



PRESS RELEASE

24 April 2014

1st QUARTER 2014

OPERATING PERFORMANCE IN LINE WITH OBJECTIVES

- **Revenue: €3,353 million, +1.2% organic growth**
- **EBITDA: €552 million, +3.2% organic growth**
- **Net debt: €7,018 million, down €168 million in Q1; Net debt /EBITDA at 2,77x**
- **Significant impacts of exchange rates: -€94 million on revenue, -€30 million on EBITDA, -€55 million on net debt**

In € million	31 March 2013 adjusted ¹	31 March 2014	Organic change	Exchange rate change	Gross change
Revenue	3,423	3,353	+1.2%	-2.7%	-2.1%
EBITDA	564	552	+3.2%	-5.2%	-2.2%
EBITDA/Revenue	16.5%	16.5%			

■ **In the first quarter of 2014, SUEZ ENVIRONNEMENT reported an organic growth in revenues by +1.2%, reaching €3,353 million.** The Water Europe and Waste Europe divisions increased organically their turnover by respectively +3.7% and +1.7%. Internationally, all areas were up, but the division as a whole, was down by -3.0%, affected by the cyclicity of Degremont's activities, in relation to the end of some contracts in Chile and the Middle East.

■ **EBITDA at the end of March 2014 stands at €552 million, up +3.2% in organic terms, a stronger increase than the revenue's one.** EBITDA margin is **16.5%**, stable compared to the margin of the first quarter of 2013.

■ **The Group's net financial debt¹ stands at €7.0 billion, compared to €7.6 billion in the first quarter of 2013 and to €7.2 billion at the end of 2013.** The NFD/EBITDA ratio is 2.77x, lower than our objective of around 3x, which comforts the group's financial flexibility.

■ **Commenting on the first quarter 2014 results, Jean-Louis Chaussade, Chief Executive Officer, stated:** *"This first quarter of 2014 has been characterized by a satisfactory performance in the three divisions of our Group, in an economic context which seems to be stabilizing in Europe. Water Europe's activities are growing thanks to our efficient commercial policy, the development of new services, and satisfactory pricing indexations. International growth remains dynamic in Asia, Africa, and North America. Moreover, the slight improvement in the Waste business seen at the end of last year, has continued, as shown by the +1.7% increase in treated volumes. Finally, thanks to permanent discipline in terms of cash flow generation, the Group's financial flexibility has been increasing."*

¹ 2013 revenue, EBITDA and net debt adjusted by the impact of new IFRS norms 10 and 11 and to the new definition of EBITDA used by the Group as of 1 January 2014.



BREAKDOWN OF ACTIVITY AS AT END MARCH 2014

Revenue In € million	31 March 2013 adjusted¹	31 March 2014	Organic change	Exchange rate change	Gross change
Water Europe	1,050	1,073	+3.7%	-3.0%	+2.2%
Waste Europe	1,563	1,553	+1.7%	0.0%	-0.6%
International	808	726	-3.0%	-7.6%	-10.2%
Other benefit ²	2	1	-	-	-
TOTAL	3,423	3,353	+1.2%	-2.7%	-2.1%

At the end of March 2014, **SUEZ ENVIRONNEMENT's** revenue was €3,353 million, a gross change of -2.1% (-€71 million) compared to 31 March 2013. This breaks down as follows:

■ **Organic growth of +1.2% (+€42 million):**

- Revenue in the Water Europe division was up (+€39 million, +3.7%), thanks to rising water prices and the development of new services.
- Revenue in the Waste Europe division was up (+€27 million, +1.7%). It benefitted from an increase in the treated waste volumes, partly offset by a decrease in secondary raw material prices.
- The International division's revenue excluding Degrémont was up (+€20 million, +3.8%); overall, with Degrémont, it displayed a decrease of -3.0% (-€24 million), due to the end in 2013 of some contracts in Chile and the Middle East.

■ **Unfavourable exchange rate impact of -2.7% (-€94 million)**, mainly due to the depreciation of the Australian dollar (-€41 million) and the Chilean peso (-€33 million) against the euro.

■ **Scope effect of -0.5% (-€19 million):**

- Water Europe: +€16 million, primarily related to the acquisition of Aguas de Sabadell in August 2013;
- Waste Europe: -€37 million, due mainly to the sale of some sites in the United Kingdom in September 2013;
- International: +€4 million
- Others: -€2million.

In the first quarter of 2014, SUEZ ENVIRONNEMENT posted 26.5% of its revenue outside of Europe.

Taking into account these results, which are in line with expectations, the SUEZ ENVIRONNEMENT Group is maintaining all of its objectives³ for 2014.

² R+I Alliance, HQ

³ Assuming GDP growth of 1% in 2014 in Eurozone, within unchanged accounting and tax frameworks as of 01/01/2014 and at constant exchange rates



PERFORMANCE BY DIVISION

WATER EUROPE

In € million	31 March 2013 adjusted ¹	31 March 2014	Organic change	Exchange rate change	Gross change
Revenues	1,050	1,073	+3.7%	-3.0%	+2.2%

The Water Europe division posted organic growth of +3.7% (+€39 million).

■ **Lyonnais des Eaux displayed an organic stability of -0.6% (-€4 million).**

In France, the positive price effect linked to the increase in pricing escalations formulas and the development of new services activities (+8%) compensated only partially the -1.6% decrease in volumes. Moreover, works activity has fallen, because of the "wait-and-see" policy of the pre-electoral period. During the first quarter, the group won the Orange contract (€16 million, 12 years), the technical assistance contract for SEDIF (€17million, 5 years), and renewed mainly the Cayenne (€34 million, 12 years) and the Valenciennes (€12 million, 5 years) contracts.

■ **Agbar recorded sustained organic growth of +8.5% (+€43 million).**

Activity has benefitted from very favourable pricing indexes in all zones and from a significant rise in volumes in Chile, to +3.9%. In Spain, the -1.4% decrease in volumes has been offset by a scope effect via the additional contribution of Aguas de Sabadell.

WASTE EUROPE

In € million	31 March 2013 adjusted ¹	31 March 2014	Organic change	Exchange rate change	Gross change
Revenues	1,563	1,553	+1.7%	+0.0%	-0.6%

During the 1st quarter of 2014, the Waste Europe division was up by +1.7% (+€27 million) in organic terms. It has benefitted from a positive effect of +1.7% in treated volumes, due to both a macro-economic environment that seems to stabilize and the commissioning of new plants. This volume effect has nevertheless been reduced by a negative price effect on secondary raw materials, particularly on metal, which has decreased by 11% compared to 2013, and on electricity sale prices in Continental Europe.

■ **SITA France grew organically by +1.8% (+€15 million).**

This organic growth is primarily the result of an increase in recycled volumes and in landfilled volumes. Service activities were stable.

■ **The United Kingdom/Scandinavia zone grew organically by +6.5% (+€20 million).**

In the United Kingdom, treatment activities overall have increased, particularly due to the commissioning of the South Tyne & Wear energy from waste plant, and to the refused derived fuel production plants for Cemex and the wood production plant for RWE. Volumes in landfills have also increased. Moreover, the ongoing constructions of the Suffolk and Cornwall incinerators are in line with the announced schedule.

■ **The Benelux and Germany Region is stabilizing at +0.4% (+€2 million)**

The sorting and recycling business activities improved, primarily thanks to an increase in the treated volumes of paper. The waste-to-energy recovery units ran at full capacity, but were still affected by price decreases, primarily for the electricity generated. Furthermore, competition on the waste collection business in the Netherlands remained strong.

■ **The Central Europe region reported strong organic decrease of -15.4% (-€9 million).**

The drop in activity stemmed primarily from a mild climate in Poland, leading to a strong decrease in snow removal activities. Also in Poland, new rules in the allocation of municipal waste collection contracts are now in place, thereby causing a change in the market and greater competition with local players. Lastly, the energy from waste plant project in Poznan is proceeding as planned.



INTERNATIONAL

In millions of euros	31 March 2013 ajusted ¹	31 March 2014	Organic change	Variation of change	Gross change
Revenues	808	726	-3.0%	-7.6%	-10.2%

The International segment posted good performance in all geographic regions except in construction activity, which is by nature more volatile.

■ **Asia-Pacific posted organic growth of +3.1% (+€8 million)** generated by an increase of collected waste volumes in Australia as well as positive price effects. In China, the waste management activities remained solidly on track thanks to an upward trend in volumes. In addition, the Group registered satisfactory commercial activity marked by the signing of a construction and management contract for a hazardous waste-to-energy plant in Nantong (€575 million, 30 years).

■ **Africa/Middle East/India experienced sustained organic growth of +4.8% (+€7 million).** This increase stems essentially from Lydec's activities in Morocco and from the contribution from new contracts in Bangalore and New Delhi in India. The Group saw major commercial successes over the quarter, such as in Morocco with the operation of a waste recycling and management site in Meknes (€90 million, 20 years), the renewal of an urban waste management contract in Casablanca (€187 million, 7 years), and a performance contract to improve the water supply service for the city of Bombay, India (€31 million, 5 years).

■ **North America posted organic growth of +4.3% (+€5 million).** United Water's regulated activity benefitted from rate increases obtained especially in New Jersey and Delaware. The volumes were stable over the quarter. The Group is expanding its waste activities in North America and won a contract in Canada to operate a sorting and composting facility in Edmonton (€54 million, 5 years).

■ **Degrémont, on the other hand, is experiencing an organic downturn of -16.2% (-€45 million).** This abnormally high variation over the quarter, which does not reflect the annual trend, stems from the end of some contracts in 2013, especially the one in Mapocho, in Chile, as well as others in the Middle East, which were only partially compensated for by the positive activity of Degrémont France (Achères contract). Expanding activity with industrial customers continues thanks to contracts signed in Brazil with Petrobras and Tractebel Energia. Degrémont's backlog for construction-related activity reaches €0.9 billion at the end of March 2014, which is stable compared to the end of December 2013.

FORTHCOMING COMMUNICATIONS

- 22 May 2014: Annual Shareholders' Meeting
- 29 May 2014: Dividend payment of €0.65 per share⁴
- 30 July 2014: Publication of 2014 half year results (conference call)

⁴ Subject to the approval of the Annual Shareholder's Meeting of May 22nd 2014



APPENDICES

REVENUE BY GEOGRAPHY

<i>In €m</i>	Q1 2013	Q1 2014	% in Q1 2014	Δ 14/13 Incl. FX
FRANCE	1,250	1,245	37.1%	-0.4%
Spain	346	394	11.8%	+13.9%
UK	214	216	6.4%	+0.9%
Others Europe	617	610	18.2%	-1.1%
EUROPE (excluding France)	1,177	1,220	36.4%	+3.7%
North America	182	176	5.2%	-3.3%
South America	228	200	6.0%	-12.3%
Oceania	265	232	6.9%	-12.5%
Asia	95	77	2.3%	-18.9%
Others International	226	203	6.1%	-10.2%
INTERNATIONAL (excluding Europe)	996	888	26.5%	-10.8%
TOTAL	3,423	3,353	100%	-2.1%

IFRS 10&11 AND CHANGE IN DEFINITION

REVISED Q1 2013 FIGURES

	Indicators Q1 2013	Impacts IFRS 10 & 11	Change in definition	Revised indicators Q1 2013
Revenues	3,497	-74	-	3,423
o/ w Water Europe	1,041	+9	-	1,050
o/ w Waste Europe	1,583	-20	-	1,563
o/ w International	870	-62	-	808
o/ w Others	2	-	-	2
EBITDA	570	-13	+7	564
Debt net	7,616	-39		7,577
Debt net/ EBITDA	3.1x			3.1x



SUEZ ENVIRONNEMENT

Natural resources are not infinite. Each day, SUEZ ENVIRONNEMENT (Paris: SEV, Brussels: SEVB) and its subsidiaries deal with the challenge of protecting resources by providing innovative solutions to industries and to millions of people. SUEZ ENVIRONNEMENT supplies drinking water to 92 million people, provides waste water treatment services for 65 million people and collects the waste produced by 52 million people. SUEZ ENVIRONNEMENT has 79,219 employees and, has a presence in five continents. In 2013, SUEZ ENVIRONNEMENT posted revenues of €14,6 billion.

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