SUEZ ENVIRONNEMENT
TOUR CB21
16, PLACE DE L'IRIS
92040 PARIS LA DEFENSE CEDEX
TEL. +33 (0)1 58 81 23 23
FAX. +33 (0)1 58 81 25 09
WWW.SUEZ-ENVIRONNEMENT.COM

PRESS RELEASE

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1st QUARTER 2013

STABLE OPERATING PERFORMANCE IN A DIFFICULT ECONOMIC CONTEXT IN EUROPE

- **Revenue: down at €3 497m, -2.6%**
- **EBITDA: €570m, +0.8%**
- **EBITDA margin: 16.3%, up compared to Q1 2012 (15.8%)**

In M€	31 March 2012	31 March 2013	Gross change	Organic change	Change in scope
Revenue	3,591	**3,497**	-2.6%	-2.6%	+0.2%
EBITDA	566	**570**	+0.8%	0.0%	+0.5%
EBITDA/Revenue	15.8%	**16.3%**			

- **For the 1st quarter of 2013, SUEZ ENVIRONNEMENT reported revenues down by -2.6% at €3,497m, or stable excluding the impact of Melbourne plant construction completion** in December 2012. The Water Europe and International divisions reported organic growth, respectively +3.4% and +5.0% (excluding the Melbourne plant completion). The Waste Europe division is down by -5.3% linked to a reduction of the treated volumes. SUEZ ENVIRONNEMENT continues its commercial development with the gain of contracts such as Merseyside (United Kingdom), Poznań (Poland), Tours (France) in waste, Rhône Ventoux (France) in water, or finally New Delhi (India).

- **EBITDA stands at €570m, up +0.8%** or stable in organic terms. Despite a difficult macro-economic context in Europe, the EBITDA margin stands at **16.3%**, improving versus Q1 2012. This operating performance confirms the relevance of the strategic choices made by the Group, both in terms of business model and cost reductions already achieved and further strengthened since the second half of 2012.

- **The Group's net financial debt (NFD) stands at €7,616m.** It includes negative marked-to-market and forex effects. In Q1, the NFD/EBITDA ratio is in line with the objective of around 3 times.

- **Commenting on the first quarter 2013 results, Jean-Louis Chaussade, Chief Executive Officer, stated:** *"Our Group's performance remains good despite an economic context that is particularly difficult in Europe in the beginning of 2013. This is the result, on one hand, of an optimized management of our assets with a further reinforced cost control and, on the other hand, the relevance of our strategic choices, with the development of four priorities axes for growth, which are smart water, waste recovery, international development and industrial water.*
The Water Europe business has increased thanks to contract gains and renewals, and the steady development of new business activity. International Division maintains a dynamic growth in Asia and Australia. However, Waste Europe Division has been affected by a decrease in treated volumes, a direct consequence of the decline of industrial production in Europe.
SUEZ ENVIRONNEMENT pursues its target to improve its operational performance on a constant basis, while preparing the Group for the future: the growth of the Group is based on long-term drivers, high-quality assets, and a clearly defined development strategy."

BREAKDOWN OF ACTIVITY AS AT END MARCH 2013

Revenue In M€	31 March 2012[1]	31 March 2013	Gross change	Organic change	Change in scope
Water Europe	1,008	1,041	+3.3%	+3.4%	-0.4%
Waste Europe	1,658	1,583	-4.6%	-5.3%	-0.1%
International	923[2]	870	-5.7%	-4.1%	-0.2%
Other[3]	3	2	-	-	-
TOTAL	**3,591**	**3,497**	**-2.6%**	**-2.6%**	**+0.2%**

On March 31st, 2013, **SUEZ ENVIRONNEMENT** reported revenues of €3,497m, a gross change of -2.6% (-€95m) overall compared with March 31st, 2012. This breaks down as follows:o:

- **Organic variation of -2.6% (-€93m):**
  - Revenue in the Water Europe division was up (+€34m, +3.4%) for both Lyonnaise des Eaux and Agbar, benefiting from rising prices, and the development of new business activities.
  - Revenue in the Waste Europe division was down (-€89m, -5.3%). It was affected by a drop in the treated waste volumes and a fall of secondary raw material prices.
  - Revenue in the International division was down (-€38m, -4.1%) but up +5.0% excluding the impact of Melbourne plant construction completion in December 2012.

- **Scope effect of +0.2% (+€9m):**
  - Water Europe: -€4m
  - Waste Europe: +€15m
  - International: -€2m

- **Unfavourable exchange rate impact of -0.3% (-€11m),** mainly due to the depreciation of the Australian dollar (-€7m) and the pound sterling (-€4m) against the euro.

- In the first quarter of 2013, SUEZ ENVIRONNEMENT posted 30% of its revenue outside Europe.

- **SUEZ ENVIRONNEMENT maintains its objectives[4]. and remains fully mobilized to achieve its 2013 guidance**

[1] Following the new management organisation, Water and Waste activities located in Central Europe that were previously included in the International division have been regrouped under the Water Europe and Waste Europe divisions. USG, previously included in the International division is now under the Water Europe division.
[2] Includes €84m of revenue for Melbourne desalination plant construction contract, finalized in December 2012.
[3] R+i Alliance, HQ
[4] Assuming GDP growth of 0% in Europe in 2013, within a stable accounting and tax framework and at constant exchange rates

PERFORMANCE BY DIVISION

WATER EUROPE

In M€	31 March 2012	31 March 2013	Gross change	Organic change	Change in scope
Revenue	1,008	1,041	+3.3%	+3.4%	-0.4%

The Water Europe division posted organic growth of +3.4% (+€34m).

- **Lyonnaise des Eaux grew organically by +4.3% (+€21m).**
In France, growth was driven by a positive price effect with the rise in price indices, the development of the new businesses and the increase of works activities. Volumes were down, in line with the expected trend. During Q1, the Group won wastewater contracts of Douai (€73m, 11 years), Orange (€17m, 12 years) and Rhône Ventoux (€152m, 12 years for water and 8 years for wastewater).

- **Agbar grew organically by +2.6% (+€13m).**
Business is up, with favorable price impacts in Spain and Chile. However, volumes are down in Chile, as a result of the historical levels of rainfall seen in Q1 2013. Volumes are also down in Spain. Moreover, Agbar continues to develop its technologies and services business, with contracts gains in Madrid or Valencia.

WASTE EUROPE

In M€	31 March 2012	31 March 2013	Gross change	Organic change	Change in scope
Revenue	1,658	1,583	-4.6%	-5.3%	+0.9%

During the 1st quarter of 2013, the Waste Europe division was down by **-5.3% (-€89m)** in organic terms. It was affected first by a negative volume effect result of a particularly difficult macro-economic environment, adverse weather conditions, and a negative "working days" effect, as well as by a negative commodities price effect.

- **SITA France posted an organic variation of -6.3% (-€57m).**
This reduction came essentially from the sorting and recycling business, with the fall in secondary raw material prices. Services and other treatment activities were also down. During the quarter, SITA won collection contracts of Reims (€5m, 3 years) and Dreux (€12m, 6 years) and renewed the contract of Tours (€20m, 4 years),

- **The United Kingdom/Scandinavia zone grew organically by +1.3% (+€4m).**
In the UK, treatment activities were up thanks to the optimization of Newcastle EfW plant. Moreover, the construction of energy from waste units in Suffolk and South Tyne & Wear (PFI contracts[5]) is on schedule; they will be operational in 2014**.** Elimination is also up, benefiting from a positive price effect with landfill tax rise. SITA UK has signed the treatment contract of Durham (€130m, 8 years) and the Cornwall revision contract (€1.4 billion, 30 years). SITA UK has also just been selected as the preferred bidder for a 30-year contract worth €1.4 billion from the Merseyside Recycling and Waste Authority in the UK.

- **The Benelux/Germany zone posted an organic variation of -9.7% (-€39m).**
This slowdown essentially came from Services affected by lower volumes. Sorting and recycling is also down, due to negative price and volume effects. However, the energy recovery business was up thanks to strong volumes. In Belgium, SITA was awarded municipal contracts in Schaerbeek and Stad Turnhout, and industrial contracts with Total and Goodyear.

- **The Central Europe zone reported organic growth of +6.2% (+€3m).**
Growth came from Services in Poland and the Czech Republic, which account for the main part of revenue in this zone. During the quarter, SITA signed the construction and operation contract for an energy from waste plant in Poznań, the largest tender for a public-private partnership ever made in Poland (€850m, 25 years).

[5] Private Finance Initiative

INTERNATIONAL

In M€	31 March 2012	31 March 2013	Gross change	Organic change	Change in scope
Revenue	923	870	-5.7%	-4.1%	-0.2%

The International division was organically down by -4.1% (-€38m) or +5.0% excluding the impact of the completion of the construction of Melbourne plant.

- **Asia-Pacific posted organic growth of +8, 0% (+€24m)** sustained by growth in Australia thanks to positive price effects in the waste business , and in China, in both activities with strong growth in volumes. In China, the Group won two management and development contracts for three waste transfer stations in Hong Kong (€220m, 10 years).

- **Africa/Middle East experienced an organic slowdown of -2.8% (-€4m).**
This downturn came mainly from a decline in volumes in Morocco following adverse weather conditions.

- **North America posted organic growth of +0.1%.**
The regulated activities of United Water benefited from price increases obtained in particular in New York and Idaho. However, the business was impacted by lower volumes. Non-regulated activities remain stable.

- **Degrémont posted growth of +8.5%**, excluding the impact of the Melbourne contract completed in December 2012. This growth comes from the development of the industrial client basis and from municipal activities in Middle East, India and Australia. Over the quarter, Degrémont signed notably two contracts in India for the design, construction and operation of wastewater treatment plants (€41m), and four wastewater treatment renovation contracts in Africa (€40m), which demonstrates dynamic business activity.

NEXT COMMUNICATIONS

- **23 May 2013:** Annual General Meeting of Shareholders

- **30 May 2013:** Payment of dividend of €0.65 per share

- **31 July 2013:** Publication of 2013 half-year results (Telephone conference)

APPENDIX

Geographical breakdown of revenue

Revenue	31/03/2012		31/03/2013		Total change	
	M€	% of total	M€	% of total	M€	%
Europe	**2,481**	**69.1%**	**2,437**	**69.7%**	**-43**	**-1.7%**
France	1,273	35.4%	1,268	36.3%	-5	-0.4%
Spain	335	9.3%	346	9.9%	11	+3.3%
United Kingdom	202	5.6%	214	6.1%	12	+6.1%
Other Europe	671	18.7%	609	17.4%	-62	-9.2%
North America	**196**	**5.5%**	**187**	**5.4%**	**-9**	**-4.5%**
Australia	**308**	**8.6%**	**239**	**6.8%**	**-70**	**-22.6%**
Sub-total	**2,985**	**83.1%**	**2,863**	**81.9%**	**-122**	**-4.1%**
Rest of world	606	16.9%	634	18.1%	28	+4.6%
TOTAL	**3,591**	**100.0%**	**3,497**	**100.0%**	**-94**	**-2.6%**

SUEZ ENVIRONNEMENT

Natural resources are not infinite. SUEZ ENVIRONNEMENT (Paris: SEV, Brussels: SEVB) and its subsidiaries deal with the challenge of protecting resources by providing innovative solutions to millions of people and the industrial sector. SUEZ ENVIRONNEMENT supplies drinking water to 97m people, provides waste water treatment services for 66m people, and collects the waste produced by 50m people. SUEZ ENVIRONNEMENT has 79,549 employees and, with its presence on five continents, is a world leader exclusively dedicated to water and waste management services. In 2012, SUEZ ENVIRONNEMENT, a subsidiary 35.7% owned by GDF SUEZ, posted revenues of €15.1 billion.

Press contact:

Tel: +33 1 58 81 23 23

Analysts/Investors contact:

Tel: + 33 1 58 81 24 95

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