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PRESS RELEASE

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2013 RESULTS IN LINE WITH GUIDANCE
A YEAR OF MAJOR COMMERCIAL SUCCESSES
POSITIVE OUTLOOK FOR 2014

GROWTH OF 2013 OPERATING PERFORMANCE

- EBITDA : €2,520m, organic growth of +€122m; increase of the EBITDA margin from 16.2% to 17.2%
- Net income Group share : €352m, strong increase by +40.2%
- Free cash flow: €1 007m
- Net financial debt (NFD): down to €7,245m, improved NFD/EBITDA to 2.9x
- Dividend of €0.65 per share paid in cash for 2013[1]

POSITIVE OUTLOOK FOR 2014[2]

- EBITDA[3]: organic growth ≥ 2%
- Additional growth with focused investments[4] while respecting the ratio NFD/EBITDA at around 3x
- Dividend ≥ €0.65 per share for 2014[1]

The Board of Directors, which met on 19 February 2014, approved the 2013 financial statements of SUEZ ENVIRONNEMENT which will be submitted for the approval of the Shareholders General Meeting on 22 May 2014. The consolidated financial statements were audited and certified by the Statutory Auditors.

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

"SUEZ ENVIRONNEMENT has reported higher results, and is once again demonstrating the relevance and the soundness of its industrial model. The Group achieved all its targets despite adverse economic and climate environment in Europe.

SUEZ ENVIRONNEMENT remained highly proactive, and improved its operating margin. The Group focuses on innovation in its strategy, and relies on its strong positions in both businesses. It is successfully developing new services in the water market, and is strengthening its position in the waste recovery sector, through becoming a major producer of renewable energy and secondary raw materials. Internationally, the Group is opening up new markets, as shown by the new water service contracts signed in India, or the industrial facility management contracts gained in Brazil; it is continuing to expand its water and waste business in Mainland China, through the reinforcement of its partnerships.

Buoyed by its balanced positioning on profitable markets and businesses, and thanks to its strong balance sheet, SUEZ ENVIRONNEMENT is confident in the future and is ready to seize new development opportunities".

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[1] Subject to the approval of the Annual General Meeting.

[2] Assuming a GDP growth of 1% for the euro zone in 2014, at unchanged accounting and tax norms as of Jan. 1st 2014 and at constant forex.

[3] Objective estimated from restated 2013 EBITDA taking into account the change in EBITDA definition as defined by the Group and the application of the new IFRS 10 and 11 norms as defined in page 6 of this press release.

[4] If market conditions allow it.

2013 RESULTS

Despite unfavourable economic context in Europe, SUEZ ENVIRONNEMENT posted solid results in line with its targets.

REVENUES

The Group generated revenues of **€14,644m as at 31 December 2013, a gross decrease of -3.0% (-€458m)** compared with 31 December 2012, which breaks down as follows:

- **Organic decrease of -0.7%:**
  - Water Europe: +2.0% (+€86m)
  - Waste Europe: -1.2% (-€83m)
  - International: -2.7% (-€108m)

- **Scope impact of -0.6%** (-€91 m), which was primarily due to the disposal of facilities in the United Kingdom and of Altiservice in France, which were respectively completed in September 2013 and October 2012.

- **Adverse currency impact of -1.7%** (-€262m), which was primarily due to the decrease of the following currencies against the euro: Australian dollar (-€111m), Pound Sterling (-€42m), Chilean peso (-€32m), and US dollar (-€27m).

OPERATING PERFORMANCE: IMPROVEMENT OF THE EBITDA MARGIN FROM 16.2% TO 17.2% IN 2013

EBITDA amounted to €2,520m in 2013, a gross increase of +2.9% (+€70m). **The organic increase was +5.0%** (+€122m), primarily due to the growth of the International division of +31.4% (+€146m), which benefited from the dynamism of its business activities and from the end of the construction of the Melbourne desalination plant, which was completed in December 2012. The Water Europe division also contributed to growth with an organic EBITDA increase of +1.7% (+€20m), despite unfavourable climate conditions in France and Spain. The performance of the Waste Europe division, which was affected by an economic environment that remained difficult and by lower volumes, registered a -4.5% (-€38m) decrease.

The Compass Program enabled cost savings of €180m in 2013. The program was initially expected to generate cost savings of €150m, but was accelerated mid-year via additional measures aiming at offsetting a downturn in waste and water volumes in Europe.

The EBITDA margin improved sharply, **from 16.2% in 2012 to 17.2%** in 2013.

Current Operating Income (COI) amounted to €1,184m, a gross increase of +3.3% and **+5.8% organically**. In addition to the improvement in EBITDA, this increase was also the result of the positive resolution of the disagreement linked to the Melbourne plant, which resulted in the reversal of the provisions at the end of the year (€58m).

There was a sharp increase in **Income from Operating Activities,** which rose by +12.0% to €1,179m. As a reminder, the Group had recorded in 2012 an impairment charge of its interest in ACEA following the reevaluation at market value (-€60m), with no equivalent in 2013. The improvement of the income from Operating Activities is also due to lower restructuring expenses.

▪ Net Income: +40%

Net financial expense amounted to -€402m in 2013 compared with -€419m in 2012. The cost of net debt fell to 4.88% compared with 5.08% in 2012, thanks to optimised financial management and to the decline in interest rates.

Tax amounted to -€205m in 2013 compared with -€186m in 2012. This increase was primarily due to higher tax expenses in France and Spain. However, the effective tax rate decreased, falling from 29.3% in 2012 to 26.5% in 2013.

Net result amounted to €602m, an increase of +28.2% compared with 2012.

Minority interests amounted to €250m, an increase of +€32m.

Net Income, Group share therefore amounted to €352m, a significant +40.2% increase compared with 2012. Earnings per share increased sharply, rising from €0.45 to €0.65.

▪ Solid Free Cash Flow and Balance Sheet

Following a first semester 2013 characterised by particularly adverse seasonal effects, SUEZ ENVIRONNEMENT made huge efforts during the 2nd half of the year to improve its working capital requirement and cash generation.

Free cash flow therefore amounted to **€1,007m**. Free cash flow for 2012, which reached €1,358m, included the positive effect of a securitisation programme, which resulted in the deconsolidation of €317m of receivables. Restated for this item, Free Cash Flow for 2013 was therefore stable compared with the previous year.

Net investments amounted to €1,012m. SUEZ ENVIRONNEMENT reinforced its selective investment process to adapt to unfavourable climate conditions and macroeconomic environment.

Therefore, thanks to its tight financial discipline, **SUEZ ENVIRONNEMENT managed to further strengthen its balance sheet**. Net financial debt fell to €7,245m compared with €7,436m as of the end of December 2012. The net financial debt/EBITDA ratio improved and reached 2.9x. In May 2013, the financial rating agency Moody's reiterated the A3, stable outlook rating assigned to the Group.

The value created by the Group increased, with ROCE rising to **7.0%** for a weighted average cost of capital of 6.3%.

▪ Dividend

As a result of this sound performance and of its confidence in its future outlook, SUEZ ENVIRONNEMENT will propose a cash dividend of €0.65 per share in respect of the 2013 financial year at the Annual General Meeting of Shareholders on 22 May 2014.

2013 HIGHLIGHTS

SUEZ ENVIRONNEMENT continued to strengthen its positions in its traditional businesses in 2013, and extended the scope of its activities in the water and waste divisions in accordance with its four strategic priorities.

NUMEROUS COMMERCIAL SUCCESSES ACHIEVED

This year was characterised by a high level of performance and successful commercial activity.

In the **Water Europe division**, the Group was awarded important contracts like the sanitation water contract of Marseille in France (€1.2bn, 15 years) or the water supply and sanitation contract for the Barcelona Metropolitan Area in Spain (additional revenues of €3.5bn, 35 years).

In the **Waste Europe division**, SUEZ ENVIRONNEMENT pursued its strategy of development in recovery and was awarded important PPP[5] contracts in the UK, like Merseyside (€1.4bn, 30 years), West London (€1.7bn, 25 years) or in Poland with the Poznan contract (€850m, 25 years). In France, the Group also inaugurated the multi-process waste recovery facility in Clermont-Ferrand in January 2014; the facility includes a biological waste recovery unit, and a methanisation facility, as well as a waste-to-energy recovery unit (150,000 tonnes per year). The Group also signed a waste recovery contract for the Island of Mayotte (€65m, 12 years), and was awarded the waste collection and recycling contract for the District of Norrköping in Sweden (€33m, 5 years).

In the **International division**, 2013 was characterized by numerous commercial successes in all geographies: in the United States, with the contract of Bayonne (€195m, 40 years) ; in Asia, with the contract of collection of Macau (€200m, 10 years) or the management of waste water of Shuangliu County in China (€156m, 25 years); in Morocco, with the waste treatment contract in Meknes (€90m, 20 years); and in Degrémont with the start of the Prague contract (€62m), contracts of rehabilitation of the water treatment plant of Luanda (Angola, €28m) or the one aiming at improving water services in Bangalore and Pinpri-Chinwad (India, €20m, 8 years).

INNOVATE AND INVEST FOR THE FUTURE

Within a context of economic downturn and increasing scarcity of resources, SUEZ ENVIRONNEMENT's traditional markets are evolving. Its businesses have adjusted to customers' expectations, which are increasingly focused on technology, service optimisation, and performance. To make its customers leaders in the environmental performance, the Group has invested heavily in **research and innovation**. It enabled the Group to design a large number of technological solutions protecting water resources, managing and treating waste, as well as reducing the environmental footprint.

SUEZ ENVIRONNEMENT has also developed **new services** in water. The City of Mulhouse has selected the Group's remote metering offer as part of its "smart city" project, which aims to develop innovations that improve the living conditions of its residents and its drinking water network. Globally, one million eight hundred thousand smart water meters have been sold by the Group, reinforcing its leadership on the European market.

While maintaining a strong presence in its traditional waste disposal and collection activities, SUEZ ENVIRONNEMENT has been developing its waste activities towards **recovery**, and specifically **energy production**. The Group has positioned itself as a major producer of renewable energy and secondary raw materials. Via a first Public-Private Partnership in the waste management, SUEZ ENVIRONNEMENT has provided its expertise and know-how to polish local authorities, in order to produce around 2 million tons of alternative fuel from non-hazardous waste. In Sweden, the Group's cooperation with the City of Stockholm was renewed and expanded, so as to include the collection of food waste: 900 tons of food waste are turned into biogas and organic fertiliser every month.

[5] Public Private Partnerships

TAILOR-MADE SERVICES FOR INDUSTRIAL WATER

SUEZ EVIRONNEMENT has made industrial water one of its strategic development priorities. It has been awarded new contracts, like in Chengdu in China, where it will build, manage and operate the Shuangliu Maojiawan waste water treatment plant. The Group also designed new service offers in 2013, which primarily focus on engineering, equipment, operation and maintenance, in order to expand its activities. This is how SUEZ ENVIRONNEMENT was awarded the engineering and supply contract for five water treatment units for Petrobras oil platforms, thereby reinforcing its presence in Brazil.

PERFORMANCE BY DIVISION[6]

WATER EUROPE

in € m	31/12/2012	**31/12/2013**	Gross change	Organic change	Scope change
Revenues	4,379	**4,437**	+1.3%	+2.0%	+0.2%
EBITDA	1,189	**1,185**	-0.4%	+1.7%	-0.5%

- The Water Europe division reported **revenues** of €4,437m in 2013, an organic growth of +2.0%. Business was driven by favourable pricing effects relating to price indexation formulas in France (+1.9%), in Spain (+5.3%[7]) and in Chile (+2.7%). It also benefited from increased water volumes in Chile (+1.9%), and from the momentum of new services, which registered an 11% increase. However, it was affected by a decrease in the volumes of drinking water sold in France (-1.5%) and in Spain (-5.0%), which was partly due to particularly adverse climate conditions during the first half.

- **EBITDA** amounted to €1,185m, an organic increase of +1.7%. The division's EBITDA remained stable at constant consolidation scope, and amounted to 26.7%. It benefited from the gradual improvement in the margin of new services, and from €52m in cost savings as a result of the Compass Programme.

WASTE EUROPE

in € m	31/12/2012	**31/12/2013**	Gross change	Organic change	Scope change
Revenues	6,752	**6,551**	-3.0%	-1.2%	-1.1%
EBITDA	834	**797**	-4.5%	-4.5%	+0.4%

- The Waste Europe division reported **revenues** of €6,551m, an organic decrease of -1.2%. Due to the impact of a deterioration in European industrial output, the waste volumes processed decreased by -3.2% over the year; the division was also affected by the decline in secondary raw materials prices (on average -10% for metal and -9% for paper). The service activities also registered a downturn, especially industrial waste collection. However, the situation is different in each country: it improved in the United Kingdom and Nordic countries (organic growth of +5.4%), it was relatively stable in France (-1.9%), but experienced a more significant decrease in Central Europe (-2.6%) and in the Benelux/Germany area (-5.0%). The change in the mix of recovered/landfilled waste is positive, reaching 1.4/1, in accordance with the targets of the Group.

[6] As a result of the new organisational structure, the Central European Waste and Water activities included in the International division have been reclassified under the Water Europe and Waste Europe divisions.
[7] Excluding local tax increases and revenues gathered on behalf of third parties. The total tariff increase amounted to 11.5%.

- **EBITDA** was also affected by the fall in volumes and in the prices of secondary raw materials. It amounted to €797m, an organic decrease of -4.5% compared with 2012. Nonetheless, the EBITDA margin of the Waste Europe division remained almost unchanged at 12.2%, thanks to the positive €79m impact of the Compass Programme.

INTERNATIONAL

in € m	31/12/2012	**31/12/2013**	Gross change	Organic change	Scope change
Revenues	3,957	**3,652**	-7.7%	-2.7%	-0.3%
EBITDA	463	**581**	+25.3%	+31.4%	-1.3%

- The International division recorded **revenues** of €3,652m in 2013, an organic decrease of -2.7%, or +1.8% excluding the completion of construction on the Melbourne plant.

  - The Asia-Pacific Region continued to expand, with revenues up +6.0% on an organic basis (+€80m), thanks to volumes which remained on a very positive trend in China, and to growth in the waste activity in Australia.
  - The Africa, Middle East and India zone saw a +5.8% (+€36m) organic increase in revenues. The increase was mainly due to the good level of activity in Morocco.
  - The organic growth in the North America Region was +1.4% (+€9m), wirth price increases achieved in the regulated business, which were partly offset by a -1.4% decrease in volumes as a result of adverse climate conditions in the North East of the United States.
  - Degrémont's revenues were down -€233m (-16.6%) on an organic basis, or by -4.8% excluding the impact of the Melbourne plant construction. This fall was due to the completion of certain Design & Build contracts in Europe in 2012, for which there was no equivalent in 2013. The Design & Build order book amounted to €900m at the end of 2013 and the outlook for the Services and BOT activities is positive.

- **EBITDA** amounted to €581m, an organic growth of +31.4% (+€146 m) or +7.0% (+€41 m) excluding the impact of Melbourne, with a strong rise in the EBITDA margin to 15.9%. The division's momentum explains this good performance, together with the extension of the BOT in Sydney, Australia, and the Compass performance gains (+€41 m).

APPLICATION OF THE NEW IFRS 10 & 11 GUIDELINES AND CHANGE OF DEFINITION

SUEZ ENVIRONNEMENT will apply the new IFRS 10 and 11 guidelines related to consolidated financial statements and partnerships as from 1 January 2014. In addition, the Group has decided to change the definition of EBITDA, which will, from now on, include income from equity affiliates considered as core business. Moreover, the income from equity affiliates considered as core business will be added to the COI resulting in a new indicator named EBIT.

The impact on the Group's indicators of the application of these two standards and of the change in definition is not material; 2013 restated amounts are set out below:

- Revenues: €14,323m
- EBITDA: €2,535m
- EBIT: €1,223m
- Free Cash Flow: €975m
- Net debt: €7,186m

POSITIVE OUTLOOK FOR 2014

Assuming a GDP growth of 1% for the euro zone in 2014, SUEZ ENVIRONNEMENT's targets[8] are as follows:

- **GROWTH OF 2014 OPERATIONNAL RESULTS**
  - EBITDA[9]: organic growth ≥ 2%
  - Free Cash Flow: around €1 billion

- **ACCELERATION OF ITS DEVELOPMENT WHILE MAINTAINING FINANCIAL DISCIPLINE**
  - Focused investments generating additional growth[10]
  - Net Financial Debt/EBITDA ratio at around 3 times

- **PURSUING AN ATTRACTIVE DIVIDEND POLICY**
  - A dividend ≥ €0.65 per share based on the 2014 results[11]

FORTHCOMING COMMUNICATIONS:

- **24 April 2014:** Publication of the 2014 1st quarter results (conference call)
- **22 May 2014:** General Meeting of Shareholders
- **30 July 2014:** Publication of the 2014 1st half results (conference call)

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Natural resources are not infinite. Every day, SUEZ ENVIRONNEMENT (Paris: SEV, Brussels: SEVB) and its subsidiaries deal with the challenge of protecting resources by providing innovative solutions to industries and to millions of people. SUEZ ENVIRONNEMENT supplies drinking water to 97 m people, provides waste water treatment services for 66 m people and collects the waste produced by 50 m people. SUEZ ENVIRONNEMENT has 79,549 employees and, with its presence on five continents, is a world leader exclusively dedicated to water and waste management services. SUEZ ENVIRONNEMENT generated total revenues of EUR 14.6 billion in 2013.

[8] *At unchanged accounting and tax norms as of Jan. 1st 2014 and at constant forex.*
[9] *Objective estimated from restated 2013 EBITDA taking into account the change in EBITDA definition as defined by the Group and the application of the new IFRS 10 and 11 norms.*
[10] *If market conditions allow it*
[11] *Subject to the approval of the 2015 annual General Meeting*

APPENDICES

2013 FULL YEAR RESULTS
February 20, 2014

REVENUE BY GEOGRAPHIES

In €m	FY 2012	FY 2013	% in 2013	13/12 Δ
FRANCE	**5,446**	**5,306**	**36.2%**	**-2.6%**
Spain	1,477	1,598	10.9%	+8.2%
United Kingdom	912	901	6.2%	-1.2%
Other Europe	2,650	2,540	17.3%	-4.2%
EUROPE (excluding France)	**5,039**	**5,039**	**34.4%**	**0%**
North America	936	882	6.0%	-5.8%
Australia	1,119	905	6.2%	-19.1%
Other International	2,562	2,512	17.2%	-2.0%
INTERNATIONAL (excluding Europe)	**4,617**	**4,299**	**29.4%**	**-6.9%**
TOTAL	**15,102**	**14,644**	**100%**	**-3.0%**

2013 FULL YEAR RESULTS
February 20, 2014

SUMMARY BALANCE SHEET

in €m

ASSETS	31/12/12	31/12/13
NON CURRENT ASSETS	**18,881**	**18,550**
o/w net intangible assets	4,061	4,517
o/w goodwill	3,257	3,184
o/w net tangible assets	8,882	7,833
CURRENT ASSETS	**7,755**	**8,158**
o/w clients and other debitors	3,805	3,629
o/w cash and cash equivalents	2,247	2,506
TOTAL ASSETS	**26,637**	**26,708**

LIABILITIES	31/12/12	31/12/13
Equity, group share	4,864	4,963
Minority Interests	1,995	1,947
TOTAL EQUITY	**6,859**	**6,910**
Provisions	1,995	1,801
Financial Debt	9,918	9,999
Other Liabilities	7,864	7,998
TOTAL LIABILITIES	**26,637**	**26,708**

SUMMARY INCOME STATEMENT

In €m	FY 2012	FY 2013
REVENUE	**15,102**	**14,644**
Depreciation, Amortization & Provisions	(1,036)	(974)
CURRENT OPERATING INCOME	**1,146**	**1,184**
INCOME FROM OPERATING ACTIVITIES	**1,052**	**1,179**
Financial Result	(419)	(402)
Associates	22	31
Income tax	(186)	(205)
Minority interest	(218)	(250)
NET RESULT GROUP SHARE	**251**	**352**

2013 FULL YEAR
RESULTS
February 20, 2014

SUMMARY CASH FLOW STATEMENT

In €m	FY 2012	FY 2013
Operating cash flow	2,165	2,107
Income tax paid (excl. income tax paid on disposals)	(113)	(215)
Change in operating working capital	305	(68)
CASH FLOW FROM OPERATING ACTIVITIES	**2,357**	**1,824**
Net tangible and intangible investments	(1,222)	(1,138)
Financial investments	(92)	(37)
Disposals	145	211
Other investment flows	(114)	(24)
CASH FLOW FROM INVESTMENT ACTIVITIES	**(1,283)**	**(988)**
Dividends paid	(601)	(556)
Balance of reimbursement of debt / new debt	(402)	450
Interests paid / received on financial activities	(384)	(322)
Capital increase	-	6
Other cash flows	12	(75)
CASH FLOW FROM FINANCIAL ACTIVITIES	**(1,375)**	**(498)**
Impact of currency, accounting practices and other	55	(80)
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD	**2,494**	**2,247**
Total cash flow for the period	(246)	259
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	**2,247**	**2,506**

IFRS 10 & 11 AND CHANGE OF DEFINITION

RESTATED 2013 FIGURES

	2013 indicators	IFRS 10 & 11 impacts	Change of definition	2013 restated indicators
Revenue	14,644	-321	-	14,323
EBITDA	2,520	-60	+75	2,535
EBITDA Margin	17.2%			17.7%
COI	1,184	-35	-	1,148
Income from equity affiliates core	31	+44	-	75
EBIT	1,184	-35	+75	1,223
Income from equity affiliates non-core	0	+12	-	12
NRgs	352	-	-	352
Free Cash flow	1,007	-32	-	975
Net debt ND/ EBITDA	7,245 2.9x	-59	-	7,186 2.8x
ROCE	7.0%		-	7.1%

NON MATERIAL IMPACTS OVERALL