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PRESS RELEASE

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RESULTS FOR 1st HALF OF 2008
Solid operational performance, in line with 2008 objectives
Confirmation of 2008-2010 financial objectives

- **Revenue: €6,030 million, + 7.5%[1]**
- **EBITDA : €1,006 million, + 5.2%[1]**
- **Free Cash Flow : €275 million, + 18.8%**
- **Net Result Group share: €201 million**
- **Stable Net debt : €5.4 billion**

In the first half of the year, SUEZ ENVIRONNEMENT[2] reported a solid performance with sustained revenue growth, increase in operational performance and strong free cash flow generation, in line with 2008 objectives and resilient to the H1 2008 macro-economic slow down.

Boosted by buoyant sales in both water and waste activities, and the tuck-in strategy, revenue increased by +7.5%[1] in total and by +9.7%[1] at constant foreign exchange rates, from €5,611 million[1] as of June 30, 2007 to €6,030 million as of June 30, 2008. All divisions contribute to growth.

EBITDA[3] amounted to €1,006 million, up to +5.2%[1] and of +7.3%[1] at constant foreign exchange rates, from €956 million last year[1], driven by robust European base and increased profitability of international activities. The EBITDA margin came in at 16.7%.

Current Operating Income amounted to €508 million. Before IPO costs of €19 million, Income from Operating Activities came to €537 million as of June 30, 2008, up +3.7%[1] over the previous year, and Net Result Group share amounted to €220 million.

A positive impact on corporate tax, following the IPO, is to come in H2 2008 with retroactive effect as of January 1st, 2008, following the creation of a tax group comprising SUEZ ENVIRONNEMENT and its French subsidiaries, which will generate an annual tax saving estimated at €40 million per annum. In addition, a portion of SUEZ' deficit as of December 31, 2007, estimated at €0,5 billion, will be allocated to SUEZ ENVIRONNEMENT.

SUEZ ENVIRONNEMENT generated €275 million of Free Cash Flow before disposals, up +18.8% compared to June 30, 2007, with net debt remaining stable at €5,4 billion at June 30, 2008 compared to December 31, 2007 while improving its net debt/EBITDA ratio to 2.60x.

Positioned on attractive and long term environmental markets, SUEZ ENVIRONNEMENT confirms its 2008-2010 financial objectives.

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[1] *Excl. Applus, sold in November 2007*
[2] *SUEZ ENVIRONNEMENT Company named SUEZ ENVIRONNEMENT thereafter*
[3] *EBITDA new definition*

SOLID PERFORMANCES REPORTED FROM WATER EUROPE AND WASTE EUROPE, BOOSTED AT THE INTERNATIONAL

All divisions contribute to operational performance and cash generation :

WATER EUROPE:

Water Europe Revenues increased by +8.5% excluding Applus to €1.9 billion, fuelled by commercial successes in water and wastewater for both municipal and industrial customers, as well as price increases and development in new services in France and in Spain. Overall in Europe, unfavorable weather conditions led to lower volumes sold.

Water Europe operating results (€388 million of EBITDA) are increasing in France buoyed by price increases, development of new services and work activities, on-going efficiency efforts. In Agbar, operating result improved due to price increases in Spain and Chile, while margins are slightly decreasing in the healthcare business due to an adverse loss ratio.

WASTE EUROPE:

Waste Europe posted €2.9 billion in revenues as of June 30, 2008, up +7.9% growth. In France, operations increased +4.6%[4] mainly resulting from treatment activities (notably sorting and recovery), as well as services (municipal collection and other services). Waste activities in the UK generated a +8%[4] growth thanks to price increases, of which a +£8/ton landfill tax increase, to the Cornwall and Northumberland PFI contracts and increase in the metal recycling activities. Scandinavia posted +7.8%[4] growth mainly from industrials, commercials and treatment activities, and Belgium was boosted by the full operation of the Sleco incinerator.

Waste Europe Operating profitability (€459 million of EBITDA) is driven by strong performance in treatment activities with a general increase of gate fees, higher prices for electricity sold from both incinerators and biogas facilities and development of recycling and material recovery activities.

INTERNATIONAL:

Revenues came in at €1.2 billion, up +4.8% increase compared to last year, bolstered by buoyant activities in Asia-Pacific (with increased operations in China and Australia), in Central Europe notably Poland, and North America driven by a dynamic rate case strategy. Degrémont posted +6.3%[4] growth, with the launch of new contracts in Middle East and Spain with the Barcelona desalination plant.

International Operating profitability (€185 million of EBITDA) shows a sharp increase resulting from development of regulated activities characterized by higher margins and wastewater contract renegotiations in the US, margin improvements for Degrémont, completion of Spolana soil remediation contract in Czech Republic and improved volumes and network efficiency for Lydec in Morocco.

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[4] *In organic growth*

HIGHLIGHTS AND DEVELOPMENT

Since the beginning of the year, SUEZ ENVIRONNEMENT has achieved several strategic milestones, as follow:

- Successful listing process: SUEZ ENVIRONNEMENT was listed on July 22, 2008 on Euronext Paris and Brussels concomitantly with GDF SUEZ merger, creating the only traded pure-player, dedicated exclusively to water and waste activities worldwide. GDF SUEZ, together with GBL, CDC, Areva, CNP Assurances and Sofina holds 48.04% of SUEZ ENVIRONNEMENT's shares capital at August 20, 2008, through a shareholders pact, which insures a stable sharehold base fostering long term growth.

- Successful public offer on AGBAR, after which SUEZ ENVIRONNEMENT, Criteria and Hisusa together hold 90% of AGBAR.

SUEZ ENVIRONNEMENT pursued its industrial development and its commercial activities:

- **Development in Italy** with ACEA via a new joint venture[5] relating to municipal water activities.
- Acquisition of Fayolle[6] **waste activities in France,** pursuit of MBT development, creation or improvement to sorting facilities.
- **Development in the material recovery** with the start of operations of Montpellier methanization facility, acquisition of BellandVision (Germany) in packaging recycling, new structuring **partnerships** with industrials companies such as Renault in car dismantling, Michelin in tyre recovery, and Nexans in cable recycling.
- **Strengthening of US positions** through the acquisition of Utility Service Company[7] (US no.1 water tank maintenance service company), and NACO[7] and WPT[7] from Earth Tech.
- **Increased presence in China** through the acquisition of 7.5% of Chongqing Water Group[7].
- **Acquisition by AGBAR** of 51% of ESSAL, 4th Chilean water distribution company.

CONFIRMATION OF 2008-2010 FINANCIAL OBJECTIVES

The operational performance reported for the first half of 2008 confirms SUEZ ENVIRONNEMENT's **solid and profitable growth strategy**, based on an industrial business model in attractive environmental markets.

SUEZ ENVIRONNEMENT confirms its financial objectives for 2008-2010, based on organic growth and tuck-in acquisitions, independent of strategic acquisitions:

- Revenue growth: organic growth ≥ to +5% and tuck-in acquisition growth ≥ to +2%
- 2008 EBITDA[7] target between €2,100 million and €2,150 million
- EBITDA growth: +8% average annual growth in 2009 and 2010
- Investments of approx. €4.5 billion[8] over the 2008-2010 period
- Dividend policy: €320 million paid in 2009 and more than 10% growth in the next 2 years
- Net debt / EBITDA ratio < 3x over 2008-2010
- Continuing efforts to improve operational performance.

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[5] Subject to regulatory approval, 45% stake of SUEZ ENVIRONNEMENT
[6] Deal closed and paid in the second half of 2008
[7] EBITDA new definition
[8] Excl. the public offer on AGBAR and strategic acquisitions

The live video webcast of the 2008 first-half results presentation will be broadcasted today at 08:30 (Paris time) on SUEZ ENVIRONNEMENT website: http://www.suez-environnement.com.

Financial report and consolidated accounts for H1 2008 are available, and on line on SUEZ ENVIRONNEMENT website: http://www.suez-environnement.com

Natural resources are not infinite. Each day, SUEZ ENVIRONNEMENT (Paris: SEV, Brussels: SEVB) and its subsidiaries deal with the challenge to protect resources by providing innovative solutions to industries and to millions of people. SUEZ ENVIRONNEMENT supplies drinking water to 68 million people, provides wastewater treatment services for 44 million people and collects the waste produced by 46 million people. SUEZ ENVIRONNEMENT has 62,000 employees and, with its presence on a global scale, is the world's leader exclusively dedicated to environmental services. In 2007, SUEZ ENVIRONNEMENT, a 35% GDF SUEZ affiliate, achieved sales turnover of 12 billion euros.

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To learn more about SUEZ ENVIRONNEMENT,
go to: www.suez-environnement.com

Summary Balance Sheet

ASSETS	31/12/07	H1 2008
NON CURRENT ASSETS	12,733	12,444
o/w goodwill	2,720	2,634
CURRENT ASSETS	6,005	6,306
o/w financial assets at fair value through income	180	85
o/w cash & cash equivalents	1,466	1,482
TOTAL ASSETS	18,738	18,750

LIABILITIES	31/12/07	H1 2008
Equity, group share	3,644	3,519
Minority Interests	613	613
TOTAL EQUITY	4,257	4,132
Provisions	1,296	1,347
Financial Debt	7,073	6,991
Other Liabilities	6,112	6,280
TOTAL LIABILITIES	18,738	18,750

Summary Income Statement

In €m	H1 2007	H1 2007 Excl. Applus	H1 2008
REVENUE	5,776	5,611	6,030
Depreciation, Amortization & Provisons	(362)	(355)	(369)
CURRENT OPERATING INCOME	514	499	508
INCOME FROM OPERATING ACTIVITIES	533	518	518
Financial Result	(104)		(120)
Associates	13		18
Income tax	(129)		(146)
Minority interest	(79)		(69)
NET RESULT GROUP SHARE	233		201
o/w spin off & IPO costs			(19)
NET RESULT GROUP SHARE EXCL. SPIN OFF & IPO COSTS	233		220

Summary Cash Flow Statement

In €m	H1 2007	H1 2008
Gross cash flow before financial loss and income tax	899	883
Income tax paid (excl. income tax paid on disposals)	(179)	(110)
Change in operating working capital	(103)	(92)
CASH FLOW FROM OPERATING ACTIVITIES	617	681
Net tangible and intangible investments	(468)	(464)
Financial investments	(326)	(858)(1)
Disposals and other investment flows	117	77
CASH FLOW FROM INVESTMENT ACTIVITIES	(677)	(1,244)
Dividends paid	(520)	(470)
Balance of reimbursement of debt / new debt	198	1,105(1)
Interests paid on financial activities	(103)	(120)
Capital increase	4	0
Other cash flows	(29)	95
CASH FLOW FROM FINANCIAL ACTIVITIES	(450)	610
Impact of currency, accounting practices and other	(3)	(32)
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD	1,995	1,466
Total cash flow for the period	(514)	15
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	1,481	1,482

(1) Including AGBAR take over €708m