



Press Release

Paris, 16 May 2017

SUEZ launches a capital increase without shareholders' preferential subscription rights and with a 3-day priority subscription period on an irreducible basis granted to existing shareholders for an amount of approximately €750 million as part of the financing of the acquisition of GE Water

Launch of the Private Placement

Following the announcement on 8 March 2017 of the acquisition (the "**Acquisition**") of GE Water & Process Technologies ("**GE Water**") and the announcement on 10 May 2017 of the principle of a proposed capital increase, SUEZ (the "**Company**") announces today the launch of a capital increase without shareholders' preferential subscription rights and with a priority subscription period on an irreducible basis granted to existing shareholders ("**Capital Increase**") for an amount of approximately €750 million.

The proceeds of the Capital Increase will be used to finance a part of the acquisition price of GE Water for a total amount of 3.415 billion US dollars (i.e., approximately €3.2 billion¹), paid in cash, as part of a partnership with the Caisse de dépôt et placement du Québec ("**CDPQ**"). The acquisition of GE Water will be carried out via an intermediary company the share capital of which will be held for 70% by SUEZ and for 30% by CDPQ. CDPQ's equity contribution will amount to 0.7 billion US dollars. The portion financed by SUEZ, which corresponds to a 70% equity contribution in the acquiring company (i.e., approximately 1.6 billion US dollars) and the implementation of an intercompany loan (for approximately 1.1 billion US dollars), will therefore amount to 2.715 billion US dollars (i.e., approximately €2.550 billion¹).

The acquisition of GE Water has been secured by a bridge financing covering the entire transaction.

The Capital Increase of €750 million completes the financing of this transaction which was initiated by the issuance of senior unsecured debt on 3 April 2017 for a total amount of €1.2 billion and by hybrid debt issued on 19 April 2017 for a total amount of €600 million.

In the event of failure to complete this acquisition, which is subject to certain customary conditions precedent, the proceeds of the Capital Increase would be allocated to the general corporate purposes of the Group, including future development projects and certain refinancings.

¹ On the basis of an exchange rate EUR/USD of 1.06

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The Capital Increase will lead to the issuance of a maximum of 47.6 million new shares (“**New Shares**”) corresponding to 8.4% of the Company’s share capital.

The Company’s existing shareholders (as of the record date of 16 May 2017) will be granted a 3-day priority subscription period on an irreducible basis (*à titre irréductible*), which will run from 17 May 2017 to 19 May 2017 (inclusive) at 17.00 (Paris time).

The New Shares not subscribed for during the priority subscription period as described above are being offered in a global offering including:

- a private placement to institutional investors, within and outside of France, excluding certain countries, in particular the United States of America, Japan, South Africa and Australia, that will be executed through a bookbuilding process on 16 May 2017 after market close;
- a public offering in France for retail investors principally, which will run from 17 May 2017 until 19 May 2017 (inclusive) at 17.00 (Paris time) for orders placed at branches of financial institutions and until 19 May 2017 (inclusive) at 20.00 (Paris time) for orders placed online, subject to obtaining a visa on the prospectus granted by the *Autorité des marchés financiers* (“**AMF**”).

Orders placed in the public offering and private placement might be subject to reduction depending on the results of the priority subscriptions on an irreducible basis received during the priority subscription period.

The subscription price of the New Shares in the context of the priority subscription period and the public offering will be equal to the private placement subscription price of the New Shares and will be set between €15.76 and €16.01 per share. The subscription price will be communicated in a press release published at the latest on 17 May 2017 before market open.

This press release concerns the launch of the private placement.

Intentions and subscription commitments of the main shareholders

The Company’s main shareholders, Engie, Criteria Caixa and the Caltagirone Group, holding 32.5%, 5.9% and 3.5% of the Company’s share capital, respectively, have irrevocably agreed to subscribe on an irreducible basis (*à titre irréductible*) for New Shares in proportion of their current shareholding (“**Subscription Commitments**”) during the priority subscription period. The Subscription Commitments total approximately €314 million and represent approximately 42% of the amount of the Capital Increase.

Mr. Jean-Louis Chaussade has notified the Company of his intention to subscribe on an irreducible basis for New Shares in proportion of his current shareholding in the context of the preferential subscription period.

The Company is not aware of the intentions of its other shareholders or of its board members in relation to the Capital Increase.

Underwriting

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The issuance of the New Shares (other than the ones to be subscribed pursuant to the Subscription Commitments) is underwritten by way of a placement and underwriting agreement signed on 16 May 2017 between the Company and the bank syndicate. This underwriting agreement does not constitute a performance guarantee (*garantie de bonne fin*) within the meaning of Article L.225-145 of the French Commercial Code.

Lock-up commitments

The Company has agreed to a lock-up period starting from the signature of the placement and underwriting agreement and expiring 90 calendar days following the settlement and delivery date of the New Shares, subject to certain exceptions set out in the securities note.

Likewise, Engie, Criteria Caixa and the Caltagirone Group have each agreed to a lock-up expiring 90 calendar days after the settlement and delivery date of the New Shares, subject to certain exceptions.

This press release does not constitute an offering to subscribe for the New Shares, and the offering of New Shares does not constitute a public offering in any other country than France.

Morgan Stanley and Société Générale Corporate & Investment Banking are acting as Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners (the “**Joint Global Coordinators**”), Citigroup, Crédit Agricole CIB, and HSBC are acting as Joint Bookrunners (the “**Joint Bookrunners**”) and CaixaBank and Natixis are acting as Lead Managers (the “**Lead Managers**” and together with the Joint Global Coordinators and the Joint Bookrunners the “**Bank Syndicate**”).

Availability of the prospectus

The prospectus, comprising (i) the reference document of the Company filed with the AMF on 5 April 2017 under number D.17-0330 and (ii) a securities note (including a summary of the prospectus), will be made available once it receives an AMF visa expected on 16 May at latest.

Hard copies of the prospectus will be made available free of charge at the Company’s headquarters, located at 16, place de l’Iris, Tour CB 21, 92040 Paris-La Défense. The prospectus is also available on the Company’s website (www.suez.com) and on the AMF’s website (www.amf-france.org).

Potential investors are advised to consider carefully the risk factors described in chapter 4 of the Company’s reference document and in section 2 of the securities note, as well as the risk factors related to the Acquisition as mentioned in the prospectus of the bond issued on 13 April 2017, available on the issuer website (www.suez.com) and on the AMF website (www.amf-france.org), before deciding whether to invest. Should all or any part of these risk factors materialize, the Company’s and the group’s businesses, financials, results or ability to reach its guidance may be negatively affected.

About SUEZ

We are at the dawn of the resource revolution. In a world facing high demographic growth, runaway urbanisation and the shortage of natural resources, securing, optimising and renewing resources is essential to our future. SUEZ (Paris: SEV, Brussels: SEVB) supplies drinking water to 92 million people, delivers wastewater treatment services to 65 million, recovers 16 million tons of waste each year and produces 7 TWh of local and renewable energy. With 82,536 employees, SUEZ, which is present on all five continents, is a key player in the sustainable management of resources. SUEZ generated total revenues of €15.3 billion in 2016.

SUEZ

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The information contained in this announcement is for background purposes only and does not purport to be full or complete and no reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness. Any purchase of Securities should be made solely on the basis of the information contained in the prospectus issued by the Company.

France

The offer and the sale of the New Share in France will be implemented in the context of a private placement to certain institutional investors according to Article L. 411-2 II of the French Monetary and Financial Code and a public offering in France following the date of the AMF approval (visa) on the prospectus in relation with the issue and admission of the New Shares to trading on the regulated market of Euronext Paris.

European Economic Area

*This press release is an advertisement and not a prospectus within the meaning of Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003, as amended, in particular by Directive 2010/73/EU to the extent such Directive has been transposed in the relevant member State of the European Economic Area (together, the “**Prospectus Directive**”).*

*With respect to member states of the European Economic Area (“**EEA**”) which have implemented the Prospectus Directive other than France (each, a “**Member State**”), no action has been undertaken or will be undertaken to make an offer to the public of the Securities requiring a publication of a prospectus in any Member State. As a result, the Securities may only be offered in Member States:*

- a) to qualified investors, as defined in the Prospectus Directive;*
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined by the Prospectus Directive) in each Member State; or*
- c) in circumstances falling within Article 3(2) of the Prospectus Directive,*

and provided that no such offer of Securities referred to in (a) to (b) above shall require the Company or the Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For these purposes, as defined in the Prospectus Directive, the expression an “offer to the public of the Securities” in a relevant Member State, which has implemented the Prospectus Directive (as defined below), means any communication in any form and by any means of sufficient information on the terms of the offer of the Securities to be offered, so as to enable an investor to decide, as the

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case may be, to purchase or subscribe the Securities, as the same may be varied in that Member State.

This selling restriction applies in addition to any other selling restrictions which may be applicable in the Member States who have implemented the Prospectus Directive.

United States of America

This press release does not constitute or form a part of any offer of Securities or solicitation to purchase or subscribe for Securities in the United States. Securities may not be offered, subscribed or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements thereof. The shares of the Company have not been and will not be registered under the U.S. Securities Act and the Company does not intend to make a public offer of its securities in the United States.

United Kingdom

In the United Kingdom this press release is directed exclusively at Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”) or (ii) who fall within Article 49(2)(A) to (D) of the Order, and (iii) to whom it may otherwise lawfully be communicated.

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Australia, South Africa, Canada and Japan

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The Securities may not be offered or sold in Australia, South Africa and Japan, and are subject to restrictions on their offer and sale in Canada.

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