

**Combined
General Meeting
12 May 2015**

Report

prêts pour la révolution de la ressource





Opening and introduction



Introduction

The SUEZ environnement Combined General Meeting was held on **Tuesday 12 May 2015 at the Carrousel du Louvre, Paris**, chaired by Gérard Mestrallet.

This General Meeting provided the Group's management team with an opportunity to review the past year's events and commercial successes, to present the outlook and challenges ahead, and to report to the shareholders on the Group's governance and its financial results for 2014.

In his introduction, Gérard Mestrallet pointed out **the major role that SUEZ environnement plays through its businesses**. He highlighted the key factors contributing to SUEZ environnement's development, in particular its **stable and diversified shareholding** which is a major advantage for operating a long-term strategy.

GM Agenda:

- 3:00 p.m. Opening by G. Mestrallet
- 3:25 p.m. 2014 Performance and strategy, by J.L. Chaussade
- 4:12 p.m. Financial results, by C. Cros
- 4:29 p.m. Governance, by G. Mestrallet and the Chairmen of the Committees
- 4:46 p.m. Presentation of the resolutions by J.Y. Larroutourou
- 5:06 p.m. Statutory Auditors' Report
- 5:11 p.m. Dialogue with shareholders
- 5:43 p.m. Voting on the resolutions
- 5:58 p.m. Meeting closed

Key information

Duration: 2 hrs 58 mins

Audience: 505 shareholders were present

Quorum: the shareholders present and represented, plus those voting by correspondence and Internet, held 70% of the total shares with voting rights at the General Meeting

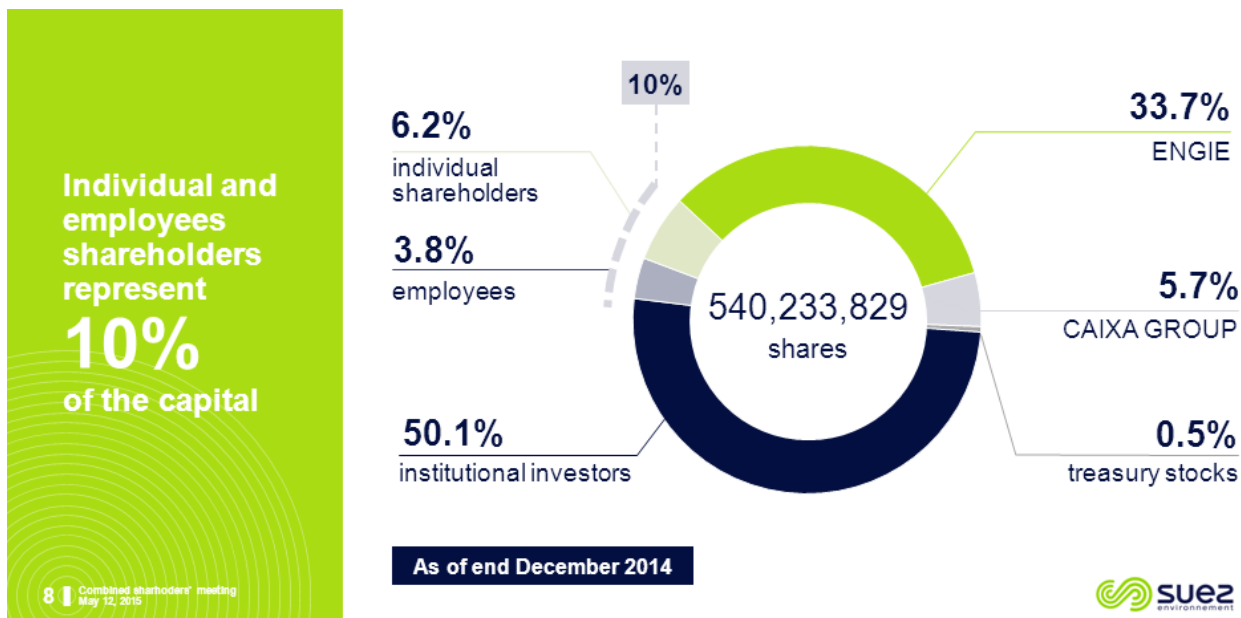
On the stage: Gérard Mestrallet (Chairman of the Board), Jean-Louis Chaussade (Chief Executive Officer), Christophe Cros (Chief Financial Officer), Jean-Yves Larroutourou (General Secretary)

Stands: shareholders' area, documentation area and customer area

- [Watch the video of the General Meeting](#)
- [Watch the videos played at the General Meeting](#)
- [View the slides of the General Meeting](#)

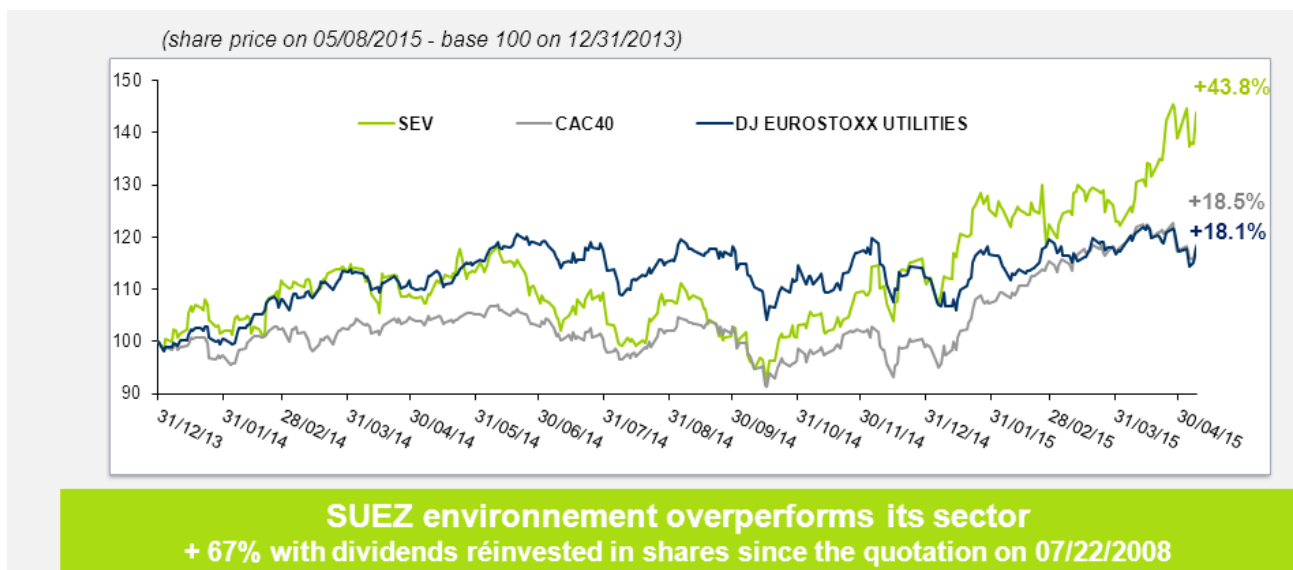
The trust of the Group's 270,000 shareholders

Gérard Mestrallet presented the **shareholding structure**, which has changed as a result of **La Caixa Group's gradual increase in SUEZ environment capital**. With 5.7% of share capital as at 31 December 2014, and a four year lock-in period, La Caixa Group becomes **the Group's second largest shareholder**, behind ENGIE.



Gérard Mestrallet **thanked the Group's individual and employee shareholders** for their loyalty and trust, highlighting the dynamism of the Shareholders' Club which currently has 12,500 members. He underscored **the quality of the dialogue and relationships between the Group and its individual shareholders** whose response to the consultation prior to the General Meeting was overwhelming, and he thanked the members of the Consultation Panels present in the hall.

The Chairman of the Board also highlighted the **43.8% rise in its share price since 1 January 2014**, substantially overperforming the CAC 40 and the EURO STOXX Utilities Index, a stock market performance that demonstrates **the market's recognition of the quality of SUEZ environnement's management and strategy**.



▶▶ 2014 performance and strategy

Ambitious goals



Jean-Louis Chaussade, Chief Executive Officer of SUEZ environnement, reported on the **very positive results for the 2014 year**. He presented the Group's **numerous commercial successes, confirming its leadership**, before explaining the **ambitious targets the Group had set itself** for new services in water, waste recovery, international development, and industrial water.

Water new services

Target for 2012-2016:
Revenue growth >
10%/year

2014

+11%

Waste recovery

Target for 2012-2016:
2t recovered for
1t eliminated

2014

**1,5t recovered
/ 1t eliminated**

International development

Target for 2012-2016:
Revenue growth =
6 to 8%/year

Average
2008 -
2014

+8%

Industrial water

Target for 2012-2016:
Revenue growth
circa 10%/year

2014

+15%

Five levers for faster growth

Jean-Louis Chaussade gave a detailed presentation of SUEZ environnement's strategy based on its five key levers:

- **Organic growth, broadening the Group's historical base** (increasing its concession base in France and Spain, developing regulated activities in the United States and Chile, etc.) **and its development** through Smart Solutions, setting up in new geographic regions, and researching new targets and new markets.
- **International expansion** with a revenue growth target of 6% to 8% a year by developing the Group's historical bases and **new opportunities in emerging countries**.
- **Targeted acquisitions** in new services, waste recovery, international development, and industrial water.
- **Innovation** as the key differentiating factor, with the goal of improving the Group's performance and continuing to be a change agent in the markets.
- **An ambitious sustainable development policy** based on three priorities, whose results are in line with the roadmap for 2012-2016 and widely recognized by the markets, as SUEZ environnement is **represented in the largest ESG (Environment, Social and Governance) indices**.

SUEZ environnement is an innovative and efficient group working for the benefit of all, as Jean-Louis Chaussade pointed out when **sharing its value in 2014** among shareholders, employees, suppliers, national & local authorities, and innovation & development.



(1) Total dividends of €561m including dividends paid to minorities

A single brand to support the Group's ambitions

The Chief Executive Officer concluded by taking the opportunity of the General Meeting to present to shareholders **the Group's positioning on the resource revolution**: a revolution that will be circular, concrete and collaborative, to meet four major challenges.



SUEZ environnement is unifying all of its activities under a single brand to speed its development and boost its commercial effectiveness. With the GDF SUEZ announcement that it became ENGIE, **the Group's name is going to evolve into "SUEZ" simply.** The shift to this single global brand strengthens the Group's positioning as a key player in the sustainable management of resources and will permit it to achieve its stated ambitions.

○ [Find out more about SUEZ environnement's positioning on the resource revolution](#)

▶▶ Financial Results

A profitable growth strategy



Christophe Cros, Chief Financial Officer, explained the SUEZ environnement's 2014 results. **The Group posted increasing results**, once again demonstrating **the relevance and soundness of its development model**.

For the last six years, with some countries in Europe experiencing two recessionary periods, **the Group has continuously demonstrated its resilience** by reporting **profitable and virtuous growth** while maintaining a **solid financial structure**.

Christophe Cros highlighted three points regarding 2014 results:

- **the Group achieved all the targets it had set** (organic growth of EBITDA, generating greater free cash flow, increase in net investment in real terms);
- **the Group improved its profitability** (increase in net income and the profitability of net capital employed);
- **the Group reinforced its financial structure** (net financial debt steady in relation to year-end 2013 despite the adverse impact of exchange rates). In May 2015, Moody's the financial rating agency, reiterated the Group's "A3 with stable outlook".

On the strength of its balanced positioning in growth markets and industries, and supported by its solid balance sheet, **SUEZ environnement Group is fully mobilised to achieve €3 billion EBITDA in 2017**, through sustained organic growth and targeted acquisitions in its four strategic priorities.

Christophe Cros also reviewed **the results for the first quarter of 2015**, characterised by **a further improvement in operating performance and results in line with targets**, amplified by exchange rate movements. The "International" and "Water Europe" divisions are growing, while "Recycling and Recovery Europe" continues to be penalised by lacklustre industrial activity and by the ongoing price erosion of the main recycled raw materials.

2014 results

Revenue: €14,324m

EBITDA: €2,644m

Free cash flow: €1,093m

Net income Group share: €417m

Net debt/EBITDA: 2.7

First-quarter 2015 results

Revenue: €3,536m (+1.8%)

EBITDA: €597m (+2.5%)

Net financial debt: €7.7bn

Net debt/EBITDA: 2.85

- [See the results in detail](#)
- [Watch the video of the 2014 annual results](#) presentation

A well-balanced governance



Very active governance in 2014 – with 10 Board meetings, 19 meetings of Committees, and a Board members' attendance rate of 81% - implemented **significant changes in the composition of the Board**.

SUEZ environnement has a **diversified and balanced Board of Directors**, in line with the highest standards, specifically the AFEP-MEDEF Code. Following the shareholders' ratification of the cooptation of **Anne Lauvergeon** and **Isidro Fainé Casas** as Directors, the Board of Directors has **18 members**, of whom **50% are independent** and **37.5% are women**.



**Balance of power :
Preservation of the dissociation of the functions of Chairman and Chief Executive Officer**

A more diversified and well-balanced Board of Directors :

- 50% of independent Board members
- a third of Board members appointed on the proposal of ENGIE, in line with the part of capital hold by ENGIE
- a director co-opted within the framework of the strategic partnership with The Caixa
- An increasing number of women and of foreign nationalities
- an industrial strengthening of the representation of sectors and the financing of big projects
- 2 directors representing the employees

Active committees, mainly independent

A governance in line with the Group strategy and the best practices



Four Committees assist the Board of Directors with its decisions, three of these committees are chaired by independent directors. **Gérard Mestrallet** presented the activities of the **Strategy Committee** which he chairs. **Guillaume Pepy**, **Lorenz d'Este** and **Delphine Ernotte Cunci** then reviewed through video interviews the work performed by the **Audit and Financial Statements Committee**, the **Appointments and Remuneration Committee**, and the **Ethics and Sustainable Development Committee**.



Lastly, this General Meeting provided an opportunity to **renew the mandates of four directors**: Nicolas Bazire, Valérie Bernis, Lorenz d'Este and Isabelle Kocher.

- [See the composition of the Board of Directors of SUEZ environnement](#)

▶▶ Dialogue with shareholders

A highly instructive Q&A session



During the discussion, Gérard Mestrallet and Jean-Louis Chaussade devoted a little over half an hour to answering **15 questions from shareholders** who were present.

This year, shareholders' questions focused mainly on the Group's **financial results** and its **strategy, particularly with regard to the single brand**. Its **activities** and **governance challenges** also featured in several questions.

Furthermore, thanks to a dedicated **shareholder area**, SUEZ environnement Shareholder Relations team had the opportunity to **meet a large number of shareholders, and to answer all their questions**.



○ [Access SUEZ environnement's various institutional publications](#)



Presentation of resolutions and voting

Overview of the resolutions



Jean-Yves Larrourou, SUEZ environnement's General Secretary, **provided a detailed review of all the resolutions submitted to the shareholders for their vote**, with special focus on the components of the Chief Executive Officer's remuneration submitted to shareholders for consultative vote, as well as amendments to the Articles of Association and the terms and conditions of various financial authorisations.

On this occasion, the **two coopted directors** gave video presentations of their careers, skills and experience in preparation for serving on the Board of Directors of SUEZ environnement, followed by a presentation by the **two directors representing the employees**.

All the resolutions were adopted

The shareholders, who represented **69.8% of the voting rights** – nearly 3,800 of whom voted using the Internet tool "Votaccess" – **adopted all the 27 resolutions submitted to a vote** by the Board of Directors.

The General Meeting accordingly adopted the amendments to the Articles of Association that had been submitted to them, in particular to **permit the appointment of a director to represent employee shareholders**, and to **maintain the principle of "one share, one single vote"**.

The General Meeting also approved the 2014 financial statements as well as the payment of a cash **dividend of €0.65 per share**. The ex-dividend date was 15 May 2015, and the dividend was paid on 19 May 2015.

Resolutions to be submitted to the Ordinary General Meeting		Votes in	Votes against	Abstentions
Resolution One Approval of the Parent Company's financial statements for the fiscal year ended 31 December 2014.	Adopted	99.83%	0.16%	0.01%
Resolution Two Approval of the consolidated financial statements for the fiscal year ended 31 December 2014.	Adopted	99.83%	0.16%	0.01%
Resolution Three Allocation of the net profit for the 2014 fiscal year and setting of dividend.	Adopted	99.58%	0.41%	0.01%
Resolution Four Ratification of the cooptation of Anne Lauvergeon as director and renewal of her mandate as director	Adopted	96.47%	3.52%	0.01%
Resolution Five Ratification of the cooptation of Isidro Fainé Casas as director	Adopted	74.62%	25.36%	0.01%
Resolution Six Renewal of Nicolas Bazire's mandate as director	Adopted	95.61%	4.37%	0.01%

Resolution Seven Renewal of Valérie Bernis' mandate as director	Adopted	96.80%	3.19%	0.01%
Resolution Eight Renewal of Lorenz d'Este's mandate as director.	Adopted	99.16%	0.83%	0.01%
Resolution Nine Renewal of Isabelle Kocher's mandate as director	Adopted	94.80%	5.18%	0.01%
Resolution Ten Approval of the regulated agreements and commitments governed by Articles L. 225-38 and seq. of the French Commercial Code.	Adopted	99.67%	0.31%	0.02%
Resolution Eleven Opinion on the details of the compensation paid or due to be paid for the fiscal year 2014 to Gérard Mestrallet, Chairman of the Board of Directors	Adopted	99.76%	0.23%	0.01%
Resolution Twelve Opinion on the details of the compensation paid or due to be paid for the fiscal year 2014 to Jean-Louis Chaussade, Chief Executive Officer	Adopted	94.92%	5.07%	0.01%
Resolution Thirteen Authorization to be granted to the Board of Directors to trade in the shares of the Company.	Adopted	99.65%	0.34%	0.01%

Resolutions to be submitted to the Extraordinary General Meeting		Votes In favour	Votes against	Abstentions
Resolution Fourteen Amendment to Article 10 of the Company's Articles of Association to permit the appointment of a Director to represent employee shareholders, pursuant to Article L. 225-23 of the French Commercial Code	Adopted	99.82%	0.16%	0.02%
Resolution Fifteen Amendment to Article 23 of the Company's Articles of Association to maintain single voting rights	Adopted	95.29%	4.70%	0.01%
Resolution Sixteen Amendment to Article 20 of the Company's Articles of Association relating to the conditions for shareholders' participation in General Meetings	Adopted	99.83%	0.16%	0.01%
Resolution Seventeen Authorization to be granted to the Board of Directors to reduce share capital by cancelling treasury shares	Adopted	98.91%	1.08%	0.01%
Resolution Eighteen Authorization to be granted to the Board of Directors to increase the Company's share capital, while retaining shareholders' preferential subscription rights, by issuing ordinary shares in the Company and/or securities giving access to Company equity securities to be issued or granting rights to the allocation of debt securities	Adopted	99.38%	0.60%	0.01%

<p>Resolution Nineteen Authorization to be granted to the Board of Directors to increase the Company's share capital, with the removal of shareholders' preferential subscription rights, by issuing, in the form of a public offering, ordinary shares in the Company and/or securities giving access to Company equity securities to be issued or granting rights to the allocation of debt securities</p>	Adopted	97.88%	2.10%	0.01%
<p>Resolution Twenty Authorization to be granted to the Board of Directors to issue, in the form of a private placement in accordance with Article L. 411-2 of the French Monetary and Financial Code, with the removal of shareholders' preferential subscription rights, ordinary shares in the Company and/or securities giving access to Company equity securities to be issued or granting rights to the allocation of debt securities</p>	Adopted	95.84%	4.14%	0.02%
<p>Resolution Twenty-One Authorization to be granted to the Board of Directors to increase by up to 15% of the initial issue, the number of shares to be issued in the event of a share capital increase, with the retention or removal of shareholders' preferential subscription rights.</p>	Adopted	97.26%	2.72%	0.02%
<p>Resolution Twenty-Two Authorization to be granted to the board of Directors to increase the Company share capital by paying contributions in-kind in the form of equity securities or securities giving access to share capital.</p>	Adopted	95.65%	4.33%	0.02%
<p>Resolution Twenty-Three Authorization to be granted to the Board of Directors to increase share capital to be used as payment in the form of contributions of securities, as part of a public exchange offer initiated by the Company, with the removal of shareholders' preferential subscription rights.</p>	Adopted	96.52%	3.47%	0.01%
<p>Resolution Twenty-Four Authorization to be granted to the Board of Directors to increase share capital by issuing shares or securities giving access to share capital reserved for members of a savings plan, with the removal of preferential subscription rights, in favour of those employees.</p>	Adopted	98.00%	1.98%	0.02%
<p>Resolution Twenty-Five Authorization to be granted to the Board of Directors to increase Company share capital, with the removal of shareholders' preferential subscription rights, in favour of a class or classes of named beneficiaries in connection with the implementation of the SUEZ environnement Group international employee shareholding and savings plans.</p>	Adopted	98.17%	1.82%	0.01%
<p>Resolution Twenty-Six Overall ceiling on capital increases.</p>	Adopted	99.29%	0.69%	0.02%
<p>Resolution Twenty-Seven Power to carry out formalities.</p>	Adopted	99.83%	0.16%	0.01%