



press release

Paris, October 27, 2016

SEPTEMBER 30, 2016 RESULTS

GROUP'S TRAJECTORY ON TRACK WITH FULL-YEAR TARGETS

IMPLEMENTATION OF THE TRANSFORMATION PLAN OF THE COMPANY: 40 MILLION EUROS OF SAVINGS IN SUPPORT FUNCTIONS AS SOON AS 2017

- Revenue: €11,225m, up 2.6% at constant exchange rates
- EBITDA¹: €1,957m, up 1.9% at constant exchange rates
- EBIT¹: €932m, up 4.6% at constant exchange rates
- Net financial debt: €3,697m; net financial debt/EBITDA ratio¹: 3.2x

In €m	September 30, 2015	September 30, 2016	Gross change	Change at constant exchange rates	Change at constant scope and exchange rates
Revenue	11,093	11,225	+1.2%	+2.6%	+1.4%
EBITDA ¹	1,952	1,957	+0.3%	+1.9%	-0.6%
<i>EBITDA¹/Revenue</i>	17.6%	17.4%			
EBIT ¹	909	932	+2.5%	+4.6%	+0.4%
<i>EBIT¹/Revenue</i>	8.2%	8.3%			

■ In the first nine months of the year, SUEZ achieved a revenue growth of 1.4% on an organic basis and 2.6% at constant exchange rates, driven by the International division, which generated 7.5% growth at constant exchange rates. Revenue in the Recycling & Recovery Europe division was stable at 0.1% on an organic basis, and decreased in the Water Europe division by 0.8% on an organic basis.

■ EBITDA at end-September 2016 stood at €1,957m, down 0.6% on an organic basis. The EBITDA/revenue margin was 17.4%.

■ EBIT was up 0.4% to €932m. The EBIT/revenue margin improved slightly to 8.3% from 8.2% last year.

¹ Excluding IFRIC 21



■ In the first three quarters, the contribution from the Compass program was €123m, in line with the annual target of €180m.

■ **The Group's net financial debt came out at €8.7bn versus €7.9bn at end-September 2015.** The NFD/EBITDA ratio was 3.2x.

■ **Commenting on the third-quarter 2016 results, Jean-Louis Chaussade, CEO, stated:** "Business growth remains sound, despite the persistently lackluster macroeconomic environment in France. It continues to be fueled by our performance outside Europe. The improvement in operational profitability in the third quarter puts us on track to meet our 2016 targets. In particular, it reflects the additional efforts we decided in order to offset the unfavorable weather conditions during the first half of the year.

During the summer, we also continued to implement the transformation plan to make the group more efficient, more agile, more transverse in order to meet the environmental and climate challenges. As soon as 2017, this plan will generate 40 million euros of savings on a full-year basis. "

BREAKDOWN OF ACTIVITY AT END-SEPTEMBER 2016

In €m	September 30, 2015	September 30, 2016	Gross change	Exchange rate change	Change at constant scope and exchange rates
TOTAL	11,093	11,225	+1.2%	-1.4%	+1.4%
<i>Of which:</i>					
Water Europe	3,428	3,454	+0.8%	-1.0%	-0.8%
Recycling & Recovery Europe	4,738	4,671	-1.4%	-1.7%	+0.1%
International	2,854	3,029	+6.1%	-1.4%	+6.3%

SUEZ generated revenue of €11,225m at September 30, 2016, for a gross increase of 1.2% (+€132m) compared with September 30, 2015. The total can be broken down as follows:

■ **Organic change of 1.4% (+€156m):**

- Revenue was down slightly by 0.8% (-€27m) in the Water Europe segment, which is still suffering from the effects of the end of the Lille contract, but was positively affected by the development of new services.
- Revenue in the Recycling & Recovery Europe segment was stable by +0.1% (+€6m). It benefited from 0.5% growth in treated waste volumes, thanks to the new capacities that have come on stream. It was adversely affected by a drop in prices for secondary raw materials (mainly metals) and for energy.
- Revenue in the International segment was up by 6.3% (+€179m), thanks to sustained growth in all regions in which the Group operates.

■ **Unfavorable forex effect of -1.4% (-€153m)**, mainly due to the appreciation of the euro against the pound sterling (-€77m), Chilean peso (-€33m) and Australian dollar (-€19m).

■ **Scope effect of +1.2% (+€129m)**, primarily from the acquisitions of Driplex in India, Perth Waste in Australia and Nantaise des Eaux in France.



In the first three quarters of 2016, SUEZ generated 32% of its revenue outside Europe compared with 30% last year.

Based on these results, SUEZ Group **reiterates its targets for 2016**.

PERFORMANCE BY DIVISION

WATER EUROPE

In €m	September 30, 2015	September 30, 2016	Gross change	Exchange rates change	Change at constant scope and exchange rates
Revenue	3,428	3,454	+0.8%	-1.0%	-0.8%

■ **Revenue in France was down 4.4% (-€68m) on an organic basis.**

The decrease in volumes sold (-2.0%) was below the medium-term trend due to unfavorable weather conditions in the second quarter and the reversal of the positive impact of exceptionally favorable weather conditions in the 2015 summer; the modest 0.2% tariff increases reflect the zero-inflation environment. The end of the Lille contract also impacted the segment's revenue performance (-€62 million).

■ **Spain and Chile generated organic growth of 2.1% (+€38m).**

The segment continued to benefit from the strong tariff increases obtained last year in Chile (+5.6%), while tariffs in Spain increased by 3.1%. The water sales volume trend improved sharply relative to the first half of the year; volumes were up by 0.8% in Spain and down by 0.9% in Chile, versus decreases of 0.3% and 2.5%, respectively, in the first six months of the year.

RECYCLING & RECOVERY EUROPE

In €m	September 30, 2015	September 30, 2016	Gross change	Exchange rates change	Change at constant scope and exchange rates
Revenue	4,738	4,671	-1.4%	-1.7%	+0.1%

■ The Recycling & Recovery Europe division reported revenue of €4,671m, flat on an organic basis at 0.1% (+€6m). Performance continued to be affected by a substantial negative price effect on secondary raw materials (notably ferrous metals, down 20% year on year) and energy, mainly in the first semester. Adjusted for this effect, revenue grew 1.1% on an organic basis.

Treated volumes rose by 0.5%, benefiting mainly from additional tonnage in France in the second quarter and the first-time contribution of the three waste-to-energy units that came into operation in the United Kingdom. In these two countries, the decrease in landfilled volumes was more than offset by growth in recycled volumes. By geographic region, the organic change was +5.7% in the United Kingdom and Scandinavia, +3.1% in



Central Europe, +0.7% in the Benelux and Germany region, and -2.5% in France.

INTERNATIONAL

In €m	September 30, 2015	September 30, 2016	Gross change	Exchange rates change	Change at constant scope and exchange rates
Revenue	2,854	3,029	+6.1%	-1.4%	+6.3%

- The International division reported revenue of €3,029m at September 30, 2016, up 6.3% at constant scope and exchange rates (+€179m).
 - The Africa, Middle East and India region posted a strong increase of 12.3% at constant scope and exchange rates (+€88m), mainly reflecting the development of activities in the Middle East, where several construction contracts are generating additional revenue, including Doha West (Qatar) and Barka (Oman). The Group also strengthened its position in industrial water in India through its acquisition of a majority stake in Driplex at the beginning of the year.
 - North America grew by 1.8% at constant scope and exchange rates (+€13m). The Group recorded tariff increases, notably in New Jersey, Pennsylvania and Idaho, as well as 0.4% growth in water sales volumes.
 - Asia rose by a very sharp 24.9% at constant scope and exchange rates (+€72m), on an organic basis, due mainly to the strong growth in treated waste volumes in Hong Kong. This stemmed from significant market share gains and the start of new equipment contracts in water and construction in China in hazardous waste.
 - The Europe/LatAm region posted negative growth of 6.9% at constant scope and exchange rates (-€31m) due to the termination of several construction contracts in Europe that were not replaced during this period.
 - Revenue in Australia increased by 5.3% at constant scope and exchange rates (+€38m). This performance was based on both sustained growth in treated volumes (up 5.5%) and a positive price effect.

The backlog for construction activities is €1.2bn, up by 13% relative to September 30, 2015.

FORTHCOMING COMMUNICATIONS:

March 1, 2017: Publication of 2016 annual results

This press release is available at www.suez.com and in the [NEWSROOM](#).



APPENDICES

REVENUE BY REGION

<i>In €m</i>	9M 2015	9M 2016	% in 9M 2016	Δ 16/15
FRANCE	3 753	3 709	33%	-1.2%
Spain	1 310	1 296	12%	-1.1%
UK	826	821	7%	-0.5%
Others Europe	1 836	1 799	16%	-2.0%
EUROPE (excluding France)	3 971	3 916	35%	-1.4%
North America	822	875	8%	6.4%
South America	643	643	6%	0.0%
Oceania	743	792	7%	6.6%
Asia	358	445	4%	24.4%
Others International	802	845	8%	5.3%
INTERNATIONAL (excluding Europe)	3 369	3 600	32%	6.9%
TOTAL	11 093	11 225	100%	1.2%



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 €15.1 billion in 2015.

CONTACTS

Press

+33 1 58 81 23 23

Analysts & Investors

+33 1 58 81 24 05

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