

2017 FULL-YEAR RESULTS

MARCH 1st, 2018

ready for the resource revolution



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Jean-Louis Chaussade

Chief Executive Officer

2017: A STRATEGIC MOVE, FINANCIAL RESULTS IN-LINE BUT DISAPPOINTMENT ON EBIT

- FY17 numbers fully in-line with preliminary results
 - Top line growth: c. 4% at constant FX
 - Free Cash Flow of €1bn, in-line with guidance
 - Financial leverage of 3.2x
 - €45m of additional expenses in Q4 led to EBIT organic growth of -2%
 - Higher expenses in Spain to defend PPP model in a more uncertain political context
 - Operational difficulties in two challenging contracts in AMEI
- GE Water acquisition completed
 - Integration well on track
 - Confirmation of long-term value creation after positive first milestones

IMPLEMENTING A STRONG ACTION PLAN

To return to stronger growth and higher profitability

1

**AMPLIFYING
TRANSFORMATION &
COST-CUTTING
MEASURES**



2

**FOSTERING A NEW
MOMENTUM FOR
FRANCE**



3

**DEPLOYING
RESOURCES TO
ACCELERATE GROWTH
OUTSIDE EUROPE**



4

**EXTRACTING
MAXIMUM VALUE
FROM WT&S**



AMPLIFYING TRANSFORMATION & COST-CUTTING MEASURES

First contribution expected as soon as 2018

AT GROUP LEVEL

- Improve industrial performance
- Accelerate transformation through innovation & digital
- Reinforcement of group monitoring on procurement and IT
- Further mutualize and implement cost cutting measures in France (HQ + BUs) as well as outside of France, notably in the US & Asia

A SPECIFIC ACTION PLAN FOR SPAIN

- Launch a voluntary departure plan
- Integrate transversal functions and improve shared services efficiency
- Restructure Solutions & Technologies business unit



COMPASS TARGET: €200m p.a. in 2018-2020

FOSTERING A NEW MOMENTUM FOR FRANCE

To accelerate profitable growth

REBOOST COMMERCIAL DYNAMISM & ENHANCE PROFITABILITY

- Enhance commercial momentum to address clients new expectations
- New offers: e-commerce and digital platforms, smart cities, smart metering and biogas production from both biowaste and sludge
- Continue to lead technical and contractual innovation as in Thau with the first PPP, in Dole with the first SEMOP in Water, in Créteil with the first concession contract with partially merchant EfW facility
- Both Water France and R&R France will be managed optimizing overall performance:
 - Further integrate transversal functions fully benefiting from the transformation of transversal functions including set up of shared services centers
 - Improve assets & operations efficiency

DEPLOYING RESOURCES TO ACCELERATE GROWTH OUTSIDE EUROPE

After an half toned 2017

THE RIGHT POSITIONING

The group will benefit from the following key positive trends:

- US: new infrastructure plan
- Middle-East & LatAm: higher commodities prices
- China & India: new regulation and environmental friendly measures
- Worldwide: environmental challenges (water scarcity, waste production...), increase in urbanization and CO² reduction objectives

CONFIRMATION OF GROWTH POTENTIAL

- Gain market shares in municipal Water with a larger backlog since end of 2017:
 - €1.3bn DB backlog (water and waste) at YE17
 - €1.2bn of new contracts recently signed: potable water in India, desalination in Emirates and water plants in Salvador & Senegal
- Acceleration of development in waste activities with high value-added solutions for both local authorities and industries: remediation, hazardous waste, Energy-from-Waste
- Strong expectations from larger industrial clients and partners

REACH 4-6% REVENUE GROWTH P.A. OUTSIDE EUROPE

EXTRACTING MAXIMUM VALUE FROM WT&S

REITERATION OF MID-TERM TARGETS

- Reach >\$3.1bn revenue by 2020
- Margin to gradually improve
- Synergies to contribute \$95m⁽¹⁾ to EBITDA by 2022, of which 80% as soon as 2020

FULLY ENCOURAGING FIRST MILESTONES

- More than \$830m of revenue opportunities already identified, spread over more than 300 projects
- Already achieved \$13m⁽²⁾ of revenues and cost synergies since closing
- New contracts with Total, Statoil, BP, Petronas

FULL-CONFIDENCE ON WT&S LONG-TERM VALUE CREATION

CONFIRMATION OF 2018 OUTLOOK

Consolidated by action plan first contributions

- Revenue: growth at constant FX of c. 9%
- EBIT: growth at constant FX of c. 10%⁽¹⁾
- Free cash flow: c. €1bn⁽²⁾
- Net financial debt/EBITDA: c. 3x
- Dividend policy: ≥ €0.65 per share in relation to FY18 results⁽³⁾

(1) Excluding the impact of the GE Water purchase price allocation which will be determined in 2018; excluding the impact of the change in US tax law on regulated water activities, resulting in the transfer of €25 million in income from EBIT to taxable income, which is neutral to Net Result Group share

(2) Excluding payments associated with the voluntary departure plan in France and recognized in 2017 and excluding the GE Water integration costs

(3) Subject to 2019 Annual General Meeting approval

2017 FINANCIAL RESULTS

Jean-Marc Boursier

Group Senior Executive Vice-President
Finance and R&R Northern Europe

HIGHLIGHTS (1/2)

2017 EBIT guidance affected by specific elements for €45m

In €m	FY 2016	FY 2017	Gross variation	Organic growth
REVENUE	15,322	15,871	+3.6%	+1.5%
EBITDA	2,651	2,641	-0.4%	-2.0%
EBIT	1,282	1,284	+0.2%	-2.0%
NET RESULT group share	420	302	-28.2%	

Acceleration of organic growth of revenues in H2

Organic growth	H1	H2	FY17
Revenue	+0.9%	+2.1%	+1.5%

- Positive momentum of R&R Europe division with higher volumes and prices
- International division growth hampered by phasing in construction activity and abnormal weather conditions in the US
- Limited tariff increases in Water Europe

2% organic decrease in EBIT:

- 3 specific elements weighed on EBIT for €45m
- Performance of Water Europe still affected by low inflation environment
- Progressive recovery of R&R Europe

Net result affected by €109m exceptional costs:

- Voluntary departure plan in France
- GE Water acquisition cost

HIGHLIGHTS (2/2)

RESILIENT CASH FLOW GENERATION

<i>In €m</i>	FY 2016	FY 2017	Gross variation
FREE CASH FLOW	1,005	1,004	0%
NET INVESTMENTS	705	3,646	N/R
NET DEBT	8,042	8,473	+5.4%
ND/EBITDA	3.0x	3.2x	+0.2x
ROCE	7.0%	6.8%	-20bps

Acquisition of GE Water

- €2,699m price paid⁽¹⁾
- €510m revenue and €52m EBIT contribution in Q4 2017

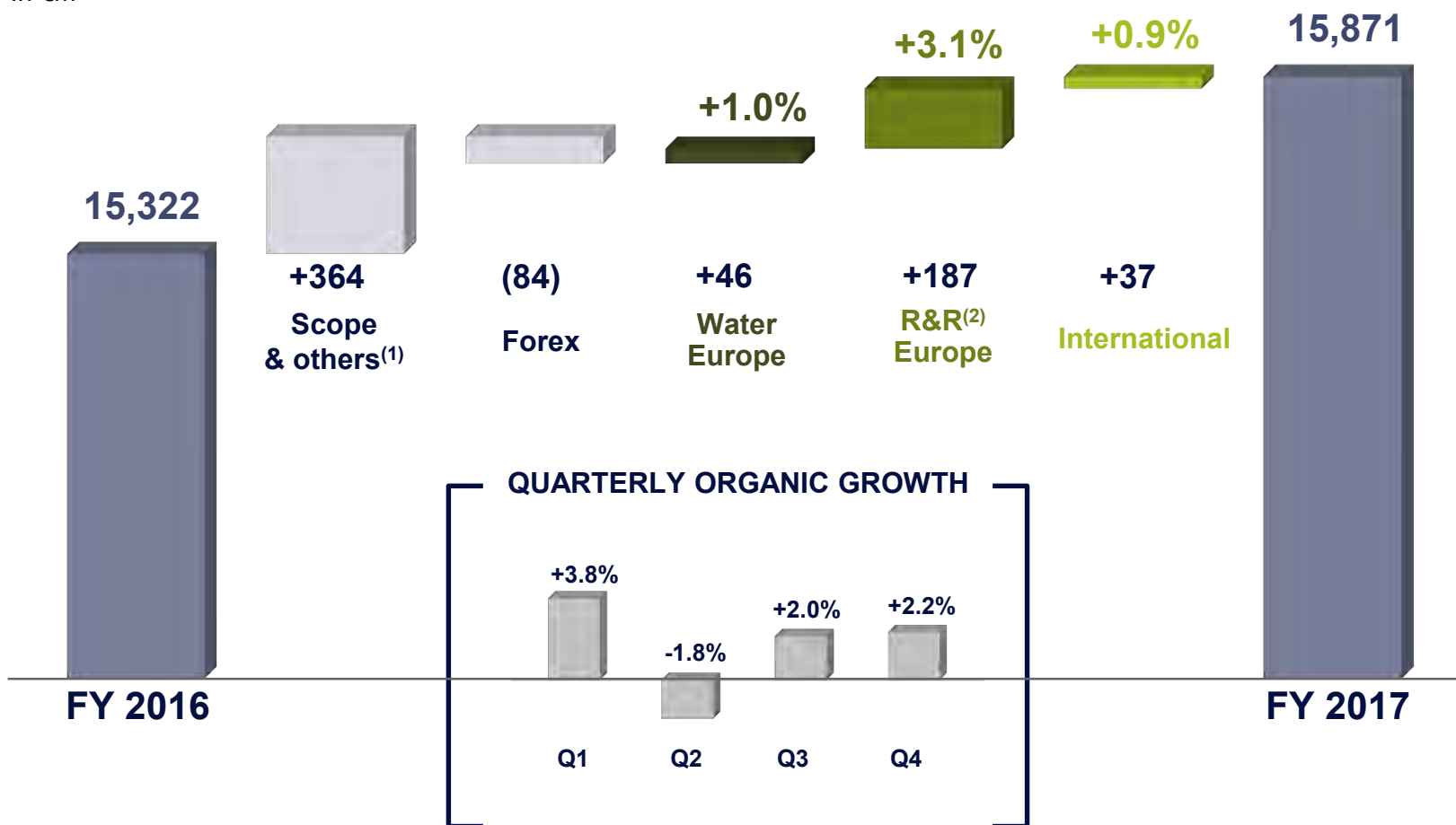
Limited increase in net debt

- Free cash flow objectives achieved
- Economic leverage of 3.0x, assuming full-year contribution of GE Water

REVENUE: +4.1% AT CONSTANT FOREX

Driven by improving performance of R&R Europe and acquisition of GE Water

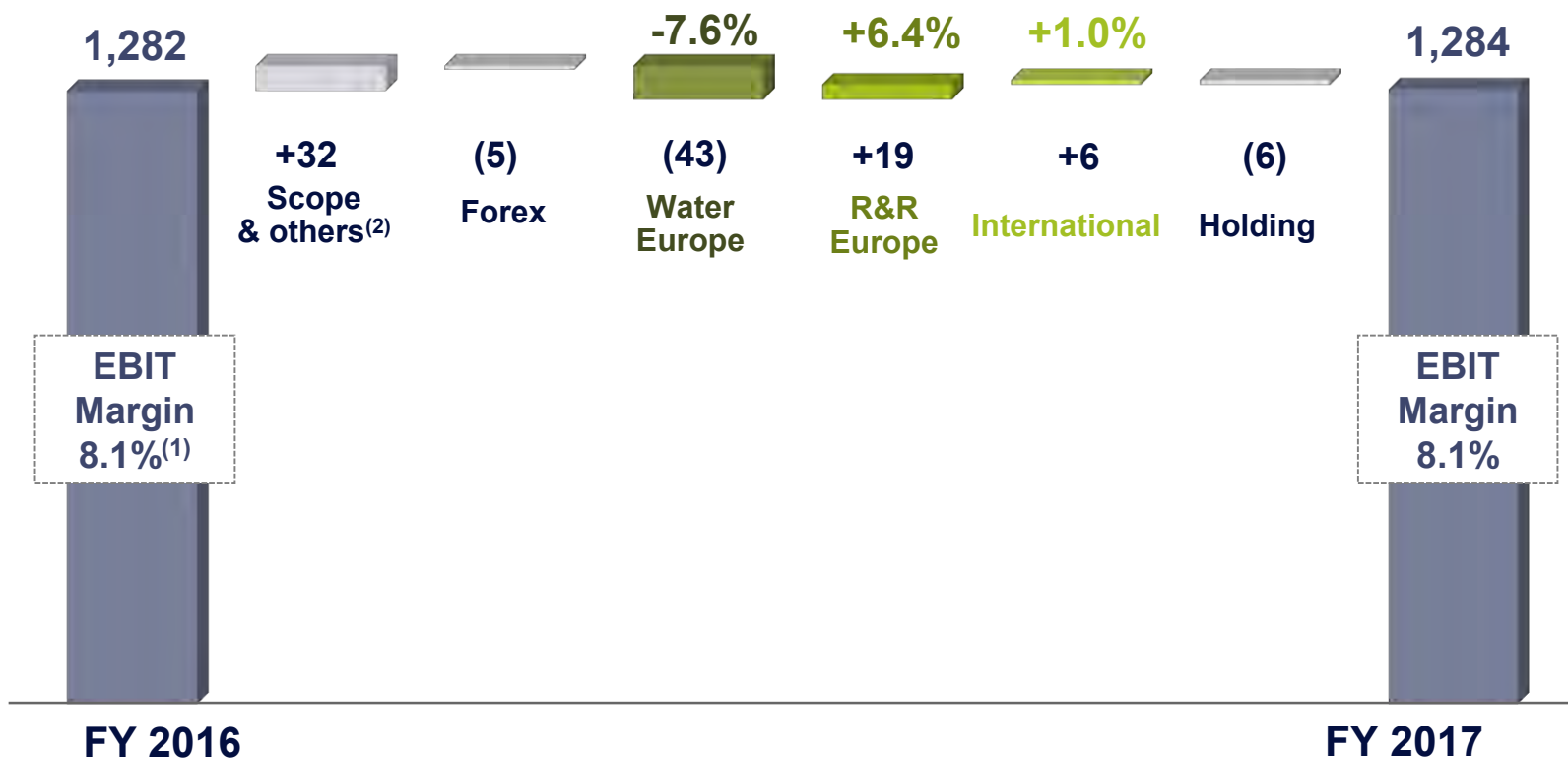
In €m



EBIT: +0.6% AT CONSTANT FOREX

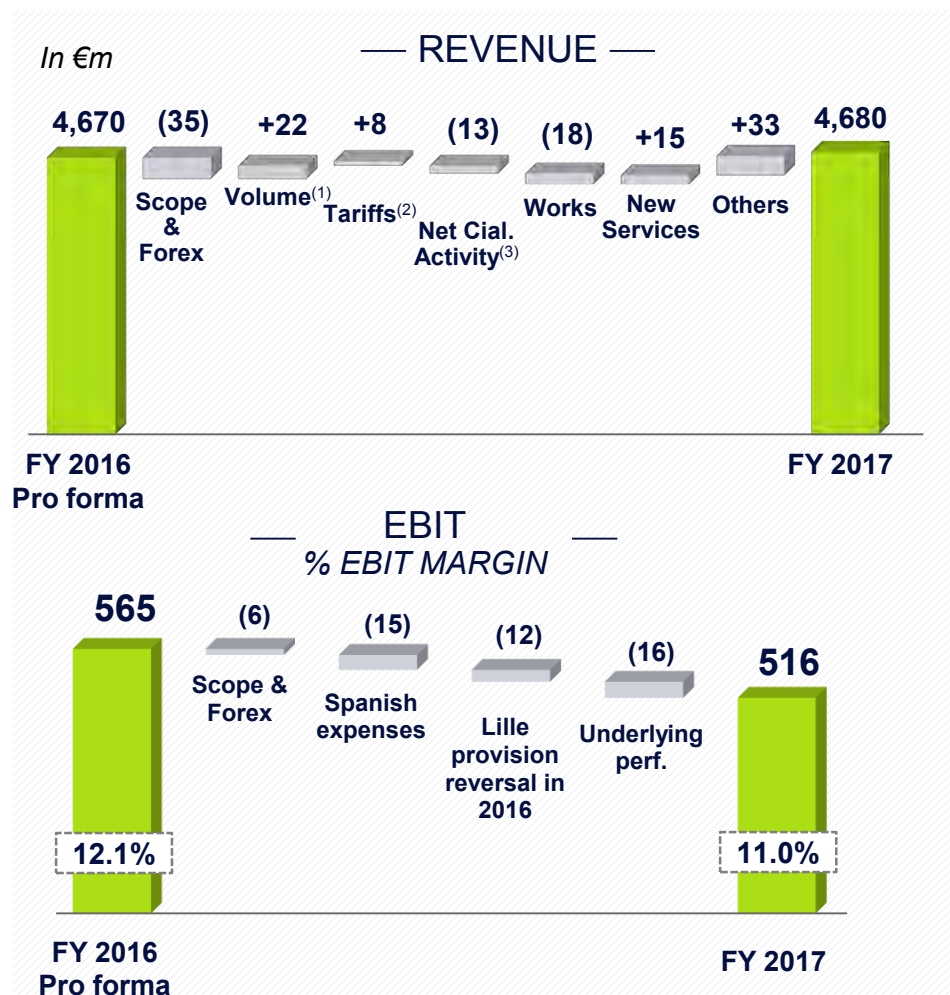
Despite specific one offs for €45m

In €m



WATER EUROPE

Lack of inflation and additional expenses in Spain



Volumes above long-term trends, although poorer weather conditions in H2

<i>Mm³ sold</i>	FY 2017	Δ 17/16 ⁽¹⁾
France	627	+0.6%
Spain	683 ⁽⁴⁾	+1.2%
Chile	575	+1.1%

Minimum tariff increases as expected

- France: +0.4%⁽²⁾ on DSP⁽⁴⁾
- Spain: -0.3% average
- Chile: +0.9% average

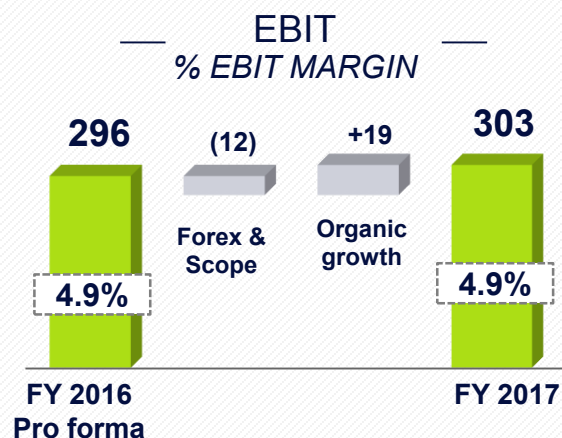
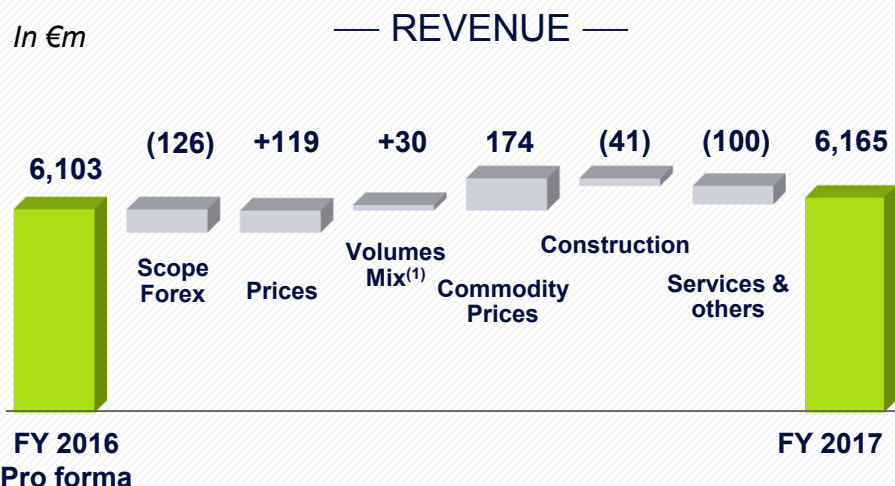
Commercial activity reflects the loss of the Valladolid contract in Spain

Decrease in EBIT explained by:

- Additional expenses in Q4 related to increased technical studies, communication and legal costs to defend PPP model in Spain
- Provision released in 2016 as part of the settlement with Lille Métropole

RECYCLING & RECOVERY EUROPE

A more dynamic momentum



Growth of recovered volumes speeding up

Mt	FY 2017	Δ 17/16
Processed volumes	24.5	+1.4%
Recovery	17.1	+3.1%
Energy from Waste	8.5	+5.6%
Sorting & Recycling	8.1	+0.4%
Elimination	7.5	-2.3%
Recovery/Elimination	2.3x	+12bps

+3.1% organic revenue increase:

- Significant impact of commodity prices: scrap metal (+42%) and paper (+7%)
- Volumes up, with a clearer improvement since Q4
- Increased selectivity on collection contracts

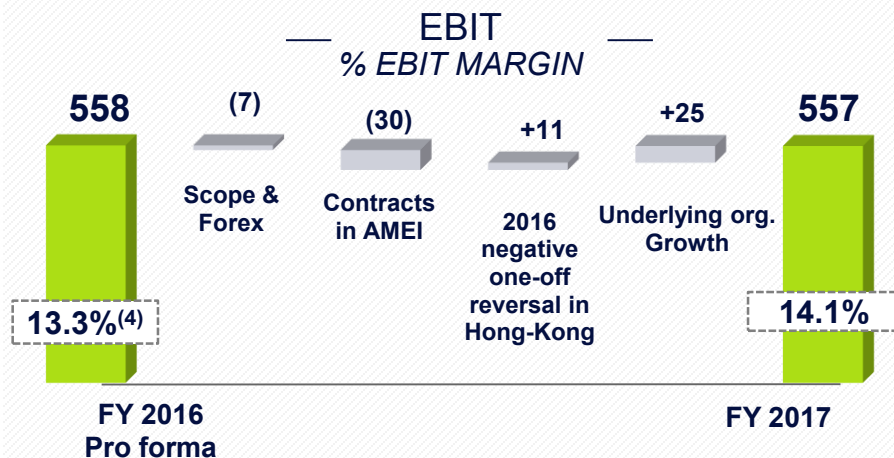
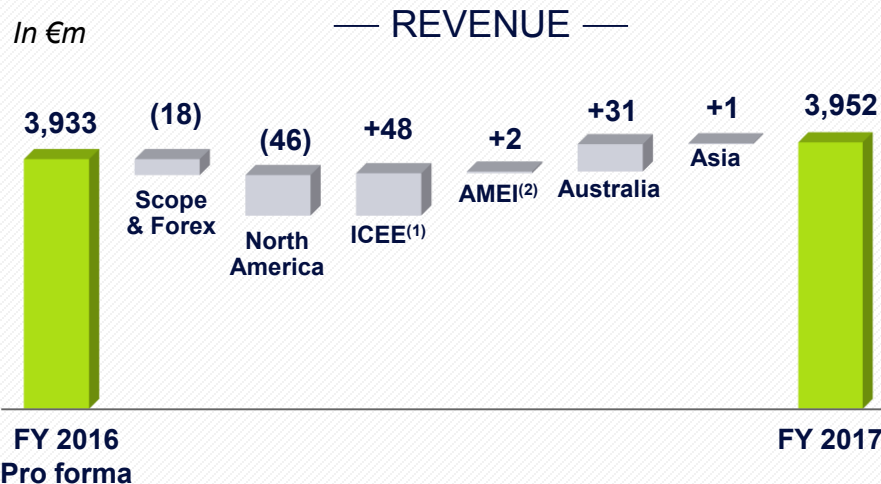
+6.4% organic EBIT growth:

- Better momentum
- Cost-cutting efforts
- On going rationalization

New digital platforms to access customers

INTERNATIONAL

+4.5% underlying EBIT growth



Volumes evolution

	FY 2017	Δ 17/16
DB backlog - €bn	1.3	+3.0%
China – Mm ³ sold	778	+4.7% ⁽³⁾
North America - Mm ³ sold	278	-4.4%
Morocco - Mm ³ sold	156	+3.3%
Processed waste volumes (mt)	10.5	+2.2%

+0.9% organic revenue growth:

- Adverse weather conditions in the US
- Cyclicity in construction business
- Positive business trends in most regions, notably Central Europe and Australia

+1.0% organic EBIT growth:

- Impacted by operational difficulties on two contracts in AMEI
- Satisfactory underlying performance in Australia, Asia and North America

INCOME FROM OPERATING ACTIVITIES

€109m of one-off costs below EBIT...

<i>In €m</i>	FY 2016	FY 2017	Δ 17/16
EBITDA	2,651⁽¹⁾	2,641	-0.4%
Depreciation & Amortization	(1,111)	(1,124)	
Net provisions	22	25	
Other (concession charges, ESOP ⁽²⁾)	(280)	(257)	
EBIT	1,282	1,284	+0.2%
Voluntary departure plan in France ⁽³⁾	-	(73)	
GE Water cost of acquisition		(44)	
Restructuring costs, provisions on assets & others ⁽⁴⁾	8	8	
INCOME FROM OPERATING ACTIVITIES	1,290	1,175	-8.9%

NET RESULT GROUP SHARE

... leading to Net Result Group Share of €302m

<i>In €m</i>	FY 2016	FY 2017	Δ 17/16
INCOME FROM OPERATING ACTIVITIES	1,290	1,175	-8.9%
Cost of net debt	(360)	(378)	
Other financial result	(63)	(51)	
Income tax	(244)	(225) ⁽¹⁾	
NET RESULT	623	520	-16.5%
Minority interest	(203)	(218)	
NET RESULT GROUP SHARE	420	302	-28.2%

Effective tax rate:
42.2% vs. 35.4%
in 2016

GE WATER ACQUISITION

Transaction structure set to preserve SUEZ financial flexibility

€2,699m acquisition price⁽¹⁾



€668m equity provided by CDPQ



€746m net capital increase



€598m net hybrid bond at 2.875%



Net debt impact of €687m

Reiteration of WTS contribution in FY18

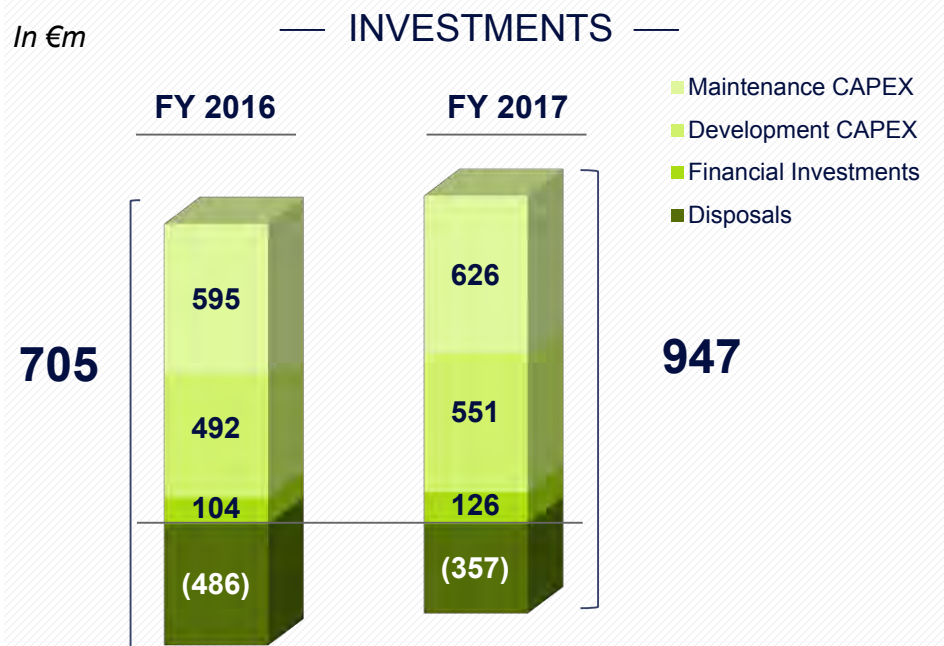
- Revenue: c. \$2,800m, supported by 4% growth in orders in 2017
- EBITDA: c. \$290m, including \$20m of transitory costs
- EBIT: c. \$200m before PPA allocation, including \$20m of transitory costs
- c. \$80m of integration costs (below EBIT)

Reiteration of mid-term targets

- Reach >\$3,100m revenue by 2020
- Margin to gradually improve
- Synergies to contribute \$95m⁽²⁾ to EBITDA by 2022, with c. 80% of cost synergies to be generated by 2020

CAPEX ALLOCATION⁽¹⁾

Net investment of c. €1bn in FY17



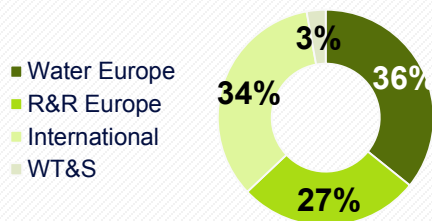
Maintenance CapEx kept at 3.9% of revenue

Development CapEx to fuel future growth of International

- Stable envelope in Europe at €325m
- Increase in International division to support our growth ambition
- 40% of development CapEx to grow Regulated Asset Base in the US and Chile

Disposals of non-core assets in good conditions: €111m capital gains

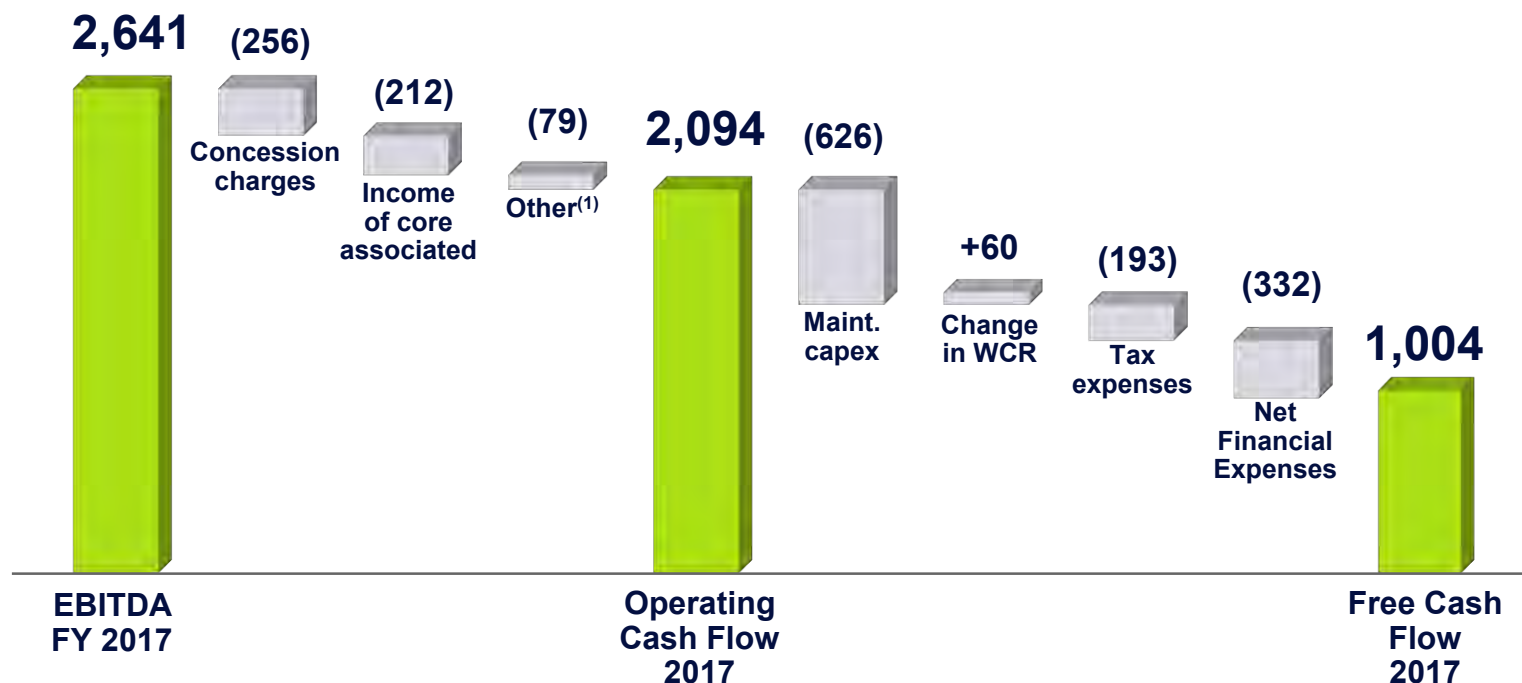
- Real estate assets (Spain, France & UK)
- 9.1% stake in Aquasure (Melbourne desal SPV)
- Water concession in Jakarta



SOLID FCF, IN-LINE WITH GUIDANCE

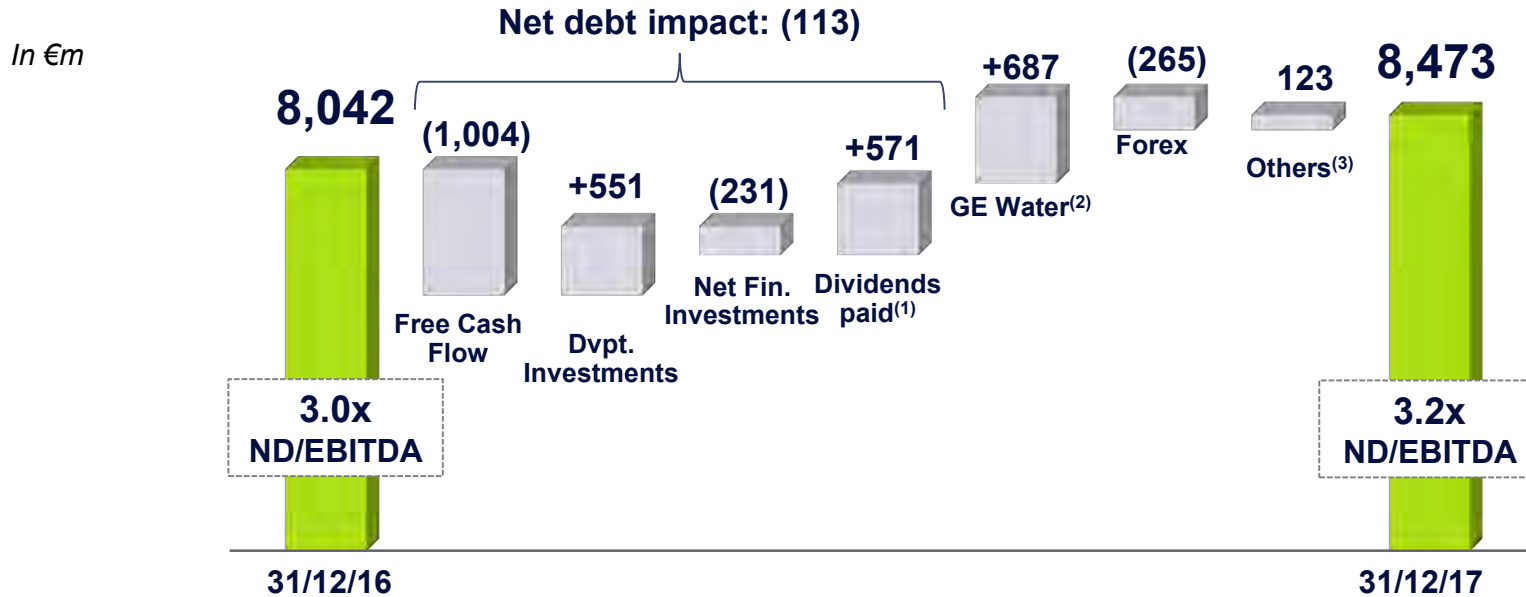
€1bn achieved thanks to strong focus on Capex and tight working capital management

In €m



LIMITED INCREASE IN NET DEBT

Leverage equivalent at 3.0x with GE Water on a full-year basis

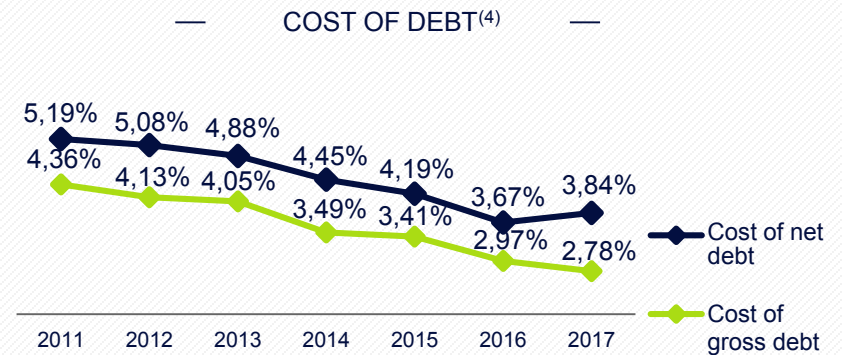


Ongoing decrease in cost of gross debt

Increased duration: 6.9 years (vs. 6.4 in 2016)

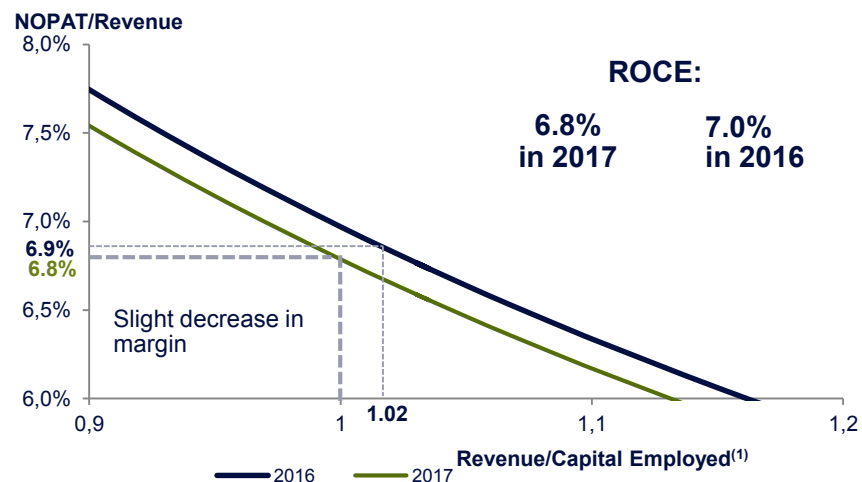
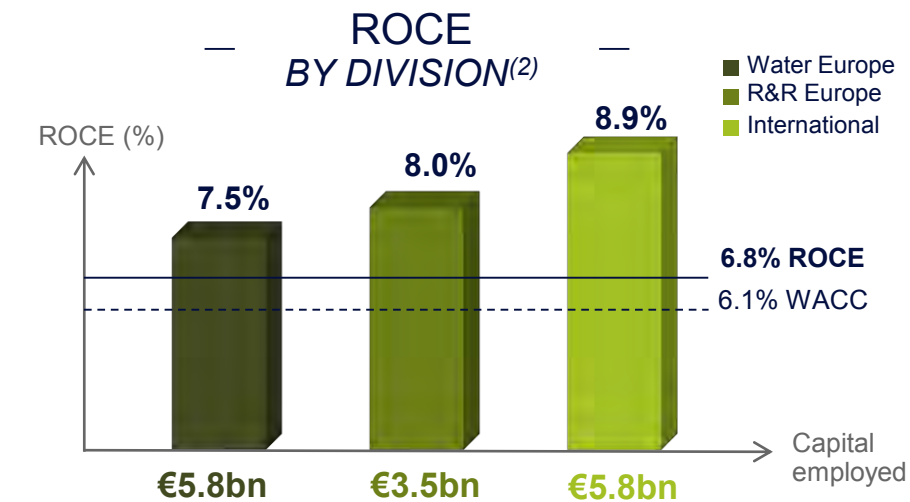
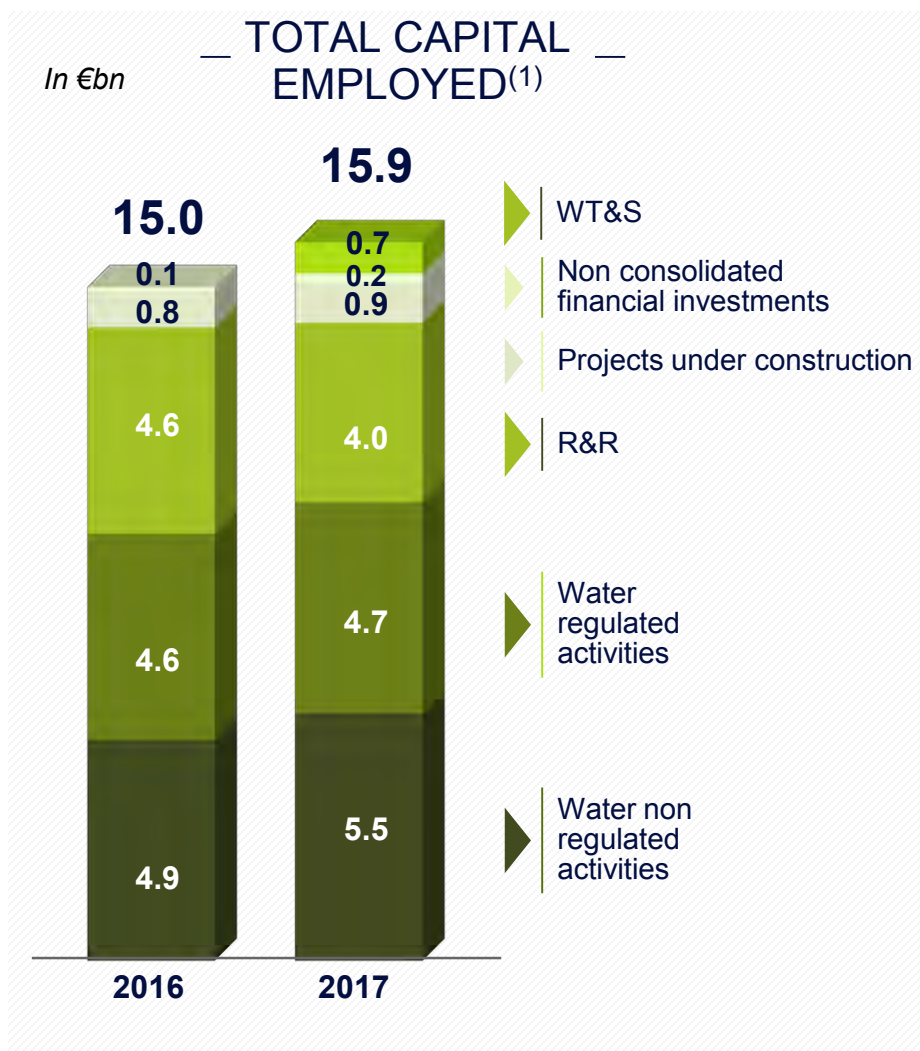
Slight increase in cost of net debt reflects strong liquidity increase

A3 Rating, negative outlook by Moody's



ROCE OF 6.8% VS. WACC AT 6.1%

Noticeable improvement of R&R Europe



FINANCIAL ROADMAP

1

**MATERIALIZE ADDITIONAL ACTION PLAN AND
COST CUTTING MEASURES**

2

**REINFORCE INVESTMENT SELECTIVITY TO OPTIMISE
RETURNS AND CAPITAL INTENSITY**

3

**SUPPORT GROWTH AMBITIONS AND
CONTRIBUTE TO ACCELERATE
GROUP TRANSFORMATION**



STRONG FOCUS ON EPS AND ROCE

CONCLUSION

Jean-Louis Chaussade
Chief Executive Officer

APPENDICES

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SIMPLIFIED FINANCIAL STATEMENTS

SIMPLIFIED BALANCE SHEET

ASSETS (€m)	31/12/2016	31/12/2017
NON CURRENT ASSETS	20,198	22,218
o/w net intangible assets	4,223	4,162
o/w goodwill	3,647	5,587
o/w net tangible assets	8,280	8,468
CURRENT ASSETS	8,954	10,153
o/w clients and other debtors	4,041	4,690
o/w cash and cash equivalents	2,925	3,058
TOTAL ASSETS	29,284	32,370

LIABILITIES (€m)	31/12/2016	31/12/2017
Equity, group share	5,496	6,562
Minority Interests	1,870	2,504
TOTAL EQUITY	7,366	9,066
Provisions	2,080	2,081
Financial Debt	11,165	11,765
Other Liabilities	8,673	9,459
TOTAL LIABILITIES	29,284	32,370

IMPACT OF GE WATER ACQUISITION ON BALANCE SHEET

ASSETS (€m)	31/12/2017
GOODWILL	2,170
OTHER ASSETS	1,237
TOTAL ASSETS	3,407

LIABILITIES (€m)	31/12/2017
Equity, group share	1,807
Minority Interests	706
TOTAL EQUITY	2,513
NET DEBT	687
OTHER DEBTS	207
TOTAL LIABILITIES	3,407

SIMPLIFIED INCOME STATEMENT

<i>In €m</i>	FY 2016	FY 2017
REVENUE	15,322	15,871
Depreciation, Amortization & Provisions	(1,091)	(1,100)
EBIT	1,282	1,284
Voluntary departure plan	-	(73)
GE Water acquisition costs	-	(44)
Others (net)	8	8
INCOME FROM OPERATING ACTIVITIES	1,290	1,175
Financial Result	(424)	(429)
Associates non-core	-	-
Income tax	(244)	(225)
NET RESULT	623	520
Minority interest	(203)	(218)
NET RESULT GROUP SHARE	420	302

SIMPLIFIED CASH FLOW STATEMENT

<i>In €m</i>	FY 2016	FY 2017
Operating cash flow	2,129	2,094
Income tax paid (excl. income tax paid on disposals)	(148)	(193)
Change in operating working capital	(68)	61
CASH FLOW FROM OPERATING ACTIVITIES	1,913	1,962
Net tangible and intangible investments	(1,086)	(1,177)
Financial investments	(195)	(2,764)
Disposals	488	357
Other investment flows	(39)	(4)
CASH FLOW FROM INVESTMENT ACTIVITIES	(833)	(3,589)
Dividends paid	(602)	(571)
Balance of reimbursement of debt / new debt	572	531
Interests paid / received on financial activities	(318)	(332)
Capital increase	17	1,593
Net new hybrid issuance	-	598
Change in share of interests in controlled entities	90	(61)
Other cash flows	(32)	55
CASH FLOW FROM FINANCIAL ACTIVITIES	(273)	1,812
Impact of currency, accounting practices and other	38	(52)
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD	2,079	2,925
Total cash flow for the period	846	134
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	2,925	3,058

APPENDICES

REGULATED ACTIVITIES

REGULATED ACTIVITIES

Chile

In CLPbn	FY 2016	FY 2017
REVENUE	489	509
EBITDA	295	305
EBIT	209	210
Net Debt	885	892
Capex	97	131

US

In USDm	FY 2016	FY 2017
REVENUE	563	571
EBITDA	260	271
EBIT	192	194
Net Debt	868	909
Capex	163	237
Rate base	1,853	2,036

APPENDICES

P&L

REVENUE BY DIVISION

<i>In €m</i>	FY 2016 Pro forma	FY 2017	% total	Δ 17/16	Organic Δ	Δ at constant FX
WATER EUROPE	4,670	4,680	29.5%	+0.2%	+1.0%	-0.1%
France	2,273	2,253	14.2%	-0.9%	+1.0%	-0.9%
Spain	1,601	1,575	9.9%	-1.6%	-1.2%	-1.6%
Chile	796	852	5.4%	+7.1%	+5.3%	+5.3%
RECYCLING & RECOVERY EUROPE	6,104	6,165	38.8%	+1.0%	+3.1%	+2.2%
France	2,960	3,116	19.6%	+5.3%	+5.3%	+5.4%
Benelux & Germany	1,445	1,482	9.3%	+2.6%	+2.5%	+2.6%
UK	1,003	906	5.7%	-9.6%	-3.1%	-3.1%
Industrial Waste Specialties	384	415	2.6%	+8.1%	+4.8%	+8.1%
Nordics	312	245	1.5%	-21.4%	+1.6%	-20.0%
INTERNATIONAL	3,933	3,952	24.9%	+0.5%	+0.9%	+1.0%
Africa, Middle East & India	1,137	1,130	7.1%	-0.6%	+0.2%	+0.2%
Australia	980	1,036	6.5%	+5.7%	+3.2%	+4.7%
North America	996	940	5.9%	-5.6%	-4.6%	-3.6%
Asia	448	426	2.7%	-5.1%	+0.3%	-2.9%
Italy, Central and Eastern Europe	373	420	2.6%	+12.7%	+13.0%	+10.9%
WATER TECHNOLOGIES & SOLUTIONS⁽¹⁾	515	971	6.1%	+88.7%	-7.6%	+89.3%
OTHER⁽²⁾	100	103	0.6%	+2.7%	+2.7%	+2.7%
TOTAL	15,322	15,871	100.0%	+3.6%	+1.5%	+4.1%

REVENUE BY GEOGRAPHIES

<i>In €m</i>	FY 2016	FY 2017	% in FY 2017	Δ 17/16
FRANCE	5,023	5,091	32.1%	+1.3%
Spain	1,753	1,783	11.2%	+1.7%
Benelux	1,089	1,118	7.0%	+2.7%
UK	1,071	983	6.2%	-8.2%
Germany	572	602	3.8%	+5.2%
Others Europe	827	888	5.6%	+7.3%
EUROPE (excluding France)	5,312	5,374	33.9%	+1.2%
North America	1,210	1,400	8.8%	+15.6%
Oceania	1,083	1,153	7.3%	+6.4%
South America	896	955	6.0%	+6.6%
Africa	879	892	5.6%	+1.5%
Asia	615	686	4.3%	+11.6%
Others International	304	321	2.0%	+5.7%
INTERNATIONAL (excluding Europe)	4,986	5,406	34.1%	+8.4%
TOTAL	15,322	15,871	100.0%	+3.6%

2017 REVENUE SCOPE EFFECT BY DIVISION

<i>In €m</i>	Acquisition/ first time consolidation	Disposal	Total Scope
WATER EUROPE	6	(56) ⁽¹⁾	(50)
R&R EUROPE	16	(67) ⁽²⁾	(51)
INTERNATIONAL	94 ⁽³⁾	(91) ⁽⁴⁾	3
WT&S	513 ⁽⁵⁾	(15)	499
OTHER	-	-	-
TOTAL	630	(229)	401

(1) Mainly OCEA Smart building

(2) Mainly waste activities in Finland

(3) Mainly change in consolidation method of Chinese activities, from equity method to full consolidation

(4) Mainly Palyja, a water activity in Indonesia

(5) Mainly GE Water first consolidation in Q4 2017

REVENUE GROWTH BY DIVISION

<i>In €m</i>	FY 2016 Pro forma	FY 2017	17/16 Δ	Δ Organic	Δ Scope	Δ Forex
WATER EUROPE	4,670	4,680	+0.2%	+1.0%	-1.1%	+0.3%
R&R EUROPE	6,104	6,165	+1.0%	+3.1%	-0.8%	-1.2%
INTERNATIONAL	3,933	3,952	+0.5%	+0.9%	+0.1%	-0.5%
WT&S	515	971	+88.7%	-7.6%	+96.9%	-0.6%
OTHER	100	103	+2.7%	+2.7%	+0.0%	+0.0%
TOTAL	15,322	15,871	+3.6%	+1.5%	+2.6%	-0.5%

EBITDA BY DIVISION

<i>In €m</i>	FY 2016 Pro forma	FY 2017	17/16 Δ	Δ Organic	Δ Scope	Δ Forex
WATER EUROPE	1,223	1,165	-4.7%	-3.5%	-1.9%	+0.7%
R&R EUROPE	720	708	-1.7%	+0.8%	-1.4%	-1.2%
INTERNATIONAL	814	801	-1.7%	-1.8%	+1.1%	-1.0%
WT&S	13	92	+596.8%	+18.0%	+581.6%	-2.8%
OTHER	(119)	(124)	+4.2%	+4.1%	+0.0%	+0.0%
TOTAL	2,651	2,641	-0.4%	-2.0%	+2.0%	-0.3%

EBIT BY DIVISION

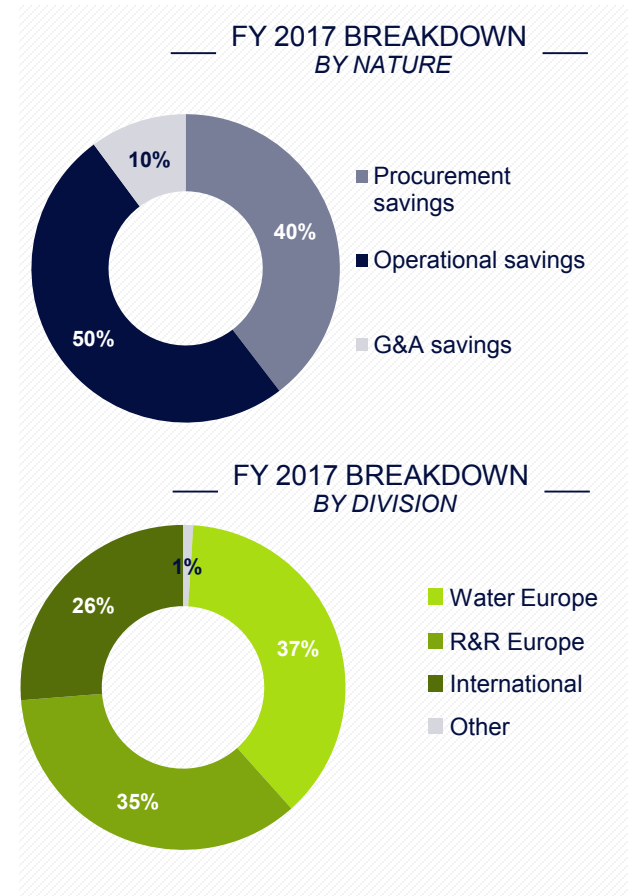
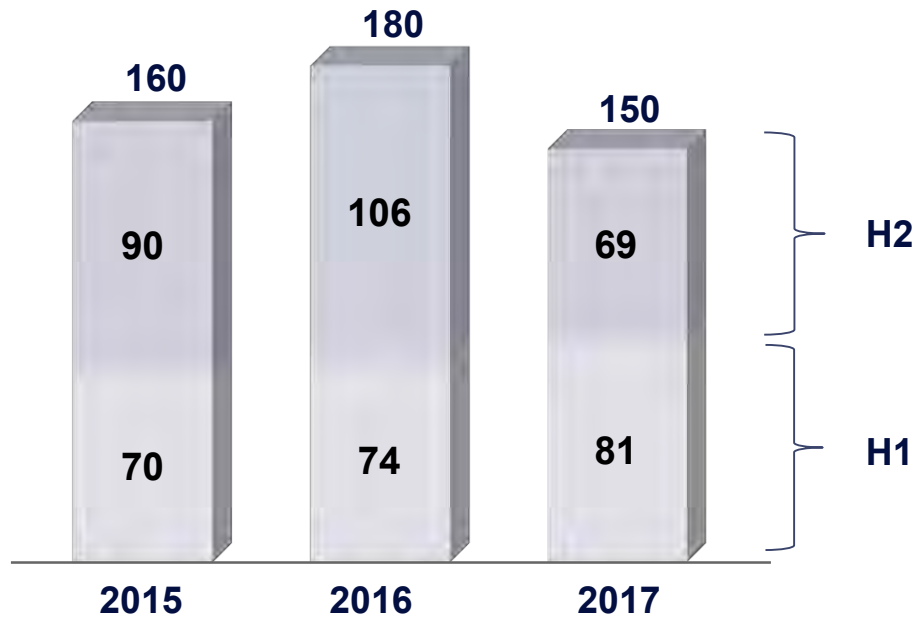
<i>In €m</i>	FY 2016 Pro forma	FY 2017	17/16 Δ	Δ Organic	Δ Scope	Δ Forex
WATER EUROPE	565	516	-8.6%	-7.6%	-2.2%	+1.1%
R&R EUROPE	296	303	+2.2%	+6.4%	-2.6%	-1.6%
INTERNATIONAL	558	557	-0.3%	+0.9%	-0.1%	-1.1%
WT&S	7	59	+793.6%	-18.4%	+815.4%	-3.3%
OTHER	(144)	(151)	+4.7%	+4.7%	+0.0%	+0.0%
TOTAL	1,282	1,284	+0.2%	-2.0%	+2.6%	-0.4%

INCOME FROM ASSOCIATES

<i>In €m</i>	FY 2016 Pro forma	FY 2017	17/16 Δ
WATER EUROPE	23	24	+5.8%
R&R EUROPE	13	17	+29.7%
INTERNATIONAL⁽¹⁾	143	169	+18.4%
WT&S	0	1	N/A
OTHER	0	0	-
TOTAL	179	212	+18.3%

ONGOING STRONG DISCIPLINE ON COST SAVINGS

In €m



IMPACT OF CURRENCIES EVOLUTION

1 EUR =	USD	GBP	AUD	CLP
FY 2017 average rate	1,13	0,88	1,47	732
FY 2016 average rate	1,11	0,82	1,49	748
Closing rate at 31/12/2017	1,20	0,89	1,53	737
Closing rate at 31/12/2016	1,05	0,86	1,46	704

€m	FY 2017	Forex impact	Of which an impact in €m from:			
			USD	GBP	AUD	CLP
Revenue	15,871	-84	-22	-69	+10	+16
EBITDA	2,641	-8	-5	-8	+2	+9
EBIT	1,284	-5	-4	-4	+1	+7
Net Financial Debt	8,473	-265	-129	-20	-3	-51

FY 2017: FROM EBITDA TO EBIT BY DIVISION

FY 2017 (in €m)	Water Europe	R&R Europe	Inter-national	WT&S	Other	TOTAL FY 2017
EBITDA	1,165	708	801	92	(124)	2,641
Amortization	(445)	(379)	(245)	(35)	(20)	(1,124)
Net provisions & depreciation	(36)	45	18	2	(4)	25
Net concession renewal expenses	(168)	(70)	(18)	-	-	(256)
Employees compensation plans in shares	-	-	-	-	(1)	(1)
EBIT	516	303	557	59	(151)	1,284

FY 2016 pro forma (in €m)	Water Europe	R&R Europe	Inter-national	WT&S	Other	TOTAL FY 2016
EBITDA	1,223	720	814	13	(119)	2,651
Amortization	(437)	(419)	(226)	(11)	(18)	(1,111)
Net provisions & depreciation	(43)	70	(12)	5	(2)	22
Net concession renewal expenses	(178)	(75)	(19)	-	-	(272)
Employees compensation plans in shares	-	-	-	-	(9)	(9)
EBIT	565	296	558	7	(144)	1,282

MINORITY INTEREST – P&L

<i>In €m</i>	FY 2016	FY 2017
WATER EUROPE	159	150
<i>Of which Spain</i>	18	18
<i>Of which LatAm</i>	141	131
R&R EUROPE	19	25
INTERNATIONAL	25	51
<i>Of which Asia</i>	0	24
WT&S	0	(7) ⁽¹⁾
OTHER	0	0
TOTAL	203	218

TAX POSITION

<i>In €m</i>	FY 2016	FY 2017
Income before tax & share in net income from Associates	687	534
Income Tax	(244)	(225)
<i>o/w Current income tax</i>	(200)	(126) ⁽¹⁾
<i>o/w Deferred income tax</i>	(44)	(100) ⁽²⁾
EFFECTIVE TAX RATE	35.4%	42.2%

EARNING PER SHARE

<i>In €m</i>	31/12/2016	31/12/2017
Net Result Group Share	420	302
+ coupon attributable to holders of undated deeply subordinated notes issued in June 2014	(15)	(15)
+ coupon attributable to holders of undated deeply subordinated notes issued in June 2015	(13)	(13)
Adjusted Net Result Group Share	393	274
<i>In Millions</i>		
Weighted average number of outstanding shares	547.3	593.2⁽¹⁾
<i>Earnings per share (in euros)</i>		
Net income Group share per share	0.72	0.46
Net diluted income Group share per share	0.70	0.46
Total number of shares at year end	564 401 246	623 362 579⁽¹⁾
of which treasury shares	1,914,796	5,067,913

APPENDICES

CASH FLOW STATEMENT

FROM EBITDA TO OPERATING CASH FLOW

<i>In €m</i>	FY 2016	FY 2017	17/16 Δ
EBITDA	2,651	2,641	-0.4%
Net disbursements under concession contracts	(272)	(256)	-5.8%
Depreciation of current assets	(43)	(28)	-34.7%
Restructuring	(77)	(102)	+32.5%
Rebranding cost	(28)	-	N/A
GE Water acquisition costs	-	(44)	N/A
Dividends from associates	92	138	+49.7%
Income of core associates	(179)	(212)	+18.3%
Provision for employee benefit & others	(15)	(43)	+186.7%
OPERATING CASH FLOW	2,129	2,094	-1.7%

CASH FLOW GENERATION

<i>In €m</i>	Water	R&R Europe	Inter-national	WT&S	Other	FY 2017
Operating Cash Flow	887	505	611	19	72	2,094
Net interest paid on investment & financial activities	(67)	(44)	(129)	(17)	(79)	(336)
Income tax	(120)	(39)	(31)	(11)	12	(188)
Change in Working Capital	(18)	(18)	56	25	15	60
Maintenance Capex	(206)	(201)	(191)	(16)	(13)	(626)
FREE CASH FLOW	477	203	316	(0)	9	1,004
Development Investments	(223)	(102)	(215)	(12)	0	(551)
Financial Investments	(64)	(24)	(33)	(2,704)	0	(2,825)
Assets disposals	152	70	113	6	16	357
Dividends to minorities	(164)	(21)	(31)	(0)	(3)	(219)
TOTAL	179	125	151	(2,710)	21	(2,234)
Dividends to shareholders						(352) ⁽¹⁾
Net new hybrid issuance						598
Δ perimeter and FX / MtM on net financial debt & other						2,419
CHANGE IN NET FINANCIAL DEBT						431

INVESTMENTS BY NATURE AND DIVISION

FY 2017 (in €m)	Maintenance capex	Development capex	Financial investments	Disposal	Total Net investments
Water Europe	(206)	(223)	(64)	152	(340)
R&R Europe	(201)	(102)	(24)	70	(258)
International	(191)	(215)	(33)	113	(325)
WT&S	(16)	(12)	(2,704)	6	(2,726)
Other	(13)	0	0	16	3
TOTAL FY 2017	(626)	(551)	(2,825)	357	(3,646)

FY 2016 pro forma (in €m)	Maintenance capex	Development capex	Financial investments	Disposal	Total Net investments
Water Europe	(185)	(237)	(31)	248	(206)
R&R Europe	(243)	(100)	(9)	156	(195)
International	(136)	(153)	(34)	64	(259)
WT&S	(11)	(2)	(29)	5	(37)
Other	(20)	(0)	(1)	14	(7)
TOTAL FY 2016	(595)	(492)	(104)	486	(705)

CURRENT INVESTMENT PROCESS & CRITERIA

Operations committee

Includes CEO,CFO, the relevant senior executive VP and the relevant business unit CEO

Strict financial investment criteria

- IRR > specific hurdle rate +200bp
- Net Result: accretion in year 2 of operation
- Positive FCF in year 1 of operation

Investment thresholds

- Acquisitions and divestments \geq €10m (firm value)
- Total Capex \geq €20m
- Total cumulated revenues \geq €100m (\geq €50m for DB contracts)

APPENDICES

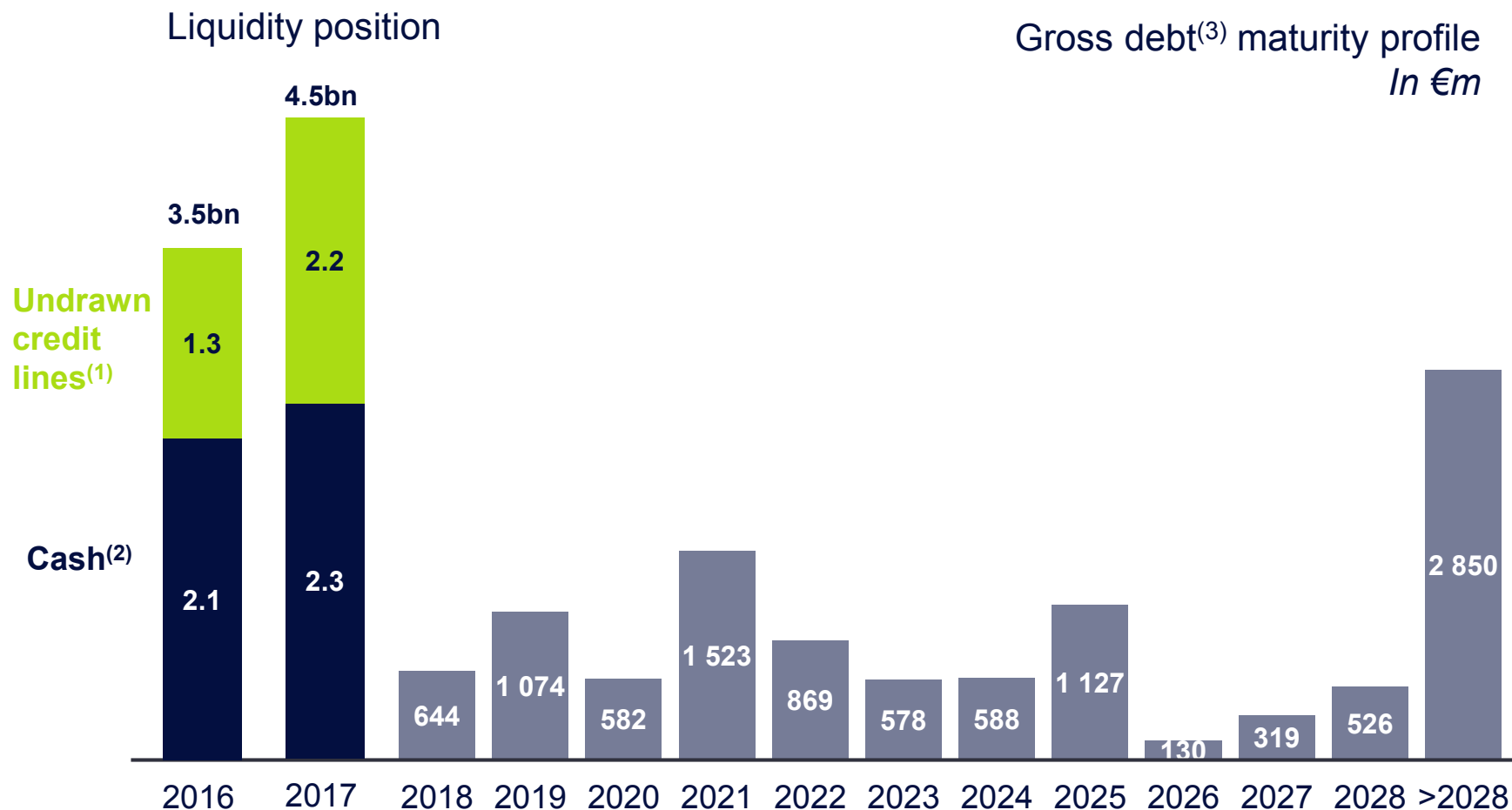
BALANCE SHEET

SUEZ BONDS

Pricing date	Code ISIN	Maturity date	Duration	Amount	Issue Spread	Coupon Rate
31-March-09	FR0010745976	08-Apr-19	10 years	€800m	300	6.250%
19-May-09	FR0010765859	08-juin-27	8 years	€250m	180	1.904%
08-juil-09	FR0010780528	22-juil-24	15 years	€500m	160	5.500%
15-juin-10	FR0010913780	24-juin-22	12 years	€750m	160	4.125%
12-May-11	FR0011048966	17-May-21	10 years	€750m	86	4.078%
22-nov-11	FR0011149962	22-nov-18	7 years	€100m	90	3.080%
02-Dec-11	FR0011158849	02-Dec-30	19 years	£250m	260	5.375%
19-mars-13	FR0011454818	25-March-33	20 years	€100m	110	3.300%
01-oct-13	FR0011585215	09-oct-23	10 years	€500m	77	2.750%
24-Feb-14	FR0011766120	27-Feb-20	6 years	€350m		0.000%
25-June-15	FR0012829406	01-July-30	15 years	€50m	75	2.250%
03-sept-15	FR0012949923	10-sept-25	10 years	€500m	80	1.750%
19-May-2016	FR0013173432	19-May-28	12 years	€500m	87	1.250%
27-March-17	FR0013248507	03-Apr-25	8 years	€500m	43	1.000%
27-March-17	FR0013248523	03-Apr-29	12 years	€700m	63	1.500%

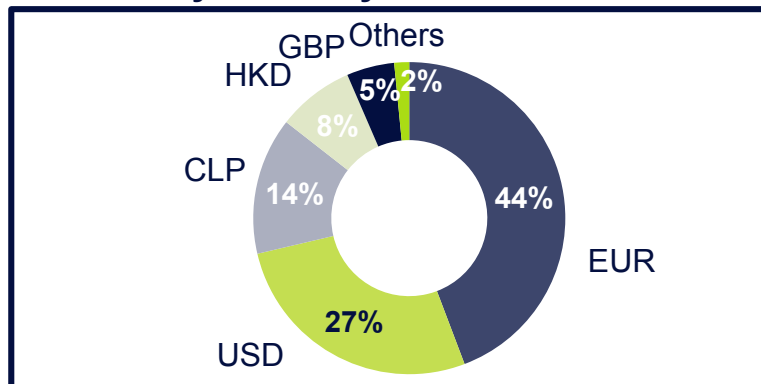
Pricing date	Code ISIN	Maturity date	Duration	Amount	Issue Spread	Coupon Rate
16-June-14	FR0011993500	PERPETUAL	N/A	€500m	225	3.000%
23-mars-15	FR0012648590	PERPETUAL	N/A	€500m	217	2.500%
10-Apr-17	FR0013252061	PERPETUAL	N/A	€600m	250	2.875%

FINANCIAL DEBT AND LIQUIDITY POSITION

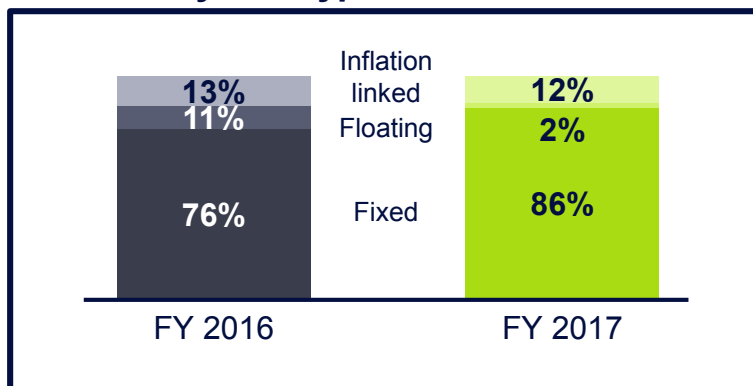


FINANCIAL DEBT

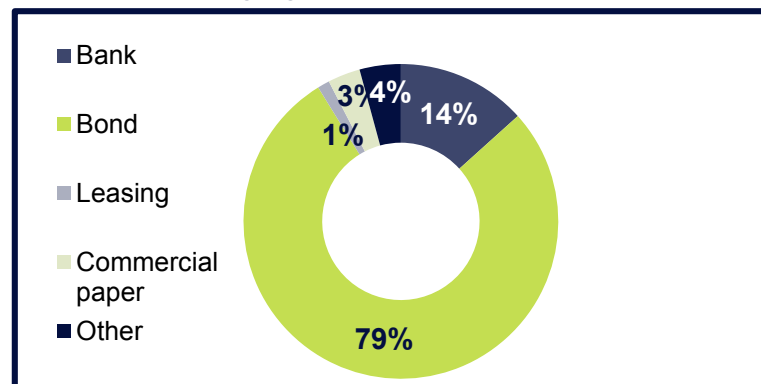
Net debt by currency



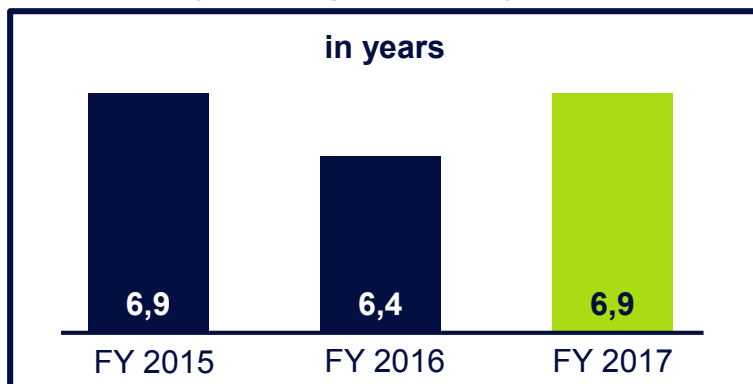
Net debt by rate type



Gross debt by type

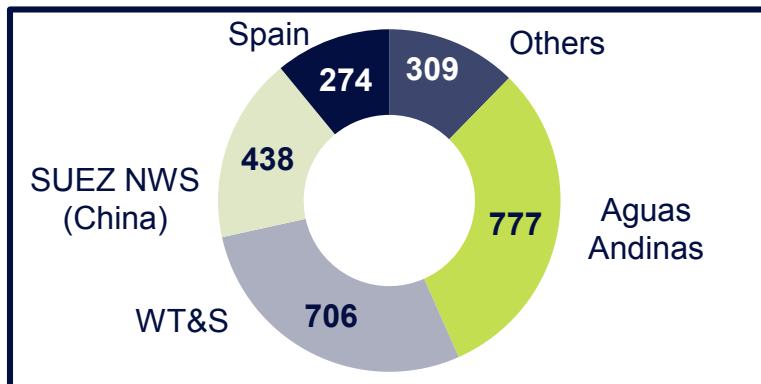


Net debt by average maturity

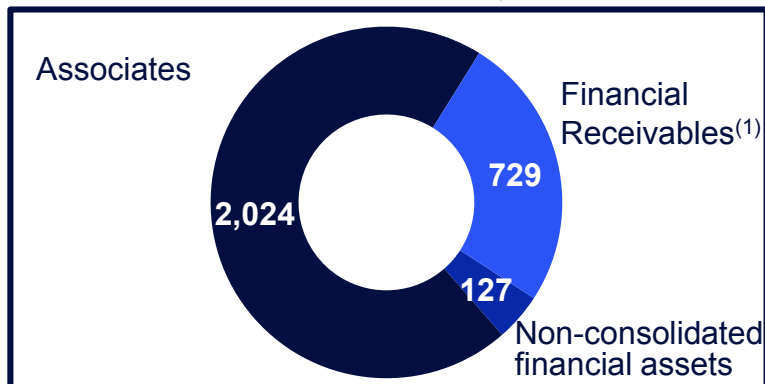


ASSETS & LIABILITIES OVERVIEW

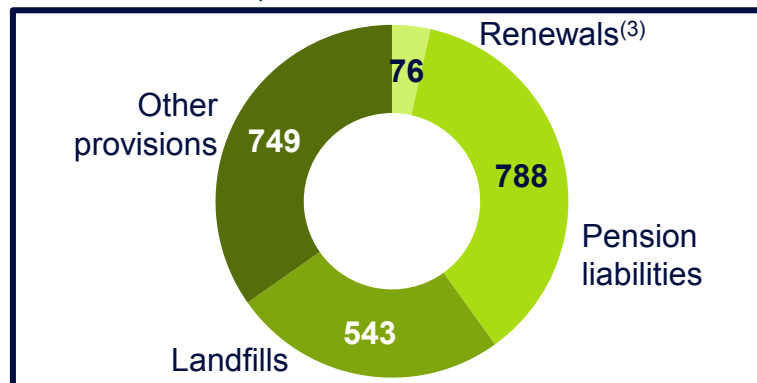
Minorities: €2,504m



Non current financial assets: €2,880m



Provisions⁽²⁾: €2,157m



(1) Including €413m on concessions (IFRIC12)

(2) Including €76m of net renewals (accounted for in other debt)

(3) These net provisions represent the gap between the expenses and the commitments on a linear basis of our concession contracts

CAPITAL EMPLOYED

<i>In €m</i>	31/12/2016	31/12/2017
Net goodwill	3,647	5,587
Tangible and intangible assets, net	12,503	12,629
Net financial assets	143	132
Investment in associates	1,900	2,098
Provisions	(1,656)	(1,665)
Others	(850)	(886)
CAPITAL EMPLOYED	15,687	17,895

<i>In €m</i>	31/12/2016 Pro forma	31/12/2017
WATER EUROPE	5,903	5,758
R&R EUROPE	3,553	3,549
INTERNATIONAL	5,925	5,617
WT&S	230	2,996 ⁽¹⁾
OTHERS	77	(26)
CAPITAL EMPLOYED	15,687	17,895

NOPAT, CAPITAL EMPLOYED AND ROCE

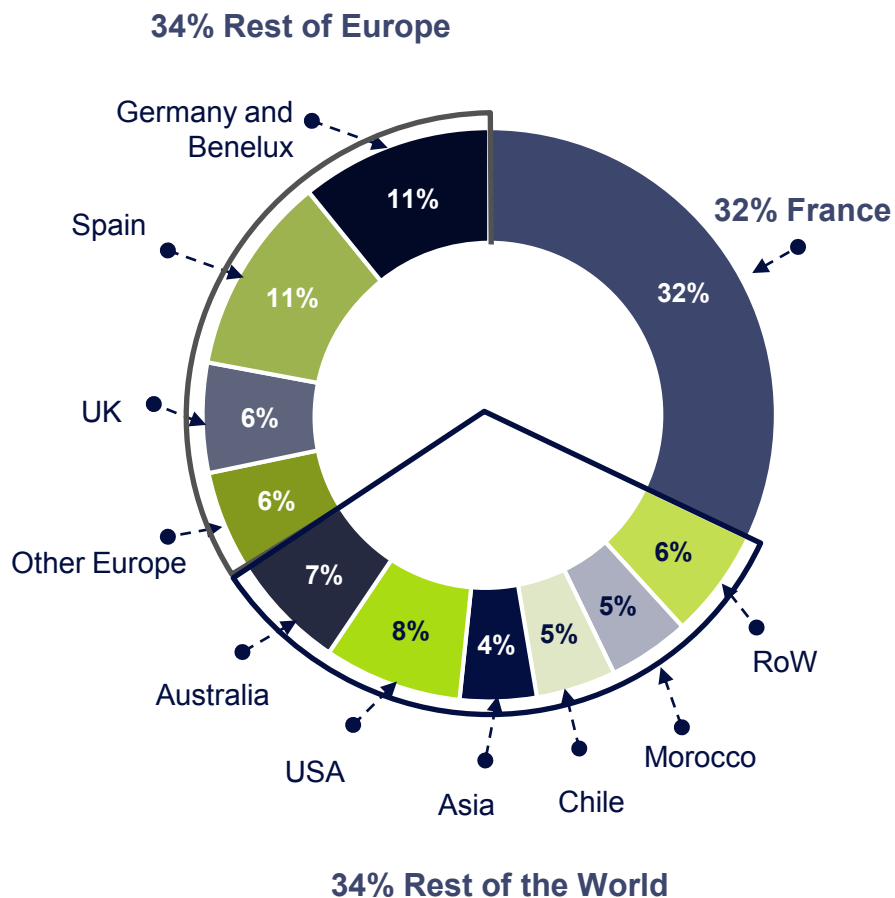
<i>In €m</i>	FY 2016	FY 2017
EBIT	1,282	1,284
Dividends	8	5
Interest and income from receivables and current assets	6	15
Other financial income and expenses	(67)	(60)
Income tax expense	(178)	(168)
NOPAT	1,051	1,077
Net goodwill	3,480	3,647
Tangible and intangible assets, net	12,489	12,503
Net financial assets	183	143
Investment in associates	1,349	1,900
Provisions	(1,539)	(1,664)
Impact of exchange rate fluctuations and material changes in scope	72	186
Others	(953)	(842)
CAPITAL EMPLOYED⁽¹⁾	15,080	15,873
RETURN ON CAPITAL EMPLOYED (ROCE)	7.0%	6.8%

APPENDICES

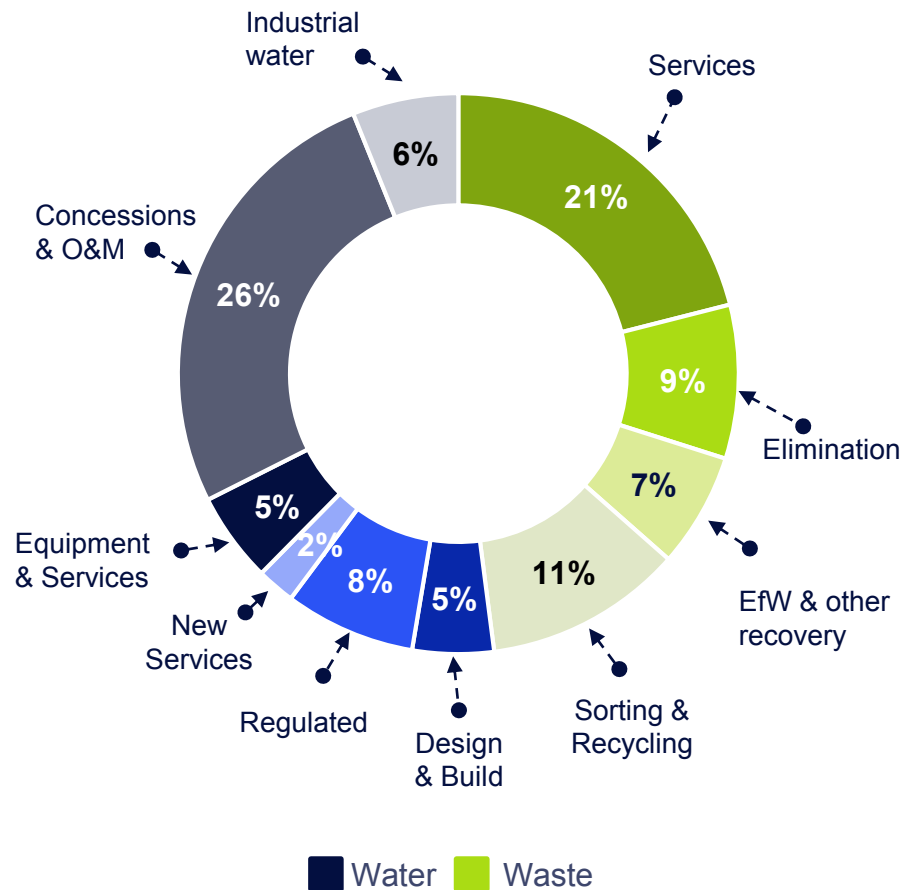
ACTIVITY OF DIVISIONS

BALANCED REVENUE BREAKDOWN

Breakdown by geography



52% water - 48% waste

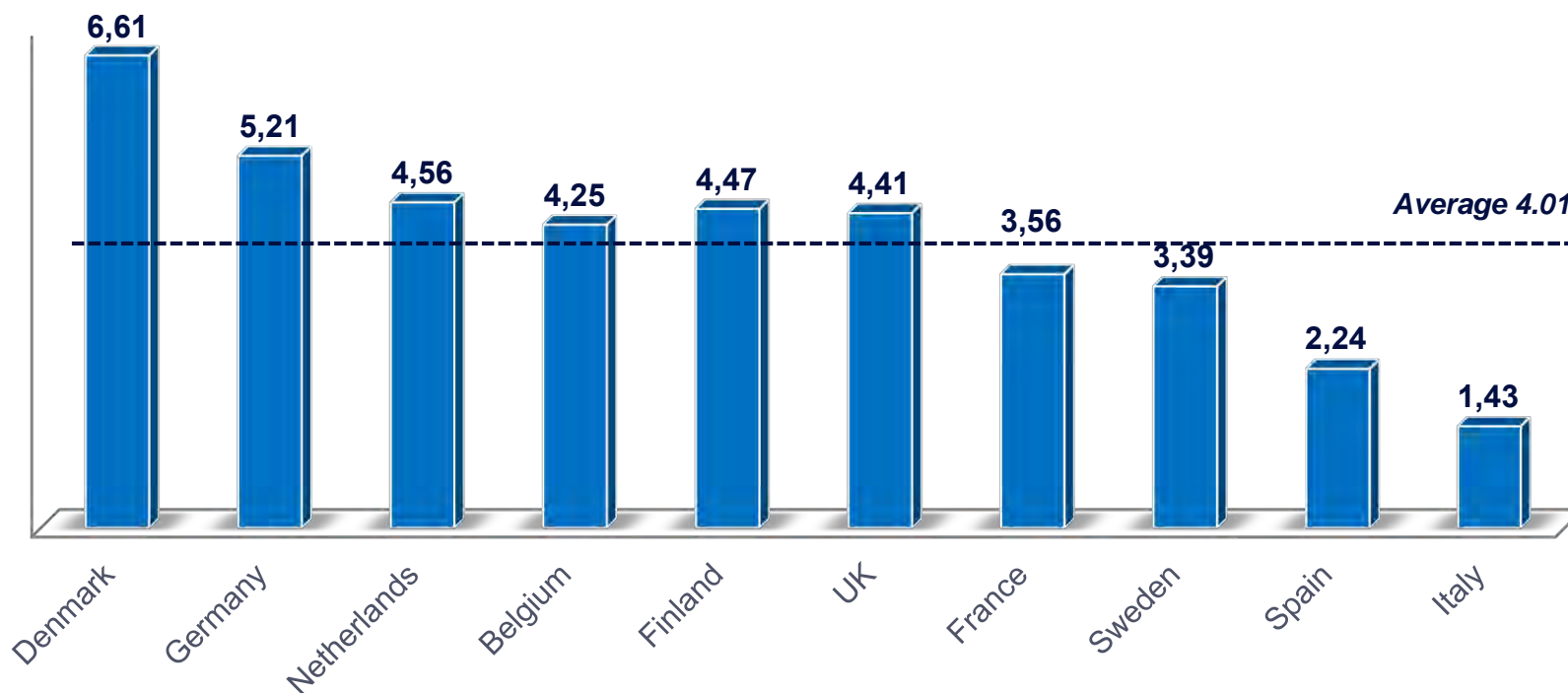


WATER EUROPE

Water tariff in Europe

GLOBAL AVERAGE PRICE

1st January 2017, at constant forex, €/m³

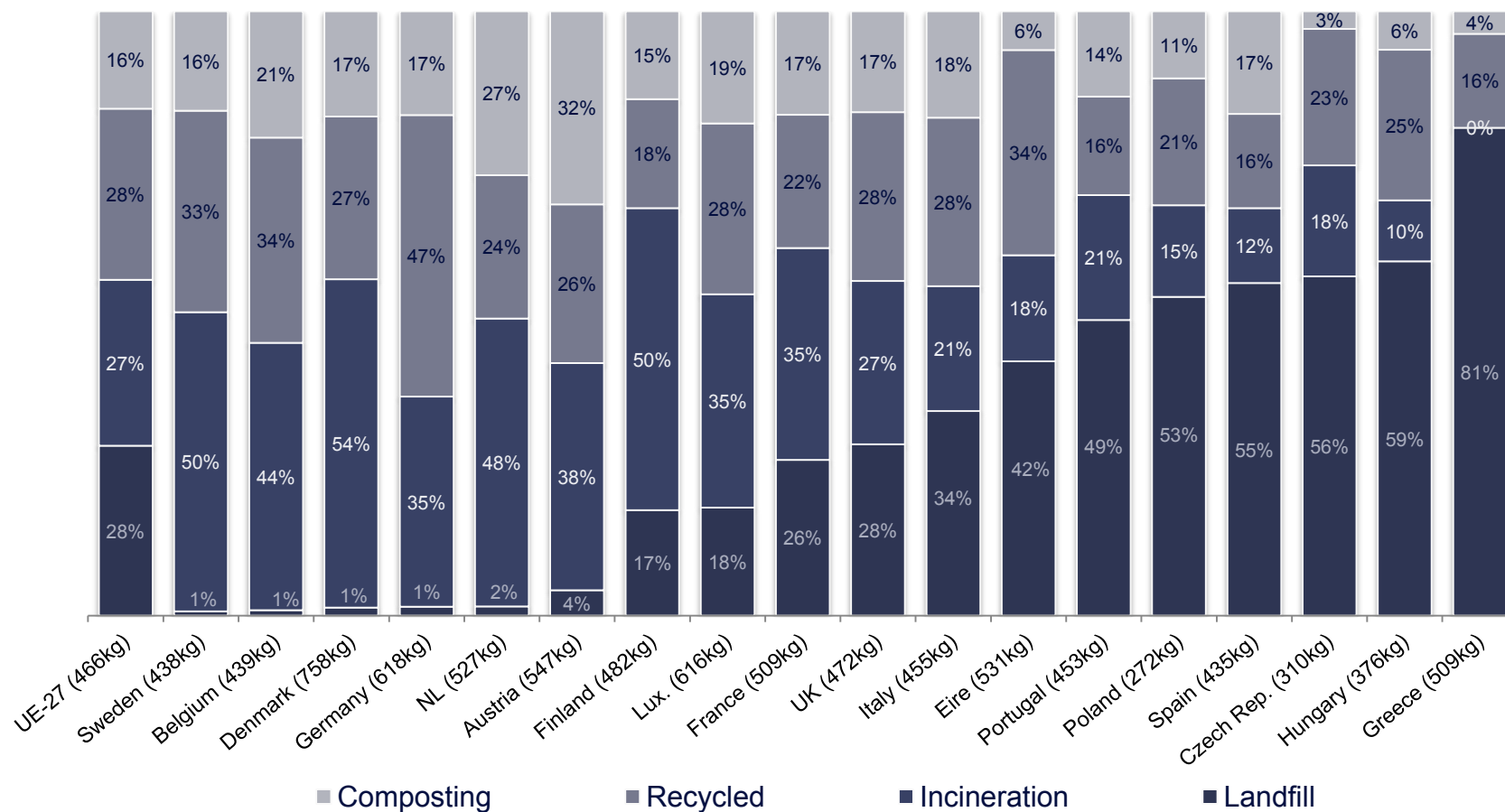


Source: NUS Consulting

RECYCLING & RECOVERY EUROPE

Municipal waste treatment mix in europe

ANNUAL WASTE VOLUMES PER CAPITA & SPLIT OF TREATMENT MODE



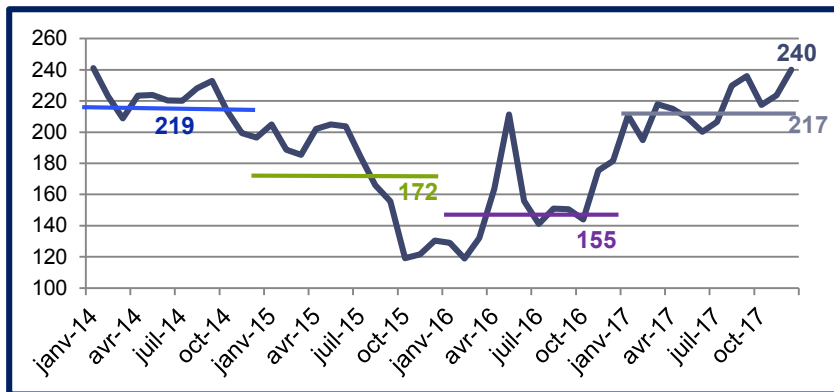
Source: Eurostat - 2014 data

RECYCLING & RECOVERY EUROPE

Commodity prices evolution

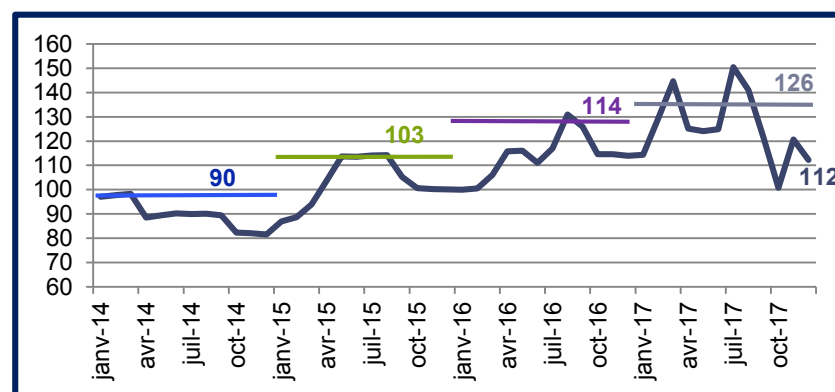
BDSV Sorte 1 (ferrous metal, recycled) €/ton

€/ton



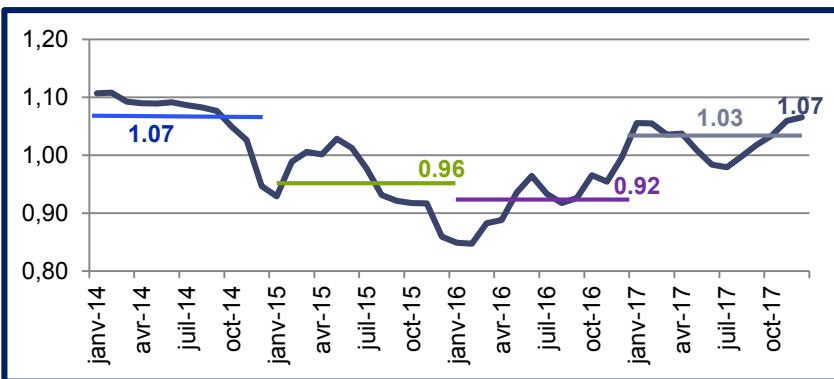
1.05 (paper, recycled material) €/ton

€/ton



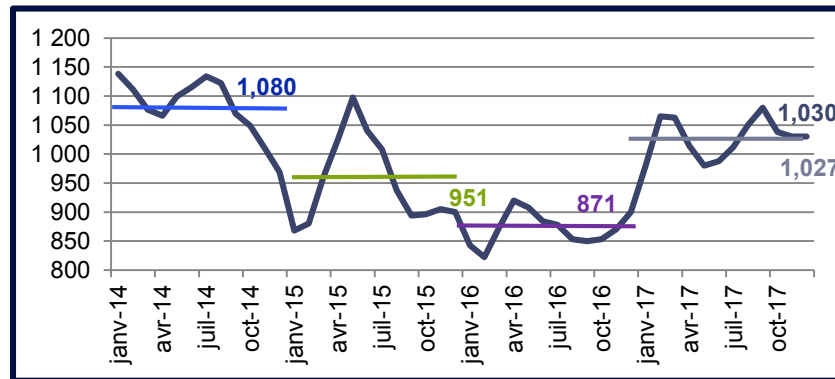
GASOIL (monthly average of the price at the pump) €/liter

€/liter



PET (virgin material) €/ton

€/ton



- Average 2014 - Average 2015 - Average 2016 - Average 2017

APPENDICES

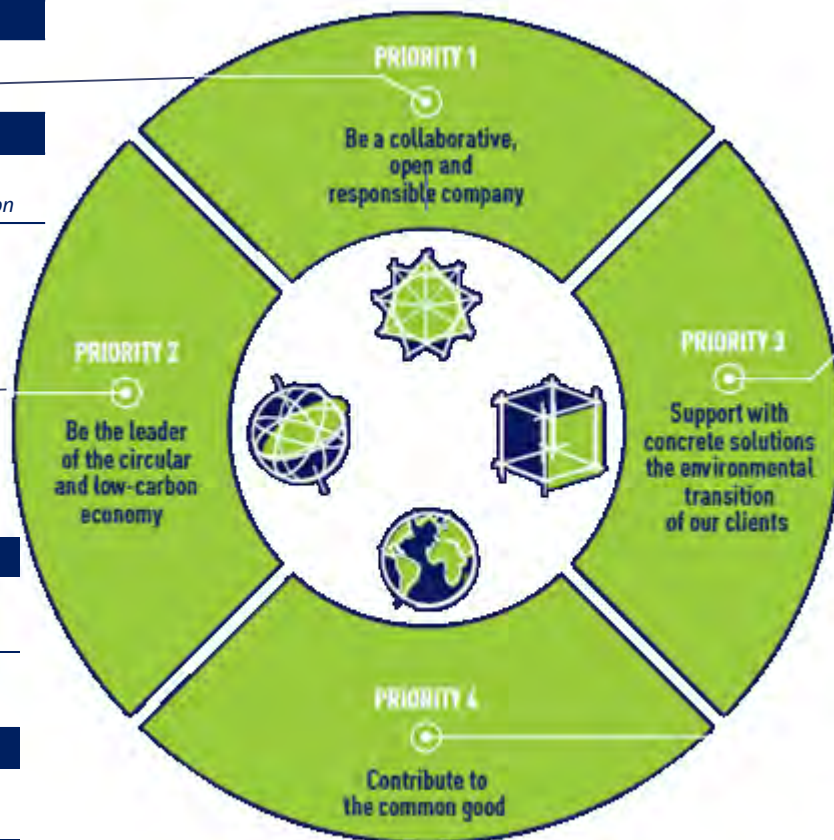
SUSTAINABLE DEVELOPMENT

SUSTAINABLE DEVELOPMENT

Roadmap 2017-2021: 2017 results

Commitments & Goals	2017 Result	2021 target	2017 vs. Baseline (a)
Promote diversity and wellbeing in the workplace			
Achieve a level of 33% of management positions filled by women Group-wide	28,4%	33%	↗
Act to ensure health and safety in the workplace			
Reduce the frequency rate for all Group activities	Water : 4,7 Waste : 12	Water<5 Waste<13	In progression

Commitments & Goals	2017 Result	2021 target	2017 vs. Baseline (b)
Adhere to the 2 degrees target by mitigating the causes of climate change			
Help our customers to avoid more than 60 MtCO ₂ e of GHG by 2021	cum. 28Mt	cum. 60Mt	↗
Increase the production of renewable energy by more than 10%	6,7 TWh	10%	↗
Adapt to the consequences of climate disruption on water			
Save the equivalent of the water consumption of a city of more than 2 million inhabitants	1,7M	2M	↗
Promote material recycling, recovery and reuse			
Increase the production of secondary raw	4,27Mt	+20%	↗



SUSTAINABLE DEVELOPMENT















Roadmap 2017-2021: 2017 results



Commitments & Goals	2017 Result	2021 target	2017 vs. Baseline (a)
Accelerate the digital revolution in water & waste solutions for agriculture, industry, cities and citizens			
Increase the number of connected objects by 20%	3,5M	20%	↗
Innovate to develop decentralised or modular solutions for the territories of the planet			
Increase the number of decentralised or modular solutions in Desalination, Water, Sanitation and Waste	170	↗	↗
Commitments & Goals			
Promote biodiversity and ecosystems services			
Roll out biodiversity action plans at 50% of priority sites managed by the Group	15,3%	50%	↗
Advance access to essential services			
Allocate €4 Million a year to the Fonds SUEZ Initiatives fund and, every year, support 30 projects in countries with the greatest need	4M€	4M€	=
	34 projects		↗
Develop sustainable access to essential services under the terms of our contracts in developing countries	23,8 M	↗	↗

SUSTAINABLE DEVELOPMENT

Ratings: Improved results

Agencies	Index	SUEZ score							
		2010	2011	2012	2013	2014	2015	2016	2017
 sam sustainability investing	 ROBECO SAM Sustainability Award Silver Class 2017	71	77	84	80*	80	79	82	82
 oekom research	 Corporate Responsibility Prime rated by oekom research			B "prime"	B "prime"		B- "prime"	B "prime"	
 vigeo corporate social responsibility ratings agency	 EURONEXT vigeo Eiris INDICES FRANCE 20 INDICES EUROPE 120 INDICES WORLD 120		56		59		58		66
 FTSE Russell	 FTSE4Good				99	90	85		
 CDP DRIVING SUSTAINABLE ECONOMIES	 CDP A LIST 2017 CLIMATE	74	84	84	88	95	99	A**	A
 SUSTAINALYTICS	 Member 2016/2017 STOXX ESG LEADERS INDICES					82,2	83		
 ecoVadis SUSTAINABLE SUPPLY MANAGEMENT	 2017 CSR Rating GOLD ecoVadis							60	68

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ready for the resource revolution

