

SUEZ ENVIRONNEMENT

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PRESS RELEASE

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SUEZ ENVIRONNEMENT REINFORCES ITS PARTNERSHIP WITH CRITERIA CAIXAHOLDING WHICH BECOMES ITS SECOND LARGEST SHAREHOLDER IN EXCHANGE OF THE DISPOSAL OF ITS REMAINING STAKE IN AGBAR

SUEZ ENVIRONNEMENT entered into a Master Agreement with Criteria Caixaholding ("la Caixa" Group) in order to buy the remaining 24.14% stake in AGBAR¹, in exchange of a mix of newly issued SUEZ ENVIRONNEMENT shares and cash.

With this transaction, SUEZ ENVIRONNEMENT will:

- Strengthen its shareholding structure with "la Caixa" Group becoming the second largest shareholder;
- Reinforce its position in Spanish and Chilean water performing activities;
- Rationalize the Group's structure with reduced minority interests;

This transaction will create value for both parties and confirms the long-term partnership with "la Caixa" Group, which expressed its intention to increase its stake in SUEZ ENVIRONNEMENT up to 7% in the near-term.

The transaction² includes:

- **The purchase of the 24.14% remaining stake in AGBAR by SUEZ ENVIRONNEMENT;**
- **A payment by SUEZ ENVIRONNEMENT through a mix of 22 million newly issued shares (which represent 4,1% of the capital) and cash for 299m€³;**

In parallel, "la Caixa" Group will use the cash received to acquire:

- From AGBAR, a 15% stake in the company managing the water and wastewater contract of the Metropolitan Area of Barcelona, Aigües de Barcelona⁴
- From SUEZ ENVIRONNEMENT, a 14.5% stake in Aguas de Valencia;
- Additional SUEZ ENVIRONNEMENT existing shares in the market to reinforce its stake, with the intention to reach up to 7% in the near term⁵.

¹ Agbar is presently 75,35% owned by SUEZ ENVIRONNEMENT

² Subject to certain conditions including customary regulatory approvals

³ Completion is expected to take place before the end of September 2014

⁴ Aigües de Barcelona is the leading private operator in the water market in the Barcelona area which will then be owned 70% by AGBAR, 15% by Criteria and 15% by AMB (Metropolitan Area of Barcelona)

⁵ Depending on market conditions



Through this agreement, SUEZ ENVIRONNEMENT will comfort its ownership structure with the entry of "la Caixa" Group as a long term and highly reputable shareholder. With a lock-up period of 4 years⁶, "la Caixa" Group will become the second largest shareholder of the Group. Thereby, a representative of "la Caixa" Group will join SUEZ ENVIRONNEMENT Board and will also sit at its Strategy Committee⁷.

SUEZ ENVIRONNEMENT reinforces its presence in water business in Southern Europe, in Chile and others Latin American countries and will accelerate commercial and technological synergies in the fast-growing smart water services businesses, one of the 4 strategic priorities of the Group.

Finally, "la Caixa" Group will remain a strong partner of SUEZ ENVIRONNEMENT in Spain, with a 15% stake in Aigües de Barcelona and 14.5% in Aguas de Valencia.

This transaction, which implies a limited impact on the Group's net debt, is value creative for SUEZ ENVIRONNEMENT shareholders, with a positive impact at Net Result Group share level (over 25 million euros⁸ from 2015 onwards) and at earnings per share level, thanks notably to a simplification of the Group's structure with reduced minority interests.

"I am very proud to welcome "la Caixa" Group as a long term shareholder and to keep developing with them our operational partnership in Spain" stated Gérard Mestrallet, Chairman of the Board of SUEZ ENVIRONNEMENT.

"With this strategic agreement, SUEZ ENVIRONNEMENT will accelerate the development of its water activities, with a simplified and coherent organization and a reinforced shareholding structure and I am very pleased to enrich this long lasting and strong partnership with "la Caixa" Group" stated Jean-Louis Chaussade, Chief Executive Officer of SUEZ ENVIRONNEMENT.

ABOUT 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.

ABOUT CRITERIA CAIXAHOLDING

Criteria CaixaHolding, wholly owned by the "la Caixa" Banking Foundation, is the "la Caixa" Group's investment company, which manages shareholdings in strategic sectors such as financial, energy, infrastructure and services, and has a presence in the real estate business. The company seeks to generate value by actively managing its portfolio and assets.

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⁶ Subject to certain customary exceptions

⁷ Subject to a stake exceeding 5% of SUEZ ENVIRONNEMENT outstanding shares

⁸ Effect resulting mainly from the additional 24.14% of Agbar net result group share