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PRESS RELEASE

14 February 2013

2012 ANNUAL RESULTS

A SOLID PERFORMANCE IN A CHALLENGING CONTEXT IN EUROPE
DIVIDEND[1] OF €0.65 PER SHARE FOR THE 2012 RESULTS

2012 RESULTS IN LINE WITH OBJECTIVES

- Revenues: €15,102m, + 1.8% gross, growing in all divisions
- EBITDA: €2,450m, -2.5% gross, stable at constant scope
- EBIT: €1,146m, + 10.3% gross
- Net Income Group share: €251m, affected by non-recurring charges during the first half of the year, the second semester's Net Income is €211m
- Net financial debt (NFD): down to €7,436m, with a stable Net Debt to EBITDA ratio of 3.0x
- Free Cash Flow: up +58% to €1,358m
- Final take-over of the Melbourne desalination plant on December 17th, 2012

POSITIVE OUTLOOK FOR 2013[2]

- 2013 EBITDA of ≥ €2,550m
- Stable NFD/EBITDA ratio of around 3x
- Dividend ≥ €0.65 per share for 2013[1]

The Board of Directors, which met on February 13th, 2013, approved the 2012 financial statements of SUEZ ENVIRONNEMENT which will be submitted for the approval of the Shareholders General Meeting on May 23rd, 2013. The consolidated financial statements have been audited and certified by the auditors.

Commenting on these results, Jean-Louis Chaussade, CEO, stated**:**

"In 2012, SUEZ ENVIRONNEMENT achieved a solid operational performance, notably in water and internationally, in a challenging economic context in Europe. These results confirm the relevance of its business model.

Throughout the year, SUEZ ENVIRONNEMENT implemented a double approach focusing on continuous performance improvement while building its future growth. Therefore, the Group continues its transition towards more new added value services in the water sector, more waste recovery, more international growth and more industrial water.

We have maintained a strong commercial dynamic and have also strengthened our competitiveness efforts through COMPASS, our performance optimization program. The combination of this cost optimization policy and satisfactory results of our International & Water Europe divisions enabled us to offset the difficulties of the Waste in Europe. These elements led to a sharp increase of the operational performance in the second semester. These actions, combined with SUEZ ENVIRONNEMENT's strong fundamentals, comfort us on the growth prospects of the Group as early as 2013, and this despite an uncertain macroeconomic environment in Europe[2].

SUEZ ENVIRONNEMENT adapts itself, indeed, with the evolutions in water and waste markets to capture new growth opportunities. The group proceeded for changes since years, in particular in the contract models including progressive pricing or environmental performance.

SUEZ ENVIRONNEMENT looks therefore at the future with confidence and ambition."

[1] *Subject to the approval of the General Meeting*
[2] *Assuming GDP growth of 0% in Europe in 2013, within a stable accounting and tax framework and at constant exchange rates*

2012 RESULTS

SUEZ ENVIRONNEMENT posted solid results in a challenging economic context in Europe.

REVENUES

The Group reported **revenues of €15,102m** as at 31 December 2012, **up +1.8% (€272m) on a gross basis** compared with 31 December 2011; this growth breaks down between:

- **Organic growth of 0.3%:**
  - Water Europe: +3.3% (+€137m)
  - Waste Europe: +0.1% (+€8m)
  - International: -2.4% (-€100m)

- **The scope impact was -0.6%** (-€83m), and related mainly to the disposals of Bristol Water in the United Kingdom and Eurawasser in Germany, which were respectively completed in late 2011 and early 2012.

- **There was a favourable currency impact of +2.1%** (+€306m) due primarily to the decrease of euro against the Australian dollar (+€87m), the US dollar (+€62m), the Pound Sterling (+€64m) and the Chilean peso (+€46m).

OPERATING PERFORMANCE

The Melbourne plant successfully passed all the performance and reliability tests, and therefore obtained its final reception certificate on 17 December 2012. Versus June estimates, SUEZ ENVIRONNEMENT has released €20m of provision and accounted an additional cash out of €29m, initially scheduled in 2013.

EBITDA amounted to €2,450m in 2012, a gross variation of -2.5% (-€63m), and stable at a constant scope. The EBITDA of the Water Europe and International divisions grew by +1.0% and +3.3% respectively, on an organic basis. The Waste Europe division reported a decrease of -11.0%, due notably to the slowdown in European industrial production.

The Compass program cost reductions amounted to €150m in 2012, and came mostly from the Waste Europe division. The acceleration of this program contributed to the increase in the EBITDA margin that rose from 15.5% in the 1st half of the year to 16.9% in the 2nd.

The Group's EBITDA margin therefore amounted to 16.2% for the full year.

Current Operating Income amounted to €1,146m, a gross increase of +10.2% and an organic increase of +12.7%. This increase was partly due to the contribution improvement of the Melbourne plant.

Meanwhile, **Income from Operational Activities** decreased by €40m, as it included firstly, less gains on disposals (€69m in 2012 compared with €166m in 2011), and secondly, an impairment due to the market value of the Group's interest in ACEA (€60m).

Net Income

Net financial income amounted to -€419m in 2012, compared with -€405m in 2011. The cost of debt reached 5.08% versus 5.19% in 2011, despite the extension of the debt's maturity to 6.5 years.

Tax amounted to -€186m in 2012 compared with -€174m in 2011. The effective tax rate increased, rising from 25.4% in 2011 to 29.3% in 2012. This increase was primarily explained by the non-deductibility of the impairment charged on the ACEA shares in 2012.

Minority interests were down €9m to -€218m.

Net Income Group share therefore amounted to €251m.

Free Cash Flow and Balance Sheet

SUEZ ENVIRONNEMENT continued to pursue a policy of cash generation and selective investments during the year.

Free Cash Flow was up sharply to **€1,358m**. It benefited from a reduction in the working capital requirement, which was primarily due to a €317m deconsolidating securitisation programme. Excluding this impact, Free Cash Flow would have amounted to €1,041m compared with €860m in 2011.

Net investments amounted to €1,177m, in line with the €1.2 billion envelop planned for 2012. SUEZ ENVIRONNEMENT gave priority, in 2012, to the development of its international activities and the construction of waste recovery infrastructures in Europe.

SUEZ ENVIRONNEMENT maintained the strong profile of its balance sheet. Net financial debt decreased to €7,436m compared with €7,557m[3] as at the end of December 2011. The net financial debt/EBITDA ratio remained unchanged during the financial year and amounted to 3.0x. In December 2012, Moody's, the financial rating agency, reiterated the A3, stable outlook rating assigned to the Group.

The Group's ROCE was 6.9% for a weighted average cost of capital of 6.6%.

Dividend

As a result of these solid performances and because of its confidence in its future outlook, SUEZ ENVIRONNEMENT will propose a dividend on 2012 results of 0.65 euros per share, paid in cash, at the General Meeting of Shareholders on 23 May 2013.

Governance

The shareholder agreement expiring on 22/07/2013 has not be renewed; the governance of SUEZ ENVIRONEMENT will be adapted accordingly. SUEZ ENVIRONEMENT and GDF SUEZ have already signed a cooperation framework agreement aiming to continue their industrial and commercial cooperation. Nonetheless, GDF SUEZ has indicated that they will remain a strategic long term partner and the reference shareholder of SUEZ ENVIRONNEMENT.

[3] The change in debt includes a negative foreign exchange impact of €108 million; furthermore, the Group has reviewed the definition of net debt excluding investment hedging instruments and the interest-rate component of derivatives; the impact on the opening net debt position was -€109 million; on a pro forma basis, net debt would have amounted to €7,449 million as at the end of December 2011.

2012 HIGHLIGHTS

SUEZ ENVIRONNEMENT pursued a dual approach in 2012, which consisted, on one hand, to reinforce its positions in its traditional businesses and abroad, and on the other hand, to extend the scope of its activities in water and waste towards four strategic priorities.

STRENGTHENING THE BUSINESS BASE IN WATER AND WASTE

SUEZ ENVIRONNEMENT pursued in 2012 its growth strategy of its positions, from areas where the Group is already established and where the growth in its businesses is the most significant.

In water in Europe, the Group was able to continue to rely on strong commercial activity in France and Spain, and to benefit from price increases and from the development of its new businesses. In France, Lyonnaise des Eaux successfully renewed almost all of its contracts, like in Bordeaux, while the term of AGBAR's contracts in Spain remained long, with an average of 19 years.

In Waste in Europe, despite the challenging economic context, SUEZ ENVIRONNEMENT was able to take advantage of its positioning on the full waste value chain, and specifically on the recovery market, where volumes increased by over 3% during the year. The Group is benefiting from the development of recovery units, which has been on-going since several years.

In the International division, the factoring of the water and waste sector challenges, the infrastructure needs, and the adoption of demanding environmental standards in many countries, all amount to opportunities for growth. SUEZ ENVIRONNEMENT now generates 31% of its revenues outside Europe, compared with 29% in 2011, which confirms the progression engaged since several years.

ADAPTING ITS BUSINESSES PERMANENTLY IN ORDER TO MAKE OUR CLIENTS LEADERS OF ENVIRONMENTAL PERFORMANCE

Against the backdrop of an economic downturn and the increasing scarcity of resources, SUEZ ENVIRONNEMENT'S traditional markets have changed. Its businesses have become more complex, and customers' expectations are increasingly focused on technology and service optimisation, coupled with increasing demand for performance-based contacts. After the "Contract for Water Health", original value-based model, Lyonnaise des Eaux was once again a pioneer in 2012, by offering in Dunkerque a progressive pricing contract with an environmental component. Meanwhile, AGBAR has made its new offers a strategic priority by setting up Aqualogy in 2011, a division dedicated to new businesses in the water sector.

To make its customers leaders in environmental performance, SUEZ ENVIRONNEMENT is pursuing an ambitious **research and innovation** policy, and is offering technological solutions for managing and treating waste, protecting water resources, and reducing customers' environmental footprint. **Blue Orange, the SUEZ ENVIRONNEMENT investment fund**, therefore supported a start-up this year, in order to develop a solution that enables to monitor the fill-rate of waste containers, and to optimise their management and collection by waste collection services. In 2012, **SUEZ ENVIRONNEMENT** research centres' expertise in terms of micropollutants allowed Lyonnaise des Eaux to quickly propose a solution for the detection and treatment of perchlorates in Bordeaux and Lille.

FOUR STRATEGIC PRIORITIES FOR CONQUERING NEW GROWTH TERRITORIES

In 2012, SUEZ ENVIRONNEMENT prioritised four major strategic priorities upon which the Group firmly established a position.

Continuing to develop **smart water services** is one of the Group's strategic priorities, and it has developed a range of higher value-added services, by offering its customers solutions for preserving water resources, and for the predictive and dynamic management of rain water, as well as services to managers of real estate complexes, farmers and individuals. In particular, SUEZ ENVIRONNEMENT is pursuing the development of its remote metering offer with 1.5 million smart meters already sold.

SUEZ ENVIRONNEMENT has also continued to develop its waste activities towards **recovery** businesses, while maintaining a strong presence in traditional elimination and collection activities. SUEZ ENVIRONNEMENT has achieved a ratio of 1.4 tonnes of recovered waste for 1 tonne of eliminated waste, in line with its target of 2 tonnes recovered for every tonne eliminated by 2016.

Internationally, SUEZ ENVIRONNEMENT has established operations in new high-growth territories via selective investments and the development of new contract models. In fact, the Group has been awarded an operation and maintenance contract in New Delhi to improve the water supply service in the Malviya Nagar District, as well as a Public Private Partnership contract for the construction and operation of an energy recovery plant in Poznan, Poland.

Finally, to meet the challenges of the **industrial water** sector, SUEZ ENVIRONNEMENT has created a new dedicated entity, Degrémont Industry, which signed contracts in 2012 with ENI in Italy and BP in the Netherlands. On this market, SUEZ ENVIRONNEMENT is targeting an average annual growth of 10% by 2016, thanks to the development of new service offers that primarily focus on engineering, equipment, operation and maintenance. In Brazil, the Group is already one of Petrobras' major partners for the treatment of processing and industrial wastewater at several of its refineries.

PERFORMANCE BY DIVISION

WATER EUROPE

in €m	31/12/2011	**31/12/2012**	Gross change	Organic change	Scope change
Revenues	4,206	**4,325**	+2.8%	+3.3%	-1.6%
EBITDA	1,212	**1,183**	-2.5%	+1.0%	-5.7%

- The Water Europe division reported revenues of €4,325m in 2012, growing organically by 3.3%. The activity was boosted by the impact of favourable prices effects due to the price indexation formulas in France (+3.3%), Spain (+5.7%), and Chile (+4.0%), and by drinking water volumes sold that increased in Chile (+0.8%), remained stable in France, and were slightly lower in Spain (-0.7%). The construction activity was up in France, and down sharply in Spain.

EBITDA amounted to €1,183m, growing organically by 1.0%. The division's EBITDA margin is at 27.3%.

- Commercial activity remained strong in both France and Spain: the Water Europe division won and renewed many contracts, like Riba-Roja de Turia (25 years, €65m) in Spain, and Bordeaux Assainissement (6 years, €243m), Grasse (20 years, €145m) or Auxerre (10 years, €36m) in France.

WASTE EUROPE

in €m	31/12/2011	**31/12/2012**	Gross change	Organic change	Scope change
Revenues	6,417	**6,542**	+2.0%	+0.1%	+0.8%
EBITDA[4]	886	**804**	-9.2%	-11.0%	+1.0%

- The Waste Europe division reported revenues of €6,542m, growing organically by +0.1%. The division was affected by an unfavourable economic environment. The tons eliminated were down (-9.5%), in line with the anticipated trend seen for several years and that will last. On another hand, the recovery revenues are increasing, thanks to strong volumes (+3.1%) and the construction of energy recovery units in the United Kingdom and France. The overall reduction in volumes treated was -2.5%, in line with the slowdown in European industrial production indices. Furthermore, the division benefited from a slightly positive price effect in a context where competition may be tough in the Netherlands and the United Kingdom.

EBITDA was affected by the decrease in volumes, as well as by decreasing and volatile secondary raw material prices. EBITDA amounted to €804m, down 11.0% on an organic basis compared with 2011. Nevertheless, the Waste Europe division's EBITDA margin increased significantly, rising from 11.6% in the 1st half to 13.0% in the 2nd, notably thanks to the acceleration of the Compass performance optimization program.

- Commercial activity was dynamic in 2012: SUEZ ENVIRONNEMENT won or renewed contracts for the Vallée du Mont Blanc (15 years, €89m), Valenciennes (5.5 years, €68m) and Grand Lyon (5 years, €53m) in France, the contract for Durham (8 years, €130m) in the United Kingdom, the contracts for the Ludwigsburg (7 years, €55m) and Neuwied (3 years, €12m) regions in Germany, and the contract for Arnhem (6 years, €28 m) in the Netherlands.

[4] *Following the reallocation of the positive impact of the gasoline hedges (€5 million in 2011 and €4 million in 2012)*

International

in €m	31/12/2011	**31/12/2012**	Gross change	Organic change	Scope change
Revenues	4,197	**4,220**	+0.5%	-2.4%	-1.6%
EBITDA	471	**504**	+7.1%	+3.3%	-0.5%

- The International division reported revenues of €4,220m as at 31 December 2012, a decrease of -2.4% on an organic basis.
  - The Asia-Pacific region carried on its development, with revenues up +10.0% on an organic basis (+€110m), thanks to strong volumes in China, and to strong growth in the waste activity in Australia.
  - The organic growth rate in the North America region was +1.7% (+€11m), partly due to rate cases obtained in the regulated sector, and partly to the expansion of the service activities.
  - The organic growth rate in the CEMME region was +1.9% (+€17m). It was mainly due to the good levels of activity in Morocco and Poland.
  - Degrémont's revenues were down -€238m on an organic basis (-15.0%). This decrease was due to the construction activity, as a result of the finalisation of the Melbourne contract and of the completion in 2011 of some Design & Build contracts in France and in the Middle East that have not been replaced. The Design & Build backlog nonetheless remained at €1.0bn.

EBITDA amounted to €504m, growing organically by +3.3% (+€16m), while the EBITDA margin was 11.9%.

- During 2012, the International division won contracts including Poznan (25 years, €850m) in Poland, Perth (10 years, €294m) in Australia, Bayonne (40 years, €195m) in the United States, and As Samra (25 years, €150m) in Jordan.

Positive outlook for 2013

In a difficult macro-economic context, SUEZ ENVIRONNEMENT has the following targets[5]:

- **GROWING OPERATING RESULTS**
  - Growth of 2013 revenues compared with 2012
  - EBITDA equal to or higher than €2,550m
  - Free Cash Flow equal to or higher than €1bn

- **MAINTAINING A SOLID BALANCE SHEET**
  - Net investment of €1.3bn
  - Net Financial Debt/EBITDA ratio of around 3 times

- **CONTINUE AN ATTRACTIVE DIVIDEND POLICY**
  - A dividend related to 2013 results equal to or higher than €0.65 per share

Along with **cost reductions from the Compass program equal to or higher than €150m in 2013.**

Forthcoming communications:

- **22 April 2013:** Publication of the 2013 1st quarter results (conference call)
- **23 May 2013:** General Meeting of Shareholders
- **31 July 2013:** Publication of the 2013 1st half results (conference call)

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Natural resources are not infinite. Each day, SUEZ ENVIRONNEMENT (Paris: SEV, Brussels: SEVB) and its subsidiaries deal with the challenge of protecting resources by providing innovative solutions to industry and to millions of people. SUEZ ENVIRONNEMENT supplies drinking water to 91 million people, provides wastewater treatment services for 63 million people and collects the waste produced by 57 million people. SUEZ ENVIRONNEMENT has 80,410 employees and, with its presence on five continents, is a world leader exclusively dedicated to water and waste management services. In 2012, SUEZ ENVIRONNEMENT, a subsidiary in which GDF SUEZ has a 35.7% interest, generated revenues of EUR 15.1 billion.

THIS PRESS RELEASE IS AVAILABLE AT WWW.SUEZ-ENVIRONNEMENT.COM.

[5] *Assuming GDP growth of 0% in Europe in 2013, within a stable accounting and tax framework and at constant exchange rates.*

APPENDICES

REVENUE BY GEOGRAPHIES

In €m	FY 2011	FY 2012	% in 2012	12/11 Δ
FRANCE	**5,345**	**5,446**	**36%**	**+1.8%**
Spain	1,493	1,477	10%	-1.1%
United Kingdom	920	912	6%	-0.8%
Other Europe	2,770	2,650	17%	-4.3%
EUROPE (excluding France)	**5,183**	**5,039**	**33%**	**-2.8%**
Australia	1,006	1,119	7%	+11.2%
North America	868	936	6%	+7.8%
Other International	2,428	2,562	17%	+5.5%
INTERNATIONAL (excluding Europe)	**4,302**	**4,617**	**31%**	**+7.3%**
TOTAL	**14,830**	**15,102**	**100%**	**+1.8%**

SUMMARY BALANCE SHEET

in €m

ASSETS	31/12/11	31/12/12
NON CURRENT ASSETS	**18,700**	**18,881**
o/w goodwill	3,265	3,257
CURRENT ASSETS	**8,361**	**7,755**
o/w financial assets at fair value through income	15	24
o/w cash & cash equivalents	2,494	2,247
TOTAL ASSETS	**27,061**	**26,637**

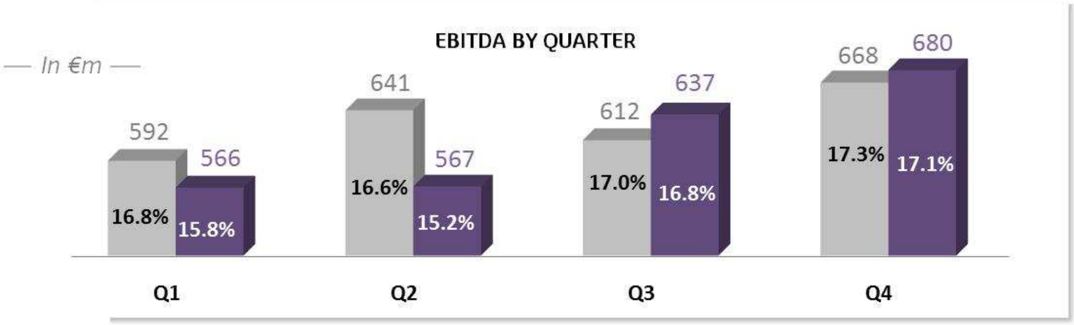
LIABILITIES	31/12/11	31/12/12
Equity, group share	4,946	4,864
Minority Interests	1,871	1,995
TOTAL EQUITY	**6,817**	**6,859**
Provisions	1,835	1,995
Financial Debt	10,071	9,918
Other Liabilities	8,338	7,864
TOTAL LIABILITIES	**27,061**	**26,637**

SUMMARY INCOME STATEMENT

In €m	FY 2011	FY 2012
REVENUE	**14,830**	**15,102**
Depreciation, Amortization & Provisions	(1,179)	(1,036)
CURRENT OPERATING INCOME	**1,039**	**1,146**
INCOME FROM OPERATING ACTIVITIES	**1,092**	**1,052**
Financial Result	(405)	(419)
Associates	37	22
Income tax	(174)	(186)
Minority interest	(227)	(218)
NET RESULT GROUP SHARE	**323**	**251**

SUMMARY CASH FLOW STATEMENT

In €m	FY 2011	FY 2012
Operating cash flow	2,130	2,165
Income tax paid (excl. income tax paid on disposals)	(163)	(113)
Change in operating working capital	(65)	305
CASH FLOW FROM OPERATING ACTIVITIES	1,902	2,357
Net tangible and intangible investments	(1,410)	(1,222)
Financial investments	(260)	(92)
Disposals	157	145
Other investment flows	(49)	(114)
CASH FLOW FROM INVESTMENT ACTIVITIES	(1,561)	(1,283)
Dividends paid	(281)	(601)
Balance of reimbursement of debt / new debt	664	(402)
Interests paid / received on financial activities	(333)	(384)
Capital increase	25	-
Other cash flows	222	12
CASH FLOW FROM FINANCIAL ACTIVITIES	297	(1,375)
Impact of currency, accounting practices and other	30	55
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD	1,827	2,494
Total cash flow for the period	667	(246)
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	2,494	2,247



SHAREHOLDING STRUCTURE

	December 31, 2011	**December 31, 2012**	% as of Dec 31, 2012
GDF SUEZ	182,057,361	182,057,361	35.7%
Groupe Bruxelles Lambert	36,746,488	36,746,488	7.2%
CDC	10,078,220	10,078,220	2.0%
Areva	7,251,292	7,251,292	1.4%
CNP Assurances	6,500,390	6,500,390	1.3%
Sofina	4,125,000	4,125,000	0.8%
TOTAL SHAREHOLDERS AGREEMENT(1)	**246,758,751**	**246,758,751**	**48.4%**
Treasury Stocks	3,294,721	1,143,389	0.2%
Public & employees	260,180,357	262,331,689	51.4%
TOTAL	**510,233,829**	**510,233,829**	**100.0%**

(1) Lasting until July 22, 2013