnings Per Share (Rs.)	37.66	110.66	50.49
Book Value Per Share (Rs.)	67.92	65.31	70.67

Equity Share has par value of Rs. 10. Earning per share has been calculated on Weighted Average of Equity Capital outstanding.

The company is not listed.

Degremont Ltd.

Date of incorporation	: August 14, 1986
Registered office address	: Unitech Business Park, Tower A, IInd Floor, South City 1, Gurgaon 122001 India
Nature of business	: Conception and construction of water treatment plants for production of potable water or treatment of waste water.
Joint Venture details	: Degremont Ltd. is a joint venture between Degremont SA, France which holds 51.0% stake and the Anand Group & others which holds 49.0% stake.

Brief summary of the audited financial results for the last three years:

(in Rs. Million)

Particulars	Financial Year ending March 31,		
	2002	2003	2004
Total income	385	632	1006
Profit after tax	19	23	20
Equity capital	53	53	53
Reserves & Surplus	7	27	31
Earnings Per Share (Rs.)	32.32	26.90	24.29
Book Value Per Share (Rs.)	113.21	150.94	158.49

The company is not listed.

5 BACKGROUND OF ONIL

ONIL was incorporated in West Bengal on December 16, 1987 as 'Nalco Chemicals India Limited', as a public limited company having its registered office at 20A, Park Street, Kolkata- 700016. Nalco Chemicals India Limited was promoted jointly by Nalco Company, USA and ICI India Limited each holding 40% of the paid-up equity capital, with the remainder 20% being held by the shareholders. Name of the Target Company was changed to "Ondeo Nalco India Limited" on March 14, 2002.

Pursuant to agreement entered into in October 1995, between Nalco Company, USA and ICI India Limited and based on approvals obtained at the relevant time, Nalco Company, USA acquired the 40% from ICI India Limited and thereby held 80% in ONIL. Pursuant to the scheme of amalgamation approved by the High Courts at Chennai and Kolkata, Aqua Chemicals and Systems (Manufacturing) Limited, a wholly owned subsidiary of ONIL, was amalgamated with ONIL with effect from March 3, 2003. Pursuant to the scheme of amalgamation approved by the High Courts at Mumbai and Kolkata Aquazur India Private Limited, a wholly owned subsidiary of ONIL was amalgamated with ONIL with effect from January 1, 2004.

ONIL is engaged in the business of production and distribution of oilfield chemicals, water treatment chemicals and industrial additives/process chemicals. It provides its customers with a variety of chemical feed, monitoring and control equipment, analytical test kits and instrumentation, and engineering services.

The issued, subscribed and paid-up equity share capital of ONIL as on the date of the Public Announcement is as follows:

Paid-up Equity Shares of Target Company	No. of shares	% of shares
Fully paid-up equity shares.....	50,00,000	100%
Partly paid-up equity shares.....	-	0%
Total fully paid-up equity shares.....	50,00,000	100%
Total subscribed and paid-up capital.....	50,00,000	100%

There are no partly paid-up shares. The equity shares of ONIL are listed on BSE and KSE. Based on the information received from the Target Company, the Target Company is in full compliance with the listing requirements on the aforementioned stock exchanges, and no penal actions have been initiated by any of the aforementioned stock exchanges against the Target Company. The equity shares of ONIL were also permitted to be traded on the National Stock Exchange of India Limited ("NSE") until May 11, 2001.

There was delay on the part of the Target Company in complying with the reporting requirements under the transitional provision under Regulation 6 as well as Regulation 8 of Chapter II of the Regulations. There was a delay of 2011 days in complying with the transitional provision under Regulation 6(2). Further, there have been delays of 1926 days in the year 1998, 1301 days in the year 1999, 935 days in the year 2000, 570 days in the year 2001 and 205 days in the year 2002 respectively in complying with the reporting requirements under Regulation 8 (3) of Chapter II of the Regulations. Since then, the Target Company has taken steps for regularization of the delay in accordance with the SEBI Regularisation Scheme, 2002.

ONIL has complied with all the provisions of the listing agreement entered into with the stock exchanges and no punitive action has been initiated by any of the stock exchanges against it.

The Board of Directors of ONIL as on December 23, 2004 (Date of Public Announcement) is as listed below:

<u>Name</u>	<u>Designation</u>	<u>Residence Address</u>
Mr. Louis Leonard Loosbrock	Director	2, International Business Park, # 02-20, The Strategy, Tower 2, Singapore 609 930.
Mr. William J. Roe	Director	1601, West Diehl Road, Naperville, Illinois 60563-1198, USA.
Mr. Antoine Marcos	Director	27, Stevens Drive, #02-02 Parc Stevens, Singapore 257919.
Mr. Ram Prosad Bhattacharya	Director	Flat 7A & 7B, 301, Prince Anwar Shah Road, M.K. Towers, Kolkata 700 045.
Mr. Nirmal Khanna	Director & Company Secretary	164/C/3B, Prince Anwar Shah Road, Lake Gardens, Kolkata 700 045.
Mr. Ritesh Nandan Sarkar	Director	Bengal Ambuja Housing Complex, Uditā- Tṛitiyā, Flat No. 803 Near Ajoywagar Crossing at Bye Pass, Kolkata 700 075.
Mr. Provakar Sengupta	Director	674A, Lake Town, Kolkata 700 089.
Mr. Tapas Ranjan Majumdar	Director	406/3, G Block, New Alipore, Kolkata 700 053.

Please note that any correspondence to the directors must be addressed to the registered office of ONIL. None of the directors of Suez is on the board of directors of ONIL.

The audited financial details of ONIL for the three years ended March 31, 2002, March 31, 2003, March 31, 2004 and the unaudited financial details for the period April 1, 2004 to September 30, 2004, as adopted by the Board are as follows:

	Financial Year (Rs. in millions)			April 1, 2004 to September 30, 2004
	2002 (Audited) Rs.	2003 (Audited) Rs.	2004 (Audited) Rs.	(Unaudited) Rs.
Profit and Loss Statement:				
Income from Operations	646.23	645.43	827.91	406.52
Other income	2.66	10.01	20.18	3.10
Total Income	648.89	655.44	848.09	409.62
Total Expenditure	538.47	509.83	648.68	312.98
Profit before Interest, Depreciation & Tax ..	110.43	145.61	199.42	96.65
Depreciation	30.68	31.39	30.22	14.78
Interest	11.73	25.09	15.15	5.96
Profit before tax	68.01	89.13	154.05	75.91
Provision for tax (incl. Deferred)	24.88	8.84	56.38	27.15
Profit after tax	43.13	80.29	97.66	48.76
Prior period Income/ (Expenditure)	-	1.06	4.83	(0.28)
Net Profit	43.13	81.35	102.49	48.48
Balance Sheet Statement:				
As on March 31,	2002	2003	2004	September 30, 2004⁽¹⁾
	(Audited)	(Audited)	(Audited)	(Unaudited)
Sources of funds				
Paid-up share capital	50.00	50.00	50.00	-
Reserves and surplus (excl. revaluation reserves)	344.52	172.08	236.99	-
Networth	394.52	222.08	286.99	-
Secured Loans	0.00	153.91	103.60	-
Unsecured Loans	217.42	158.83	96.78	-
Total	611.94	534.82	487.36	-
Uses of funds				
Net Fixed Assets (net of revaluation reserves)	125.35	115.16	141.47	-
Investments	213.76	133.57	0.02	-
Net Current Assets	269.45	260.36	329.68	-
Total Miscellaneous Expenditure not written off	0.00	0.00	0.00	-
Deferred Tax Assets	3.37	25.73	16.19	-
Total	611.94	534.82	487.36	-

Other Financial Data:	2002	2003	2004	September 30, 2004
Dividend (%)	NIL	NIL	NIL	-
Earning Per Share ⁽²⁾	8.63	16.27	20.50	-
Return on Networth ⁽³⁾	10.93%	36.63%	35.71%	-
Book Value Per Share	78.90	44.42	57.40	-

⁽¹⁾ Balance Sheet data not published

⁽²⁾ Net Profit/No. of equity shares

⁽³⁾ Net Profit/Net worth%

Note: All financial information including the ratios reported for ONIL, are reported as per Indian GAAP.

The equity shareholding in ONIL before the Offer (as on December 23, 2004) and after the Offer (assuming full acceptances in the Offer) is given in the table below:

Shareholders' Category	Shareholding/voting rights prior to the Offer (as on December 23, 2004)		Shareholding/voting rights to be acquired in the Offer (Assuming full acceptances)		Shareholding/voting rights after the Offer	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
1. Promoter Group						
Foreign Promoters						
Nalco Holdings LLC	-	-	-	-	-	-
Nalco Company, USA	4,000,000	80.00			4,000,000	80.00
Total	4,000,000	80.00			4,000,000	80.00
2. Acquirer under the Offer						
Suez	NIL	NIL	1,000,000	20.00	1,000,000	20.00
3. Public						
a) Institutional Investors						
Financial Institutions	NIL	NIL	}			
Banks	NIL	NIL				
Mutual Funds	NIL	NIL				
NRI individuals/OCBs	11,800	0.24				
FII's	NIL	NIL				NIL
Non- Domestic Companies	NIL	NIL				NIL
Total	11,800	0.24				
b) Others* [not included in (a) above]	988,200	19.76				
Total	5,000,000	100.00	1,000,000	20.00	5,000,000	100.00

*Out of these shares, 13,800 shares constituting 0.27% are held in the name of Custodian a/c Hiten P. Dalal as per the order from Office of the Custodian, The Special Court (Trial of Offences Relating to Transactions in Securities)

6. REASONS FOR THE OFFER AND FUTURE PLANS

This Offer is being made by Suez pursuant to the SEBI Order directing Suez to make public announcement as required under Chapter III of the Regulations, in terms of Regulation 10 and 12 of the Regulations because of its acquisition of the indirect control over Nalco Company, USA, by virtue of the Agreement and Plan of Merger and in terms of the Stock Purchase Agreement as described hereinabove under the sub-heading "Purchase of Nalco Company, USA by Nalco Holdings in August, 2003" in para 2 hereof.

Suez will acquire all equity shares validly tendered and accepted under the Offer, subject to the terms and conditions as set out in the Public Announcement and in this Letter of Offer and shall, in pursuance of the Stock Purchase Agreement, if Suez was to acquire any shares of ONIL, then as promptly as practicable after such acquisition under this Offer, the Closing Date (as such date was defined in the Stock Purchase Agreement) and the receipt of all Indian Approvals (as also defined in the Stock Purchase Agreement) sell all such shares to, and all such shares will be purchased by, the New Acquirers or an entity designated by the New Acquirers for a purchase price equal to the number of shares of ONIL so acquired multiplied by US\$ 6.22 and hence, it is not in a position to spell out any future plans of ONIL.

7. ACQUIRER'S CURRENT SHAREHOLDING

Suez did not in itself in the past nor does it currently hold any equity shares in ONIL. Furthermore, with the consummation of the Global Acquisition on November 4, 2003 Suez does not even have any longer any indirect interest in ONIL. Suez has not acquired any equity shares in ONIL in the twelve (12) months prior to April 9, 1999 nor has it subsequently upto the date of the Public Announcement acquired any shares of ONIL. Nalco Company, USA is currently holding 4,000,000 equity shares in ONIL constituting 80% of ONIL's paid-up equity capital.

8. OFFER PRICE

As per SEBI Order dated April 9, 2003, the reference date for calculating offer price is April 9, 1999.

The equity shares of ONIL are listed on BSE, and KSE. The equity shares of ONIL were also permitted to be traded on the NSE until May 11, 2001. With April 9, 1999 as the reference date, the equity shares of ONIL are infrequently traded on the BSE, NSE and KSE within the meaning of Regulation 20 of the Regulations (Source: www.bseindia.com, www.nseindia.com & official data received from KSE). The details of trading volumes on BSE, NSE and KSE are provided below:

Name of Stock Exchange(s)	Total no. of shares traded during the 6 calendar months prior to April, 1999	Total no. of listed shares	Annualised Trading turnover (in terms of % to total listed shares)
BSE	10,700	5,000,000	0.43%
NSE	26,500	5,000,000	1.06%
KSE	Nil	5,000,000	Nil

Source: www.bseindia.com, www.nseindia.com & official data received from KSE

As the annualised trading turnover on BSE is not more than 2% of the total number of listed shares, the shares of ONIL are infrequently traded as per the explanation to Regulation 20(3) of the Regulations

In terms of Regulation 20(3) of the Regulations as applicable on April 9, 1999, the Offer Price is justified as follows:

- The Acquirer has not acquired any equity shares of ONIL under any agreement referred to in Regulation 14(1)
- Acquirer has not acquired any equity shares of ONIL by way of allotment in a public or rights issue during the 26 week period preceding April 9, 1999 or subsequently upto the date of Public Announcement.
- No shares have been acquired by the Acquirer or to the best of their knowledge, by any of their directors, including by way of public or rights issue during 26 week period preceding April 9, 1999 or subsequently upto the date of Public Announcement.
- There was no preferential allotment of equity shares of ONIL made during the 12 months prior to April 9, 1999 to the Acquirer or subsequently upto the date of Public Announcement.
- Other financial parameters of ONIL with reference to April 9, 1999, are as follows:

Book Value per Share as on March 31, 1999 ¹	Rs. 63.8
Price ² to Earnings Per Share Multiple based on Offer price.....	44.8
Chemicals Industry Price to Earnings Per Share as on April 9, 1999 ²	9.3
Return on Net Worth as on March 31, 1999 ¹	20.9%
Chemicals Industry Return on Net Worth as on March 31, 1999 ²	51.9%
Earnings per Share for the year ended March 31, 1999 ¹	Rs. 13.36

¹ Source: ONIL

² Source: Capital Markets, Capitaline

The Offer Price of Rs. 323.00 per share has been determined on the basis of the valuation of ONIL made by an independent valuer, PricewaterhouseCoopers Pvt. Ltd, in accordance with Regulation 20 (3) of the Regulations as applicable on April 9, 1999.

In view of the information mentioned above, the Offer Price is justified in terms of Regulation 20 of the Regulations.

The Acquirer shall not acquire, during the Offer Period, any shares in ONIL except in compliance with the Regulations and the details of such acquisitions shall be disclosed to the stock exchanges and to the Manager within 24 hours thereof in terms of the Regulation 22(17). If the Acquirer acquires shares in the open market or through negotiation or otherwise, after the date of Public Announcement till the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all acceptances received under the Offer. However, no acquisition will be made by the Acquirer in the open market during the last seven working days prior to the Offer Closing Date.

9. FINANCIAL ARRANGEMENT

The maximum purchase consideration payable by Suez in the case of full acceptance of the Offer including interest @15% p.a. from August 8, 1999 to March 17, 2005, the proposed date of actual payment of consideration, would be Rs.594,983,699, for the shares to be tendered and accepted in the Offer. In accordance with the provisions of Regulation 28 of the Regulations, Suez has established a bank guarantee in favour of the Manager to the Offer for Rs. 149,708,288 being more than 25% of the maximum consideration payable under this Offer, through BNP Paribas having its office at French Bank Building, 62, Homji Street, Fort, Mumbai (the "Escrow Bank"). This bank guarantee is valid from December 20, 2004 (i.e., prior to date of Public Announcement) and until April 30, 2005.

Suez has also made a cash deposit of USD 140,000 (being not less than 1% of the maximum purchase consideration payable under this Offer) in a bank account with BNP Paribas, having its office at 16, Boulevard des Italiens, Paris (75009), France. The Manager to the Offer is authorised to realise the value of the aforesaid bank account. Up to 1% of the maximum purchase consideration payable under this Offer would be transferred from the aforesaid bank account to an escrow account (the "Escrow Account") with

the Escrow Bank, after the requisite approval has been obtained from RBI for opening the Escrow Account in India. Suez has empowered the Manager to the Offer to realise the value of the Escrow Account under the Regulations.

Calyon, a French bank having its office at 9, quai du Président Paul Doumer – 9220 Paris La Défense has vide certificate dated December 14, 2004 confirmed that sufficient resources are available to allow Suez to fulfil its obligations in full under the offer. Based on the above, the Manager to the Offer confirms that they have satisfied themselves that sufficient resources are available to allow Suez to implement the Offer in accordance with the Regulations.

10. DELISTING

As described under the heading "Purchase of Nalco Company, USA by Nalco Holdings in August, 2003" above, Suez has already sold its interest in Nalco Company, USA to Nalco Holdings as a part of the Global Acquisition by Nalco Holdings. Also in view of the Stock Purchase Agreement, if Suez was to acquire any shares of ONIL, then as promptly as practicable after such acquisition under this Offer, the Closing Date (as such date was defined in the Stock Purchase Agreement) and the receipt of all Indian Approvals (as also defined in the Stock Purchase Agreement), Suez shall sell all such shares to, and all such shares will be purchased by, the New Acquirers or an entity designated by the New Acquirers, and will not hold any shares in ONIL. Therefore, Suez is not required nor will it take any steps towards providing a delisting option to the Shareholders of ONIL under Regulation 21 (3) of the Regulations.

11. STATUTORY APPROVALS

This Offer is subject to the approval of the Foreign Investment Promotion Board ("FIPB") for the acquisition of equity shares of ONIL; and approval of the Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999 ("FEMA") to acquire equity shares from resident and non-resident Shareholders and to open the escrow account. Suez has made the applications to FIPB and RBI, as required.

As of the date of this Offer, to the best of the knowledge of Suez, there are no other statutory approvals required to implement the Offer other than those indicated in the paragraph above. If any other statutory approvals become applicable, the Offer would be subject to such statutory approvals, as the case may be.

In case of delay in receipt of any statutory approval, SEBI has the power to grant an extension of the time required for the payment of the consideration under the Offer, provided that Suez agrees to pay interest in accordance with Regulation 22 (12) of the Regulations.

12. TERMS AND CONDITIONS OF THE OFFER

- (a) Suez is making this Offer, pursuant to the SEBI Order directing Suez to make public announcement as required under Chapter III of the Regulations, in terms of Regulation 10 and 12 of the Regulations, to the public Shareholders of fully paid-up equity share capital of ONIL to acquire upto 1,000,000 fully paid-up equity shares of Rs. 10 each, representing upto 20% of the fully paid-up equity share capital of ONIL at the Offer Price of Rs. 323.00 per share plus interest of Rs.271.98 per share, calculated at the rate of 15% p.a. from August 8, 1999 till March 17, 2005 i.e., the latest scheduled date of the payment of consideration (the interest amount is subject to change depending upon the actual date of dispatch of payment to the Shareholders) payable in cash, as directed by the SEBI Order. Thus the total consideration per share will be Rs.594.98 (comprising of Offer Price of Rs. 323.00 per share plus interest of Rs.271.98 per share).
- (b) The Acquirer has made the Public Announcement on December 23, 2004 for the Offer. This Offer is made to all the Shareholders of ONIL. However, this Letter of Offer together with the Form of Acceptance will be mailed to the Shareholders of ONIL whose names appear on the Register of Members of ONIL and to the beneficial owners of the shares of ONIL whose names appear on the beneficial records of the respective depositories at the close of business on December 24, 2004 (the "Specified Date").
- (c) The acceptance of the Offer made by Acquirer is entirely at the discretion of the Shareholders of ONIL and each Shareholder of ONIL to whom this Offer is being made, is free to offer his shareholding in ONIL, in whole or in part while accepting the Offer.
- (d) Applications in respect of equity shares that are the subject matter of litigation wherein the Shareholder(s) may be precluded from transferring the equity shares during the pendency of the said litigation are liable to be rejected in case directions/orders regarding these equity shares are not received together with the equity shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.**
- (e) The Offer will open on Saturday, February 12, 2005, and close on Thursday, March 3, 2005 (both days inclusive).
- (f) Accidental omission to dispatch this Letter of Offer or any further communication to any person to whom this Letter of Offer is or should be made or the non-receipt of this Letter of Offer by any such person shall not invalidate the Offer in any way.
- (g) The instructions, authorisations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute an integral part of the terms of this Offer.
- (h) Shareholders who hold equity shares in physical form and wish to tender their equity shares will be required to send the Form of Acceptance, original Share Certificate(s) and transfer deed(s) duly signed to the Registrar to the Offer, Intime Spectrum Registry Limited (the "Registrar"), either by hand delivery during normal business hours or by Registered Post on or before the date of closure of the Offer, i.e. March 17, 2005, in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance at the collection centre mentioned in paragraph 13(a) below under "Procedure for Acceptance and Settlement". Barring unforeseen circumstances and factors beyond their control, the Acquirer intends to complete all formalities pertaining to the purchase of the shares, including dispatch payment of consideration to the Shareholders who have accepted the Offer, by Thursday, March 17, 2005
- (i) The Offer is subject to the Acquirer obtaining the approval of FIPB and RBI under the Foreign Exchange Management Act, 1999 ("FEMA") for acquiring and transferring the equity shares tendered in this Offer. The Acquirer will make an application to FIPB seeking approval to acquire up to 20% of the equity share capital of ONIL. The application to RBI would be made after receipt of the approval from FIPB.
- (j) As of the date of this Letter of Offer, to the best of knowledge of the Acquirer, there are no other statutory approvals required to implement the Offer other than those indicated hereinabove. If any other statutory approvals become applicable, the Offer would be subject to such statutory approvals, as the case may be. The Acquirer will not proceed with the Offer in the event that such statutory approvals are not obtained/denied.

- (k) In case of delay in receipt of any statutory approval, SEBI has the power to grant an extension of the time required for payment of consideration under the Offer provided that the Acquirer agrees to pay interest in accordance with Regulation 22(12) of the Regulations. If the delay occurs due to the willful default or neglect or inaction or non-action on the part of the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the Regulations will become applicable. **Acquirer will not proceed with the Offer in the event the statutory approvals indicated above are refused in terms of Regulations 27 of the Regulations**
- (l) In case RBI approval for acquisition of shares from non-resident Shareholders is unduly delayed, the Acquirer reserves the right to proceed with payment to the resident Shareholders whose shares have been accepted by the Acquirer in terms of this Offer, pending payment to the non-resident Shareholders, subject to the entire amount payable to non-resident Shareholders being kept in an Escrow Account whose value can be realised by the Manager as per the Regulations.
- (m) The acceptance of the Offer made by the Acquirer is entirely at the discretion of the Shareholders of the Target Company. The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the Shareholders of the Target Company are advised to adequately safeguard their interest in this regard.
- (n) As already mentioned elsewhere in para 3 under "Details of the Offer", the Offer is not subject to any minimum level of acceptance from the Shareholders, and the Acquirer will acquire all the fully paid-up equity shares of ONIL that are tendered in valid form in terms of this Offer upto a maximum of 1,000,000 equity shares. Thus, the Acquirer will proceed with the Offer even if it is unable to obtain acceptance to the full extent of the Equity Shares of ONIL for which this Offer is made.
- (o) Shares that are subject to any charge, lien or encumbrance are liable to be rejected.
- (p) The Acquirer is permitted to revise the Offer Price upward any time upto seven working days prior to the date of the closure of the Offer (i.e. February 22, 2005). If there is any upward revision in the Offer Price before the last date of revision (i.e. February 22, 2005) or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same newspapers where the original Public Announcement has appeared. Such revised Offer Price would be payable by the Acquirer to all Shareholders who tender their equity shares at any time during the Offer and which are accepted under the Offer. However, the Acquirer does not intend to revise the Offer Price.
- (q) Shareholders who have sent their shares for dematerialization need to ensure that the process of getting equity shares dematerialized is completed well in time so that the credit in the Registrar's special depository account should be received on or before the date of closure of the offer, i.e. March 3, 2005, else the application would be rejected
- (r) Shareholders who have accepted the Offer by tendering the requisite documents, in terms of this Letter of Offer and the Public Announcement can withdraw the same upto three working days prior (i.e. on or before February 28, 2005) to the date of closure of the Offer.**
- (s) The instructions, authorisations and provisions contained in the Form of Acceptance constitute an integral part of the terms of the Offer.

13. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- a. Shareholders of ONIL, who wish to avail this Offer should forward the under mentioned documents **by hand delivery or by registered post** to the Registrar to the Offer at the collection centers given below so as to reach the Registrar on or before the date of closure of the Offer (i.e., March 17, 2005) on their working days during business hours indicated below. In the case of demat shares, the Registrar is not bound to accept equity shares which have not yet been credited to the Special Depository Account as on the date of closure of the Offer, i.e. March 17, 2005.

The collection centres of the Registrar Intime Spectrum Registry Limited for the purpose of the Offer are as follows:

Name & Address of the collection centre	Tel. No.	Fax No.	Contact Person	Mode of delivery
Intime Spectrum Registry Ltd., 203 Davar House, 197/199 D. N. Road, Mumbai 400 001	022-2269 4127	022-2567 2693	Vivek Limaye	Hand
Intime Spectrum Registry Ltd., C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai 400 078	022-55555454	022-5555 5353	Nikunj Daftary	Hand/Post

Business Hours : Monday to Saturday: 10.00 a.m. to 3.00 p.m.

Holidays : Sundays and Bank Holidays

Applicants may send their documents only by Registered Post, at their own risk, if not hand delivered at the designated collection centers, to the Registrar at the addresses as mentioned hereinabove during business hours indicated above other than on holidays.

For equity share held in physical form

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/first Shareholders whose names appear on the share certificates (in case of joint holdings) in the same order in which their names appear in the Register of Members.
- Original Share Certificate(s)
- Valid share transfer deed(s) duly signed as transferors by all Shareholders (in case of joint holdings) in the same order and as per specimen signatures lodged with ONIL and duly witnessed at the appropriate place. It is preferred that the transferor's signature(s) is attested by a Notary or Bank Manager or Member of Stock Exchange under their seal of office and membership number. The transfer deed should be left blank, excepting the signatures as mentioned above.
- Documents mentioned in para 13(e), for resident Shareholders
- Documents mentioned in para 13(d) for NRI/OCB/FII Shareholders

For equity share held in demat form

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/all Shareholders whose names (in case of joint holdings) in the same order in which their names appear in their beneficiary account. The Form of Acceptance has to be tendered by the beneficial holder of shares only.
- A photocopy of the Delivery Instruction Slip duly acknowledged by the Depository Participant ("DP") filled as per the instructions given hereunder:
 - The Beneficial Owners who hold shares in demat form are required to execute a trade by tendering the Delivery Instruction for debiting their Beneficiary Account with the concerned DP and crediting the Special Depository Account. The credit in the Special Depository Account should be received on or before 3 p.m as on the date of closure of the Offer, i.e. March 17, 2005.
 - The Delivery Instructions to be given to the DP should be in "Off-Market" mode only. For each Delivery Instruction the Beneficial Owner should submit a separate Form of Acceptance.
- The Registrar to the Offer, Intime Spectrum Registry Limited, has opened a special depository account with **Infrastructure Leasing & Financial Services Ltd.** Beneficial owners holding equity shares in the demat form, will be required to send their Form of Acceptance to the Registrar to the Offer either by hand delivery during normal business hours or by Registered Post on or before the close of the Offer, i.e. March 3, 2005, along with a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of "Suez – Open Offer India Escrow Account" filled in as per the instructions given below:

Depository : National Securities Depository Limited ("NSDL")
DP Name : Infrastructure Leasing & Financial Services Ltd.
Client ID Number : 11158494
DP ID Number : IN 300095

For equity shares which are tendered in electronic form, the bank account as obtained from the beneficiary position provided by the Depository will be considered and the warrants/ bank drafts will be issued with the said bank particulars. Shareholders having their beneficiary account in CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the special depository account with NSDL.

- Documents mentioned in para 13(e), for resident Shareholders
- Documents mentioned in para 13(d), for NRI/OCB/FII Shareholders
- In case of non-receipt of the aforesaid documents, but receipt of the shares in the Special Depository Escrow Account, the Acquirers may deem the Offer to have been accepted by the Shareholder.

Please note that the Share Certificates/ Delivery Instruction Slip and other documents in relation to the acceptance of the Offer should not be sent to the Acquirer or the Target Company.

- b. All owners of equity shares registered or unregistered, who own the equity shares at any time prior to the closure of the Offer are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer. They are required to submit, besides the documents as mentioned in para (a) above, other documents to prove their title to the shares offered for acceptance, such as a copy of the contract note issued by the broker through whom they acquired their equity shares on or before the close of the Offer, i.e. March 3, 2005, transfer deed(s) executed by the registered holders of the shares in addition to the Form of Acceptance and share certificate(s). No indemnity is required from the unregistered owners. Unregistered owners, if they so desire, may also apply on the Form of Acceptance downloadable from SEBI's website (www.sebi.gov.in). Notwithstanding that the signature(s) of the transferor(s) have been witnessed as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with ONIL or are not in the same order, such shares are liable to be rejected under this Offer even if the Offer has been accepted by a bona fide owner of such shares.
- c. In case of non-receipt of the Letter of Offer, Shareholders may send their acceptance of the Offer to the Registrar to the Offer, on a plain paper stating the Name, Address, No. of equity shares held, Distinctive Nos., Folio No., No. of shares offered, along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the date of closure of the Offer (i.e. March 17, 2005). No indemnity is required in this regard. Shareholders who have lodged their shares for transfer with ONIL must also send the acknowledgement, if any, received from ONIL towards such lodging of shares.
- d. As per the provisions of Section 196 D(2) of the Income-tax Act, 1961, no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income-tax Act, 1961, payable to a Foreign Institutional Investor. While tendering shares under the Offer, NRI/OCB/foreign shareholders will be required to submit the previous RBI approvals (specific or general) that they would have obtained for acquiring shares of ONIL and a No Objection Certificate/Tax Clearance Certificate from the Income-Tax authorities under the Income-tax Act, 1961, indicating the rate at which the tax is to be deducted by the Acquirer before remitting the consideration. In case the previous RBI approvals are not submitted, Acquirer reserves the right to reject the shares. In case the aforesaid No Objection Certificate/Tax Clearance Certificate is not submitted, the Acquirer will deduct tax at the currently prevailing rate of 41.820% in case of a non-resident corporate shareholder, 36.5925% in case of non-resident partnership firms and 33.660% in case of non-resident individual shareholders or trusts on the entire consideration amount (offer price as well as interest thereon) payable to such NRI/OCB/foreign shareholders.
- e. In case of resident shareholders tendering their shares under the Offer, the Acquirer will deduct tax on the interest component of the consideration payable to such shareholders exceeding Rs. 5,000 per shareholder at the rate of 20.91% in case of resident corporate shareholders, at the rate of 10.455% in case of resident partnership firms and at the rate of 11.22% in case of resident individual shareholders, trusts, association of persons or body of individuals. As per the provision of the Income-tax Act, 1961, if the resident shareholder requires that no tax be deducted or tax be deducted at a rate lower than the prescribed rate, then in such an event the resident shareholder will be required to submit No Objection Certificate from the Income-Tax authorities or a self-declaration in Form 15H, as may be applicable, indicating the rate at which the tax is to be deducted by the Acquirer before remitting the consideration. All the shareholders eligible to receive an interest component of the consideration payable exceeding Rs. 5,000 per shareholder, would be required to give their PAN number for Income Tax purposes.

- f. The Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent. Such documents may include, but are not limited to:
- duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder) if the original Shareholder is deceased;
 - duly attested Power of Attorney if any person apart from the Shareholder has signed the application form and/or transfer deed(s);
 - no objection certificates from the chargeholder/lender, if the shares in respect of which the application is sent, are under any charge, lien or encumbrance;
 - in case of companies, the necessary corporate authorisation (including Board Resolutions);
 - any other relevant documentation.
- g. Payment of consideration will be made by crossed account payee cheques /demand drafts and sent by registered post and /or courier in case of consideration amount exceeding Rs.1,500/- (under Certificate of Posting otherwise) to those Shareholders whose share certificates and other documents are found in order and accepted by the Acquirer. All cheques /demand drafts will be drawn in the name of the first holder, in case of joint registered holders.
- In case of the extension of time for payment of consideration and payment of interest, please refer to para 12 (k) hereinabove under "Terms and Conditions of the Offer".
- h. In case of physical shares, the Registrar to the Offer will hold in trust the share certificates, Form of Acceptance duly filled in and the transfer deed(s) on behalf of Shareholders of ONIL who have accepted the Offer, till the cheques /drafts for the consideration and/or the share certificates are posted.
- i. In case of demat shares, the shares would reside in the Special Depository Account as mentioned above. The Registrar to the Offer will debit the Special Depository Account to the extent of payment of consideration made by the Acquirer and give instructions for credit to the beneficial account of the Acquirer.
- j. Barring unforeseen circumstances and factors beyond their control, the Acquirer intends to complete all formalities pertaining to the purchase of the shares, including dispatch of consideration to the Shareholders who have accepted the Offer, by March 17, 2005.
- k. In case of physical shares, to the extent the equity shares are not accepted under the Offer, the rejected Share Certificates, transfer deeds and other documents, if any, will be returned by registered post by the Registrar to the Offer to the Shareholders / unregistered owners. Subject to the necessary approval from RBI, for the physical shares accepted under the Offer, the Registrar shall take action for transferring the shares to Acquirer after the consideration cheques are released to the Shareholders concerned.
- l. The Equity Shares held in demat form to the extent not accepted under the Offer will be released to the Beneficial Owner's Depository Account with the respective DP as per details furnished by the Beneficial Owner in the Form of Acceptance, at the sole risk of the Beneficial Owner. An intimation to that effect will be sent to the Beneficial Owner by Ordinary Post. Subject to the necessary approval from RBI, for the shares lying in the Special Depository Account, the Registrar shall take action for transferring the shares to Acquirer after the consideration cheques are released to the Beneficial Owners.
- m. In terms of Regulation 22(5A) of the Regulations, shareholders desirous of withdrawing their acceptances tendered in the Offer, can do so up to three working days prior to the date of Closure of the Offer. The withdrawal option can be exercised by submitting the document as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before February 28, 2005.
- The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed herewith.
 - The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before the last date of withdrawal.
 - Shareholders should enclose the following:-
 - For Equity Shares held in demat form*
 - Beneficial owners should enclose:
 - Duly signed and completed Form of Withdrawal.
 - Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.
 - Photocopy of the delivery instruction slip in "Off-market" mode or counterfoil of the delivery instruction slip in "Off-market" mode, duly acknowledged by the DP.
 - For Equity Shares held in physical form*
 - Registered Shareholders should enclose:
 - Duly signed and completed Form of Withdrawal.
 - Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.
 - In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with ONIL and duly witnessed at the appropriate place.
 - Unregistered owners should enclose:
 - Duly signed and completed Form of Withdrawal.
 - Copy of the Form of Acceptance cum Acknowledgement /Plain paper application submitted and the Acknowledgement slip.
 - The withdrawal of equity shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer or credited to the Special Depository Escrow Account.
 - The intimation of returned shares to the Shareholders will be sent at the address as per the records of ONIL / Depository as the case may be.

- The Form of Withdrawal alongwith enclosure should be sent to the Registrar to the Offer only.
- In case of partial withdrawal of equity shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from ONIL. The facility of partial withdrawal is available only to Registered shareholders.
- Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.
- In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:
 - ❖ In case of physical shares: Name, Address, Distinctive Nos., Certificate Nos., Folio Number, Number of Shares tendered
 - ❖ In case of dematerialised shares: Name, Address, Number of Shares tendered, DP name, DP ID, beneficiary account number and a photocopy of delivery instructions slip in "off market" mode or counterfoil of the delivery instruction slip in "off market" mode, duly acknowledged by the DP, in favour of the Special Depository Escrow Account.

14. DOCUMENTS FOR INSPECTION

The following documents will be available for inspection to the Shareholders of ONIL at Rajendra Bhawan (5th Floor), 210, Deen Dayal Upadhyay Marg, New Delhi – 110 002, India, between 11 a.m. and 4 p.m. on all working days except Saturdays till the Offer Closing Date (i.e. Thursday, March 17, 2005):

1. Copy of the Agreement and Plan of Merger entered into on June 27, 1999 between H2O Acquisition Company, Suez and Nalco Company, USA.
2. Copy of Certificate of incorporation and Articles of Association (Bylaws) of Suez.
3. Copy of Certificate of incorporation and Memorandum & Articles of Association of ONIL.
4. Certificate dated December 14, 2004 by Calyon, France, regarding the adequacy of financial resources with the Acquirer to fulfill the Offer obligations.
5. Audited accounts of ONIL for the accounting years ended March 31, 2002, March 31, 2003 and March 31, 2004 and unaudited financial for the period April 01, 2004 to September 30, 2004, as adopted by the Board.
6. Audited accounts of Suez for the financial years ending December 31, 2001, December 31, 2002 and December 31, 2003 and for the period January 01, 2004 to June 30, 2004.
7. Report of PriceWaterhouse Coopers as an Independent Valuer to value the shares at April 9, 1999 dated August 5, 2004.
8. Escrow Agreement dated December 17/ 18, 2004 between Suez, BNP Paribas, Paris and JM Morgan Stanley Private Limited confirming the deposit of USD 140,000 (being not less than 1% of the maximum purchase consideration payable under this Offer) and its transferability into the Escrow Account in India on receipt of RBI approval.
9. Escrow Agreement dated December 20, 2004 entered between Suez, BNP Paribas, Mumbai and JM Morgan Stanley Private Limited
10. Copy of Bank Guarantee for Rs. 149,708,288 dated December 21, 2004 issued by BNP Paribas, Mumbai favouring the Manager to the Offer.
11. Copy of Board Resolution of Suez for the open offer
12. Copy of Power of Attorney from Suez, authorising Mr. Patrice Herbet to execute and perform all acts in relation to the open offer, including signing of all papers on its behalf.
13. Copy of letter received from SEBI, Ref. Nos. CFD/DCR/TO/AT/32094/05 dated January 27, 2005 in terms of proviso to Regulation 18(2).
14. Copy of Public Announcement made on December 23, 2004, by the Acquirer for acquiring upto 1,000,000 paid-up equity shares of ONIL.
15. Share price details on BSE & NSE as obtained from their websites and letter from KSE containing the share price and volume data.
16. In case the approvals from the FIPB and RBI are received prior to the Offer Opening Date, copies of the same shall also be made available.
17. Copy of the agreement with Depository participant for opening a special depository Escrow account.
18. Copy of the SEBI Order dated April 9, 2003.
19. Copy of SAT Interim Order dated May 29, 2003 and copy of SAT Order dated December 20, 2004.

15. DECLARATION BY THE ACQUIRER

The Acquirer accepts full responsibility for the information contained in this Letter of Offer, Form of Acceptance and Form of Withdrawal. The Acquirer shall be responsible for ensuring compliance with the Regulations and for its obligations laid down in the Regulations. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise. Mr. Patrice Herbet has been severally authorised by Suez to sign the Letter of Offer.

On behalf of Suez

sd/-

Authorised Signatory

Mr. Patrice Herbet

Place : Paris

Date : February 1, 2005

**Attached: 1) Form of Acceptance
2) Form of Withdrawal**

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this form with enclosures to the Registrars to the Offer at their address given overleaf)

OFFER SCHEDULE

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

Opens on	Saturday, February 12, 2005
Closes on	Thursday, March 03, 2005

Folio No./DP ID No./Client ID No.:

From :

Name :

Full Address :

Status: Resident/Non-Resident

Tel No.: _____ Fax No. : _____ E-mail : _____

To

Suez

C/o Intime Spectrum Registry Limited

C-13 Pannalal Silk Mills Compound,
LBS Marg, Bhandup West, Mumbai 400078, India

Dear Sirs,

Sub: Open Offer to purchase up to 1,000,000 fully paid-up equity shares of Rs 10/- each, representing up to 20% of the issued paid-up equity share capital of Ondeo Nalco India Limited by Suez (hereinafter referred to as the "Acquirer")

I/We refer to the Letter of Offer dated February 1, 2005 constituting an offer to acquire the equity shares held by me / us in Ondeo Nalco India Limited. I/We the undersigned, have read the Letter of Offer and accept unconditionally its contents including the terms and conditions as mentioned therein.

For Equity Shares held In Physical Form:

I/We, accept the Offer and enclose the original share certificate(s) and duly signed valid Transfer Deed(s) in respect of my/our shares as detailed below:

Sr. No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
		From	To	
1				
2				
3				
4				
5				
(In case the space provided is inadequate, please attach a separate sheet with details and authenticate the same.)				
Total Number of Equity Shares				

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirer pays the purchase consideration (including interest) as mentioned in the Letter of Offer.

I/We have enclosed the following herewith:

- No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities
- Self-declaration in Form 15H

For Equity Shares held in Demat Form

I/We hold equity shares in demat form, accept the Offer and enclose a photocopy of the Delivery Instruction Slip duly acknowledged by the DP in respect of my/our equity shares as detailed below:

DP Name	DP ID	Client ID	No. of Equity Shares	Name of Beneficiary

P.T.O.

I/We have done an off market transaction for crediting the equity shares to the Escrow Account named "Suez – Open Offer India Escrow Account" (the "Special Depository Account") with the following particulars :

DP Name : Infrastructure Leasing & Financial Services Ltd.

Client ID : 11158494

DP ID : IN 300095.

Shareholders having their beneficiary Account in CDSL have to use an inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the Special Depository Account with NSDL.

----- TEAR HERE -----

FOLIO NO.

ACKNOWLEDGEMENT SLIP FOR THE ACQUIRER

SERIAL NO.

Suez

16, rue de la Ville l'Evêque, 75008 Paris, France.

Tel : + 33 140066400 ; Fax : + 33 140066644

Received from Mr./Ms./M/s. _____
Address : _____
Form of Acceptance cum Acknowledgement, # Number of Share Certificates for _____ Shares
Copy of the Delivery Instructions to (DP) for _____ Shares.
Delete whatsoever is not applicable

Signature of official and date of receipt

Stamp of Collection Centre

In case of non-receipt of the aforesaid documents, but receipt of the shares in the Special Depository Escrow Account, the Acquirer may deem the Offer to have been accepted by me/us.

I/We note and understand that the equity shares will lie in the Special Depository Account until the time the Acquirer makes payment of the purchase consideration (including interest) as mentioned in the Letter of Offer.

For NRIs/OCBs/FIIs/Foreign Shareholders:

I/we have enclosed the following documents:

- No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities.
- Previous RBI approvals for holding the shares of Ondeo Nalco India Limited hereby tendered in the Offer.

I/We confirm that the equity shares of Ondeo Nalco India Limited which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We also note and understand that the Acquirer will pay the purchase consideration (including interest) only after verification of the documents and signatures, and obtaining necessary approvals, including approvals from the FIPB and the RBI.

I/We authorise the Acquirer to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and to the extent that the equity shares tendered by me/us are not acquired (in terms of and subject to the Letter of Offer), I/We further authorise the Acquirer to return to me/us, equity shares/share certificate(s) and in the case of dematerialised equity shares, to credit such equity shares to my/our depository account, in each case at my/our sole risk and without specifying the reasons thereof.

I/We authorise the Acquirer or the Manager to the Offer or the Registrar to the Offer to send by registered post, the draft / cheque in settlement of the amount, to the sole / first holder at the address mentioned below.

Yours faithfully,

Signed & Delivered:

	FULL NAMES	SIGNATURE(S)	PAN NO.
1st/sole Shareholder			
2nd Shareholder			
3rd Shareholder			
4th Shareholder			

Address of First/Sole Shareholder _____

Place : _____ Date : _____

Note: In case of joint holdings, all shareholders must sign. A body corporate must affix its company stamp.

So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For equity shares that are tendered in electronic form, the bank account as obtained from the beneficiary position provided by the Depository will be considered and the warrants/ bank drafts will be issued with the said bank particulars

Details of Collection Centres				
Name & Address of the collection centre	Tel. No. (s)	Fax No. (s)	Contact Person	Mode of delivery
Intime Spectrum Registry Ltd. 203 Davar House, 197/199 D.N. Road, Mumbai 400 001	022-2269 4127	022-2567 2693	Vivek Limaye	Hand
Intime Spectrum Registry Ltd. C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai 400 078	022-55555454	022-5555 5353	Nikunj Daftary	Hand/Post

Business Hours : Monday to Saturday: 10.00 a.m. to 3.00 p.m.

Holidays : Sundays and Bank Holidays

Name of the Bank : _____ Branch : _____
Account Number : _____ Savings/Current/Others (please specify) : _____

TEAR HERE

Note : All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address :



Intime Spectrum Registry Limited
C-13 Pannalal Silk Mills Compound,
LBS Marg, Bhandup West, Mumbai 400078, India
Phone : + 91 22 5555 5454
Fax : + 91 22 5555 5353
Email : nikunj@intimespectrum.com
Contact Person : Mr Nikunj Daftary

FORM OF WITHDRAWAL

OFFER SCHEDULE

To
Suez
C/o Intime Spectrum Registry Limited
 C-13 Pannalal Silk Mills Compound,
 LBS Marg, Bhandup West, Mumbai 400078, India
 Dear Sirs,

Opens on	Saturday, February 12, 2005
Closes on	Thursday, March 03, 2005
Last date of withdrawal	Monday, February 28, 2005

Sub: Open Offer to purchase up to 1,000,000 fully paid-up equity shares of Rs 10/- each, representing up to 20% of the issued paid-up equity share capital of Ondeo Nalco India Limited by Suez (hereinafter referred to as the "Acquirer")

I/We refer to the Letter of Offer dated February 1, 2005 for acquiring the equity shares held by me/us in ONIL. I/We the undersigned have read the Letter of Offer and accept unconditionally its contents including the terms and conditions and procedures as mentioned therein.

I/We have read the procedure for withdrawal of equity shares tendered by me/us in the Offer as mentioned in para 13 (m) of the Letter of Offer and unconditionally agree to the terms and conditions mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our equity shares from the Offer and I/We further authorise the Acquirers to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our equity shares from the Offer, no claim or liability shall lie against the Acquirer/Manager to the Offer/Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or below as per the mode of delivery indicated therein on or before the last date of withdrawal.

I/We note that the Acquirer/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the equity shares held in physical form and also for the non receipt of equity shares held in the dematerialised form in the DP account due to inaccurate/incomplete particulars/instructions.

I/ We also note and understand that the Acquirer will return Original Share Certificate(s), Share Transfer Deed(s) and equity shares only on completion of verification of the documents, signatures carried out by ONIL and/ or their R & T Agents and beneficiary position data as available from the Depository from time to time, respectively.

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) and wish to withdraw are detailed below:

Ledger Folio No. : _____ No. of Share Certificate(s) : _____ No. of Equity Shares : _____

Sr.No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
		From	To	
	Tendered			
1				
2				
3				
	Withdrawn			
1				
2				
3				
Total				

(In case of insufficient space, please use an additional sheet and authenticate the same)

Place : _____ Date : _____

I/We hold the following equity shares in dematerialised form and tendered the equity shares in the Offer and had done an off-market transaction for crediting the Shares to the "Suez – Open Offer India Escrow Account" (Special Depository Escrow Account) as per the following particulars: -

DP Name : Infrastructure Leasing & Financial Services Ltd. **Client ID** : 11158494 **DP ID** : IN 300095.

Please find enclosed a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP.

The particulars of the account from which my/our equity shares have been tendered are as detailed below :

DP Name	DP ID	Client ID	Name of Beneficiary	No. of EquityShares

 TEAR HERE

ACKNOWLEDGEMENT SLIP

FOLIO NO.

Suez

SERIAL NO.

16, rue de la Ville l'Evêque, 75008 Paris, France.

Tel : + 33 140066400 ; Fax : + 33 140066644

Received from Mr./Ms./M/s. _____ Form of Withdrawal # Number of Share Certificates for _____ Equity Shares / # Copy of the Delivery Instructions to (DP) for _____ Equity Shares. # Delete whichever is not applicable

Signature of official and date of receipt

Stamp of Collection Centre

I/We note that the equity shares will be credited back only to that Depository Account, from which the equity shares have been tendered and necessary standing instructions have been issued in this regard.

I/We confirm that the particulars given above are true and correct.

In case of dematerialised equity shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

Yours faithfully,

SIGNED AND DELIVERED	FULL NAME(S)	SIGNATURE(S)	Verified and Attested by us. Please affix the stamp of DP (in case of demat Shares) /Bank (in case of physical Shares)
1st Shareholder			
2nd Shareholder			
3rd Shareholder			

Note : In case of joint holders all must sign. In case of body corporate, stamp of the company should be affixed and necessary Board resolution should be attached.

Place : _____ Date : _____

INSTRUCTIONS

- The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or below as per the mode of delivery indicated therein on or before the last date of withdrawal.
- Shareholders should enclose the following:-
 - For Equity Shares held in demat form:
Beneficial owners should enclose
 - Duly signed and completed Form of Withdrawal
 - Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip
 - Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP
 - For Equity Shares held in physical form:
Registered Shareholders should enclose
 - Duly signed and completed Form of Withdrawal
 - Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip
 - In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with R&T Department of ONIL and duly witnessed at the appropriate place.
- Unregistered owners should enclose:
 - Duly signed and completed Form of Withdrawal
 - Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip
- The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.
- The intimation of returned shares to the Shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.
- The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
- In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from ONIL. The facility of partial withdrawal is available only on to Registered shareholders.
- Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

Details of Collection Centres				
Name & Address of the collection centre	Tel. No. (s)	Fax No. (s)	Contact Person	Mode of delivery
Intime Spectrum Registry Ltd. 203 Davar House, 197/199 D.N. Road, Mumbai 400 001	022-2269 4127	022-2567 2693	Vivek Limaye	Hand
Intime Spectrum Registry Ltd. C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai 400 078	022-55555454	022-5555 5353	Nikunj Daftary	Hand/Post

Business Hours : **Monday to Saturday: 10.00 a.m. to 3.00 p.m.**

Holidays : **Sundays and Bank Holidays**

----- TEAR HERE -----

Note : All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address :



Intime Spectrum Registry Limited
C-13 Pannalal Silk Mills Compound,
LBS Marg, Bhandup West, Mumbai 400078, India
Phone : + 91 22 5555 5454
Fax : + 91 22 5555 5353
Email : nikunj@intimespectrum.com
Contact Person : Mr Nikunj Daftary