

svez

# EDUCATION DAY

*4 April 2008*

svez  
ENVIRONNEMENT



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## Forward-Looking Statements

This presentation contains forward-looking information and statements about Gaz de France, Suez and Suez Environnement and their combined businesses, including after completion of the proposed transactions. Forward-looking statements are statements that are not historical facts. These statements include financial projections, synergies, cost-savings and estimates and their underlying assumptions, statements regarding plans, objectives, savings, expectations and benefits from the transaction and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements are sometimes identified by using the future tense or the conditional mode, and forward-looking terms such as "expect", "anticipate", "believe", "is intended to", "estimate", "should", "could", "aim at", "the purpose of which", "wish" and similar expressions. Although the expectations reflected in such forward-looking statements are based on information, assumptions and estimates that are considered reasonable by the managements of Gaz de France, Suez and Suez Environnement, as applicable, investors are cautioned that forward-looking information and statements are not guarantees of future performances and are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Gaz de France, Suez and Suez Environnement, such as changes in the economic, financial, competitive and regulatory environments, that could cause actual results, developments, synergies, savings and benefits from the transactions to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements.

These risks and uncertainties include those discussed or identified in the public filings with the AMF made or, in connection with the proposed transactions, to be made by Gaz de France, Suez and Suez Environnement, including those listed under "Facteurs de Risques" or "Risk Factors" in the Document de Référence filed by Gaz de France with the AMF on April 27, 2007 (under no: R.07-046), in the Document de Référence filed by Suez with the AMF on March 18, 2008 (under no: D.08-0122), in the Spin-Off Prospectus, as well as in the Spin-Off Information Memorandum and in documents filed by Suez with the SEC, including those listed under "Risk Factors" in the Annual Report on Form 20-F for 2006 that Suez filed with the SEC on June 29, 2007 or in the registration statement that may be filed by Gaz de France with the SEC in connection with the proposed transactions.

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This presentation also contains information about the markets in which Suez Environnement is present. This information comes most notably from studies carried out by external sources. Given the changes that affect the water and waste sector in Europe and around the world, it is possible that this information may be erroneous or out of date. The business activities of Suez Environnement may progress differently from the manner described in this presentation, and statements or information in this presentation may prove to be erroneous.

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# Agenda

Time	Hour	Section	Theme	Speakers
15'	8.30–8.45		■ Welcome note	Gérard Mestrallet
30'	8.45–9.15	1	■ SUEZ Environnement	Jean-Louis Chaussade
30'	9.15–9.45	2	■ Water Europe	Bernard Guirkinger
30'	9.45–10.15	3	■ Waste Europe	Christophe Cros
30'	10.15–10.45	Break	■ Coffee	
30'	10.45–11.15	4	■ International	Jean-Louis Chaussade
30'	11.15–11.45	5	■ Finance	Jean-Marc Boursier
60'	11.45–12.45		■ Conclusion and Q&A	Gérard Mestrallet & all SUEZ Environnement
	12.45–13.45		■ Buffet Lunch	

Welcome note

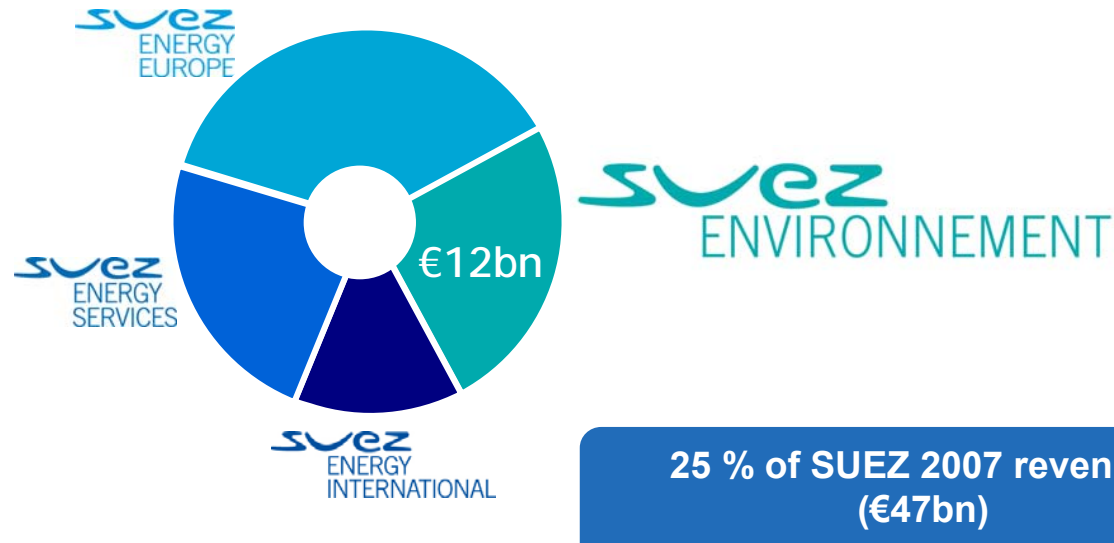


**Gérard Mestrallet**  
President and CEO of SUEZ

# Education Day on SUEZ Environnement

## Objective is to present the business line

- One of the 2 world leaders in Environment
- €12bn revenues, €2.1bn EBITDA
- €9bn capital employed
- 62,000 employees



# SUEZ Environnement activities are ideally positioned on growing markets

## World economies increasingly focused on environment

- Population growth
- Urbanization
- Industrialization
- Stringent environmental regulations
- Increasing standards of living
- Circular economy, CO<sub>2</sub> reduction and energy savings, eco-districts
- Upside for private sector participation (vs. public sector)

## Growing demand in private water and waste infrastructure and services is a mega-trend

**Water, waste and energy  
are 3 main challenges of the 21<sup>st</sup> century**

# SUEZ Environnement has unique competitive advantages to lead its markets

## Global player constantly ahead of environmental challenges

- Dedicated to water and waste services
- State of the art technologies and know-how
- Clear geographic priorities & balanced business model
  - A solid European base on a buoyant water market
  - A leading European waste platform
  - Strong selected international presence

**Offers reliability, track record and financial soundness required by customers and partners**

**Ability to cross fertilize experience in water and waste**

**A sustainable model designed for profitable growth**



Leakage detection (France)



Water treatment plant (Middle East)



Landfill (China)

# SUEZ Environnement will benefit from the best of both worlds with GDF SUEZ

## Increased visibility

- Direct interface with capital markets, while benefiting from the support of GDF SUEZ
- Dedicated communication effort

## Continued synergies

- Industrial co-operation, combining energy and environment offerings
- Combined effort to optimize use of natural resources
- Sharing of selected support functions

## Stable shareholding to support long term:

- Customer contracts
- Industrial and financial partnerships
- Value creation objective



# Projected shareholding structure aligned with value creation objective

## Stable shareholding structure through a shareholder agreement

- Approximately 47% of share capital
  - GDF SUEZ: 35%
  - SUEZ "main shareholders": ~ 12%
    - GBL, Caisse des Dépôts, Sofina, CNP Assurances, Areva
- Key points
  - 5 years duration agreement
  - Preemption rights
  - 4 independant board members
  - Corporate governance aligned with full integration

## 2% of share capital held by employees

## Tax ruling agreement with French Authorities

- Neutral tax distribution of 65% of SUEZ Environnement shares to SUEZ French shareholders and no French withholding tax for non French shareholders
- In this respect GDF SUEZ and SUEZ "main shareholders" have to keep their SUEZ Environnement shares for a 3 year period

# Next steps before listing of SUEZ Environnement

- Opinion of Gaz de France French employee representative body on the merger
- Board meetings of Gaz de France and SUEZ to approve merger and convene EGMs
- Registration of stock market documentation (GDF SUEZ and SUEZ Environnement)
- Approval by EGMs of the merger and the distribution of 65% of SUEZ Environnement to SUEZ shareholders
- Merger completion and simultaneous listing of SUEZ Environnement in H1 2008

# The environment specialist

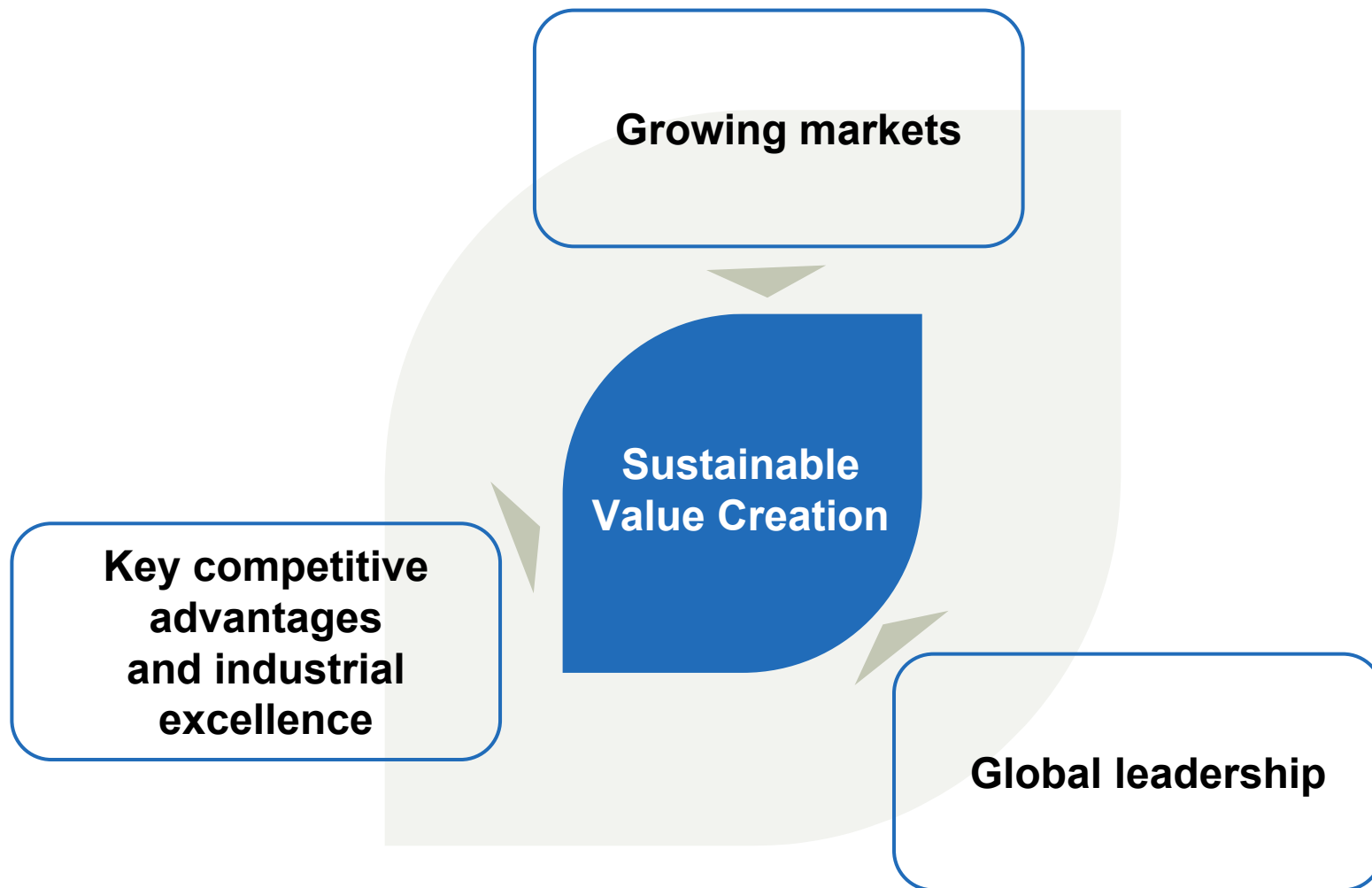
- SUEZ Environnement is the sole pure player on global and growing water and waste markets
- Projected shareholding structure and strong financial structure aligned with long term growth and value creation objectives
- Listing project of SUEZ Environnement scheduled to occur simultaneously to GDF SUEZ merger
- Meet the team and cover the scope of activities

1. A global player  
constantly ahead  
of environmental  
challenges









**Jean-Louis Chaussade**  
Chief Executive Officer

# The environment specialist



# Management Committee

SUEZ Environnement		Jean-Louis Chaussade	Chief Executive Officer
Water Europe		Bernard Guirkingner	Senior Executive Vice-President in charge of Water Europe
Waste Europe		Christophe Cros	Senior Executive Vice-President in charge of Waste Europe
International		Jean-Louis Chaussade	Chief Executive Officer
Finance		Jean-Marc Boursier	Senior Executive Vice-President Finance & Chief Financial Officer
Human Resources		Denys Neymon	Senior Executive Vice-President in charge of Human Resources

# Sustainable development management: a major challenge for the 21<sup>st</sup> century

## Global challenges

### Protection of ecosystems

Growing environmental awareness notably resulting from climate change

### Growing population globally

Urbanisation trend

### Soaring energy / raw materials prices

Fuel, recyclable raw materials...



- **Growing demand for waste and water savings**
- **Emerging resource/circular economy**
- **CO<sub>2</sub> reduction**

# SUEZ Environnement to capture growth opportunities linked to the resource economy

## Recognised skills in innovative water resource management

- Reuse technology
- Positive energy waste water treatment plants

## Tapping into growing waste recovery opportunities

- Converting waste into resources
- Producing renewable energy

Offer our clients efficient solutions to champion tomorrow's sustainable development requirements

Dismantling of ELV  
(end of life vehicles)

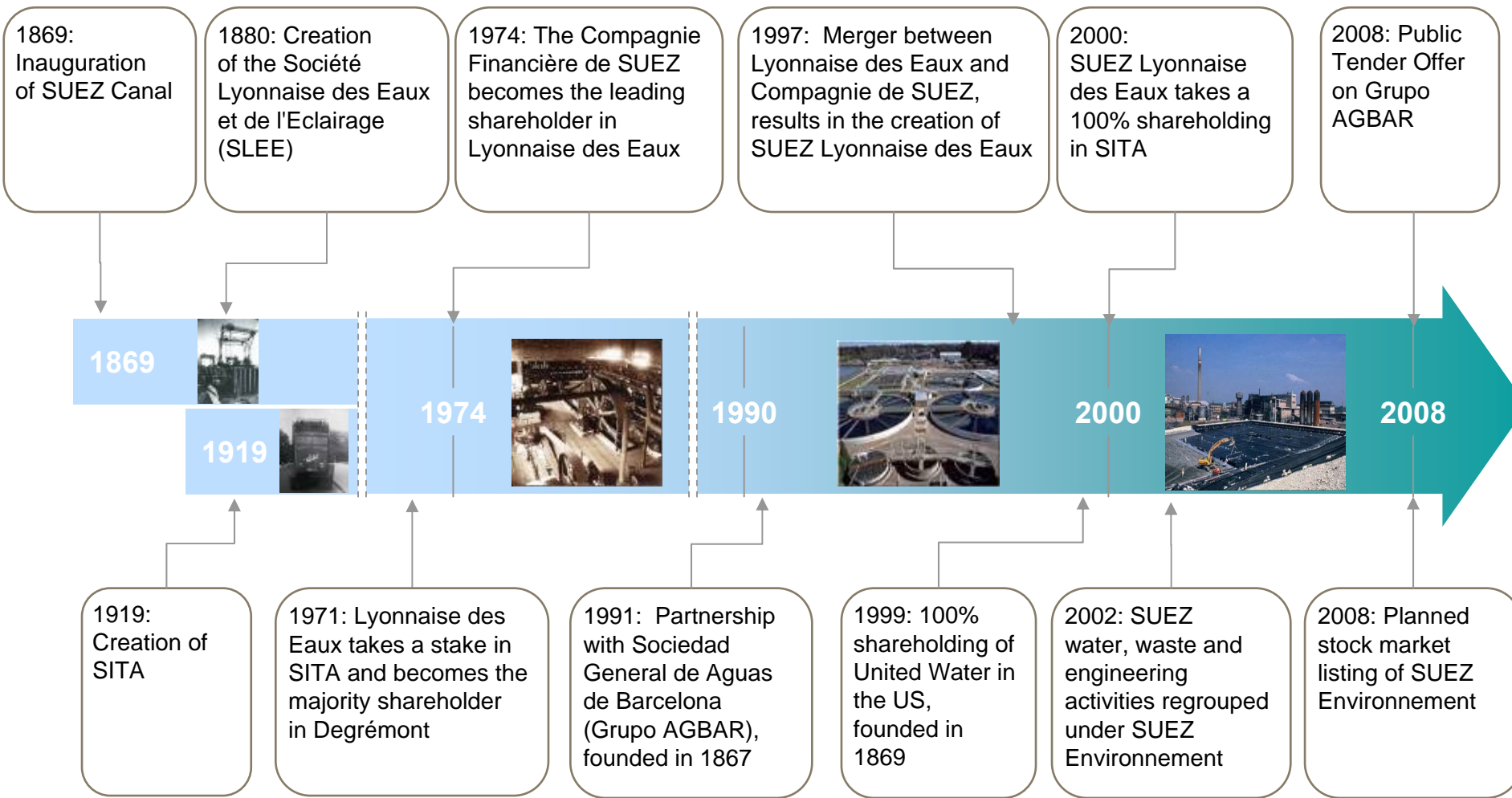
**SUEZ**  
ENVIRONNEMENT

Managing ambitious growth  
on attractive environment markets





# 140 years of experience in serving human welfare and development



# SUEZ Environnement, a global leader

- One of the 2 world leaders in environment
- Technology and sustainable development focus
- 2007 revenues: €12.0bn
- 2007 EBITDA: €2.1bn
- 62,000 employees\*



Water	Waste
<ul style="list-style-type: none"><li>■ 1,729 drinking water production units managed, 68 million people supplied</li><li>■ 1,597 wastewater plants managed, 44 million people served for water sanitation</li><li>■ 1 billion inhabitants served by water treatment plants engineered by SUEZ Environnement / Degrémont</li></ul>	<ul style="list-style-type: none"><li>■ Over 400,000 industrial and commercial customers</li><li>■ 46 million people benefiting from waste services</li><li>■ 42 million tons of waste treated</li><li>■ 47 incinerators worldwide (of which 46 with energy recovery capability)</li></ul>

\* excluding AGBAR: 12,800 employees without Applus

# Clear geographic priorities and a balanced business mix

## Clear geographic priorities

- Europe: home market with long term growth visibility
- International: selected positions on growing markets
- Degrémont & Safege: spearheads of development

## A balanced business mix

- Mature markets / growing markets
- Solid leading positions in Europe / selected growing positions internationally
- A balanced mix of contracts
- Non regulated / regulated assets

**SUEZ Environnement is resilient to economic cycles and positioned on growing markets**

# Leading positions with well established brands

*Europe: home market with long term growth visibility*

**SUEZ Environnement Operations**

■ Water

■ Waste

■ Water and Waste



## France & Europe:

One of the 2 leaders  
in water and waste



78% of 2007 revenues  
of SUEZ Environnement

Source: SUEZ Environnement

# Leading positions with well established brands

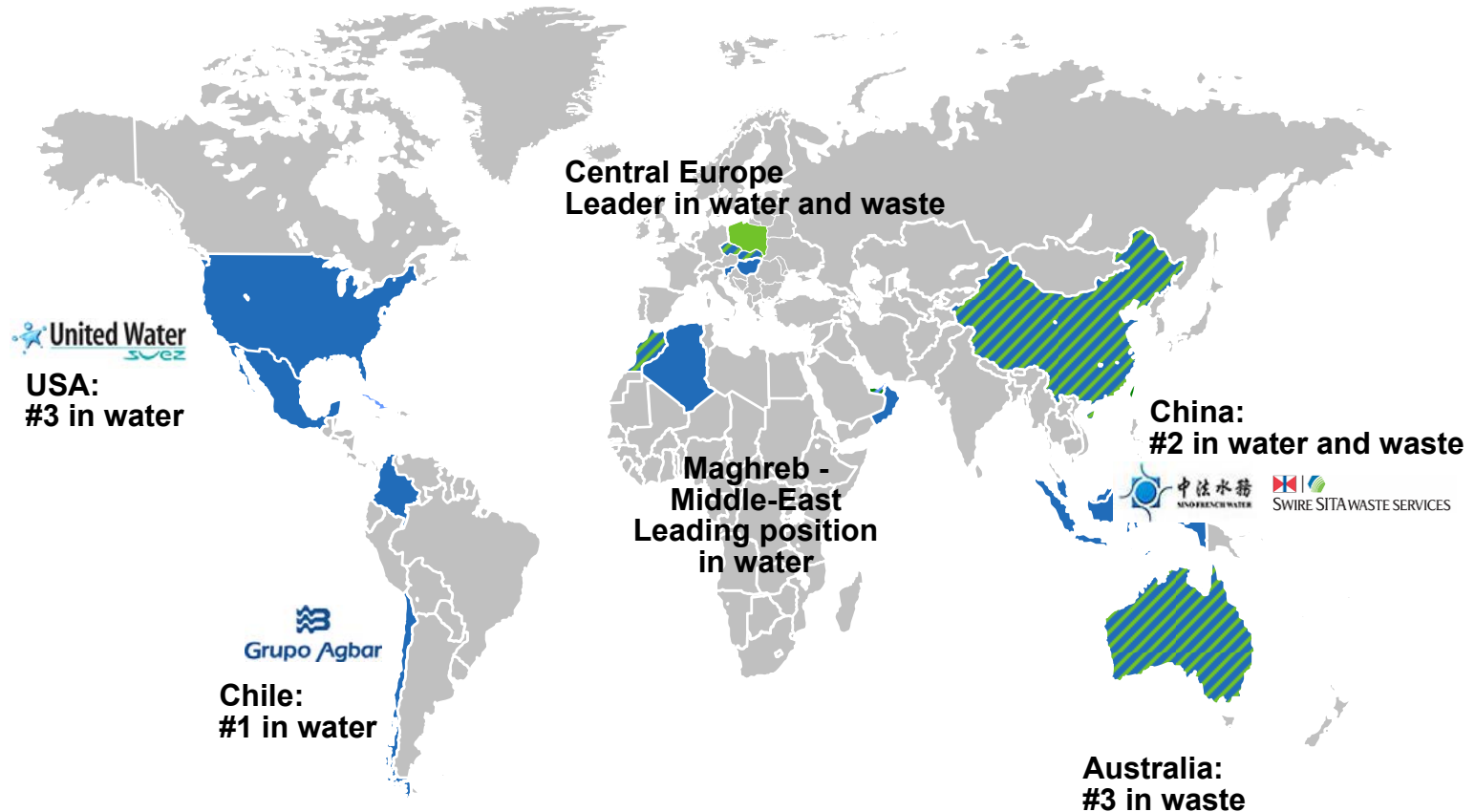
*International: selected positions on growing markets*

SUEZ Environnement Operations

Water

Waste

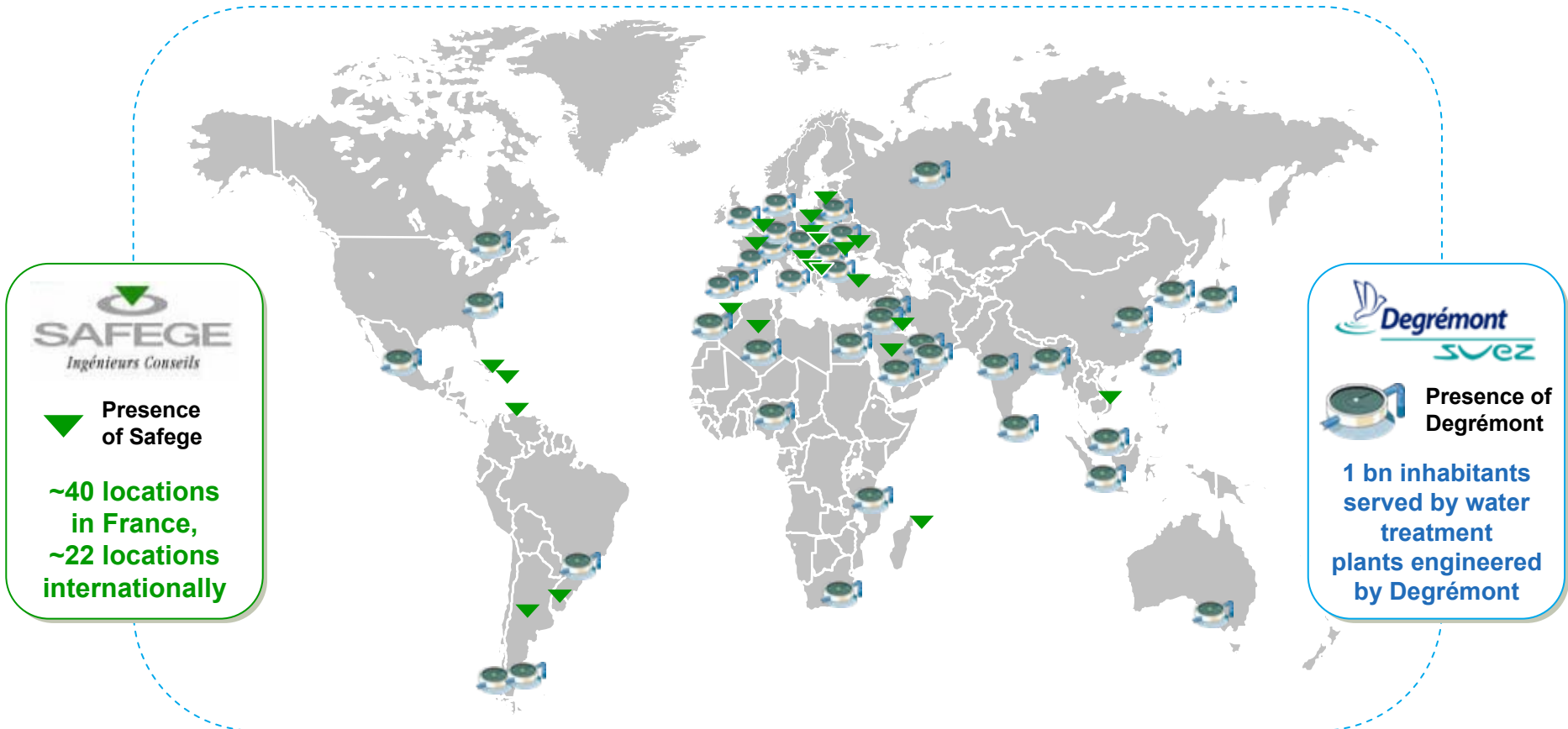
Water and Waste



Note: Rankings based on 2006 and 2007 revenues  
Source: SUEZ Environnement

# Leading positions with well established brands

*Degrémont & Sefage: spearheads of development*

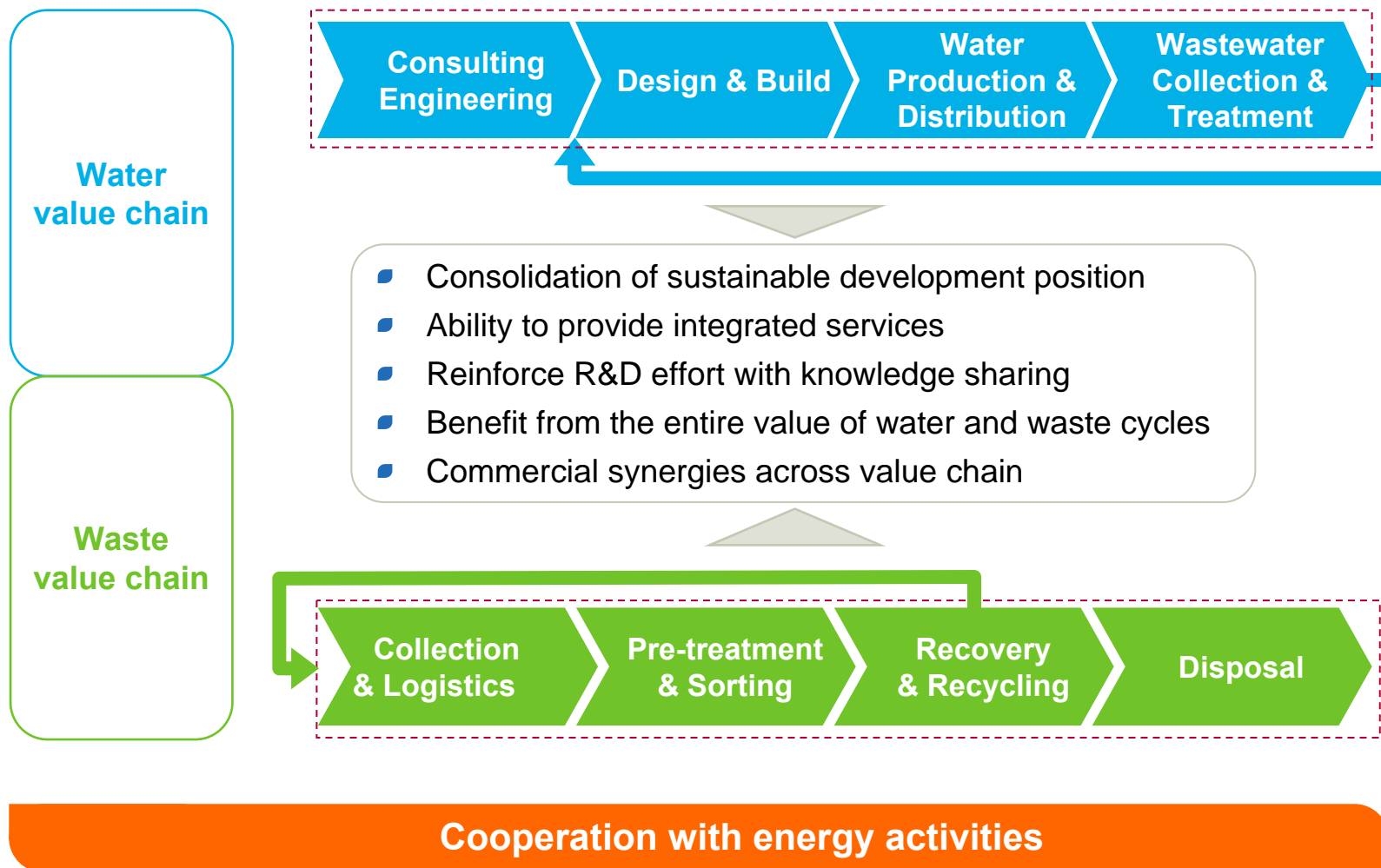


# SUEZ Environnement's sustainable and profitable model: 6 key success factors



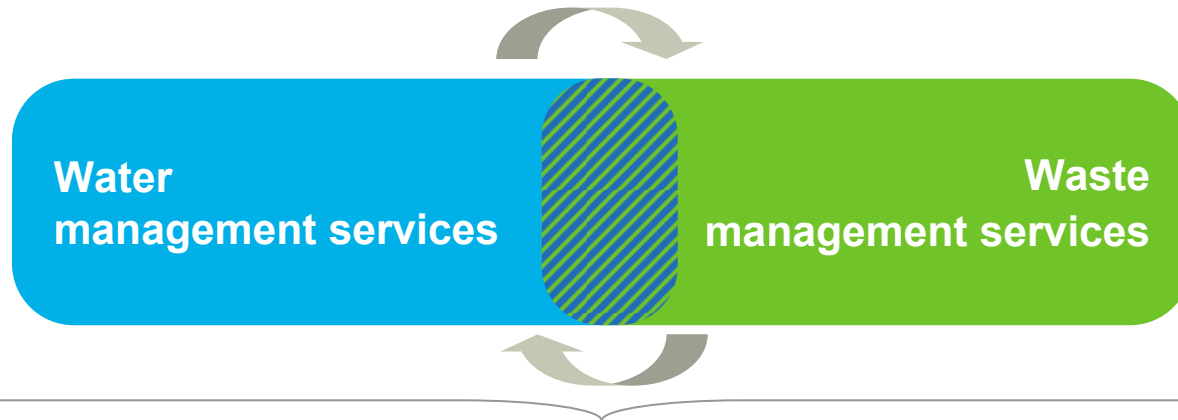


# Fully integrated value chains in water and waste





# Synergies through longstanding integrated model



**Commercial synergies**

**Shared technologies**

**Common R&D programmes**

**Support functions/  
cost sharing**

- Mutual sales force
- Contracts awarded for both businesses

- Composting
- Biowaste recovery
- Sludge and waste thermal treatment

- Energy recovery
- Odour management

- SG&A costs
- IT, HR or R&D costs
- Finance

**Additional synergies with energy activities**

# Local partnerships that support international development



SUEZ Environnement is fundamentally an **asset operator** teaming-up with partners to support its development

SUEZ Environnement operational leadership

## Financial partners

### Examples include

- La Caixa / Criteria Corp
- Lydec shareholders
- UK PFI\*



## Operational partners

### Examples include

- Swire-SITA
- Sino-French Holdings
- Sleco waste incinerator

\*PFI = Private Finance Initiative

# Industrial excellence through long-established R&D and innovation culture



**A strong R&D effort leveraging on partnerships**

- €65m of RDT\* investments in 2007 (+16% vs 2006)
- 2 major research centers: CIRSEE, CERDEG
- Partnerships with public organisations and private players

**Innovation contributes to commercial success**

#### **In water, such as:**

- 1985: 1<sup>st</sup> desalination project in Riyadh
- 2005: New processes of leak detection in networks

#### **In waste, such as:**

- 2007: One of the world most sophisticated biological waste treatment facilities
- 2007: First aircraft dismantling projects

**Innovation contributes to industrial excellence**

#### **In water, such as:**

- Personal Display Assistant for intervention in network works
- Standard O&M policy

#### **In waste, such as:**

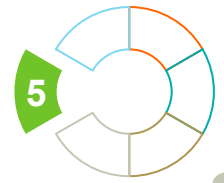
- Route Planning Tool, with on-board computers
- Automation of sorting centers



400 researchers

\*RDT = Research Development and Technology

# Commitment to sustainable development has shaped current business model



Natural reservoir of drinking water



## SUSTAINABLE DEVELOPMENT: 5 CHALLENGES

- Safeguard future
- Improve offers to customers and users
- Save natural resources
- Develop and prepare human resources to new challenges
- Ensure social responsibility

"Mer Propre" boat  
Cannes Bay



## SUEZ ENVIRONNEMENT COMMITMENTS

### A clear & specific Road Map

- 25 items, 52 commitments
- Objectives to be achieved by 2011
- Audited indicators

**Sustainable development commitment is at the heart of economic responsibility towards all stakeholders**



# Human resources excellence

- **62,000 employees worldwide**
- **A pool of 300 experts in water and waste**
  - Skills identified in a common database
  - Cross-functional career management
  - Stimulating leadership: technical committees, annual conventions, many exchanges of know-how between BUs
- **Multicultural focus and respect for local specificities**
- **Sustainable relations with associates based on longstanding company traditions and background**
- **Corporate commitment to training**

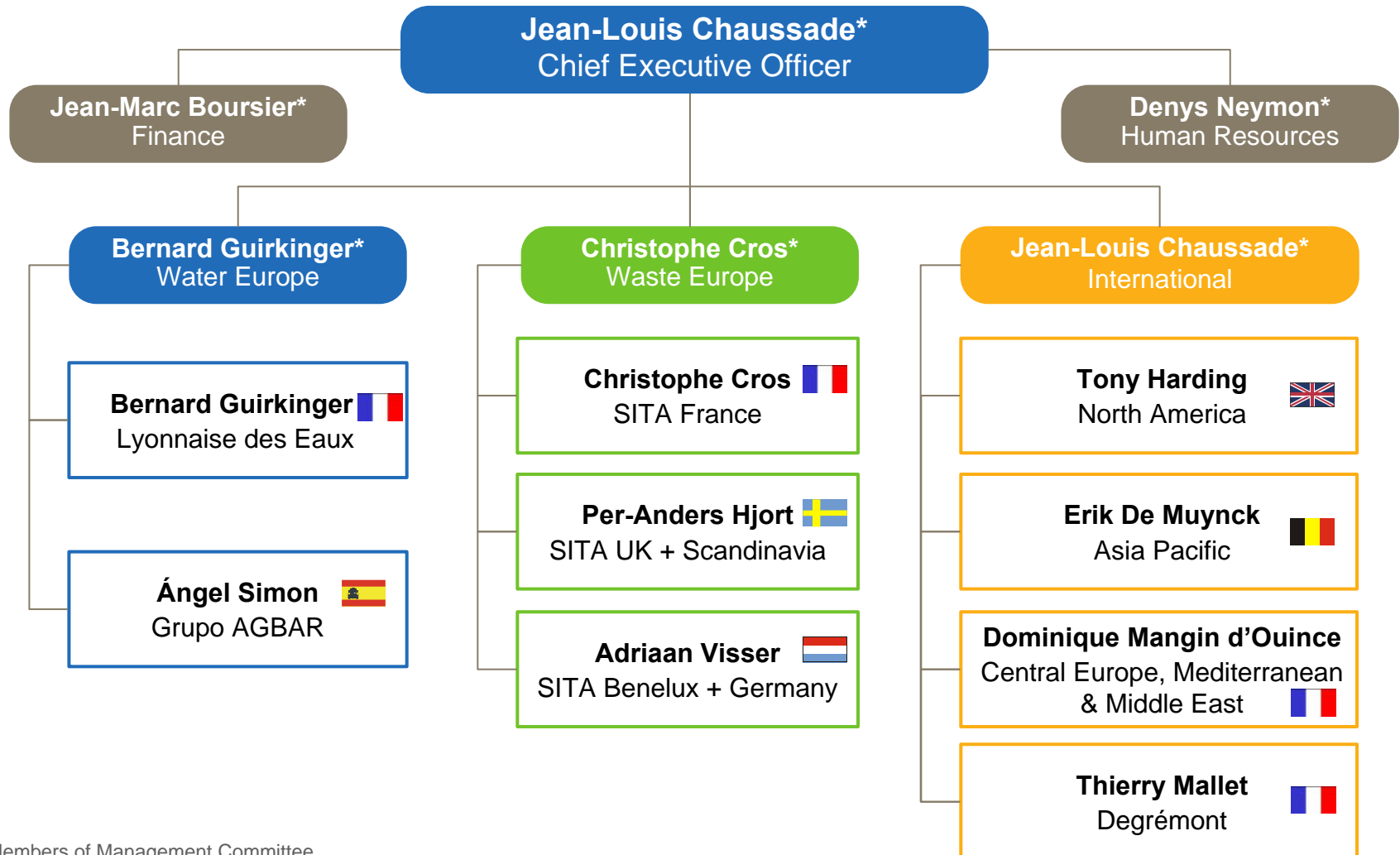


Ondeo Industrial Solutions



SITA in Germany

# An experienced international management team



\* Members of Management Committee

# Executive Committee



**Christophe Cros**  
*Waste Europe*



**Bernard Guirkingner**  
*Water Europe*



**Jean-Louis Chaussade**  
*Chief Executive Officer*



**Jean-Marc Boursier**  
*Finance*



**Denys Neymon**  
*Human Resources*



**Tony Harding**  
*North America*



**Per-Anders Hjort**  
*SITA UK  
+ Scandinavia*



**Thierry Mallet**  
*Degrémont*



**Dominique Mangin  
d'Ouinçe**  
*Central Europe,  
Mediterranean & Middle East*



**Erik De Muyncq**  
*Asia Pacific*



**Ángel Simon**  
*Grupo AGBAR*



**Adriaan Visser**  
*SITA Benelux  
+ Germany*



**Diane d'Arras**  
*Research and Development*



**Jacques Blein**  
*Project, Risks and Investments*



**Isabelle Kocher**  
*Lyonnaise des Eaux France*



**Jean-Marie Gauvain**  
*Legal*



**Eric Ghebali**  
*International Development*



**Bertrand Camus**  
*Internal Audit*



**Rémi Lantier**  
*Degrémont*



**Dominique Pin**  
*Strategy, Institutional Relations  
& Sustainable Development*



**Frédérique Raoult**  
*Communication*



**Henry Saint Bris**  
*Marketing*



# The Environment specialist

- A global player constantly ahead of environmental challenges
- Positioned on growing markets
  - In water and waste
  - In Europe and internationally
- Key competitive advantages, profitable growth and strong financial situation



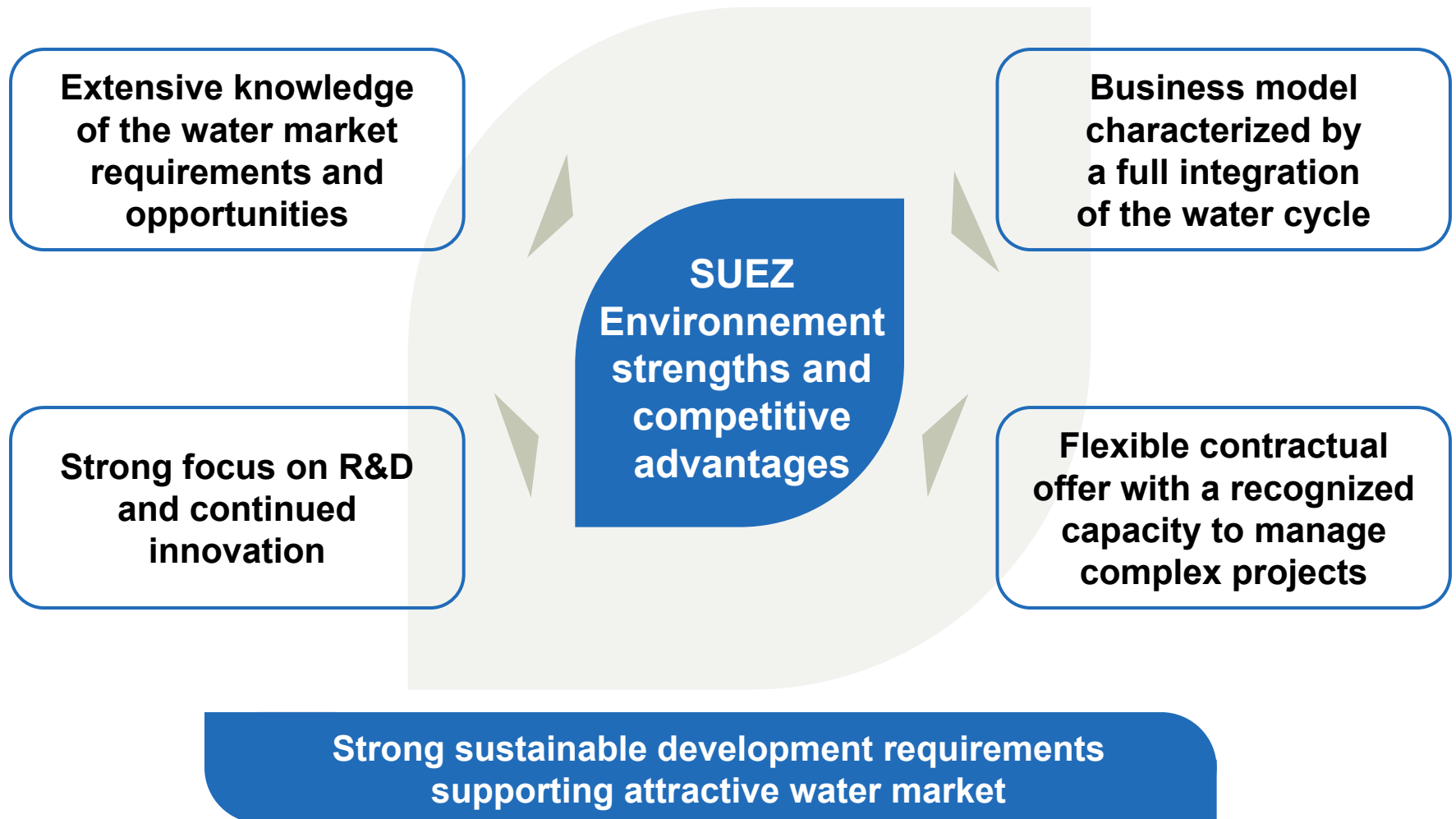


2. A solid  
European base  
on a buoyant  
water market



**Bernard Guirkinger**  
Senior Executive Vice-President  
in charge of Water Europe

# SUEZ Environnement's strengths and competitive advantages on the water market



# Buoyant water market supported by long-term drivers

## Market drivers

### Strong needs for infrastructure

- Population growth
- Urbanization

### Environmental concerns

- Environmental protection
- Water resource management
- CO<sub>2</sub> reduction, energy consumption ...

### Increased regulation

- Tightening of regulations
- New services provided

### Customer needs/expectations

- Water quality
- New services provided, reinsurance...

### New technologies

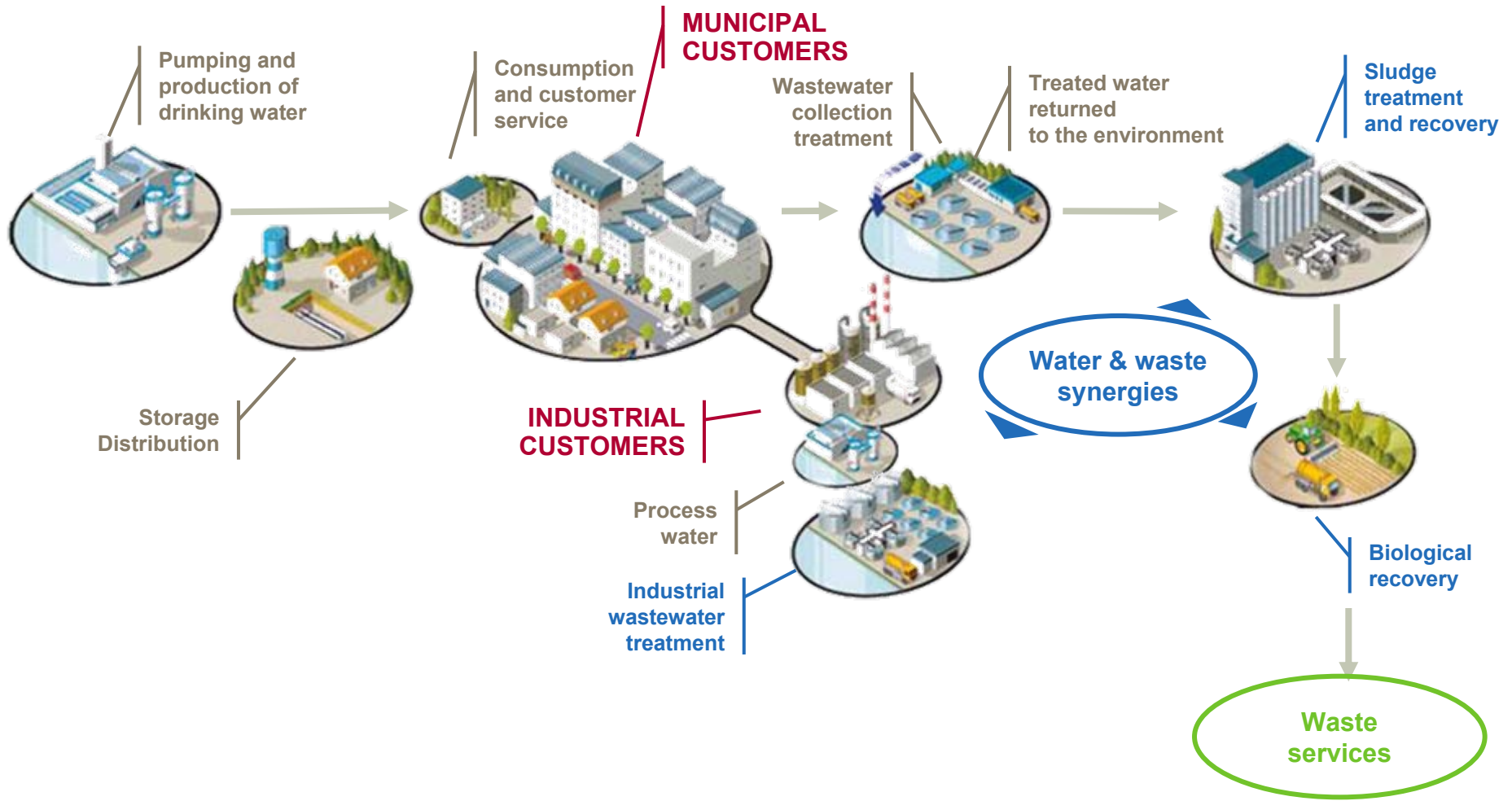
- Extended Offering (Products and Services)
- Differentiating factor

**svéz**  
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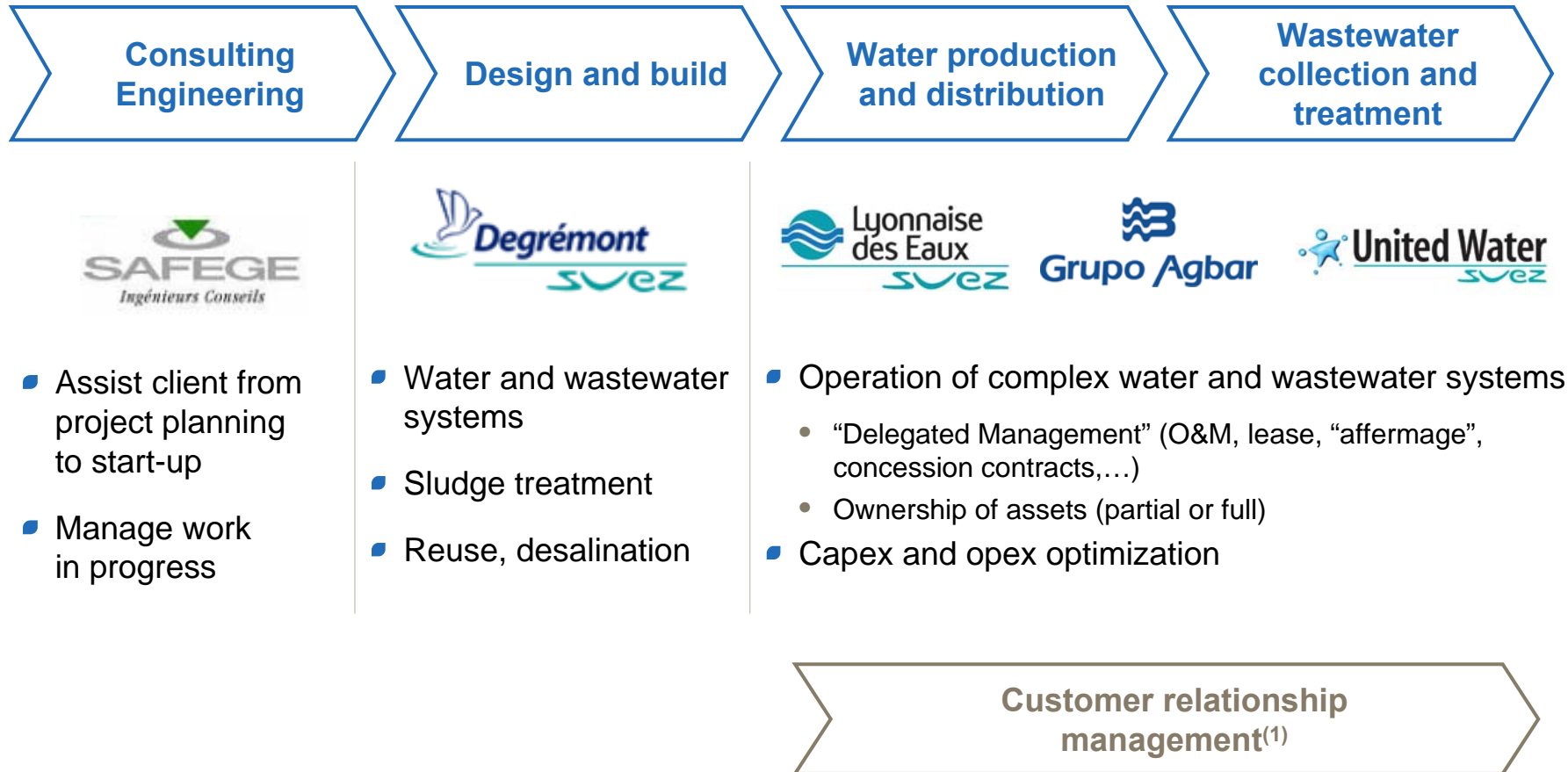
**has extensive knowledge of the water market opportunities**



# A value chain with complex processes requiring increasing value-added services

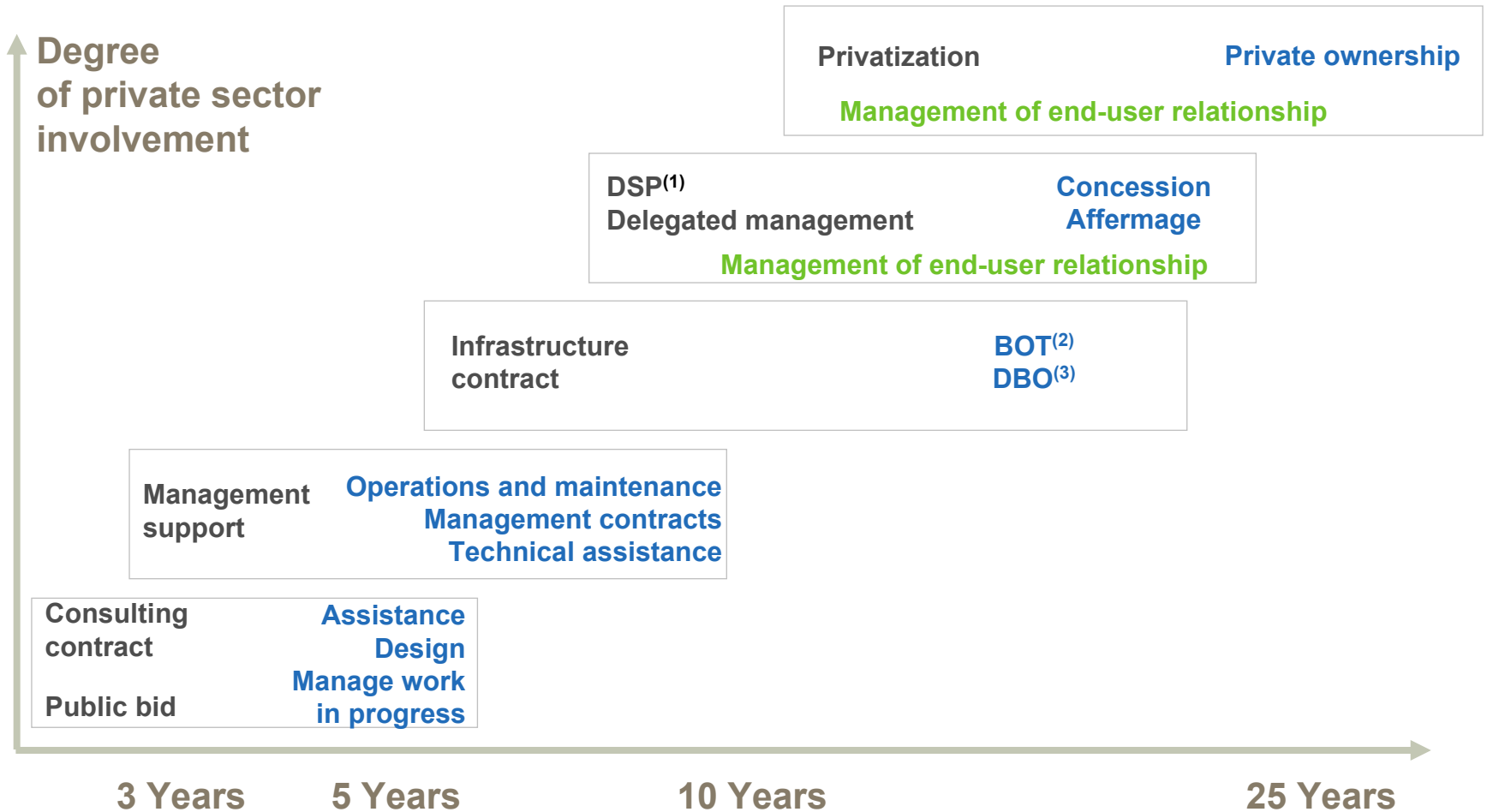


# SUEZ Environnement is fully integrated to address all client needs



(1) Billing, cash collection, back and front office, call center

# Various contract structures reflect various risks and profitability profiles



(1) "Délégation de Service Public" : Delegated Public Service

(2) Build Operate Transfer

(3) Design Build Operate

# Commitment to R&D, a key pillar of development

**R&D Guidelines:** Expertise and Efficiency Improvement  
Operational Excellence  
Focus on Sustainable Development

## Drinking water

### Desalination

Largest European desalination plant in Barcelona

### Organic matter removal / Disinfection

Competitive analytical techniques (micro pollutants)

### Aviz'Eau / AMR

On-line water meter reading for consumption optimization

## Waste water

### Sewage with high nitrogen content

SBR Cyclor®:  
Optimization of treatment

### Odour Control

NOSE: Odour management around sludge reuse sites

### Project MAGES

Dynamic management and control of stormwater

## Other water technologies

### Project Neptune

Optimization of operations in water plants

### AVERTIR

Localization and reduction of leaks

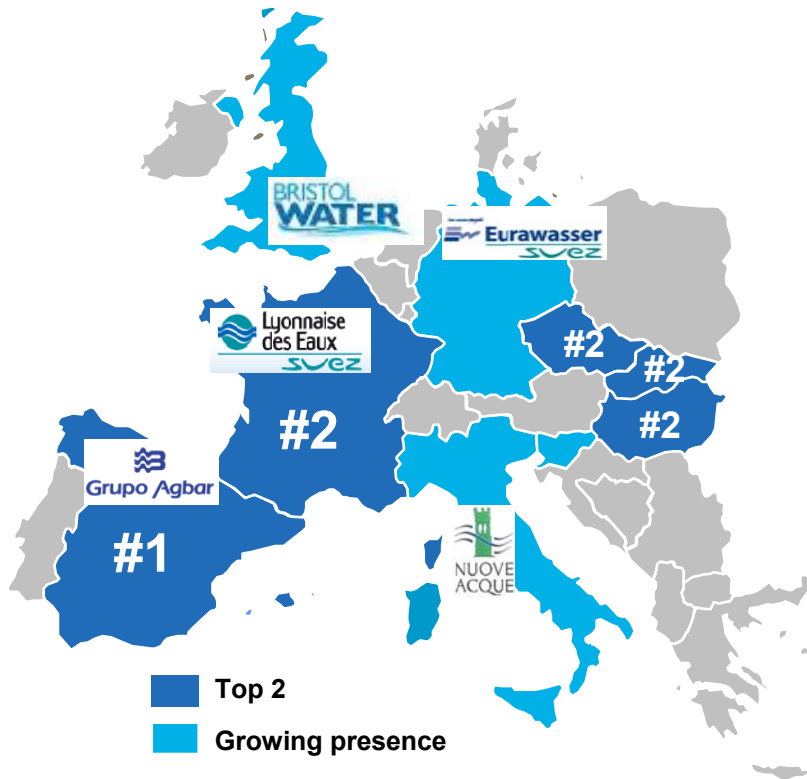
### Project AMPERES

Protection of surface water from pollution

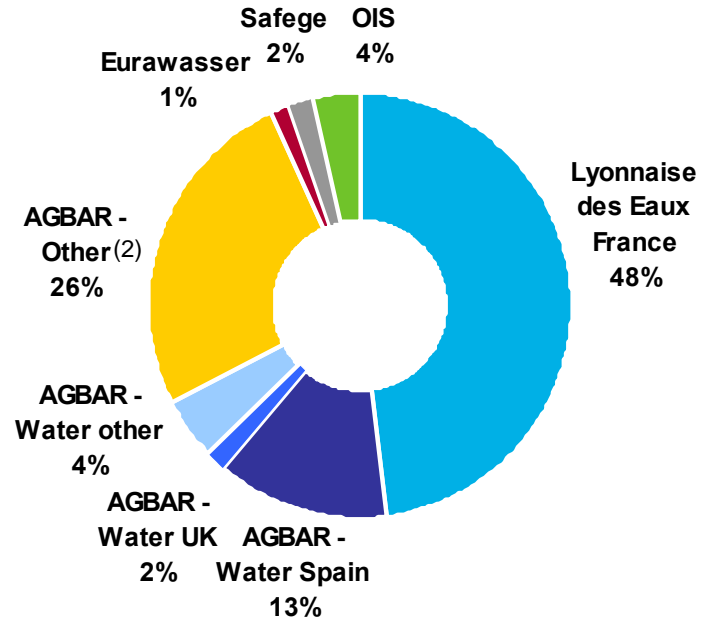
# One of the 2 leaders in European water: solid historical base

## European water presence

Overall presence  
in Europe:



## 2007 Water Europe revenues: €3.9bn<sup>(1)</sup>



**2007 revenue organic growth: +5.4%**  
**2007 EBITDA: €840m**  
**2007 investments: €676m**

Source: SUEZ Environnement  
Ranking based on 2007 revenues from water operations

(1) Excluding Central Europe

(2) Includes €307m corresponding to 11 months of Applus. Disposed in 2007

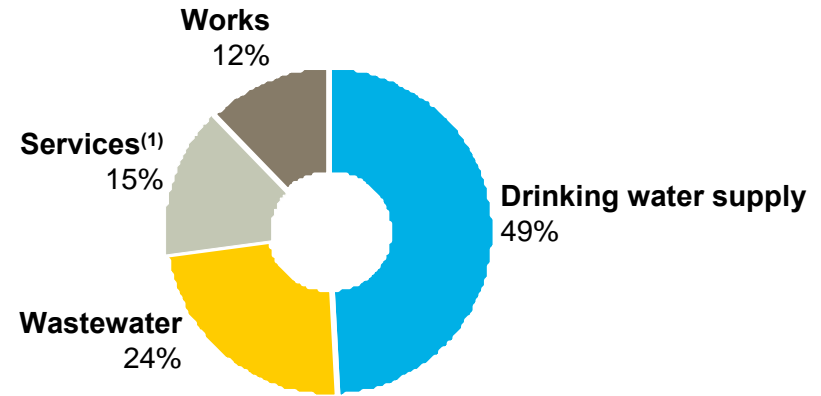


# Lyonnaise des Eaux (France): a leading player

## Highlights

- Large and advanced market, but lagging behind in terms of wastewater infrastructure
- Lyonnaise des Eaux: one of the 2 leaders in France
  - 19% of the population with drinking water
  - 18% of the population with wastewater services
- Well positioned historical player

## Lyonnaise des Eaux (France) revenues



2007 revenues: €1.9bn



Waste water treatment plant  
(Biarritz, France)

- Core historical market with very strong positioning and relations with clients
- Stronghold of SUEZ Environnement for R&D effort
- Strong commitment to sustainable development

(1) e.g: Metering

# Lyonnaise des Eaux (France): a broad contract portfolio addressing all types of water services

## Contract Portfolio

- Large portfolio of contracts, mostly with local municipalities (around 2,600 contracts from management contracts to concessions)
- Majority of contracts are “affermage” type
- Average lifetime of portfolio: 10-12 years
- DSP contract<sup>(1)</sup> :
  - Renewal rate in excess of 82% in terms of number of contracts, and 89% in terms of revenues; 144 contracts renewed in 2007
  - New contracts signed with 31 municipalities in 2007
- Services: active contribution to growth:
  - 467 new contracts signed in 2007 with industrial companies (Poweo, Blagnac...) or municipalities (Lyon, Reims...)



Bordeaux

- Large and diversified contract portfolio
- Very high customer satisfaction

## Examples of recent contracts

### Communauté Urbaine de Bordeaux

- Amendment to concession contract for drinking water supply to more than 600,000 inhabitants
- Preservation of water resources and improvement of quality
- Investment of €300m in the next 15 years financed by Lyonnaise des Eaux France

### Communes du Briançonnais

- Concession contract for wastewater services
- 12 municipalities in the French Alps
- Ensure French quality standards for all local rivers and meet the needs of a fluctuating population

(1) "Délégation de Service Public" : Delegated Public Service

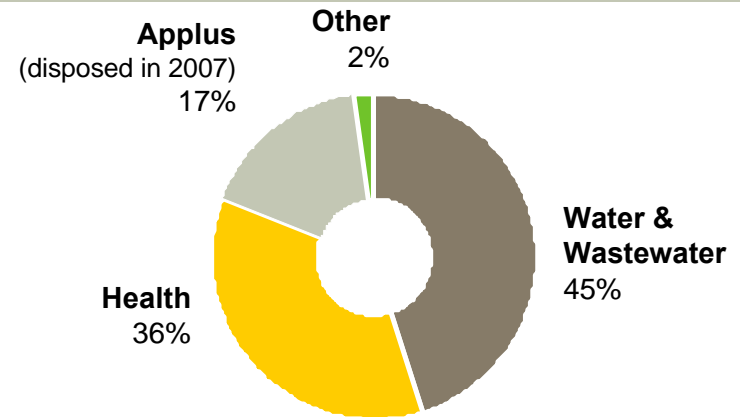
# AGBAR: the leader on the strategic Spanish water market

## Highlights

- Attractive market due to size and catch-up effect
- Leader in Spain for water services and desalination
  - more than 12 million people with drinking water (51% market share of private sector)
  - 11 million people with wastewater services (31% market share of private sector)
- Presence abroad in regulated (Chile, United Kingdom) and non regulated businesses (Mexico, Colombia, Cuba, Andorra, Algeria)
- Sound financial structure with stable cash flows and low risk profile
  - High contract renewal rate (99% in value)
- Leader in Spain for Health insurance (Adeslas)
  - 24% market share of private sector
  - Limited capital employed

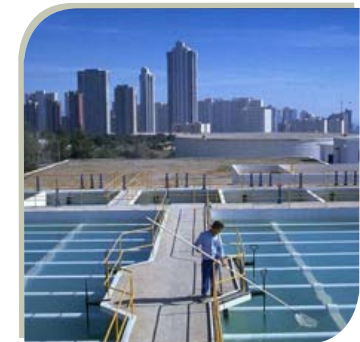
- Leading position in Spain reinforcing SUEZ Environnement's European base
- Historical financial partnership with La Caixa / Criteria Corp

## AGBAR total revenues



(1) Includes €602m corresponding to 11 months of Applus, disposed in 2007

2007 revenues: €3.5bn<sup>(1)</sup>



Barcelona  
Drinking water treatment plant

# A leading footprint in European water: Germany, United Kingdom and Italy

## Highlights

## Key Messages

### Germany Eurawasser

- Eurawasser 2007 revenues: €49m
- Contracts concentrated in the Northern and Eastern parts of Germany

- The largest European water market, benefiting from the restructuring of “Stadtwerke” utilities with water, waste and electricity synergies

### UK Bristol Water

- Fully regulated asset base of £275m
- Bristol Water 2006-07 revenues: £86m
- Over one million people supplied by water services in Bristol and its surroundings

- A low risk asset balancing SUEZ Environnement’s overall portfolio of contracts

### Italy

- 4 water and wastewater operations in Tuscany (non consolidated)
- SUEZ Environnement holds a 4.9% stake in ACEA since 2006

- Minority stakes in local companies

# Ondeo Industrial Solutions & Safege

## Highlights

### Ondeo Industrial Solutions

- Provides design & build and operations & maintenance services to industrial clients
- 2007 revenues: €140m
- Presence in France (leader), Italy, United Kingdom, Spain, Benelux
- Over 200 industrial O&M contracts

### Safege

- Leader in project consulting and engineering expertise
- 60 years of experience
- 2007 revenues: €72m
- 1,000 employees of which 60% engineers
- Contracts currently in over 25 countries

## Key Messages

- Expert in complex projects for industrial clients
- Focus on selected high value-added markets

- Strong knowledge of local networks
- Originates relations and contracts for the Group

# A proven business model with a solid European base

## ■ Key success factors

- Integrated water value chain
- Large and diverse contract portfolio
- Leading expertise
- Strong R&D effort - Innovation
- Sustainable development management and offerings
- Synergies with waste and energy businesses

## ■ Strong positions on the European water market

- Historical development platform in France
- Leader in Spain
- Regulated assets in the UK
- Profitable assets in Germany

## Examples of recent achievements

### ACQUISITIONS

**Aguas de Valencia**  
(Acquisition of 33% stake for €135m)

**Bristol Water**  
(drinking water, acquired in 2006 for £175m\*)

### NEW CONTRACTS

**Dijon**  
(wastewater)

**Briançon**  
(wastewater treatment plant)

**Barcelona**  
(desalination)



Bordeaux - Réservoir Budos

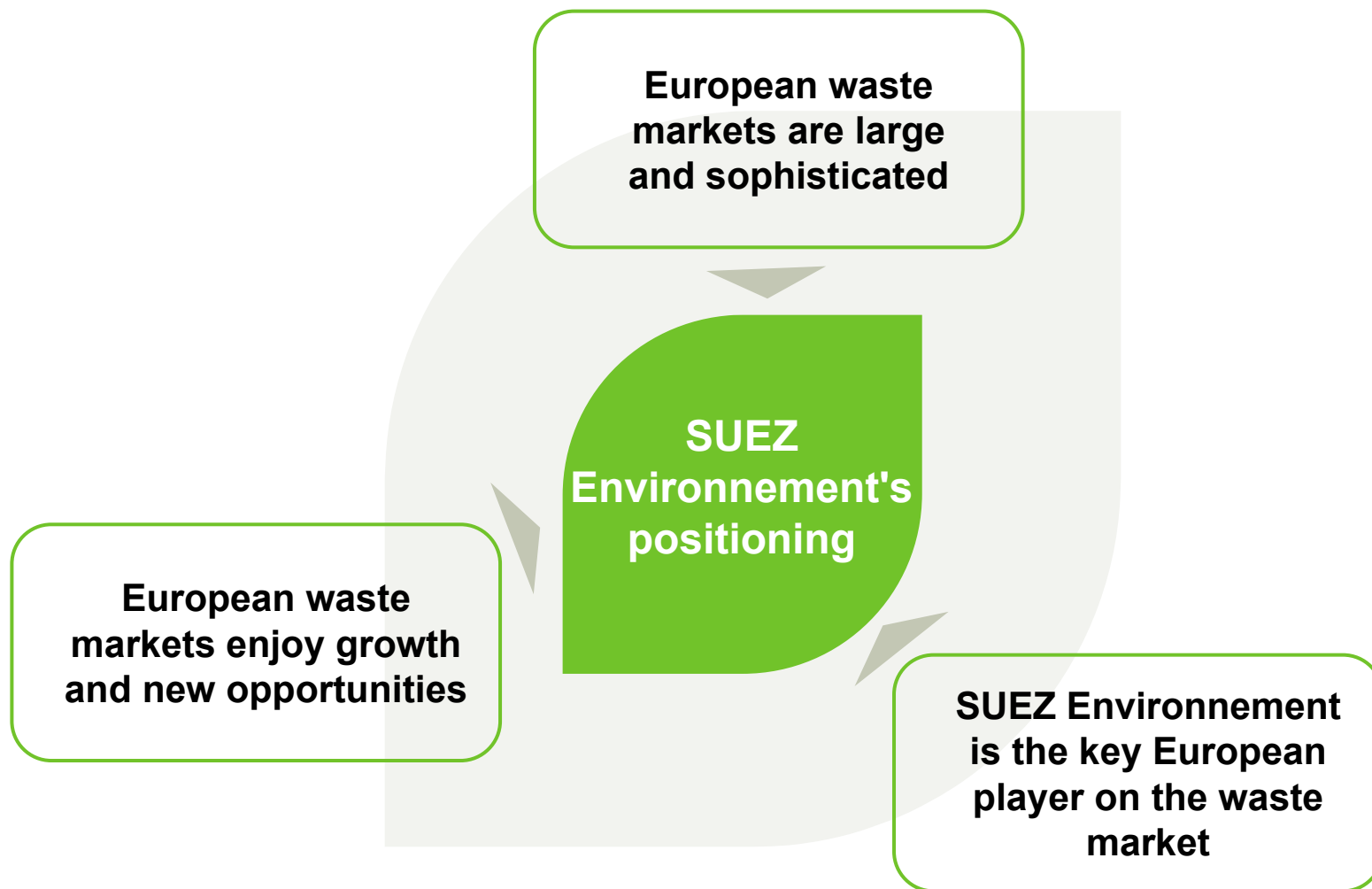
\* Acquisition by AGBAR: figure at 100%

3. A leading  
European waste  
platform



**Christophe Cros**  
Senior Executive Vice-President  
in charge of Waste Europe

# SUEZ Environnement: the right positioning, both in terms of markets and timing

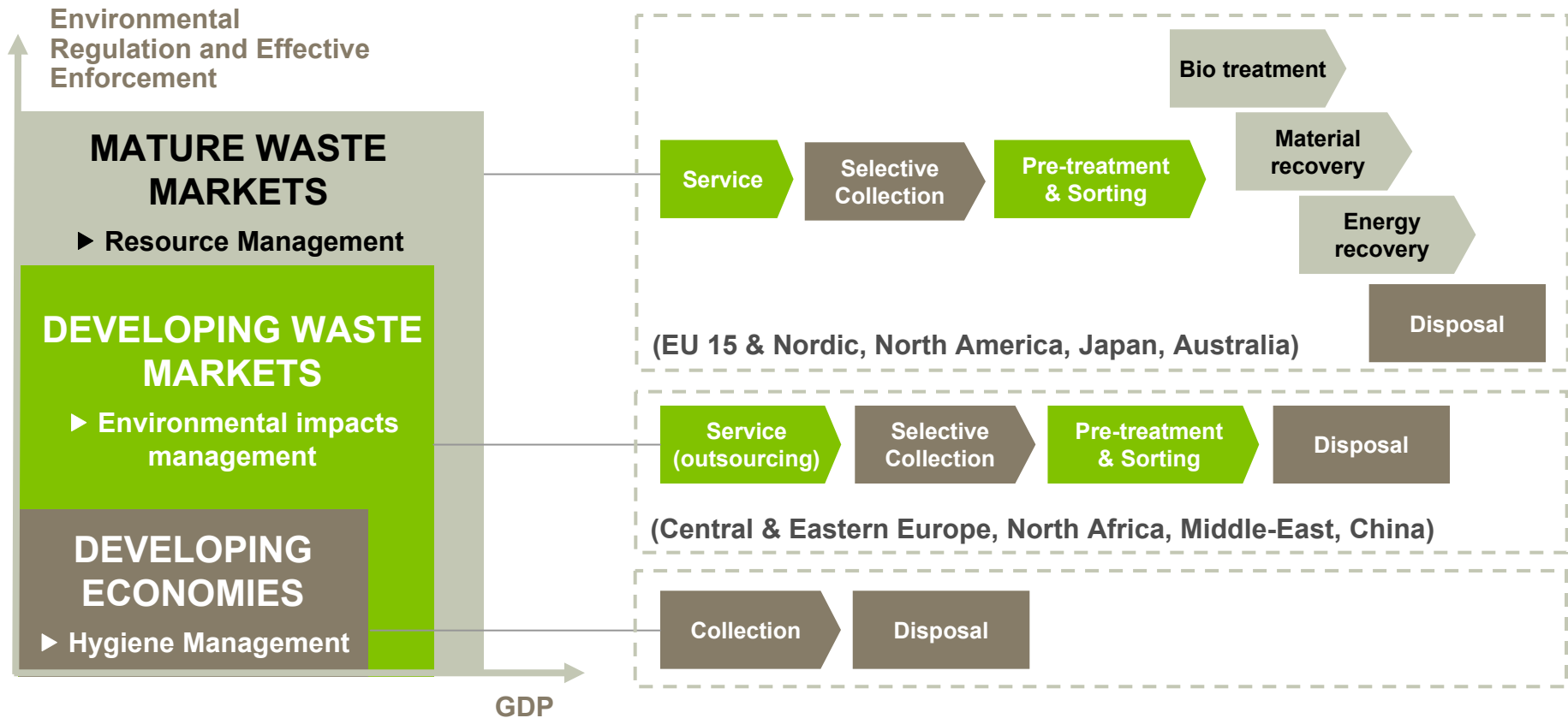




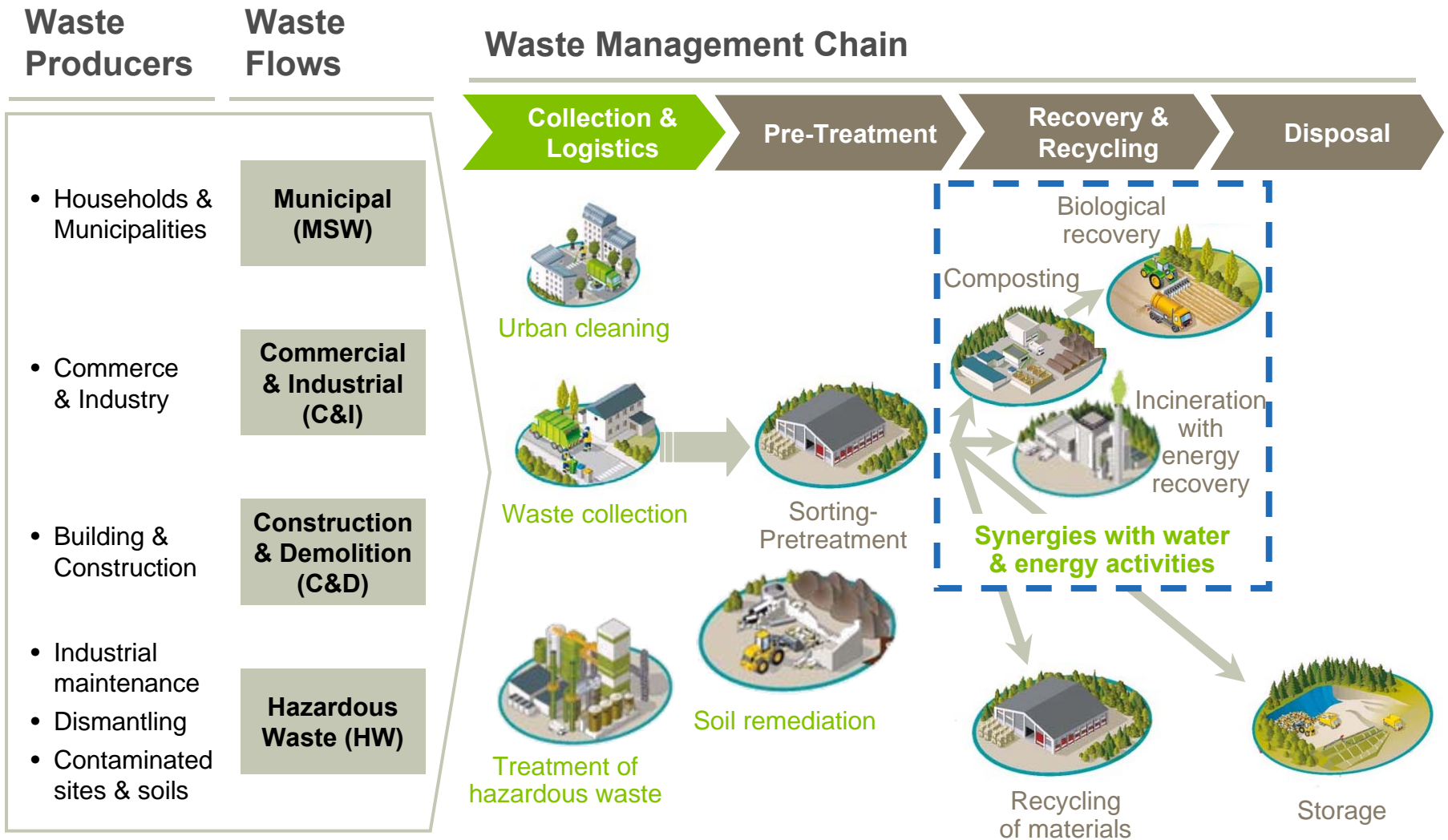
# Economic development drives value chain sophistication

## Market Maturity Level

## Value Chains



# Waste cycle: the value chain includes a number of sophisticated segments



# A solid technical know-how on a complex market

## Collection

- IT tools for waste collection optimization: Easy® collection system, on-board computing
- Biofuel-run vehicles

## Material Recovery

- Historical presence in paper/cardboard and wood
- Developments in metals, plastics, WEEEs<sup>(1)</sup> and end-of-life vehicles
- Dismantling of ships and aircraft

## Waste to energy

- Optimization of the energy production ratio in Energy from Waste plants
- Mastering of the most advanced techniques in Energy from landfill biogas

## Soil Remediation

- Integrated know-how and expertise allowing management of large scale projects
- Agora: industrial dismantling, de-pollution (asbestos), soil treatment, rehabilitation

*On board computing*



*SITA Agora (France), formerly Metaleurop*



(1) Waste from electrical and electronic equipments

# Mastering the global waste value chain gives access to developing segments

## Energy from waste

---

- Energy produced in the form of electricity and heat from:
  - Incineration of waste
  - Biogas recovery
- 46 waste to energy facilities
  - 6 million tons treated in 2007
  - 8,700 GWh of heat
  - 2,600 GWh of electricity
- Around 60% of the sites with potential biogas recovery actually fitted
- Leading position in co-incineration of chemical waste in cement kilns

## From recycling to recovery

---

- Management of all types of monoflows allows control and optimization of the value chain
- 13 million tons treated for material recovery
  - Paper / cardboard, metals, wood, plastics, tyres...
- Strategic acquisitions to get access to technologies and regional strongholds
  - Sirec, France, 2006
  - Easco, United Kingdom, 2007
  - BellandVision, Germany, 2008

# European waste market: three key drivers

## Increased regulatory pressure

European regulation is one of the most advanced worldwide

- Defines the scope (types of waste) and standards (treatment standards)
- States performance objectives and quantifiable targets

## European Waste Market

## Public awareness of environmental issue

- Environment degradation
- Sustainability of resources
- Health issues

## Energy & raw materials price increases

- Improve profitability of recycling & recovery activities
- New business opportunities

# Global players in waste benefit from the extension of comprehensive European legislation

## Waste treatment operations

- Landfill Directive (1999)
- Waste Incineration (2001)
- Bio Degradable Waste

## Specific waste flows

- End of Life Vehicles (2000)
- Packaging (1994 and 2005)
- Sewage Sludge (1986 & 1991)
- WEEE<sup>(1)</sup> (2002)
- Batteries (1991, 1993, 2006)
- Waste Oils (1975)
- Mining Waste (2006)
- Construction & demolition Waste

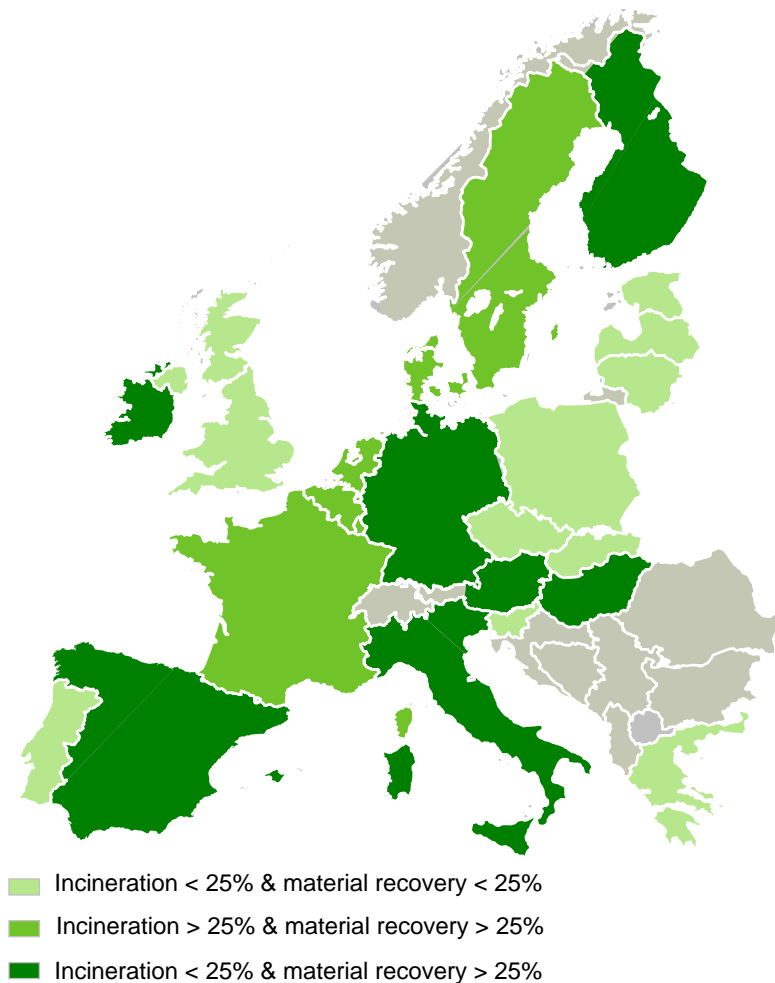
## Regulation on Waste Statistics

- Directive on Hazardous Waste (1991 and 2000)
- Waste Shipments Regulation (1993)
- **Waste Framework Directive (1975):  
Revision in progress since 2007**

(1) Waste from electrical and electronic equipments

# A European waste market characterized by national specificities

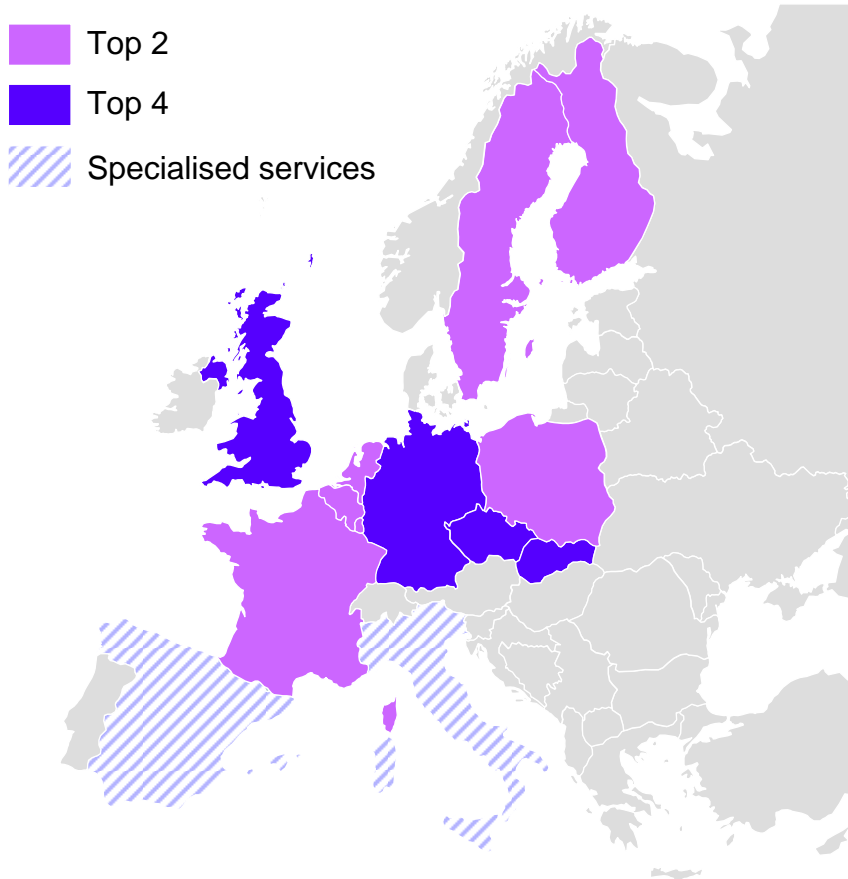
- Specific local market conditions despite a set of common regulations
- Focus on 4 major features differentiating between national markets:
  - Diverse initial waste treatment mixes
  - Various consolidation levels and trends
  - Various distribution of roles among public and private operators
  - Specific market growth potentials



Source: The Road from Landfilling to Recycling:  
Common Destination, Different Routes, EEA 2007

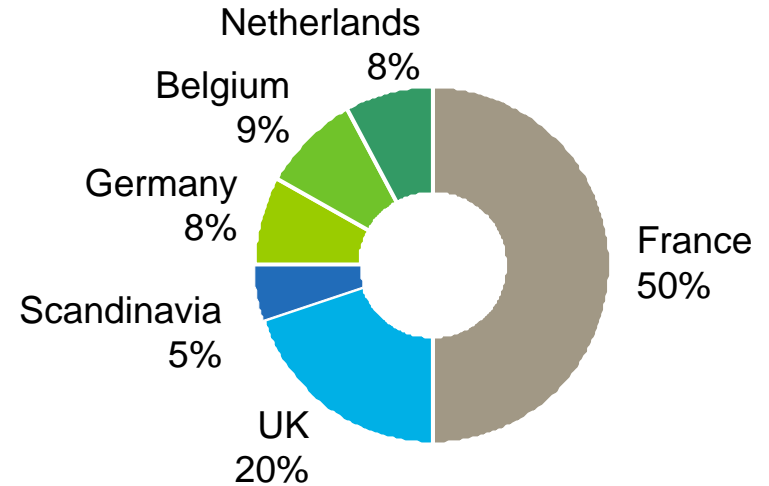
# SUEZ Environnement: pan-European presence with domestic leadership positions

## SITA European ranking



Source: SUEZ Environnement  
 Ranking based on revenues from waste operations

## 2007 Waste Europe revenues: €5.6 bn<sup>(1)</sup>



- 27 M collection clients
- 350,000 industrial & commercial clients
- 14.5 M tons collected

**2007 revenue organic growth: +5.4%**  
**2007 EBITDA: €905m**  
**2007 investments: €831m**

(1) Central Europe excluded, treated in international section



# SITA France: co-leader on every segment, supported by a strong position on treatment

## Highlights

- Historical player
- 2007 revenues: €2.7bn
- 14 million inhabitants and 57,000 commercial and industrial clients served by collection services
- More than 18 million tons of waste processed

## Key messages

Leading positions in all segments of the historical market

Balanced portfolio of contracts (municipal vs industrial & commercial)

Large landfilling capacity

Expertise in incineration

Increased focus on recovery and recycling for waste value enhancement

		Collection		Incineration	Landfill
		Municipal solid waste	Commercial & Industrial		
Non hazardous waste	Market share	15%	26%	32%	34%
	Position	#2	#2	#1	#1
Hazardous waste	Market share			23%	57%
	Position			#2	#1

Note: based on % of total 2006 volume treated, except for municipal collection based on population served  
Source: SUEZ Environnement

# Germany: #4 on the largest and most complex market in Europe

## Highlights

- #4 player<sup>(1)</sup>
- 2007 revenues: €468m
- 9.7 million inhabitants and 65,000 industrial and commercial clients
  
- Focus on the Western part of the country, with strong market positions in MSW collection and selective collection (DSD)
  
- Integration of the value chain with the acquisition of BellandVision in 2008
  - A lead player in the sector of recycling of packaging waste
  - 2007 revenues: €35m
  - Contracts with 100 distributors and 1,800 industrial clients

(1) Based on revenues from waste operations

## Key messages

- A good platform, at the gate of Eastern Europe
  
- Synergies between German, Dutch and Belgian units



Zorbau (Germany)

# Netherlands and Belgium: Top 2 on highly competitive and sophisticated markets

## Highlights

**Belgium:**  
a fairly mature  
and highly  
competitive  
market

- #1 player<sup>(1)</sup>
- 2007 revenues: €481m
- Strong position in collection, especially for waste from commercial and industrial activities
- 5.2 million inhabitants and 50,000 industrial and commercial clients

**Netherlands:**  
one of the most  
sophisticated  
markets

- #2 player<sup>(1)</sup>
- 2007 revenues: €432m
- 1.7 million inhabitants and 76,500 industrial and commercial clients

## Key messages

- Covering the whole value chain, focused on collection, and very active on treatment segment (Sorting & Recycling, Energy from Waste, Landfilling)

- Leading position for the collection of household waste and waste from commercial and industrial activities
- Focus on value from recovery and monoflows

(1) Based on revenues from waste operations

# UK: #3 on a market lagging behind in terms of treatment capacity

## Highlights

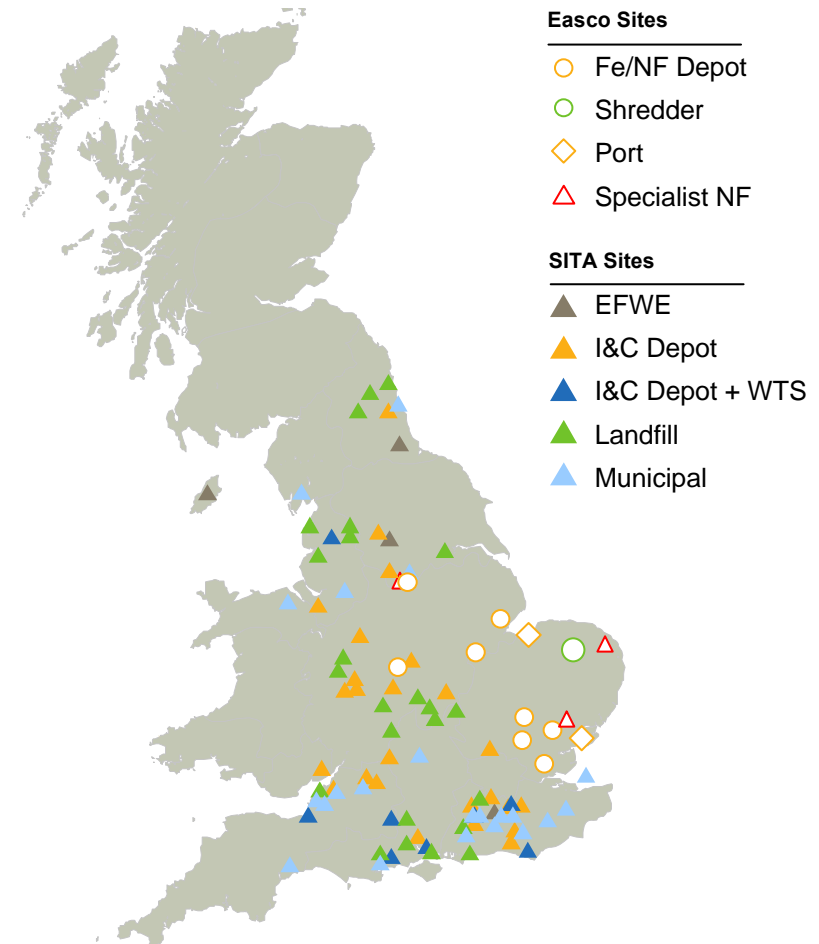
- #3 player<sup>(1)</sup>
- 2007 revenues: €1,103m
- 4.6 million inhabitants and 60,000 commercial and industrial clients
- 10.9 million tons of waste processed
- Acquisition of Easco (metals recycling)

## Key messages

- The sole player with presence on the whole value chain
- Leading player in PFI<sup>(2)</sup>

(1) Based on revenues from waste operations  
(2) PFI = Private Finance Initiative

## SITA sites



# Sweden & Finland: #2 on a market at the forefront of European technologies

## Highlights

- #2 player<sup>(1)</sup>
- 2007 revenues: €278m
- 2.6 million inhabitants and 60,000 commercial and industrial clients
- 615,000 tons of waste processed
- Increased participation to 100% of SITA Sverige in 2008

(1) Based on revenues from waste operations

## Key Messages

- Very strong positions for the collection of C&I
- Innovative initiative to develop recycling activities

Collection in Sweden (Island Hanö)



# SUEZ Environnement masters the entire waste value chain

	Collection			Sorting - Recycling	Composting	Incineration	Landfill	Hazardous Waste	WEEE <sup>(1)</sup>
	Municipal	Commercial & Industrial	Hazardous Waste						
• France	✓	✓	✓	✓	✓	✓	✓	✓	✓
• Germany	✓	✓	✓	✓	✓	✓	✓	✓	✓
• The Netherlands	✓	✓	✓	✓	✓	✓		✓	✓
• Belgium	✓	✓	✓	✓	✓	✓	✓	✓	✓
• UK	✓	✓	✓	✓	✓	✓	✓		✓
• Sweden	✓	✓	✓	✓	✓		✓	✓	
• Finland	✓	✓	✓	✓					

(1) Waste from electrical and electronic equipments

# A leading player in waste in Europe

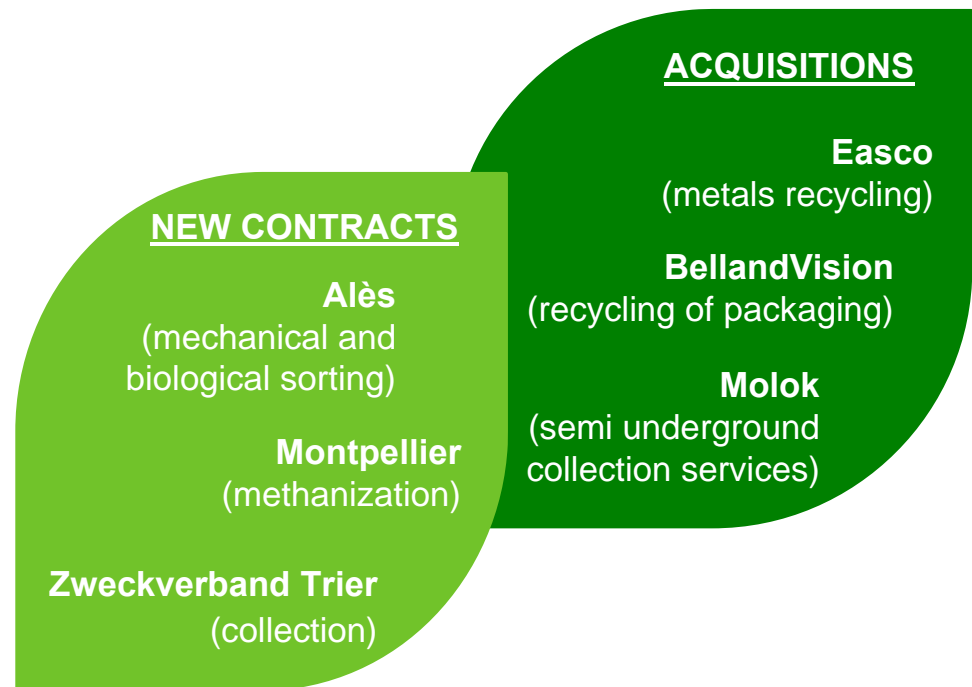
## ■ European waste market full of opportunities

- Dynamic key drivers
- Facing new opportunities
- Convergence between waste and recycling activities

## ■ A leading player

- Global presence
- Whole value chain expertise and know-how
- Unique platform
- Strong track record
- Synergies with water and energy activities

## Examples of recent achievements



## 4. Strong selected international presence

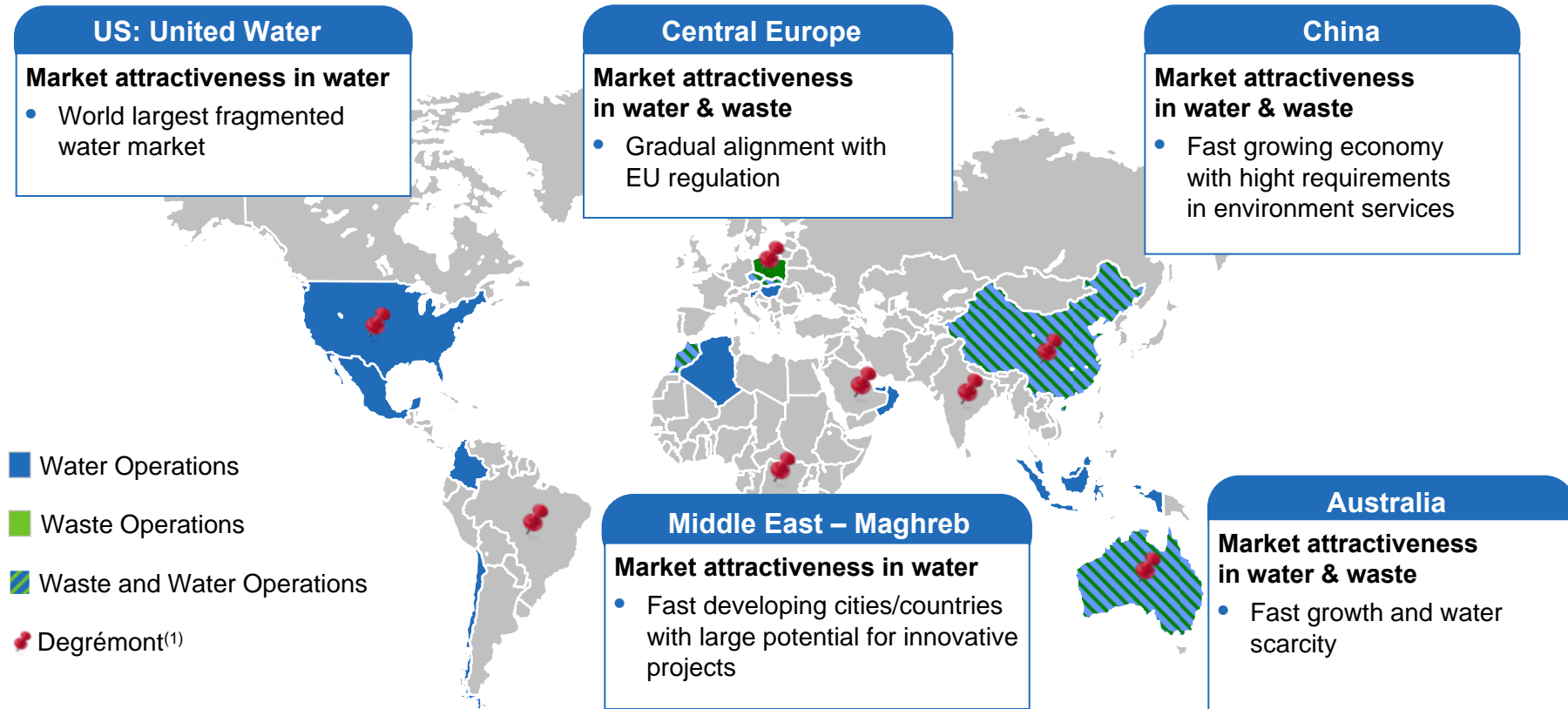


Fujairah, UAE

**Jean-Louis Chaussade**  
Chief Executive Officer



# International presence on growing strategic markets



**2007 revenue organic growth: +4.4% (+9.2% in 2006<sup>(2)</sup>)**  
**2007 EBITDA: €394m**  
**2007 investments: €361m**

(1) Pins indicate Degrémont presence across each continent  
 (2) on stabilized scope

# Degrémont: a differentiating player in water treatment



4 key areas of expertise

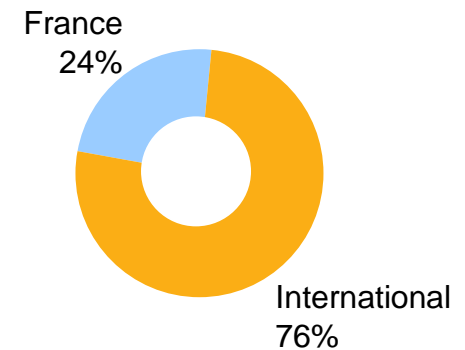
Drinking Water  
Desalination  
Biosolids  
Wastewater & reuse

## Highlights

- The worldwide water specialist:
  - 1 billion people drink Degrémont treated water
  - Over 65 years of experience
  - References in over 70 countries
- Take advantage of fast growing segments: desalination, reuse, sludge treatment
- DBO concept to reinforce service activities at low cost and low risk

## 2007 Revenues

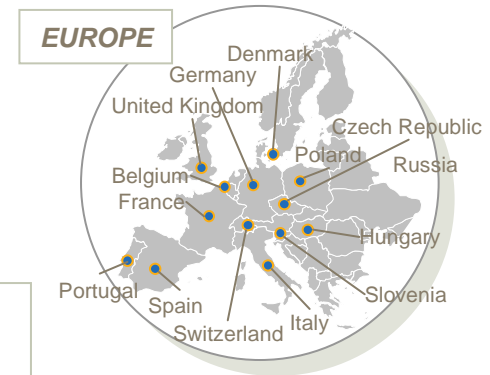
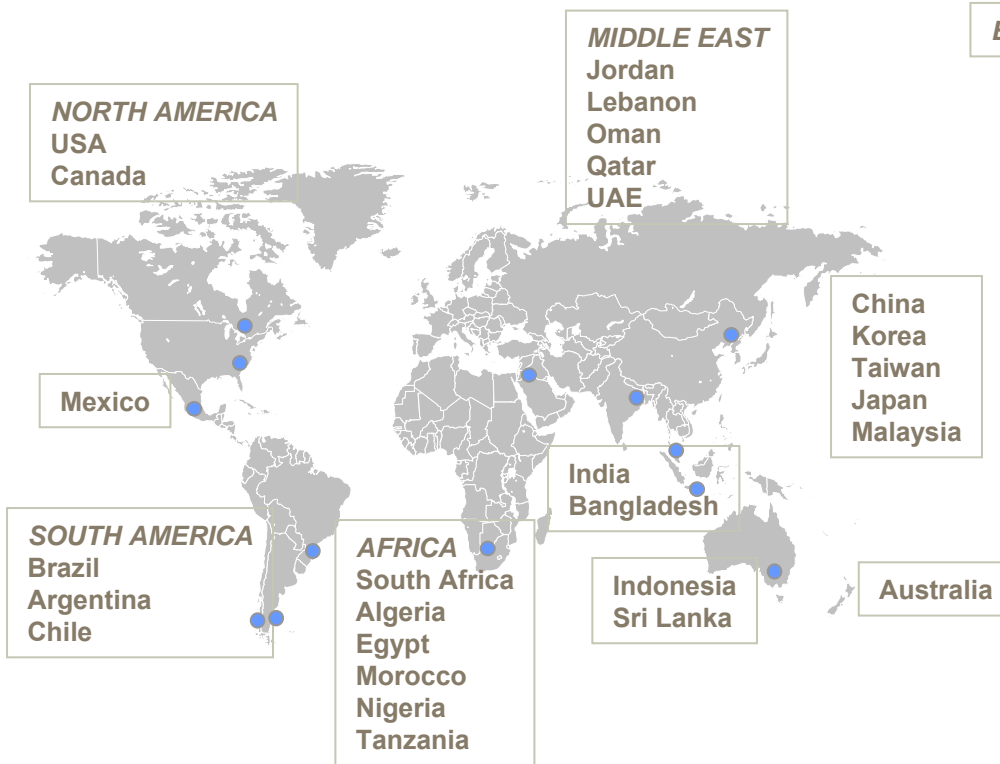
By Geographical Area



Total 2007 Revenues: €954m

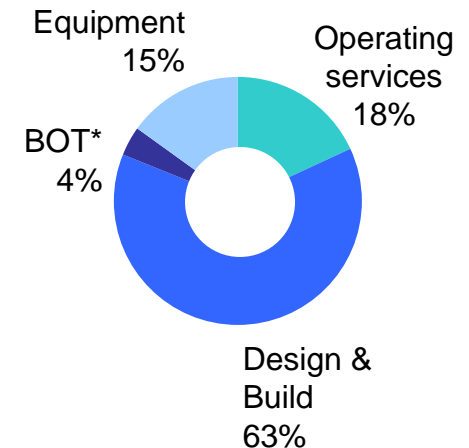
- Key differentiating factor in both mature and emerging markets
- Technological showcase and commercial platform in water and wastewater
- Early detection of future market opportunities

# Degrémont: the spearhead of SUEZ Environnement's international development



## 2007 Revenues

### By activities



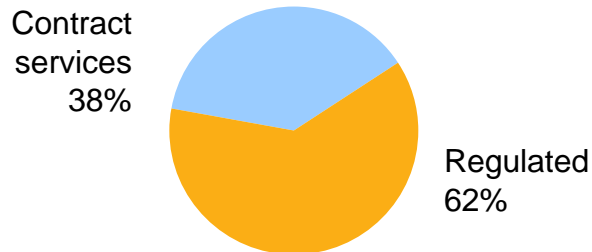
\*BOT = Build-Operate-Transfer

# United Water: a leading position on the world's largest and most fragmented water market

## Highlights

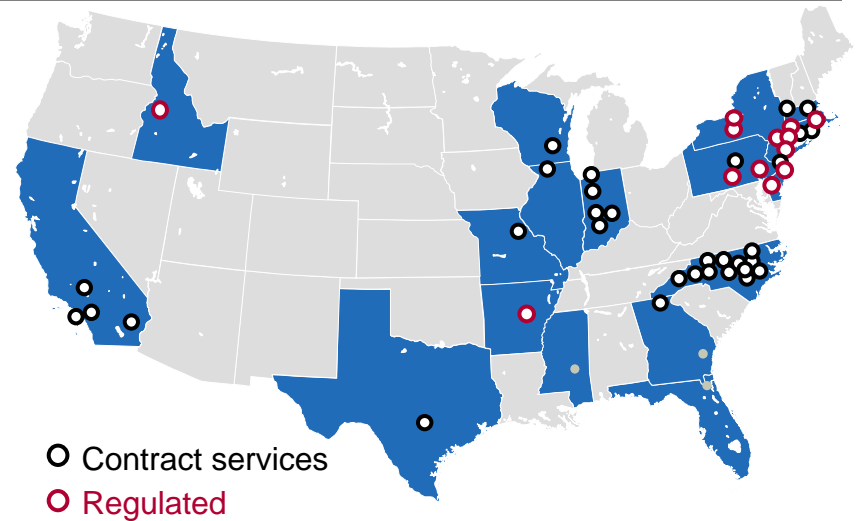
- Historical player on the US market
- #3 player<sup>(1)</sup> in 2006
- Provides water and wastewater services to 7 million people in the US in 21 states
- Business portfolio
  - **Regulated activities:** asset owner, fixed return on capital employed determined by the regulator
  - **Contract services:** operator for a negotiated price and a given period

## 2007 Revenues



Total 2007 Revenues: €422m

## Map of Operations



- Presence on the world largest water market that is very fragmented
- Well-balanced portfolio of regulated and contract services operations
- Optimum risk/result in a stable regulatory environment

(1) Estimated position based on revenues

# United Water: a balanced portfolio of regulated and contract services

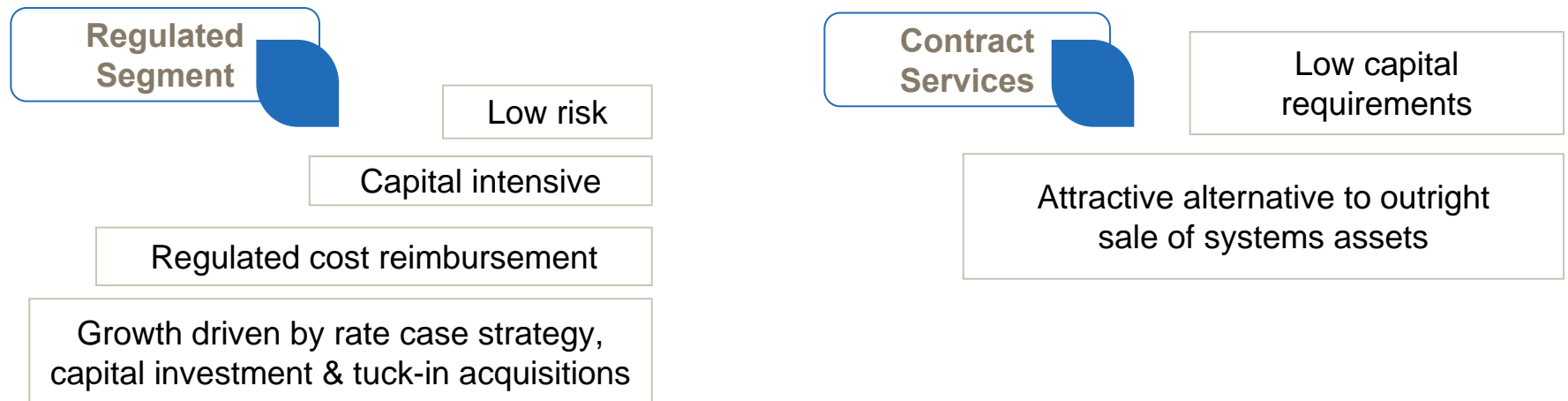
## Regulated Segment

- 25 utilities in 8 states, 1.6 million population served
- Essentially a drinking water player
- Over 100 years experience
- Regulated Asset Base (RAB): \$1.4bn <sup>(1)</sup>
- Regulation friendly to industrial operators
  - Per state regulation
  - A posteriori regulation

## Contract Services

- 145 contracts in 18 states
- Essentially a wastewater operator providing services to 5.7 million inhabitants
- Strong brand recognition & UW reputation
- Strong presence in Midwest & Northeast

**2 complementary businesses to maximize the risk/reward profile**



(1) fixed assets, net of depreciation, less contributions received

# Australia: a growing presence on a market under high environmental constraints

## Degrémont Australia

- Presence in Australia for 16 years via Australian Water Services, a branch of Degrémont

### Focus on Perth Contract



- First desalination plant in Australia
- Reverse osmosis technology
- €470m DBO contract of 25 years

## WATER

- Offer technological solutions: desalination, wastewater treatment, re-use
- Historical presence and key achievements

## SITA Australia

- #3 of Australian waste sector
  - 60/40 JV with SembCorp Industries (Singapore)
- 2007 consolidated revenues: €228m
- Located in 5 states
- Collection, sorting, recycling and disposal activities
- Leading position in alternative waste treatment solutions



## WASTE

- Consolidating market
- Development of alternative waste treatment solutions

# Central Europe: attractive positioning in water and waste business

## Water Operations

### Czech Republic

- Total market size: €1.0bn
- #2 on the market
- 6 water contracts

### Slovakia

- Total market size: €0.6bn
- #2 on the market
- 1 water contract

### Hungary

- Total market size: €1.0bn
- #2 on the market
- 3 water contracts of which Budapest waterworks

## Highlights

- 2007 managed revenues: €482m
- 2007 consolidated revenues: €220m



## Waste Operations

### Poland

- SITA Polska
  - MSW, C&I, HW collection
  - Landfills and recycling
- Top 2 in industrial, municipal waste and urban cleaning

### Czech Republic / Slovakia

- SITA CZ: Fully integrated waste player
- SITA SK
- #4 overall in waste

- Opportunities for new services offered by the progressive alignment with EU regulations
- Soaring business with strong cash-flows

# Lydec: a strategic position in Maghreb through a model adapted to local specificities

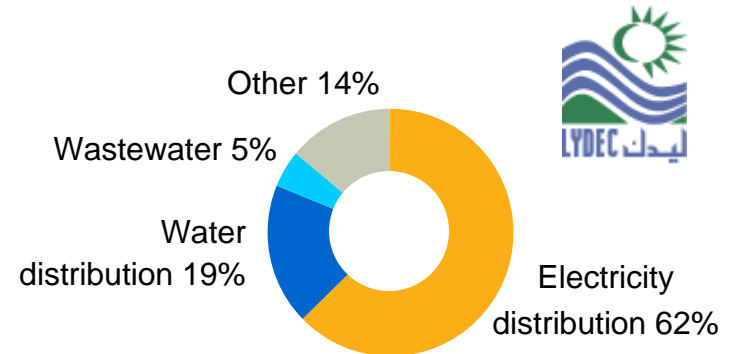
## Highlights

- First outsourced management contract in Morocco
- Electricity, water distribution and water treatment of Casablanca and Mohammédia since 1997
- Successfully listed in 2005, 51% held by SUEZ Environnement

## Commercial synergies: SITA El Beida

- Strengthen partnership with the municipality of Casablanca
  - 10-year contract signed in 2004 for waste collection, sorting and street cleaning services

## 2007 Revenues



Total 2007 Revenues : €461m

- Positioning on a growing market with strong needs for infrastructure improvements
- A success story: applying a concession model in a developing country
- An example of synergies between water and energy services



# Algeria and Middle East: high-value added markets

## Contract with SEAAL – Algeria



- Management contract for the water and sanitation services of Algiers
- Contract signed in 2005 for the transfer of SUEZ Environnement know-how and an ambitious training plan for the 3,000 employees
- Contract in Oran for AGBAR on the same principles : transfer know-how and training plan

- Build on management contract and transfer of know-how, potentially leading to PPP\*\*\*
- Development through partnerships
- Degrémont expertise in desalination offers solutions to water shortage

## Operations in Middle East

- Presence through
  - Degrémont for water engineering
  - Trashco in Dubai for waste
- Local partnerships in Saudi Arabia and Abu Dhabi
- Type of contracts
  - More and more DBO\*/BOT\*\* contracts
  - December 2007: signed a \$800m 10-year DBO contract in Dubai
  - Preferred bidder for Jeddah : O&M contract for water distribution



*Wastewater treatment plant project for Jumeirah Golf Estates (Dubai)*

\* DBO = Design Build Operate

\*\* BOT = Build, Operate, Transfer

\*\*\* PPP : Public-Private Partnerships

# China Water: longstanding presence in the fast-growing Chinese water market

## Highlights

- Sino-French Holdings awarded #1 among water companies
    - 2007 managed revenues: €605m
    - 2007 consolidated revenues: €154m
  - Degrémont awarded #1 among environmental engineering companies
  - Strong brand recognition and solid reputation
  - Local cooperation limits capital at risk
- Historical presence through concessions in partnership with limited capital involvement
  - Focus on the fast-growing industrial park segment (SCIP, Shanghai)
  - Market subject to significant regulatory developments
  - Capitalize on PPP models & concession-type contracts

Source: SUEZ Environnement

## Sino French Holding's Operations



# China Waste: presence on the strategic Chinese market

## Highlights

- Long-term partnership since 1998 with Swire Pacific Limited to provide advanced services in strategic locations
- 2007 managed revenues: €99m
- 2007 consolidated revenues: €47m

## Operational Data

- Hong-Kong
  - Market leader
  - 11 solid waste transfer stations
  - 2 landfills among the largest in the world: NENT and WENT
- SCIP-SSWS (Shanghai)
  - A hazardous – solid, liquid & gaseous-waste incineration plant
- Macao
  - Waste collection and street cleaning services
- R&D center in Shanghai



WENT Landfill (Hong Kong)

- Development around our positions in Hong Kong and Shanghai
- Offer technological and advanced solutions
- Opportunities offered by industrial parks (re-iterate SCIP's success story)

# Strong selected international presence

SUEZ Environnement is present on most of the world's buoyant water and waste markets

- Degrémont: technological show case and commercial platform for early detection of future market opportunities in water and wastewater
- North America: a leading position in the world largest yet fragmented water market with United Water
- Australia: a growing presence in waste and in desalination of water
- Middle East - Maghreb: high-value added markets in water
- China: fast growing market with opportunities offered by industrial parks

Strong positions, 22% of revenues and capital employed in 2007  
As in Europe, focus on profitable growth

5. A sustainable  
model  
designed for  
profitable growth



Jean-Marc Boursier  
Chief Financial Officer

# A robust historical performance

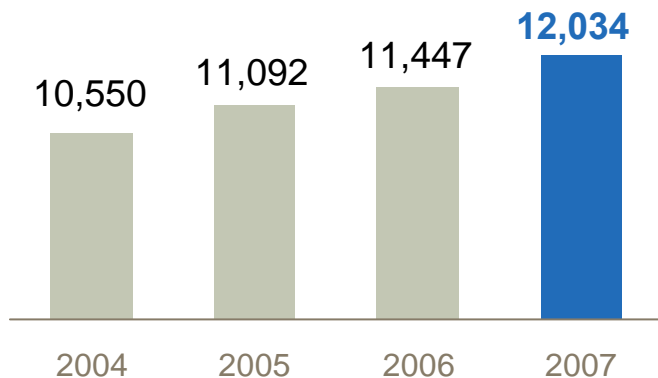
- **Solid growth of revenues**
- **Scope refocused on the most profitable assets**
- **Increased profitability measured by EBITDA margin**
- **Strong free cash flow generation**
- **Acceleration of industrial development**

# Overview of key financials

## Historical financial statements

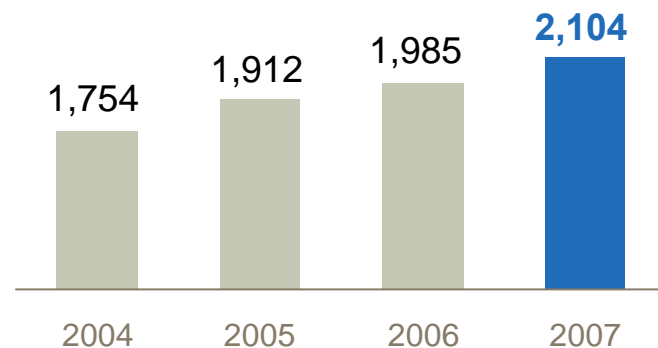
In €M

### Revenues



### EBITDA

In €M



EBITDA / Revenues 2007	17.5%
Current Operating Income 2007	€1,061 m
Net Income Group Share 2007	€ 492 m

Net debt 2007	€5.4 bn
Net debt / EBITDA 2007	2.56x

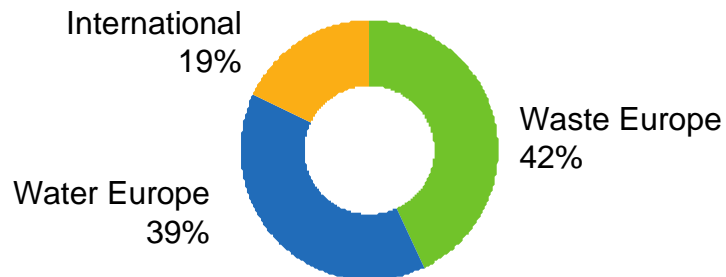


# Scope refocused on the most profitable assets

## Strategic refocusing 2005-2006



## 2007 EBITDA

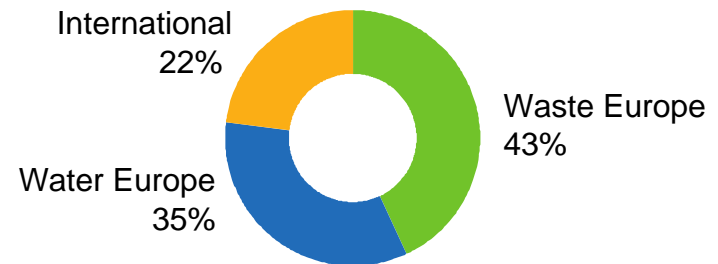


Total EBITDA: €2,104m<sup>(1)</sup>

(1) including Interco and Other segment

(2) including other segments

## 2007 capital employed



Total Capital Employed (12/31/07): €9,284m<sup>(2)</sup>

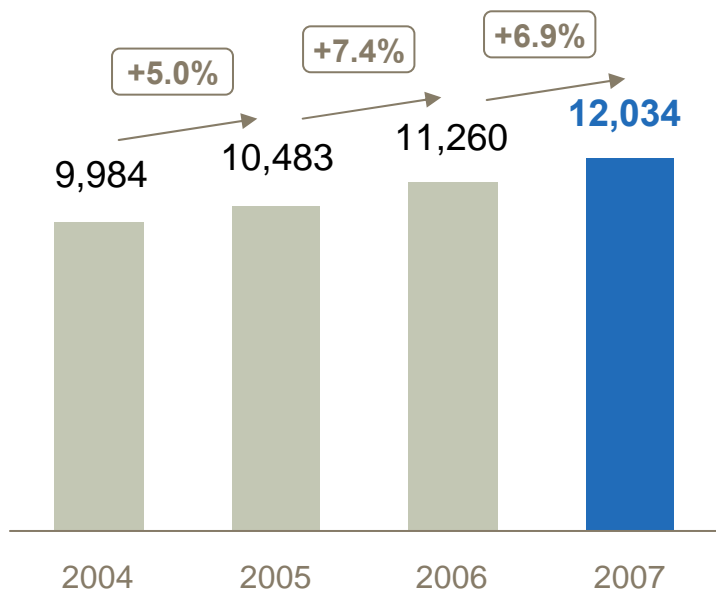


# Even stronger top-line growth

## Stabilized scope<sup>(1)</sup>

In €M

### Revenues evolution



### Contribution to revenues growth

By division <sup>(2)</sup>	2007	07/06 Δ	CAGR 05-07
<b>o/w Waste Europe</b>	<b>5,558</b>	<b>12.4%</b>	<b>10.3%</b>
<i>o/w Δ organic</i>		<i>5.4%</i>	
<b>o/w Water Europe</b>	<b>3,917</b>	<b>2.3%</b>	<b>3.6%</b>
<i>o/w Δ organic</i>		<i>5.4%</i>	
<b>o/w International</b>	<b>2,645</b>	<b>3.2%</b>	<b>6.1%</b>
<i>o/w Δ organic</i>		<i>4.4%</i>	
<b>Total<sup>(3)</sup></b>	<b>12,034</b>	<b>6.9%</b>	<b>7.1%</b>

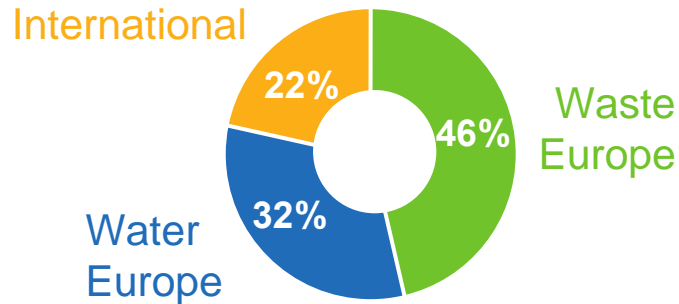
(1) Defined as SUEZ Environnement's perimeter since 01/01/07

(2) Figures by division are before interco and Other segment

(3) Including "Other segment" (€36m) and after elimination of Interco (-€122m)

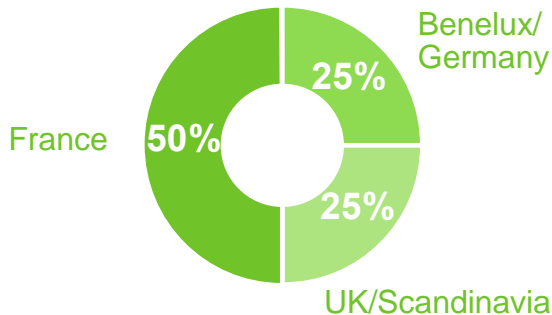
# Well-balanced contribution to revenues

By division<sup>(1)</sup>

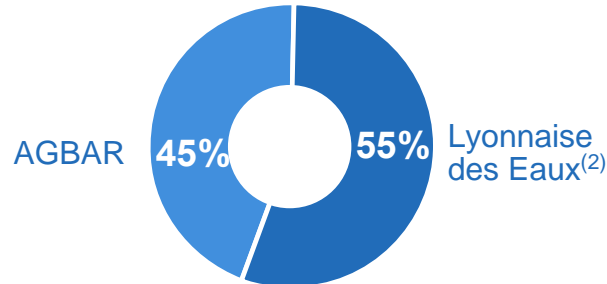


Total revenues: €12,034m

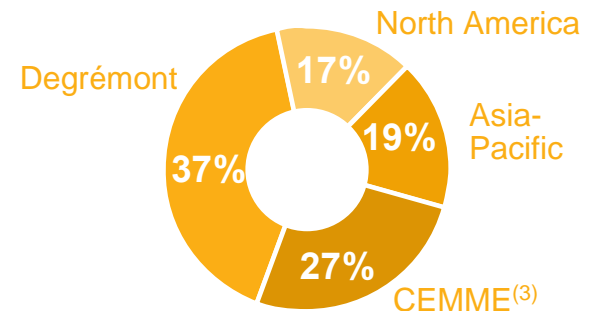
Waste Europe: €5,558m<sup>(1)</sup>



Water Europe: €3,917m<sup>(1)</sup>



International: €2,645m<sup>(1)</sup>



(1) Based on 2007 figures, before elimination of Interco (-€122m) and other segment (€36m)

(2) Includes Lyonnaise des Eaux France, OIS, Safege, Eurawasser, Ondeo Italia

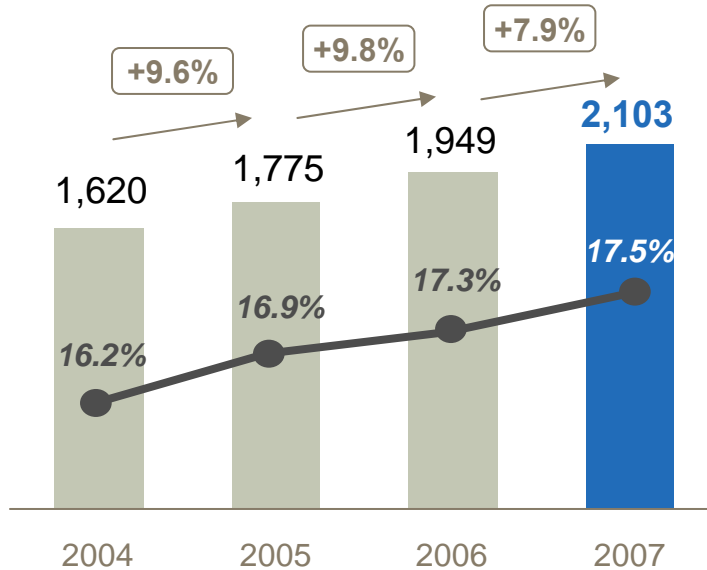
(3) Central Europe, Mediterranean and Middle East

# Even stronger profitability improvement

## Stabilized scope<sup>(1)</sup>

In €M

### EBITDA evolution and margin



### Contribution to EBITDA growth

By division <sup>(2)</sup>	2007	07/06 Δ	CAGR 05-07
o/w Waste Europe	905	7.2%	11.3%
o/w Water Europe	840	7.1%	4.8%
o/w International	394	7.8%	13.9%
<b>Total<sup>(3)</sup></b>	<b>2,103</b>	<b>7.9%</b>	<b>8.8%</b>

Historical EBITDA growth > 8% on average

(1) Defined as SUEZ Environnement's scope since 01/01/07

(2) Figures by division are before Other segment and before elimination of Interco

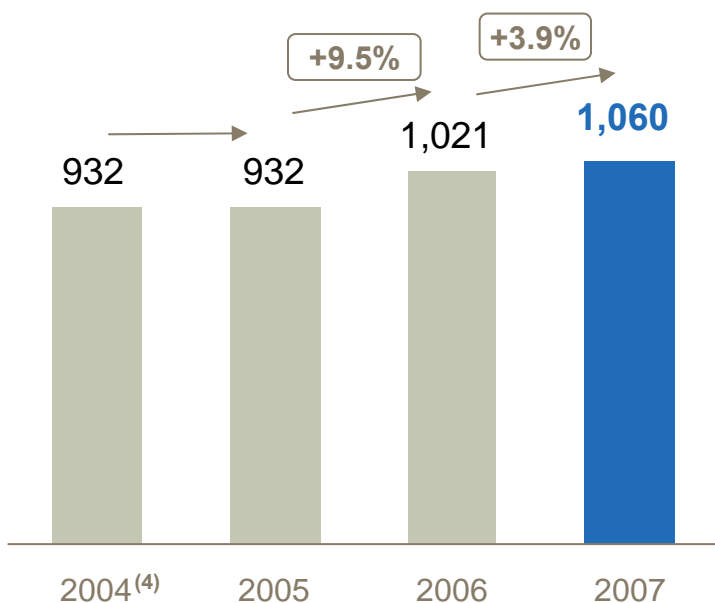
(3) Including Other segment (-€36m)

# Current operating income

## Stabilized scope<sup>(1)</sup>

In €M

### COI evolution and margin



### Contribution to COI growth

By division <sup>(2)</sup>	2007	07/06 Δ	CAGR 05-07
<b>o/w Waste Europe</b>	<b>459</b>	<b>8.3%</b>	<b>11.5%</b>
<b>o/w Water Europe</b>	<b>413</b>	<b>4.3%</b>	<b>5.8%</b>
<b>o/w International</b>	<b>269</b>	<b>9.7%</b>	<b>8.5%</b>
<b>Total<sup>(3)</sup></b>	<b>1,060</b>	<b>3.9%</b>	<b>6.7%</b>

(1) Defined as SUEZ Environnement's scope since 01/01/07

(2) Figures by division are before Other segment and before elimination of Interco

(3) Including Other segment (-€81m)

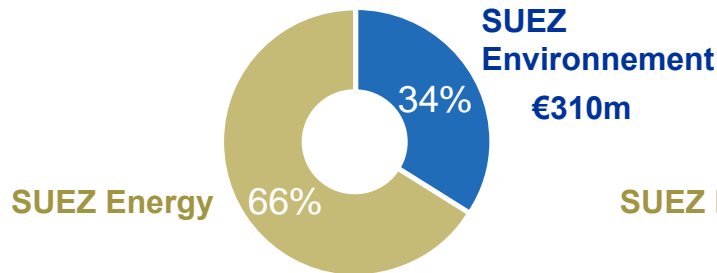
(4) Of which one-off effect of €182m related to Lydec pension provision release

# Strong cost control culture

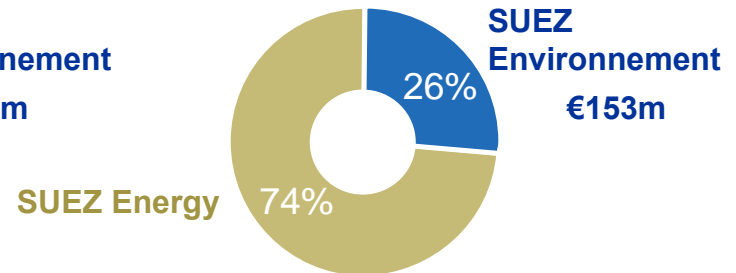
**SUEZ Environnement was a strong contributor to SUEZ's Optimax plans 1 and 2 (2003-2006)**

- SUEZ Environnement exceeded targeted savings on both plans

**Optimax 1**



**Optimax 2**



**Some of our 2007 achievements**

- Purchasing: €50m gross savings, corresponding to 3% reduction of procurement base
- Improvement of Health & Safety indicators, resulting in a reduction of 14,560 lost man-day and savings of €9.4m
- Continued reduction of Non Revenue Water (LDEF: -0.3%, Palyja: -1.4%)
- Reduction of Waste external treatment costs (ie: internalization at SITA UK for €3m of savings; renegotiation of contract SITA NL for €3.6m)

# Income from operating activities

*Historical accounts*

In €M

	2007
<b>Current Operating Income</b>	<b>1,061</b>
MtM (Commodities)	-6
Impairment	-35
Restructuring costs	-12
Asset disposal	181
<b>Income from operating activities</b>	<b>1,189</b>

o/w Applus: €124m

# Net Income Group Share

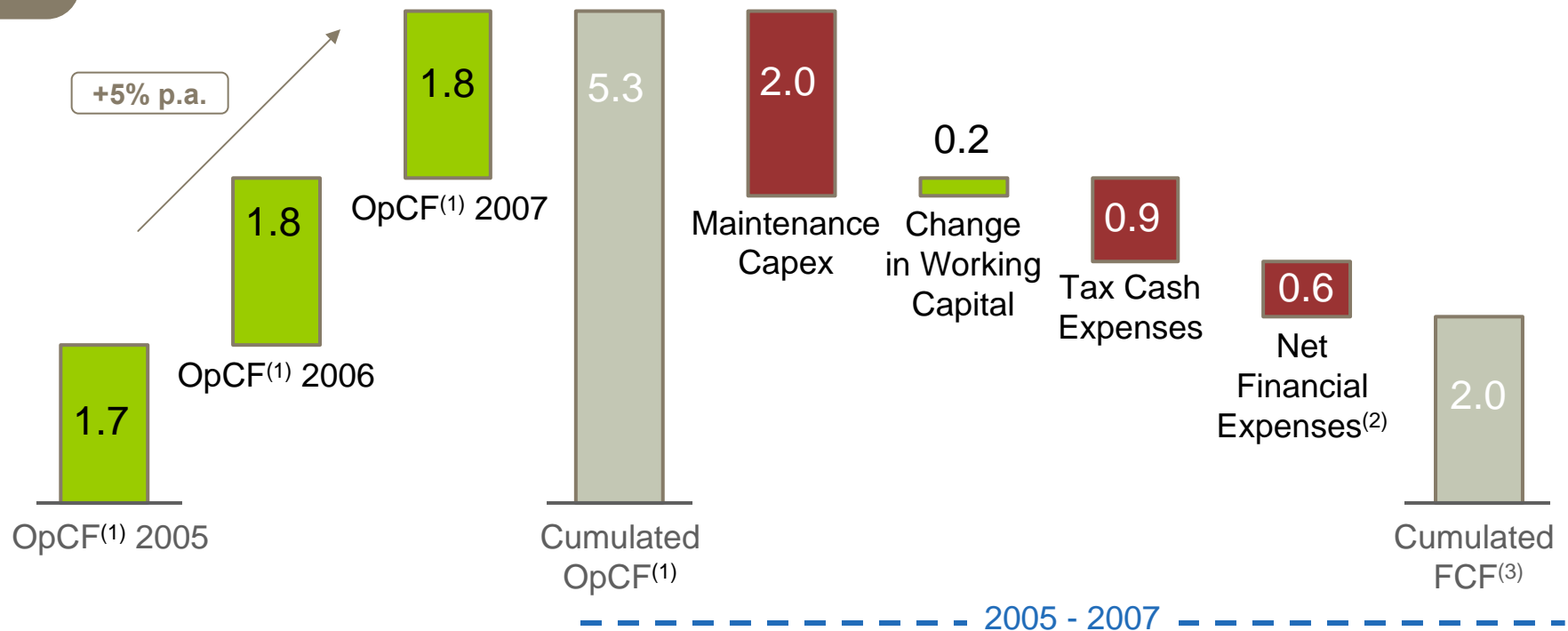
## *Historical accounts*

In €M

	2007	
<b>Income from operating activities</b>	<b>1,189</b>	
Financial result	-263	
<i>o/w cost of net debt</i>	-254	Average cost of gross debt 2007: 5.24%
<i>o/w provision discounting</i>	-43	
<i>o/w dividends &amp; others</i>	36	
Associates	23	
Income tax	-273	Effective tax rate 2007: 29.5%
<b>Net Income</b>	<b>676</b>	
Minority interest	-184	<i>o/w Agbar and subsidiaries: €145m</i>
<b>Net Income group share</b>	<b>492</b>	

# €2bn Free Cash Flow generated since 2005 before disposals - *Historical accounts*

In €bn



**Strong Free Cash Flow generation fuels profitable development**

(1) Operating cash flow

(2) Including financial interest paid, financial interest received on cash items, interest received on non current financial assets and dividends received on non current financial assets

(3) Excluding asset disposals and dividends paid

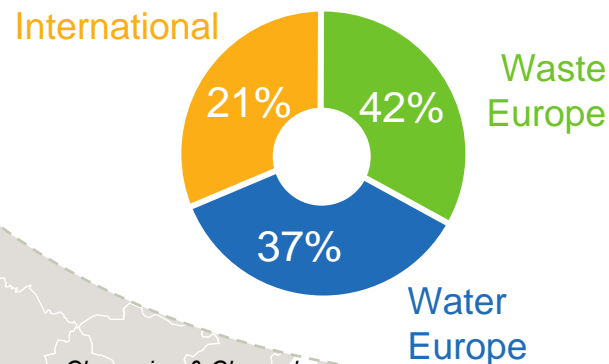


# Acceleration of development

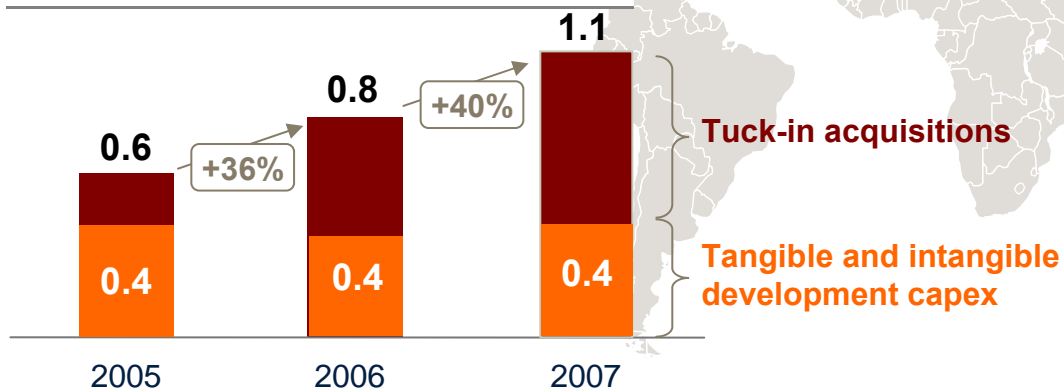
## Historical accounts

Development capex  
01/01/05-12/31/07: €2.5bn<sup>(1)</sup>

- ▲ Water business
- Waste business



Development capex  
01/01/05-12/31/07: €2.5bn



(1) Investments related to the segment "Other" have been reallocated to the business segments they are relating to

# Financial discipline through strict investment process and criteria

## The Operations Committee

- Includes CEO, CFO, the relevant Senior VP and the CEO of the relevant Business Unit
- Rigorous analysis and selection process
- Investment thresholds:
  - Acquisitions > €5m (firm value)
  - Total capex program > €15m
  - Total cumulated revenues forecasted from investment if no capex required > €50m
- Dynamic investment approach over the last two years:
  - Decision to go ahead on 180 projects: 27 in Water Europe segment, 71 in Waste Europe segment, 82 in International segment
  - Over the 134 closed projects at this stage, 74 were gained or realized (55% hit rate)

## Strict investment criteria

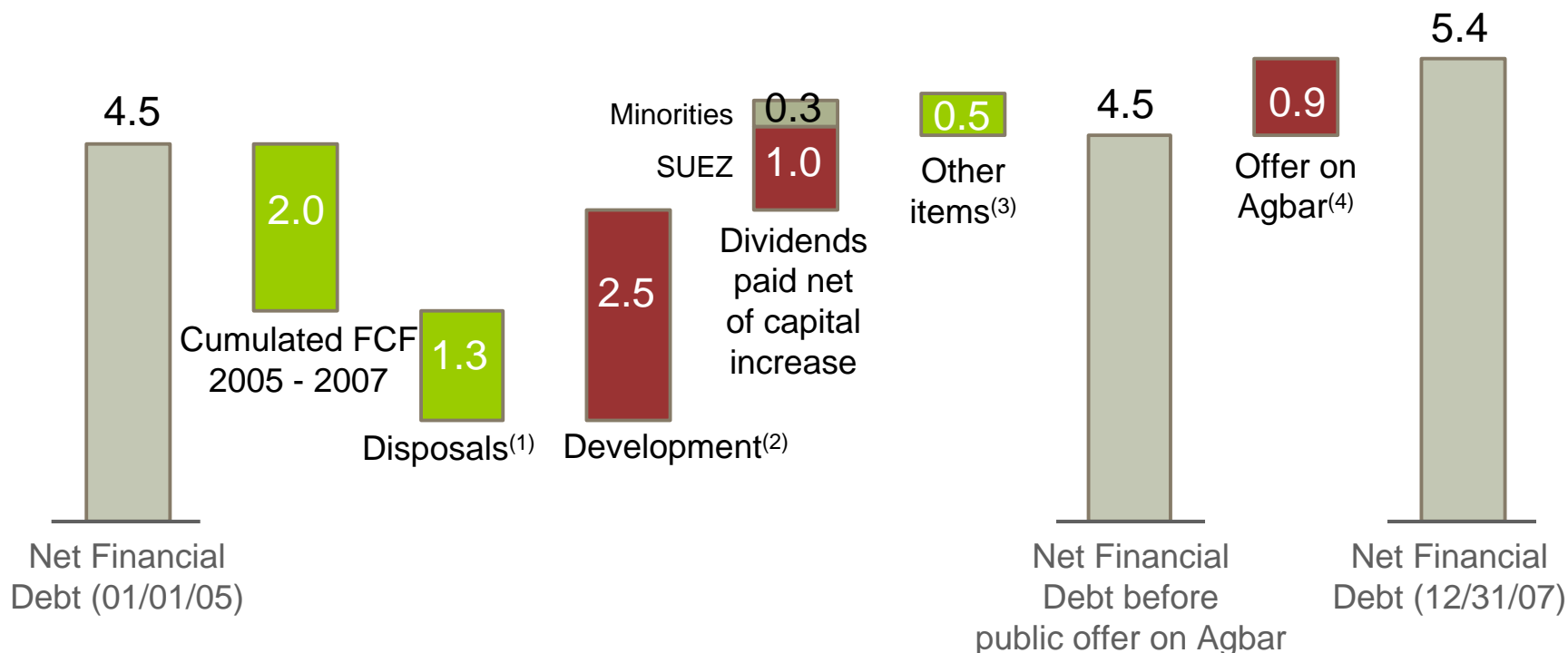
- Strict group investment policy & follow up procedures
- Focus on value creation criteria: IRR > Hurdle rate
- Accretion in year two
- Positive cash-flow contribution in year one

# Self-financed development allows to maintain a robust balance sheet structure

*Historical accounts*

In €bn

**Gearing: 127%**  
**Net debt/ EBITDA: 2.56x**



(1) Including disposal of tangible and intangible assets, disposal of businesses net of cash and disposal of assets available for sale

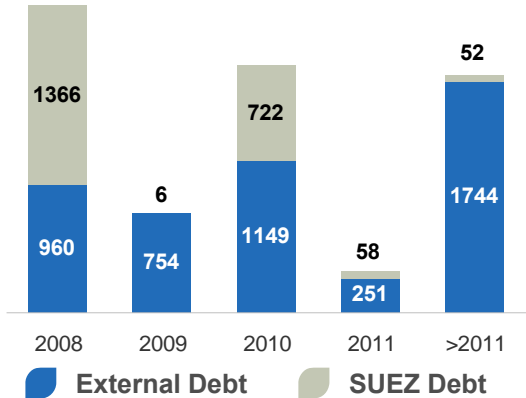
(2) Including development capex and financial investments of which €104m for the purchase of Torreal's share in Agbar

(3) Including exchange rate effect, perimeter effect and existing debt of acquired entities

(4) Based on year-end commitment by SUEZ Environnement and La Caixa to acquire 100% of AGBAR shares

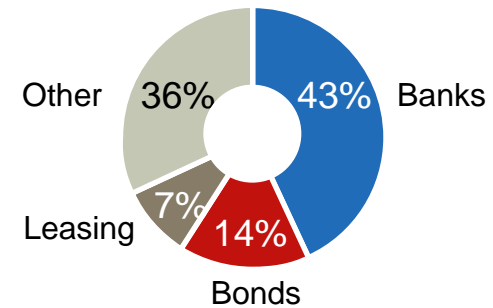
# A well-balanced debt structure

**Gross debt maturity profile<sup>(1)</sup>**  
at 12/31/2007

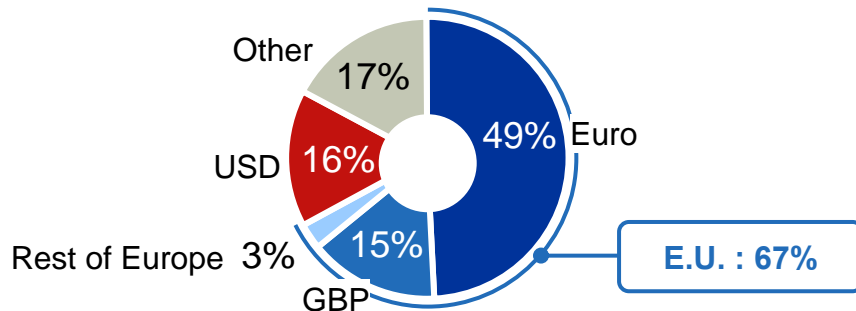


Average cost of gross debt 2007: 5.24%

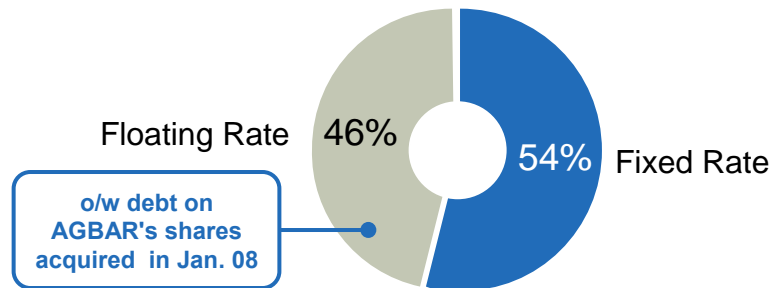
**Gross debt breakdown by type<sup>(1)</sup>**  
at 12/31/2007



**Net debt breakdown by currency<sup>(1)</sup>**  
12/31/2007



**Net debt breakdown by rate type<sup>(1)</sup>**  
12/31/2007



(1) Excluding IAS 32/39

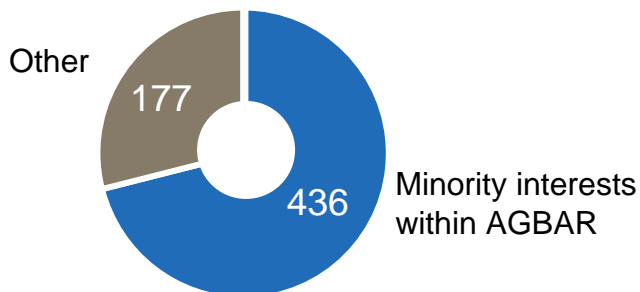
# Assets and liabilities overview (at 12/31/07)

## Selected assets and liabilities

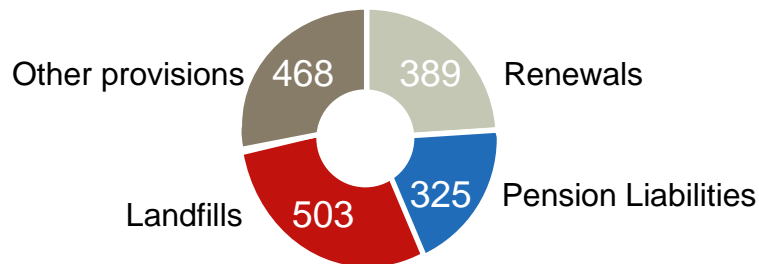
In €M

Net debt <sup>(1)</sup>	5,387
Minority interests	613
Provisions (incl. provisions for renewal) <sup>(2)</sup>	1,685
Financial assets (incl. related financial receivables) <sup>(3)</sup>	(1,694)

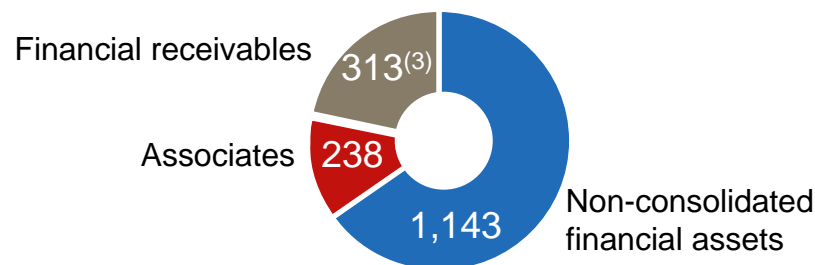
## Minorities: €613m



## Provisions<sup>(2)</sup>: €1,685m



## Financial assets: €1,694m

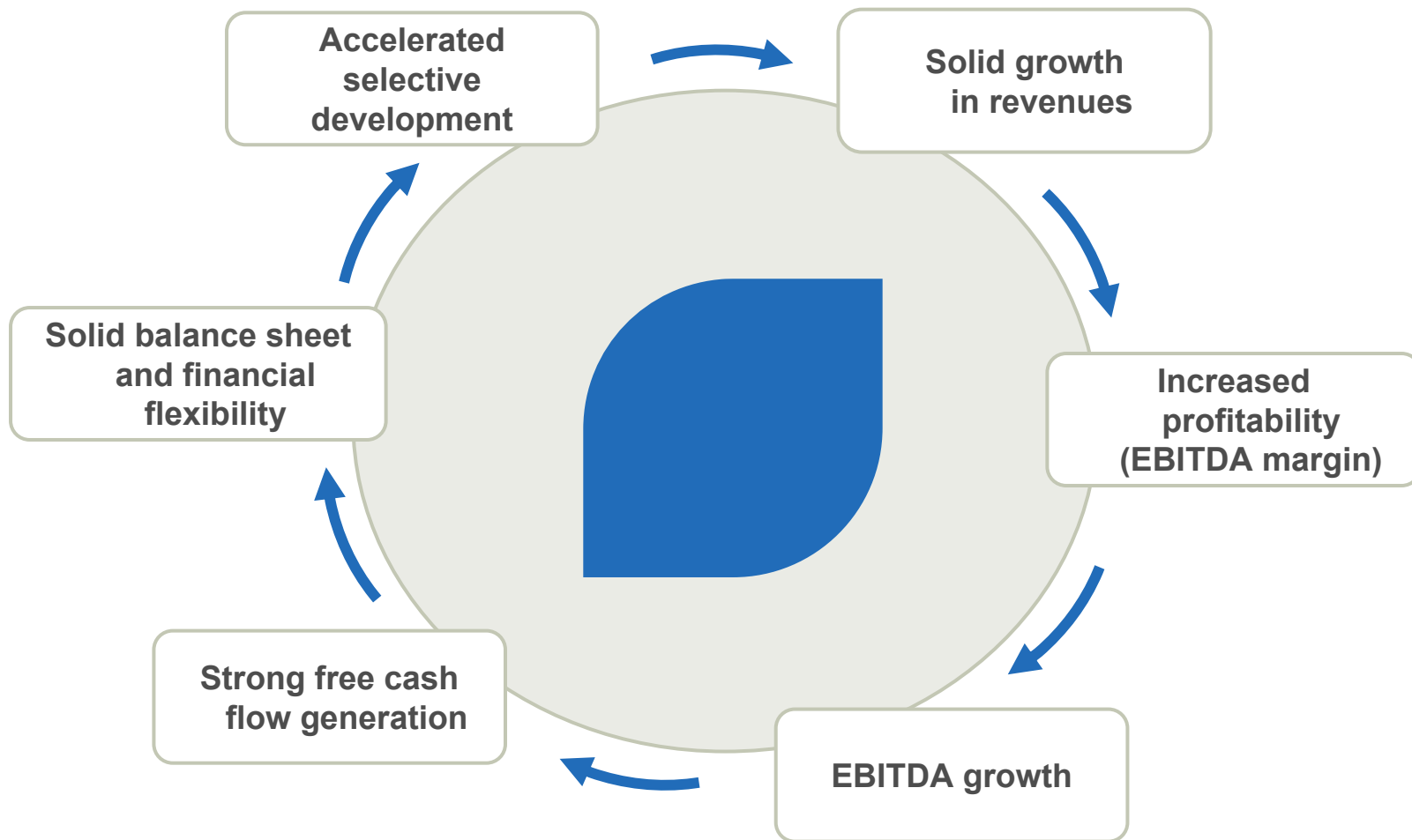


(1) Includes €40m related to derivative financial instruments, impact of amortized cost and impact of fair value adjustments

(2) Including €389m of provisions for renewals (accounted for in suppliers' debt). These provisions represent the gap between the expenses and the commitments on a linear basis of our concession contracts.

(3) Including €158m related to concession assets (IFRIC 12)

# A virtuous financial circle



Conclusion



**Jean-Louis Chaussade**  
Chief Executive Officer

# The Environment specialist

- Integrated player with worldwide presence and critical mass in a still fragmented sector
- Track record & reliability
- European stronghold and selective international presence
- Balanced Water/Waste portfolio benefiting from synergistic platform
- Forefront of R&D for sustainable and innovative development solutions
- Successful partnership strategy

**Focused and integrated model  
that meets industry key success factors**



**SUEZ Environnement**  
Addressing 21<sup>st</sup> century  
sustainable growth challenges

# Questions & Answers

The purpose of this “Education Day” is to present the positioning of the SUEZ Environnement business line.

No forward-looking data or information about the projected listing of SUEZ Environnement will be disclosed at this event.

**Appendix**  
**Organization & Governance**  
Business appendices  
Financial information



# Organization

## SUEZ Environnement

### Water Europe

Lyonnaise des Eaux

AGBAR

### Waste Europe

SITA France

SITA UK + Scandinavia

SITA Benelux + Germany

### International

North America

Degrémont

Asia Pacific

Central Europe,  
Mediterranean & Middle East

## Support Functions

Project, Risks and Investments  
Human Resources  
Research and Development  
Marketing

International Development  
Internal Audit  
Communication

Administration and Finance  
Strategy  
Institutional Relations & Sustainable Development  
Legal

# Corporate governance

## Management Committee

- 5 members
- Every fortnight
- Key strategic options + governance of BUs

## Executive Committee

- 22 members
- Every two months
- Financial / HR / Strategy situation reports

# General Management



**Jean-Louis Chaussade**  
Chief Executive Officer

- Jean-Louis Chaussade has spent his entire career within SUEZ Environment:
- He first joined Degrémont France in 1978, then was appointed Chief Operating Officer of Degrémont Spain in Bilbao in 1989. During this period, he was appointed Board Member of Aguas de Barcelona, Spain's leading water company. Furthermore, Jean-Louis Chaussade also became Special Advisor of Dumez Copisa Spain in 1992.
- In 1997, he was appointed Chief Operating Officer of Lyonnaise des Eaux in Latin America where he was brought in to run the first international water concession contract, Aguas Argentinas. He was also appointed SUEZ Delegate for South America. During his time in Argentina, he was in charge of the group's most important water concession which supplied drinking water to 11 million inhabitants and employed 3,750 staff.
- He became Chairman and Chief Executive Officer of Degrémont in 2000 and focused on strengthening the company's leadership position and developing in-house reuse and desalination expertise.
- Since 2004, he has retained the Chairman position within Degrémont and has evolved in the SUEZ Group to become Executive Vice-President of SUEZ and Chief Executive Officer of SUEZ Environnement.
- Jean-Louis Chaussade holds a degree in Civil Engineering together with an Economic Master's degree. He graduated from the Paris Institute of Political Studies and from Harvard Business School AMP.

# General Management



## Christophe Cros

Senior Executive Vice-President in charge of Waste Europe

- Christophe Cros is a Senior Executive Vice-President of SUEZ Environnement. His main responsibilities encompass the executive chairmanship of SITA France and the supervision of the whole waste business of SUEZ Environnement.
- Christophe Cros joined SUEZ Group in 1991 as finance director of the specialized credit institutions Group. He became head of funding and treasury department of the SUEZ holding company (1993), then Senior Executive Vice President (1995), and finally Chairman and CEO (1998) of CrediSUEZ, the real-estate division of SUEZ Lyonnaise des Eaux. He joined the waste business (SITA) in 1999 as Senior executive vice president then managing director.
- Before joining SUEZ Lyonnaise des Eaux, he served as Chief Finance Officer of the French Savings and Loans Association (1989) and as a financial magistrate of the Cour des Comptes (1995) (National audit office).
- Christophe Cros has a degree of the Ecole Nationale d'Administration, the special school for French senior civil servants. He holds a Master's degree in economics and is a graduate of Sciences Po, Paris Institute of Political Studies.

# General Management



## Bernard Guirkinge

Senior Executive Vice-President in charge of Water Europe

- Bernard Guirkinge has devoted most of his career to water business lines, of which he has extensive knowledge.
- After holding various operational positions in Lyonnaise des Eaux plants, he was appointed Regional Manager for the South of Paris at the start of the 1990s. In 1995, he continued his career abroad by taking charge of the operational subsidiaries in Germany, Central Europe, and Northern Europe. Backed by his international experience, he was appointed CEO of Lyonnaise des Eaux in 1996, and then company Chairman and CEO in 2002.
- Since 2002, Bernard Guirkinge has also been a member of the Executive Committee of SUEZ Environment. He is in charge of operational water activities in Europe (Italy, Spain, Germany etc.) and of the follow-up of Research and Development activities. He is also President of the FP2E (French National Association of Private Water Operators).
- Bernard Guirkinge holds an engineering degree from Paris Central Engineering School.



# General Management



## Jean-Marc Boursier

Senior Executive Vice-President Finance & Chief Financial Officer

- Jean-Marc Boursier joined SUEZ Group in 1999 as Financial Controller of SITA France. He became Director of Financial Control of SITA in 2000, then Director of Financial Control and Mergers and Acquisitions of SITA in 2001, and finally Director of Planning and Control of SUEZ Environnement in 2002. He was appointed Chief Financial Officer of SUEZ Environnement in 2004.
- Prior to joining SUEZ Environnement, he served as an Auditor for Mazars in London and in Paris between 1993 and 1999.
- Jean-Marc Boursier is a Civil Engineer with Telecom INT and holds a Master's degree in Finance from Ecole des Hautes Etudes Commerciales (HEC Paris).

# General Management



## Denys Neymon

Senior Executive Vice-President in charge of Human Resources

- Denys Neymon is HR director of SUEZ Environnement since 2004. He is in charge of Human Resources and Health & Safety. Denys Neymon is also member of the HR Comex of SUEZ.
- Before joining SUEZ Environnement, he worked in the construction sector (Bouygues Group) as Human Resources Director for ten years.
- In 2002, Denys Neymon joined the group as Human Resources Director of Degrémont.
- He holds a degree in Law (1983) and Human Resources (1984).

## Appendix

Organization & Governance

**Business appendices**

Financial information



# SUEZ Environnement: a pioneer that shaped today's environment markets

## Key Market Trends

- ...
- 1970** ■ Environment consciousness
  - 1980** ■ Pollution reduction  
■ Desalination  
■ Recycling
  - 1990** ■ Globalization of water markets  
■ Sophistication of waste treatment
  - 2000** ■ Accelerated development of wastewater and desalination  
■ Resources management

## Recognized innovative skills

- 1985** World 1<sup>st</sup> reverse osmosis desalination plant (Riyadh)
- 1985** 1<sup>st</sup> water concession contract signed out of France (Macau)
- 1985** 1<sup>st</sup> specific medical waste collection service
- 90's** Pioneer of water supply in developing countries  
Use of membranes to protect landfills  
Biogas recovery
- 2006** Largest desalination plant in South Hemisphere (Perth)
- 2006/07** Naval vessel and aircraft dismantling operations  
Reuse technology  
Positive energy water plant treatment

# SUEZ Environnement's contribution to the Millennium Development Goals

## Context

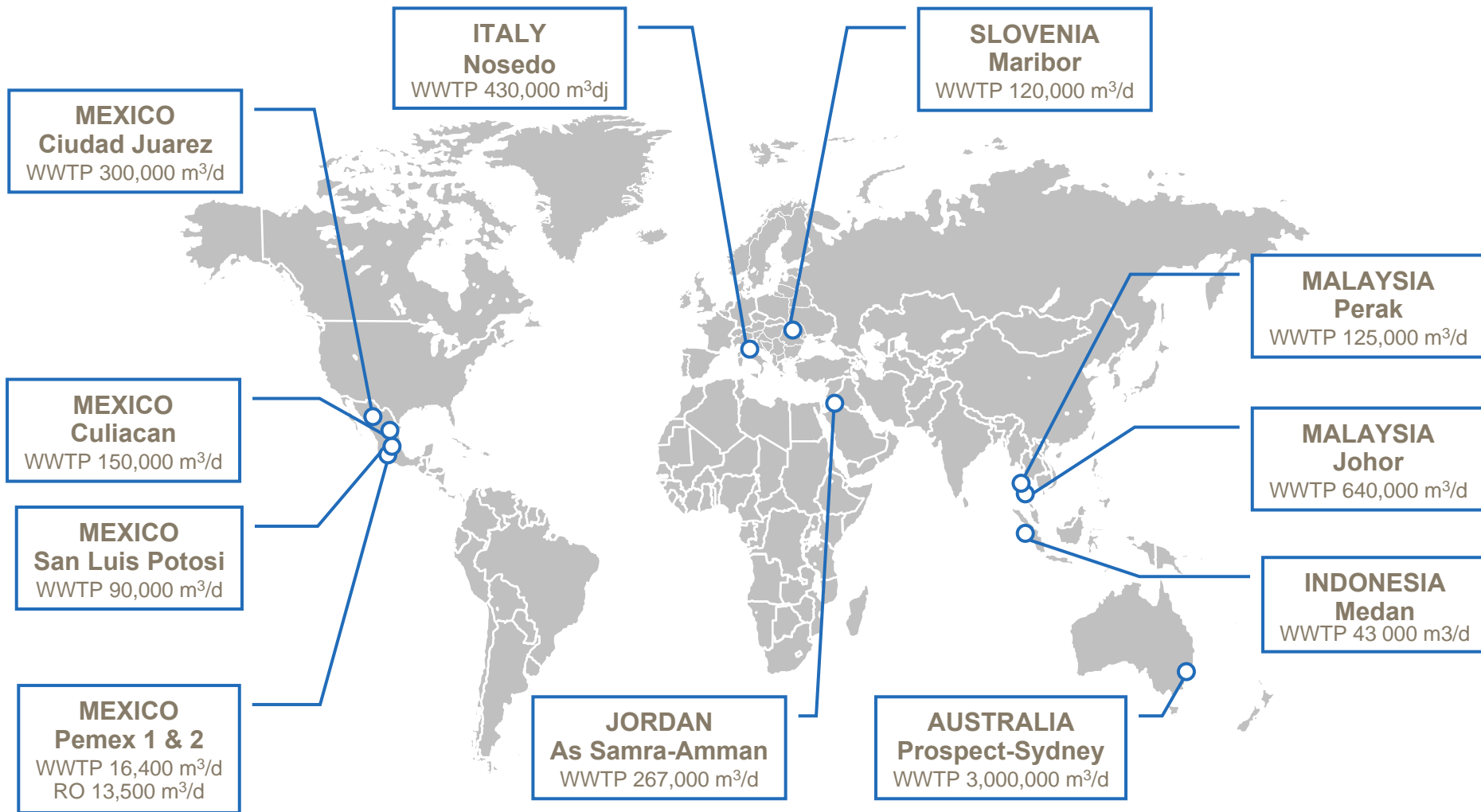
- Target : “Halve by 2015 the proportion of people without sustainable access to safe drinking water and basic sanitation”
  - More than 1 billion people don't have access to an improved source of drinking water
  - Every year, unsafe water, coupled with a lack of basic sanitation, kills at least 1.6 million children under the age of five years
- Concerns especially **developing countries** which cannot be considered as attractive for international operators due to their lack of stability or their economic weakness and poor potential.



## SUEZ Environnement's contributions

- SUEZ Environnement's contributions to the MDGs are
  - to **develop, capitalize on and share** its relevant specific knowledge
  - to be a **contributor** of solutions to assist its clients to achieve the MDGs.
- SUEZ Environnement has acquired vast experience and has developed unique **technical, contractual and social knowledge** in the sustainable provision of urban water and waste water services in these underprivileged countries.
- Today, SUEZ Environnement :
  - has developed a specific company to propose adapted business model in partnership with IFIs and governments: SEED (*SUEZ Environnement Eau et Développement*).
  - develops active relations with institutions linked to development, NGOs, academic experts... to share experiences and considerations.
- Over the last 12 years, SUEZ Environnement has supplied nearly 10 million people with drinking water and has brought sanitation services to 4.5 million people.
  - Ex : Casablanca, Jakarta, Amman...

# Degrémont: BOT<sup>(1)</sup> contracts all over the world



(1) BOT = Build-Operate-Transfer

Note: WWTP = Waste Water Treatment Plant, RO = Reverse Osmosis

## Appendix

Organization & Governance  
Business appendices

### **Financial information**

*Methodology*  
*Financial data*  
*AGBAR*  
*Concessions*



# Financial data disclosed in this presentation

## *Audited statements*

- Historical Accounts:
  - SUEZ Environnement managed scope including financial assets that have been or will be acquired by SUEZ Environnement from entities of SUEZ (see on the following slide)
  - Intercompany transactions within SUEZ Environnement eliminated
  - Some specific costs incurred at SUEZ level on behalf of SUEZ Environnement included in SUEZ Environnement Historical accounts
  
- Stabilized scope:
  - Historical Accounts restated, based on existing scope as of 01/01/2007 (excluding disposed activities in Argentina, Brazil and Bolivia, Waste North-America, and Northumbrian)
  
- SUEZ contribution:
  - SUEZ Environnement managed scope
  - Intercompany transactions within SUEZ eliminated
  - Some specific costs incurred at SUEZ level on behalf of SUEZ Environnement left at SUEZ level



# Acquired asset by SUEZ Environnement from SUEZ before listing - *Historical accounts*

- Prior to the GDF SUEZ merger project, the following financial assets have been / will be acquired by SUEZ Environnement from entities of SUEZ:
  - 20.75% of Lydec – acquired before December 2007
  - 0.27% of Lyonnaise des Eaux France – acquired before December 2007
  - 100% of Lyonnaise des Eaux Deutschland GmbH, and 93.26% of Lyonnaise Vietnam Water Cy – acquired before December 2007
  - 1.48% of Eyath (Société des Eaux de Thessalonique) – acquired before March 2008
  - 51% of Consortium Intesa Aretina – acquired before March 2008
  - 44.4% of Calédonienne des Eaux, and 53% of SADET – to be acquired before June 2008
  - 100% of Lyonnaise Prospect – to be acquired before June 2008
  - 100% of Société des Eaux de l'Oum er Rbia – to be acquired before June 2008
  
- Total market value of the assets acquired is below 1% of total assets.

# Consolidation Method for SUEZ Environnement's main subsidiaries

Company name	% interest 12/31/2007	% control 12/31/2007	Consolidation method 12/31/2007
Lyonnaise des Eaux France	100	100	FC
Degrémont	100	100	FC
Hisusa	51	51	PC
AGBAR <sup>(1)</sup>	51	51	PC
SITA UK	100	100	FC
SITA Germany GmbH	100	100	FC
SITA Netherland BV	100	100	FC
SITA France	100	100	FC
SITA Belgium	100	100	FC
SITA Sverige AB <sup>(2)</sup>	75	75	FC
Lydec	51	51	FC
United Water	100	100	FC
Sino French Holding	50	50	PC
Swire SITA	50	50	PC
SITA Australia	60	60	FC

**AGBAR** (% of interest):  
45.9% after public offer

**A further 25% acquired  
in 2008**

(1) AGBAR is fully consolidated by Hisusa, which in turn is proportionally consolidated by SUEZ Environnement

(2) 25% sharecapital previously owned by E.On, bought by SUEZ Environnement in March 4, 2008

Note: FC = Full Consolidation, PC = Proportional Consolidation

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Organization & Governance  
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### **Financial information**

*Methodology*

*Financial data*

*AGBAR*

*Concessions*



# Evolution of historical indicators

## *Historical accounts*

In €M

	2004	2005	2006	2007
<b>Revenues</b>	10,550	11,092	11,447	<b>12,034</b>
<b>EBITDA</b>	1,754	1,912	1,985	<b>2,104</b>
<i>%</i>	<i>16.6%</i>	<i>17.2%</i>	<i>17.3%</i>	<i>17.5%</i>
<b>Current operating income</b>	944	1,000	1,060	<b>1,061</b>
<i>%</i>	<i>8.9%</i>	<i>9.0%</i>	<i>9.3%</i>	<i>8.8%</i>
<b>Net Income - Group share</b>	170	658 <sup>(1)</sup>	574 <sup>(2)</sup>	<b>492</b>

(1) includes €263m gain on Northumbrian disposal

(2) Including positive effect of debt renegotiation on Aguas Argentinas for €57m

# From SUEZ contribution to historical accounts

## SUEZ Environnement

	SUEZ contribution	SUEZ ESOP	"14 Free shares" program	Other / Interco	Historical accounts
<b>2006</b>					
<b>Revenues</b>	<b>11,439</b>			<b>8</b>	<b>11,447</b>
<b>EBITDA</b>	<b>1,983</b>			<b>2</b>	<b>1,985</b>
<b>Current operating income</b>	<b>1,044</b>	<b>10</b>		<b>6</b>	<b>1,060</b>

	SUEZ contribution	SUEZ ESOP	"14 Free shares" program	Other / Interco	Historical accounts
<b>2007</b>					
<b>Revenues</b>	<b>12,022</b>			<b>12</b>	<b>12,034</b>
<b>EBITDA</b>	<b>2,102</b>			<b>2</b>	<b>2,104</b>
<b>Current operating income</b>	<b>1,077</b>	<b>(11)</b>	<b>(5)</b>		<b>1,061</b>

## 2 compensation plans in shares in 2007 for SUEZ employees:

- Employee Stock Ownership Plan of SUEZ (ESOP)
- "14 free shares" worldwide program: 14 free shares to each SUEZ employee

# Summary balance sheet at 12/31/07

## Historical accounts

In €M

ASSETS	12/31/06	12/31/07	LIABILITIES	12/31/06	12/31/07
<b>NON CURRENT ASSETS</b>	<b>11,894</b>	<b>12,733</b>	Equity, group share	3,547	3,644
o/w goodwill	2,244	2,720	Minority interests	1,120	613
<b>CURRENT ASSETS</b>	<b>6,221</b>	<b>6,005</b>	<b>TOTAL EQUITY</b>	<b>4,667</b>	<b>4,257</b>
o/w financial assets at fair value through income	54	180	Provisions	1,380	1,297
o/w cash & equivalents	1,995	1,466	Financial debt	5,935	7,073
			Other liabilities	6,133	6,111
<b>TOTAL ASSETS</b>	<b>18,115</b>	<b>18,738</b>	<b>TOTAL LIABILITIES</b>	<b>18,115</b>	<b>18,738</b>

# Summary income statement

## Historical accounts

In €M

	2006	2007
<b>Revenues</b>	<b>11,447</b>	<b>12,034</b>
Depreciation, amortization & provisions	(680)	(755)
Current operating income	1,060	1,061
Income from operating activities	1,155	1,189
Financial income (loss)	(164) <sup>(1)</sup>	(263)
Income tax	(276)	(273)
Share in net income of associates	21	23
<b>Net result</b>	<b>736</b>	<b>676</b>
Minority interests	(162)	(184)
<b>Net result, group share</b>	<b>574</b>	<b>492</b>

(1) Including positive effect of debt renegotiation on Aguas Argentinas for €57m

# Cash flow statement

## *Historical accounts*

*In €m*

	12/31/06	12/31/07
Gross cash flow before financial loss and income tax	1,786	1,824
Income tax paid (excl. income tax paid on disposals)	(261)	(351)
Change in operating working capital	40	(11)
<b>Cash Flow From Operating Activities</b>	<b>1,565</b>	<b>1,462</b>
Net tangible and intangible investments	(1,004)	(1,133)
Financial investments	(449)	(736)
Disposals and other investment flows	272	334
<b>Cash Flow From Investment Activities</b>	<b>(1,181)</b>	<b>(1,535)</b>
Dividends paid	(502)	(550)
Balance of reimbursement of debt / new debt	373	479
Interests paid on financial activities	(219)	(249)
Capital increase	29	6
Other cash flows	(14)	(125)
<b>Cash Flow From Financial Activities</b>	<b>(333)</b>	<b>(439)</b>
Impact of currency, accounting practices and other	20	(17)
<b>Cash And Cash Equivalents At The Beginning Of The Period</b>	<b>1,924</b>	<b>1,995</b>
<b>Total Cash Flows For The Period</b>	<b>71</b>	<b>(529)</b>
<b>Cash And Cash Equivalents At The End Of The Period</b>	<b>1,995</b>	<b>1,466</b>



# From historical accounts to stabilized scope

## Major disposals

In €M

Historical revenues	2004	2005	2006	2007
Brazil	180	270	87	0
Argentina	228	251	53	0
Bolivia	0	0	0	0
Teris LLC	79	76	47	0
Northumbrian Water Group	0	0	0	0
SITA Canada Inc.	79	12	0	0
<b>Total major disposals</b>	<b>566</b>	<b>609</b>	<b>187</b>	<b>0</b>

Historical EBITDA	2004	2005	2006	2007
Brazil	26	53	22	0
Argentina	85	73	14	0
Bolivia	0	0	0	0
Teris LLC	(5)	3	1	1
Northumbrian Water Group	20	7	0	0
SITA Canada Inc.	9	1	0	0
<b>Total major disposals</b>	<b>134</b>	<b>137</b>	<b>36</b>	<b>1</b>

Historical Current Operating Income	2004	2005	2006	2007
Brazil	(4)	19	7	0
Argentina	40	56	20	0
Bolivia	(11)	0	12	0
Teris LLC	(13)	(6)	0	1
Northumbrian Water Group	0	0	0	0
SITA Canada Inc.	(0)	(1)	0	0
<b>Total major disposals</b>	<b>12</b>	<b>68</b>	<b>39</b>	<b>1</b>

# Revenues

## Historical accounts and stabilized scope

In €M

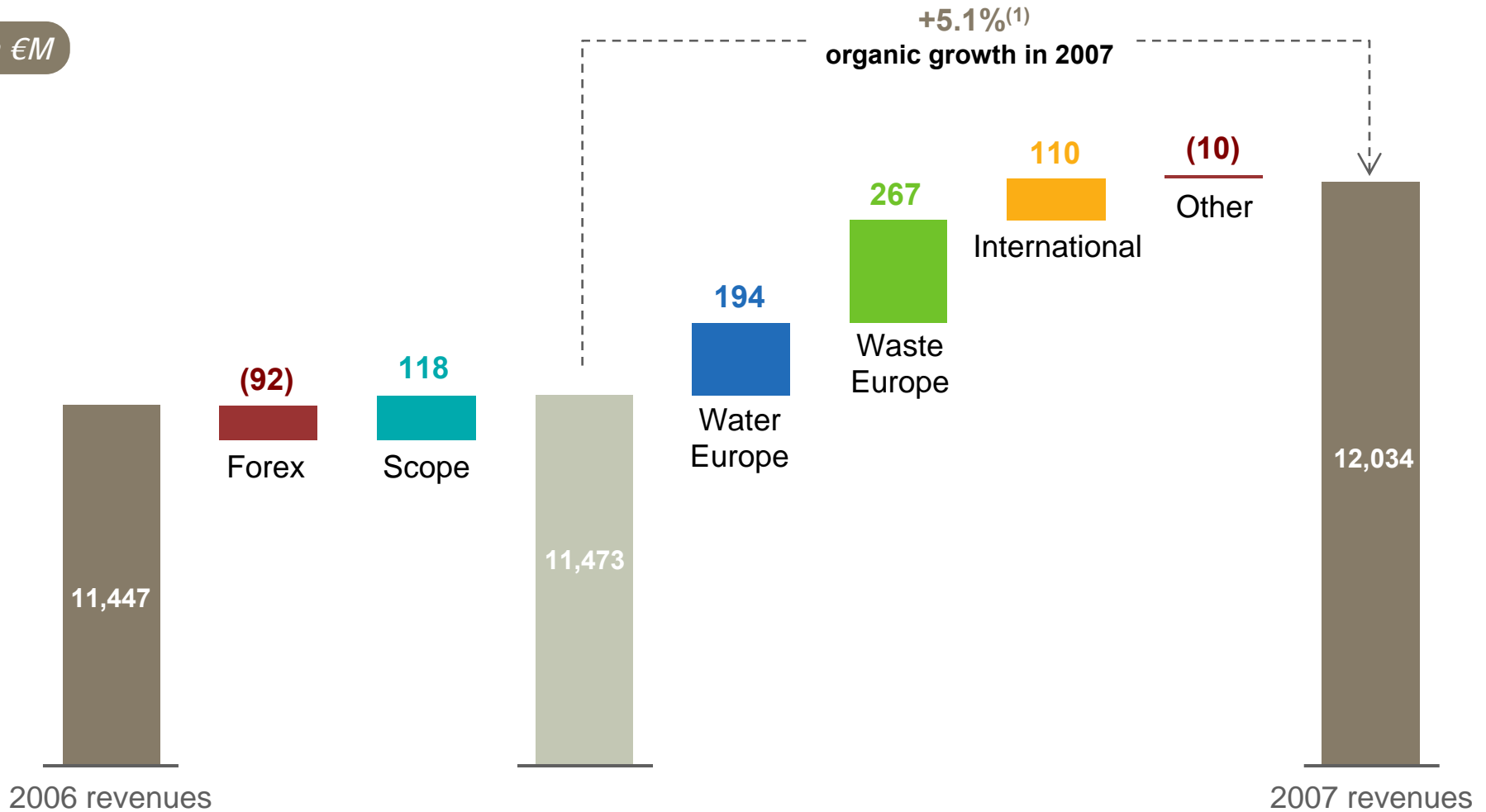
Revenues	2004	2005	2006	2007
<b>Waste Europe</b>		4,570	4,945	5,558
<i>Growth %</i>			8.2%	12.4%
<b>Water Europe</b>		3,646	3,828	3,917
<i>Growth %</i>			5.0%	2.3%
<b>International</b>		2,348	2,563	2,645
<i>Growth %</i>			9.2%	3.2%
<b>Interco</b>		(127)	(113)	(122)
<b>Other</b>		45	37	36
<b>Total stabilized scope</b>	<b>9,984</b>	<b>10,483</b>	<b>11,260</b>	<b>12,034</b>
<i>Growth %</i>		<b>5.0%</b>	<b>7.4%</b>	<b>6.9%</b>
<b>Major disposals<sup>(1)</sup></b>	566	609	187	0
<b>Total revenues</b>	<b>10,550</b>	<b>11,092</b>	<b>11,447</b>	<b>12,034</b>
<i>Growth %</i>		5.1%	3.2%	5.1%

(1) Refer to specific definition given on page "From historical accounts to stabilized scope"

# Revenues 2006 to 2007

## Historical accounts

In €M



(1) Organic growth percentage defined as follows: organic growth divided by 2006 revenues + disposals impact + forex effect

# EBITDA

## Definition

### Revenues

- + Other operating income
- Operating expenses
- = **Operating income before amortization and provisions**

- + Share in net income of associates<sup>(1)</sup>
- + Financial income excluding interests
- Share-based payment and other IFRS 2 adjustments<sup>(2)</sup>
- Net disbursements under concession contracts<sup>(3)</sup>

**= EBITDA**

(1) excluding impairment

(2) this includes the allocation of stock options, shares granted free of consideration, and payments made by the Group in relation to corporate savings plans (including top-up payments)

(3) this item corresponds to renewal expenditure relating to concession agreements, plus the change in concession renewal assets and liabilities

# EBITDA

## Historical accounts and stabilized scope

In €M

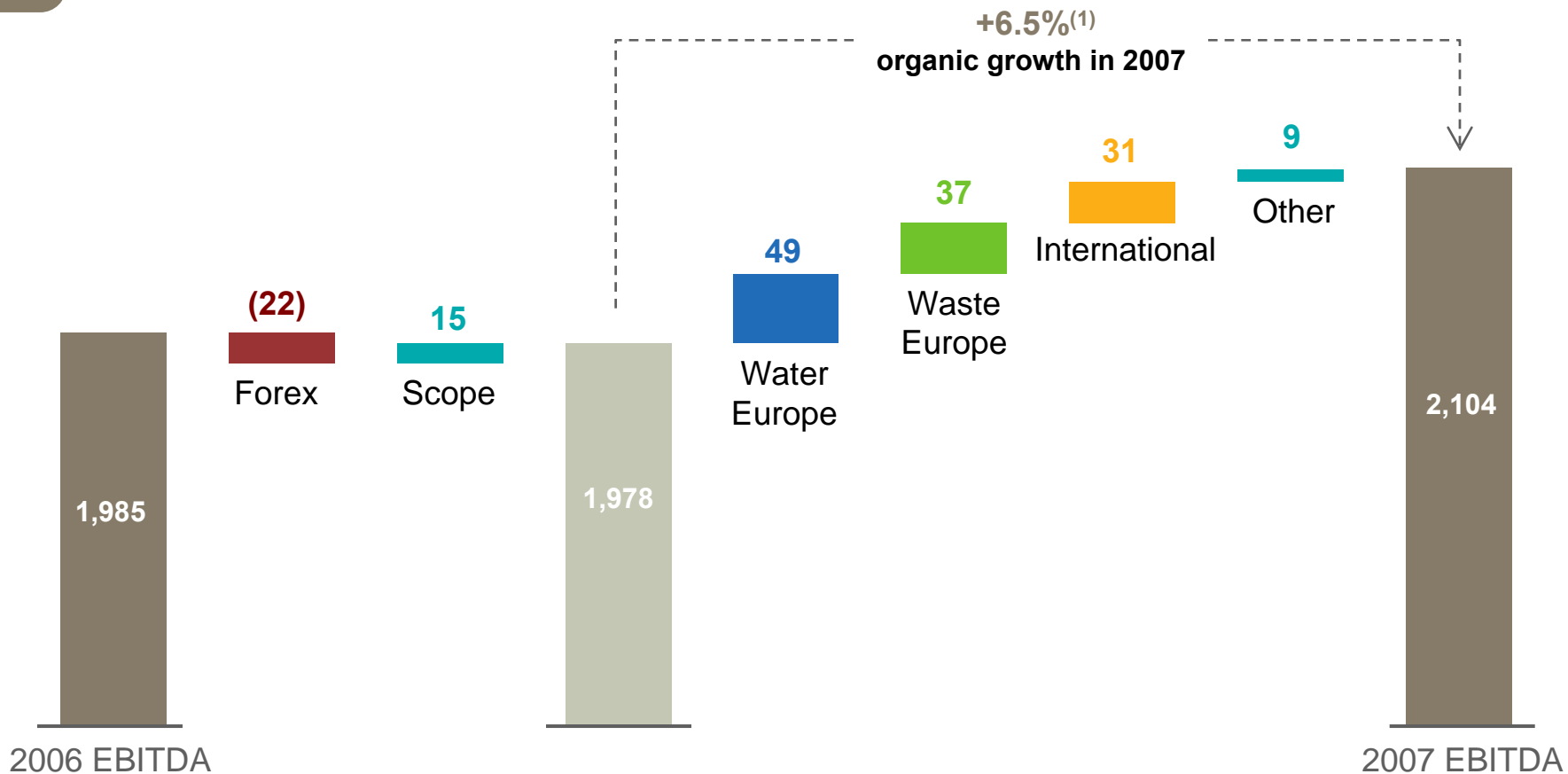
EBITDA	2004	2005	2006	2007
<b>Waste Europe</b>		731	844	905
Margin %		16.0%	17.1%	16.3%
<b>Water Europe</b>		765	784	840
Margin %		21.0%	20.5%	21.4%
<b>International</b>		304	366	394
Margin %		13.0%	14.3%	14.9%
<b>Other</b>		(25)	(45)	(36)
<b>Total stabilized scope</b>	<b>1,620</b>	<b>1,775</b>	<b>1,949</b>	<b>2,103</b>
Margin %	<b>16.2%</b>	<b>16.9%</b>	<b>17.3%</b>	<b>17.5%</b>
<b>Major disposals<sup>(1)</sup></b>	134	137	36	1
<b>Total EBITDA</b>	<b>1,754</b>	<b>1,912</b>	<b>1,985</b>	<b>2,104</b>
Margin %	16.6%	17.2%	17.3%	17.5%

(1) Refer to specific definition given on page "From historical accounts to stabilized scope"

# EBITDA 2006 to 2007

## Historical accounts

In €M



(1) Organic growth percentage defined as follows: organic growth divided by 2006 EBITDA + disposals impact + forex effect

# Current Operating Income (COI)

## Definition

### EBITDA

- + D&A and provisions
- Share in net income of associates
- Financial income excluding interests
- + Net disbursements under concession contracts
- + Share-based payment and other IFRS 2 adjustments

**= Current Operating Income**

# Current Operating Income (COI)

## *Historical accounts and stabilized scope*

In €M

Current Operating Income	2004	2005	2006	2007
<b>Waste Europe</b>		369	424	459
<i>Margin %</i>		8.1%	8.6%	8.3%
<b>Water Europe</b>		370	396	413
<i>Margin %</i>		10.1%	10.4%	10.6%
<b>International</b>		229	246	269
<i>Margin %</i>		9.7%	9.6%	10.2%
<b>Other</b>		(36)	(45)	(81) <sup>(3)</sup>
<b>Total stabilized scope</b>	<b>932<sup>(1)</sup></b>	<b>932</b>	<b>1,021</b>	<b>1,060</b>
<i>Margin %</i>	<b>9.3%</b>	<b>8.9%</b>	<b>9.1%</b>	<b>8.8%</b>
<b>Major disposals<sup>(2)</sup></b>	12	68	39	1
<b>Total COI</b>	<b>944</b>	<b>1,000</b>	<b>1,060</b>	<b>1,061</b>
<i>Margin %</i>	<b>8.9%</b>	<b>9.0%</b>	<b>9.3%</b>	<b>8.8%</b>

(1) Of which one-off effect of €182m related to Lydec pension provision release

(2) Refer to specific definition given on page "From historical accounts to stabilized scope"

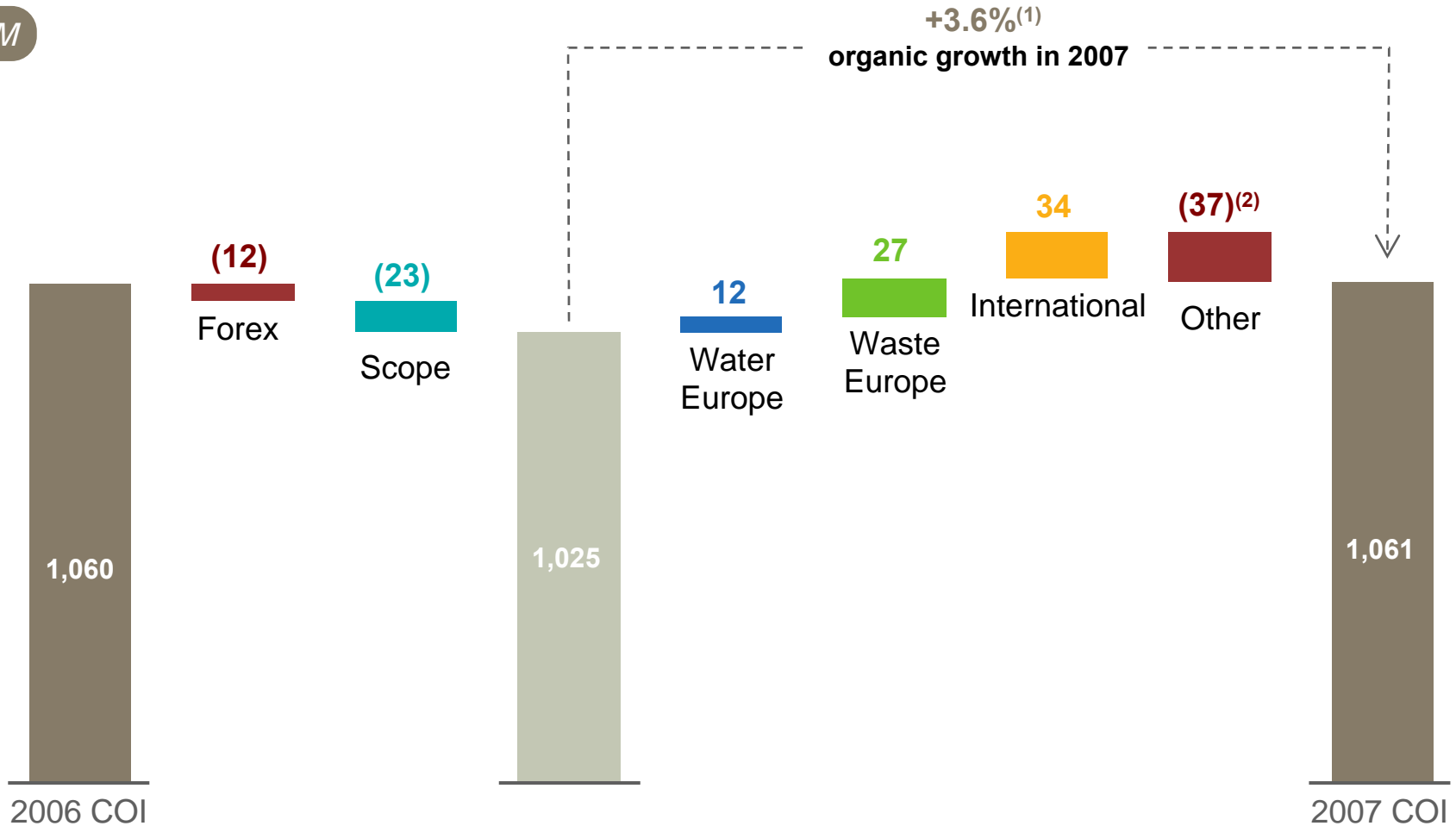
(3) Including -€16m related to SUEZ ESOP and 14 free shares worldwide programme



# Current Operating Income 2006 to 2007

## Historical accounts

In €M



(1) Organic growth percentage defined as follows: organic growth divided by 2006 COI + disposals impact + forex effect

(2) Including -€26m related to SUEZ ESOP and 14 free shares worldwide programme

# From EBITDA to Current Operating Income

*Historical accounts*

In €M

Historical figures	2006	2007	2007-2006
<b>EBITDA</b>	<b>1,985</b>	<b>2,104</b>	<b>119</b>
D&A and provisions	(680)	(743)	(63)
Share in net income of associates	(21)	(23)	(2)
Financial income excluding interests	(27)	(32)	(5)
Net disbursements under concession contracts	(193)	(208)	(15)
Share-based payment and other IFRS 2 adjustments	(5)	(37)	(32)
<b>Current operating income</b>	<b>1,060</b>	<b>1,061</b>	<b>1</b>

# Net Income Group share

## *Historical accounts*

In €M

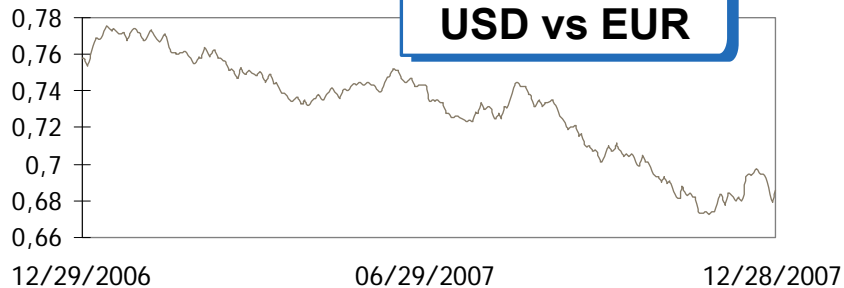
	2005	2006	2007
<b>Current Operating Income</b>	<b>1,000</b>	<b>1,060</b>	<b>1,061</b>
MtM (Commodities)	0	(2)	(6)
Impairment	(209)	(54)	(35)
Restructuring costs	(27)	1	(12)
Asset disposal	509	150	181
<b>Income from operating activities</b>	<b>1,273</b>	<b>1,155</b>	<b>1,189</b>
Financial result	(276)	(164)	(263)
<i>o/w cost of net debt</i>	(295)	(218) <sup>(1)</sup>	(254)
<i>o/w provision discounting</i>	(40)	(35)	(43)
<i>o/w dividends &amp; others</i>	59	89	36
Associates	19	21	23
Income tax	(241)	(276)	(273)
<b>Net Income</b>	<b>775</b>	<b>736</b>	<b>676</b>
Minority interest	(117)	(162)	(184)
<b>Net Income Group share</b>	<b>658</b>	<b>574</b>	<b>492</b>

(1) including positive effect of debt renegotiation on Aguas Argentinas for €57m

# Impact of USD evolution

## Historical accounts

**Movement in  
USD vs EUR**



- ▼ The average rate applies to the income statement and to the statement of cash flows
- ▼ The closing rate applies to the balance sheet

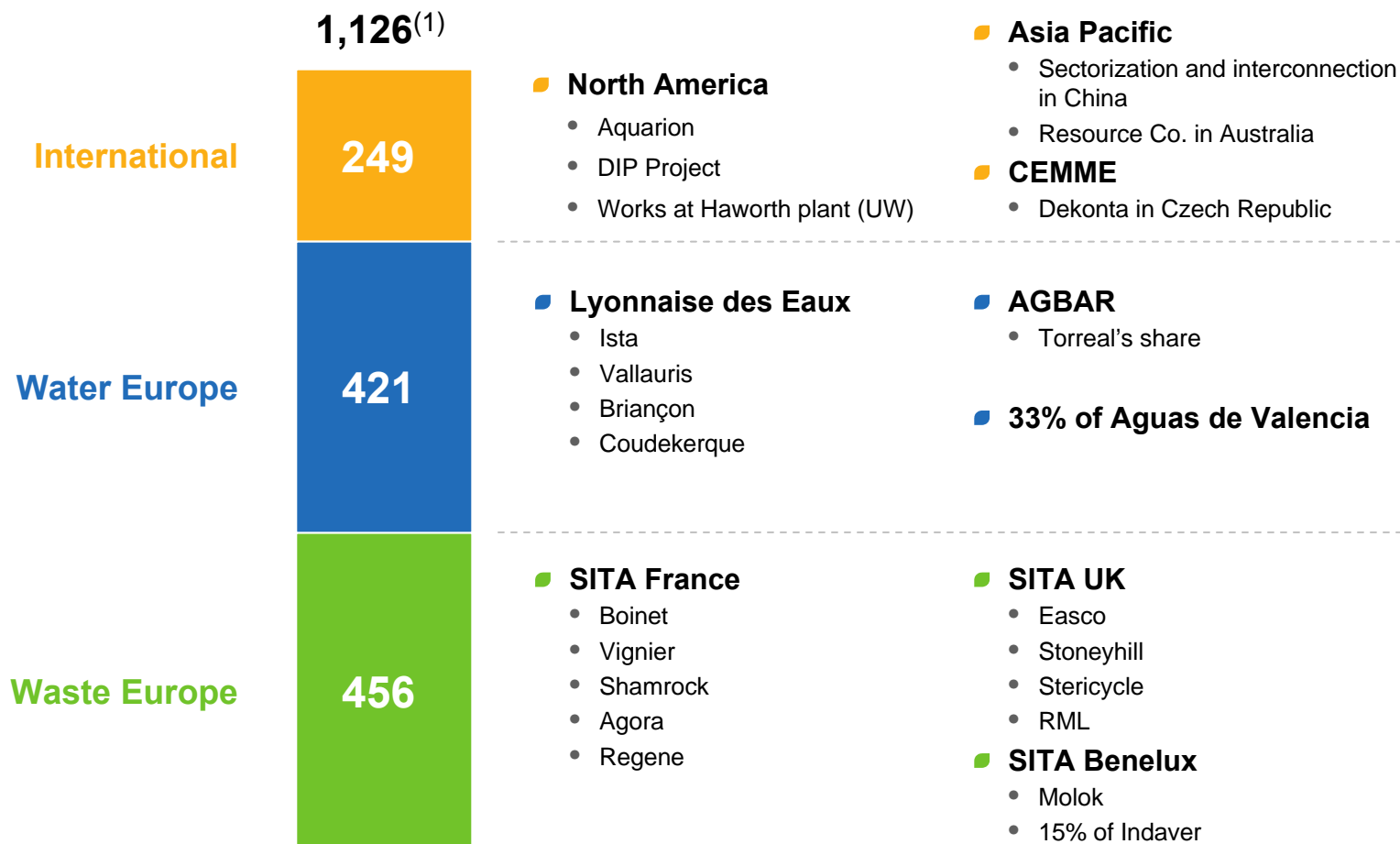
In €m	Δ 2007/06
Revenue	(47)
EBITDA	(7)
Net debt	(93)
Total equity	(41)

	USD
2007 average rate	0.73
2006 average rate	0.80
Δ aver. rate 2007/2006	-8.4%
Closing rate at 12/31/07	0.68
Closing rate at 12/31/06	0.76
Δ Closing rate	-10.5%

# Detail of 2007 development capex

## Historical accounts

In €M



(1) Capex of the "Other" segment have been allocated to the segments they are relating to (Aguas de Valencia, Indaver)

# Free cash flow

## *Definition*

### Operating Cash Flow (MBAO)

- Maintenance Capex
- +/- Variation in Working Capital
- Cash Tax Expenses
- Financial Interest Paid
- + Financial Interest Received
- + Dividends Received on Fixed Financial Assets

**= Free Cash Flow**

# Operating cash flow and free cash flow

## Historical accounts

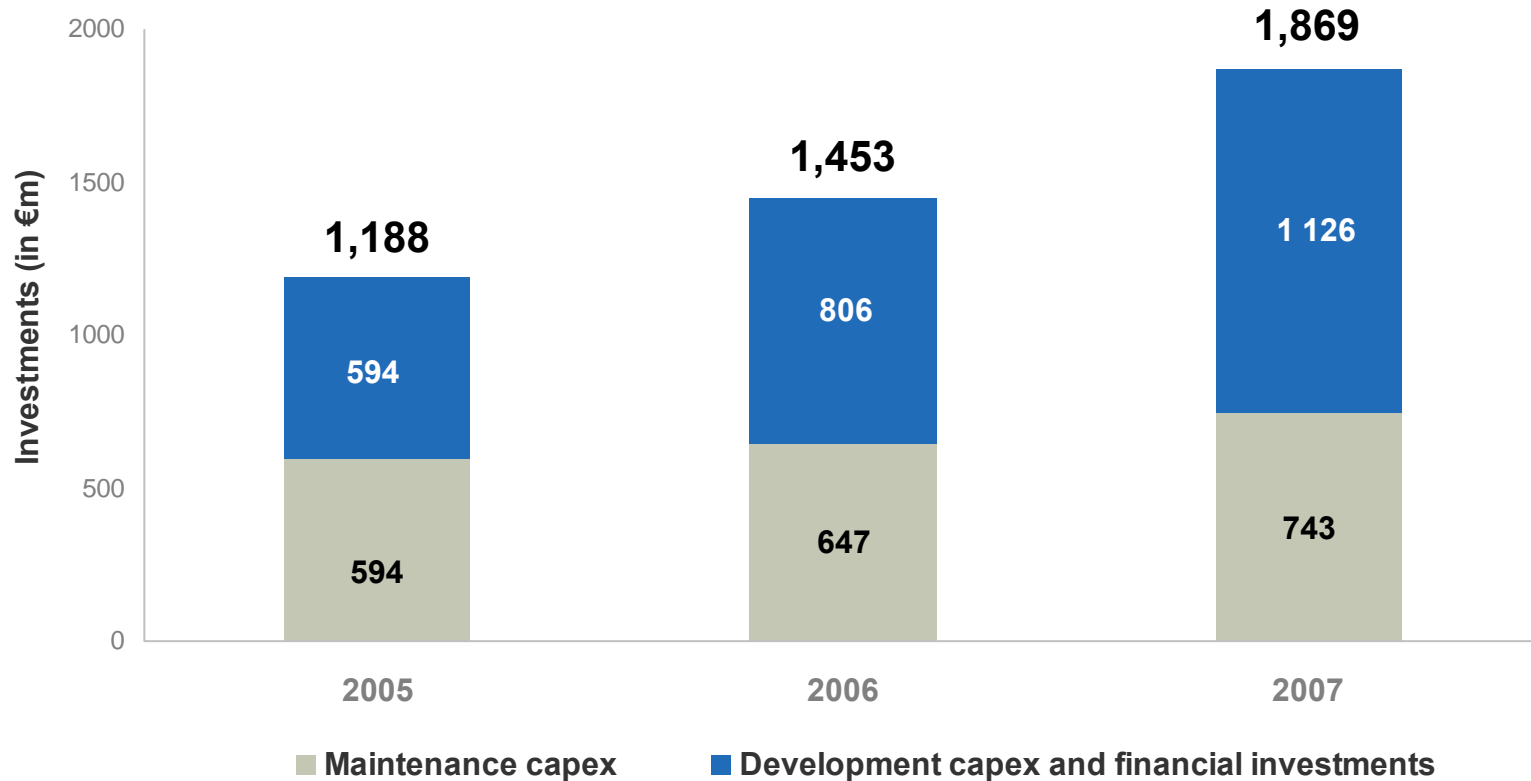
In €M

	2005	2006	2007
<b>EBITDA</b>	<b>1,912</b>	<b>1,985</b>	<b>2,104</b>
+ Net disbursements under concession contracts	(159)	(193)	(208)
+ Depreciation of current assets	(10)	13	(3)
+ Restructuration	(66)	6	(30)
+ Contribution from Associates	2	1	(6)
+ Financial income excluding interest	(22)	(27)	(32)
<b>Operating cash flow</b>	<b>1,657</b>	<b>1,786</b>	<b>1,824</b>
Maintenance capex	(594)	(647)	(743)
Change in working capital	139	40	(11)
Cash Tax Expenses	(250)	(261)	(351) <sup>(1)</sup>
Financial Interests Paid	(317)	(291)	(301)
Financial Interests Received	78	130	55
Dividends Received on Fixed Financial Assets	20	28	34
<b>FCF</b>	<b>733</b>	<b>784</b>	<b>507</b>

(1) impact of tax effect on Applus gain on sale in 2007

# Historic of investments

## Historical accounts





# Provisions

## Historical accounts

In €M

	2006	2007
Pension liabilities	387	325
Landfills <sup>(1)</sup>	473	503
Sector risks	190	146
Warrantees	38	40
Litigation, claims and tax risks	134	123
Restructuring	14	22
Other risks	144	137
<b>Total</b>	<b>1,380</b>	<b>1,296</b>
Renewals <sup>(2)</sup>	397	389
<b>Total (including renewals)</b>	<b>1,777</b>	<b>1,685</b>

(1) closure and post closure provisions

(2) related to concession contracts

# NOPAT and Capital Employed

## *Historical accounts*

In €M

	2007
<b>Current operating income</b>	<b>1,061</b>
+ Share in net result from associates	23
+ Dividends	32
+ Interests and revenues from related receivables and current assets	4
- Other financial revenues and expenses	(45)
- Current income tax	(259)
<b>= NOPAT</b>	<b>816</b>
+ Net goodwill	2,244
+ Tangible and intangible assets, net	7,411
+ Net financial assets	1,213
+ Investment in associates	221
- Provisions	(1,380)
- Others	(1,316)
<b>= Capital employed<sup>(1)</sup></b>	<b>8,383</b>

(1) Opening capital employed adjusted for 2007 impact of changes in Group structure on a pro rata basis and material exchange rate effects (included in Others)

# ROCE

## Historical accounts

In €M

	2007
<b>NOPAT</b>	816
<b>Capital Employed<sup>(1)</sup></b>	8,383
<b>ROCE</b>	<b>9.7%</b>
<b>WACC</b>	<b>6.7%<sup>(2)</sup></b>

(1) Opening capital employed adjusted for 2007 impact of changes in Group structure on a pro rata basis and material exchange rate effects

(2) Estimated value

## Appendix

Organization & Governance  
Business appendices

### **Financial information**

*Methodology*

*Financial data*

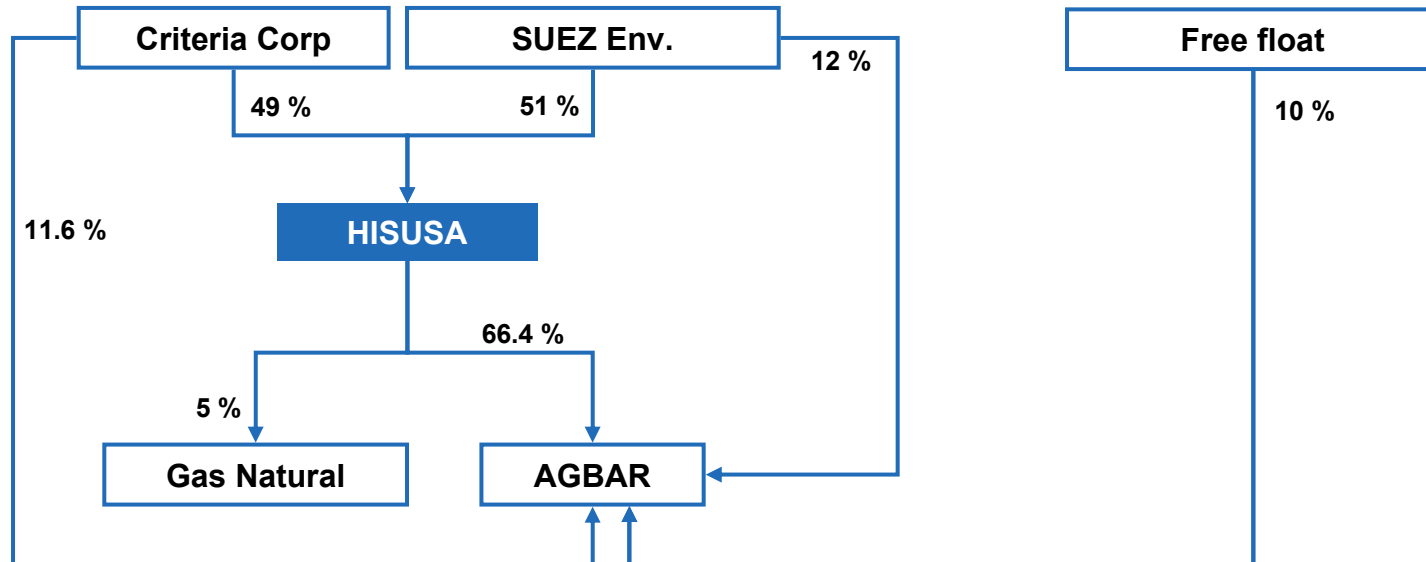
**AGBAR**

*Concessions*



# Public offer on AGBAR

## Structure post-offer



**SUEZ Environnement, Criteria Corp and Hisusa combined stake in AGBAR: 90%**

**HISUSA:** proportional consolidation at 51% by SUEZ Environnement

**AGBAR:** full consolidation by HISUSA

# Impact of public offer on AGBAR on SUEZ Environnement financial accounts

## Accounting treatment in 2007 SUEZ accounts based on commitment to acquire 100% of the shares:

- Net debt impact at 12/31/2007: €1,023m o/w:
  - €104m for Torreal shares purchased in 2007 (cash out impact)
  - €919m for rest of the shares (no cash impact)
- Goodwill at 12/31/2007: €554m

	12/31/07
Goodwill	554
Total	554

	12/31/07
Net Equity (minority interest)	(469)
Net Financial Debt	1,023
Total	554

## Success of public offer in January 2008 reached 90.01%, with following impacts in 2008:

- Cash out: €708m
- Debt reduction: €211m
- Goodwill reduction: €113m
- SUEZ Environnement % of interest in AGBAR net result after public offer: 45.90%

Appendix  
Organization & Governance  
Business appendices  
**Financial information**

*Methodology*  
*Financial data*  
*AGBAR*  
*Concessions*



# Concessions accounting: Impact of IFRIC 12 interpretations

