SUEZ ENVIRONNEMENT
1 RUE D'ASTORG
75008 PARIS, FRANCE
TEL +33 (0)1 58 18 43 05
FAX +33 (0)1 58 18 51 68
WWW.SUEZ-ENVIRONNEMENT.COM

PRESS RELEASE

Wednesday, March 4, 2009

2008 ANNUAL RESULTS IN LINE WITH GUIDANCE
LONG-TERM STRATEGY CONFIRMED, SHORT-TERM PRIORITIES ADAPTED
OUTLOOK FOR GROWTH IN 2009[1]

2008: GOOD PERFORMANCE, IN LINE WITH GUIDANCE[2]

- Revenues of €12.4 bn, representing organic growth of +5.6%
- Organic growth of +5% in EBITDA to €2.1 bn, with 17.0% ratio of EBITDA/revenues
- Net income, group share: €533 m, up +8.4%
- Generation of €594 m in Free Cash Flow, up +17.3%
- Net debt of €5,971m, or 2.8 times the 2008 EBITDA

A MODEL OF SUSTAINABLE AND BALANCED GROWTH, CREATING VALUE IN THE LONG TERM

- Solid structure and financial rating (A3 for long-term debt by Moody's)
- Dividend of €0.65/share paid in 2009, totaling €318m
- Balanced and resilient fundamentals
- Long-term strategy confirmed, adaptation of priorities over the short term

IN SPITE OF A DETERIORATED AND UNCERTAIN ECONOMIC ENVIRONMENT IN 2009

- Low single digit growth targeted of revenues and EBITDA, based on current economic conditions[1]
- Continued growth of Free Cash Flow
- Acceleration of the costs cutting COMPASS program: improved objective at €180m for 2008-2010[3]
- Temporary slowdown of investments: approximately -25%[4] in 2009 versus 2008
- Maintained ratio of net debt / EBITDA < 3 times
- ROCE significantly higher than WACC

At its meeting on March 3, 2009, the Board of Directors approved the 2008 financial statements of SUEZ ENVIRONNEMENT, which will be submitted to the Shareholders' Meeting on May 26, 2009.

Commenting on the 2008 results, Jean-Louis Chaussade, CEO of SUEZ ENVIRONNEMENT, made the following statement:

«In 2008, SUEZ ENVIRONNEMENT posted satisfactory growth and operating performance illustrating the dynamic performance of the Group's activities and the efficiency of its business model. SUEZ ENVIRONNEMENT is in line with its 2008 guidance. With sustained, profitable growth and a strong capacity of generating free cash flow, SUEZ ENVIRONNEMENT has a sound financial profile and a resilient business model in a deteriorated economic environment.

Over the short term, SUEZ ENVIRONNEMENT adapts its priorities to the deteriorated economic situation to focus on free cash flow, maintain a financial discipline and strengthen selectivity of capital expenditures.

---
[1] *At constant forex and given a -2% GDP assumption in 2009 for advanced economies*
[2] *2008 revenues objective: Organic growth ≥ 5%, "tuck-in" impact ≥ 2%; Objective for 2008 EBITDA between €2.1 bn and €2.15 bn, Objective for Net debt / EBITDA ratio < 3 times.*
[3] *Initial objective of €125m over the period*
[4] *Net investments excluding strategic acquisitions*

SUEZ ENVIRONNEMENT confims its long-term strategy.

The businesses of SUEZ ENVIRONNEMENT rely on three growth drivers : the natural increase in the world's population and its concentration in urban areas, the need to manage the environmental impact of human activity and new industrialization needs, and finally the toughening of regulations.

The availability of natural resources and the emergence of sustainable growth are among the major issues of the 21st century. Water and waste businesses are growth activities. SUEZ ENVIRONNEMENT intends to meet the challenge of resource management through on-going innovation and a circular approach of the economy.»

SOLID 2008 PERFORMANCE IN LINE WITH GUIDANCE

SUEZ ENVIRONNEMENT posts solid 2008 results, with profitable growth and strong generation of free cash flow. The Group's performance is in line with the guidance for 2008, with:

- Revenues of €12.4 billion, up +5.4% from 2007[3], representing an organic growth of +5.6% and a "tuck-in" effect of +2.2%[3],
- **EBITDA** of **€2,102 million**, up +4%[3] representing an organic increase of +5%,
- **Net financial debt totaling €5,971 million** at December 31, 2008, representing a ratio of net financial debt to EBITDA of 2.8 times,
- **Net income, Group share of €533 million**, an increase of +8.4%,
- **ROCE up slightly to 9.8%, 6.8% greater than WACC.**

In a generally weakened economic context, the growth and operational performance in 2008 confirmed the profitability and the resilience of the business model of SUEZ ENVIRONNEMENT.

The financial strength of the Group has also been confirmed by the **A-3 rating on its long-term debt awarded by Moody's on March 4, 2009** and the Prime 2 rating for short-term debt with stable outlook.

ALL SEGMENTS CONTRIBUTE TO THE SOLID PERFORMANCE

WATER EUROPE

The Water Europe segment recorded steady revenue growth (+7.1%[1] and +8.5% organic growth). EBITDA at €812m with a high margin rate of 21.1%. Lyonnaise des Eaux and Agbar generated steady sale activity in water and waste treatment with new contracts (SIAEP du Bas Languedoc, €68m over 14 years, Nantes €50 m over 10 years, Gran Canaria contract €98m over 25 years,…) and the renewal of major contracts (Nouméa €456m over 20 years, Cannes €220 m over 20 years, Grasse €124 m over 20 years, Muchamiel €24m over 8 years, Benidorm €279m over 20 years…). 2008 other main event was the success of the offer on Aguas de Barcelona.

WASTE EUROPE

With revenue growth of +3.9% and EBITDA at €924m, the Waste Europe segment recorded an EBITDA margin of 16.1%, benefiting from the strong performance of its activities over the year, despite an unfavorable economic environment in the fourth quarter.
Sales activity was dynamic, with new contracts won within the whole consolidated area (SMIRITOM Nord in France for €123m over 22 years, Hounslow in Great Britain for €55m over 7 years, Bad Kissingen in Germany for €15m over 8 years, Calderdale in Great Britain for €54m over 7 years...) and a number of contracts renewed (Montpellier in France for €29m over 6 years...). SUEZ ENVIRONNEMENT continued to develop and expand its presence over the entire waste value chain with acquisitions of businesses such as

[1] *Excluding Applus contribution (sold in Nov.2007); in 2007 the impacts from Applus were €307 m in revenues and €41 m in EBITDA*

Boone Comenor and Fayolle's waste activities in France, Doopa in Belgium, BellandVision in Germany, and through strategic long-term partnerships with major industrial groups (Nexans, Renault, Michelin, Airbus…).

INTERNATIONAL

The international operations of the group generated steady growth in revenues (+6.0%, i.e. organic growth of +7.1%) thanks to selective development. The strong operational performance of this segment, which posted EBITDA of €419m and a margin of 15.1%, comes from Degrémont, with a number of contracts, including those in Rusafa (Iraq €150m), East Alexandria (Egypt €99m), Baraki (Algeria €68m) and Bombay (India €59m), water operations in China, and waste operations in Australia and Central Europe. In China, the acquisition of 7.5% of Chongqing Water, the Yuelai and Changshou Chemical Industry Park concession projects, and the acquisition agreement[1] for 50% of Swire Sita from Swire Pacific are demonstrations of the Group's strategy to expand its presence in the country.

A MODEL OF SUSTAINABLE AND BALANCED GROWTH WHICH CREATES VALUE OVER THE LONG-TERM

The SUEZ ENVIRONNEMENT business model is based on balanced growth in terms of business lines, types of customers (commercial, industrial and municipal) and geographic positions, which limit its direct exposure to the economic slowdown to 30% of its revenues.

The SUEZ ENVIRONNEMENT fundamentals are balanced and resilient.

The water and waste businesses of SUEZ ENVIRONNEMENT meet the fundamental needs of people, in a context of increasingly stringent environmental regulations. The strategy of SUEZ ENVIRONNEMENT is based on growth markets that offer solid visibility and attractive prospects over the long term.

2009 OUTLOOK: LOW SINGLE DIGIT GROWTH TARGETED IN AN UNCERTAIN ECONOMIC ENVIRONMENT

The economic environment has deteriorated significantly in recent months and is still uncertain, resulting in regular downward revisions of the IMF growth projections for GDP in 2009.

In the waste businesses, the impact of the deterioration in the economic environment directly affects the operations for industrial and commercial customers and the recycling businesses. The observed tendency seen during the 4th quarter 2008 was reinforced during the month of January 2009. However the strategy developed by SUEZ ENVIRONNEMENT to position itself over the entire value chain of waste operations gives the Group the ability to optimize the use of its treatment capacities and profit from its flexible offer.

In the water sector, most of the activity of SUEZ ENVIRONNEMENT is performed with local municipalities with little additional impact from economic conditions on the historic downward trend in volumes recorded. Degrémont has orders for 22 months. The water businesses offer strong resistance and good long-term visibility.

[1] *Subject to regulatory approval*

SUEZ ENVIRONNEMENT **confirms its long-term strategy** based on a resilient business model, and **adapts its short-term priorities** to continue growth of free cash flow, maintains strict financial discipline and increases selectivity of investments:

- **Acceleration in the COMPASS program to reduce costs with a stated objective of nearly 50%, representing €180m**[1] for 2008-2010
- Temporary slowdown in investments: **-25%**[2] **of net investments in 2009 versus 2008,**
- Maintain a strong balance sheet with an **objective for the ratio of net financial debt / EBITDA < 3 times**
- **ROCE significantly greater than WACC**

SUEZ ENVIRONNEMENT targets a low single digit growth[3] **of its revenues and EBITDA in 2009.**

Natural resources are not infinite. Each day, SUEZ ENVIRONNEMENT (Paris: SEV, Brussels: SEVB) and its affiliates deal with the challenge to protect resources by providing innovative solutions to industry and to millions of people. SUEZ ENVIRONNEMENT supplies drinking water to 76 million people, provides wastewater treatment services for 44 million people, and collects the waste produced by 50.9 million people. SUEZ ENVIRONNEMENT has 65,400 employees and, with a presence on all five continents, is a world leader exclusively dedicated to environmental services. In 2008, SUEZ ENVIRONNEMENT reported revenues of 12.4 billion euros. SUEZ ENVIRONNEMENT is a 35%-owned subsidiary of GDF SUEZ.

Press Contact:

Tel : +33 1 58 18 45 94

Contact for Analysts / Investors:

Tel : + 33 1 58 18 40 95

This press release is also available on www.suez-environnement.com

[1] *Initial objective of €125m over the period*
[2] *Excluding strategic acquisitions*
[3] *At constant forex and given a -2% GDP assumption in 2009 for advanced economies*