



# 2011 FULL YEAR RESULTS

February 8, 2012



# DISCLAIMER

This communication contains estimates and/or forward-looking statements and information. These statements include financial projections, synergies, cost-savings and estimates and their underlying assumptions, statements regarding plans, objectives, savings, expectations and benefits from the transactions and expectations with respect to future operations, products and services, and statements regarding future performance. Such statements do not constitute forecasts regarding SUEZ ENVIRONNEMENT COMPANY's results or any other performance indicator, but rather trends or targets, as the case may be. No guarantee can be given as to the achievement of such forward-looking statements and information.

Investors and holders of SUEZ ENVIRONNEMENT COMPANY securities are cautioned that forward-looking information and statements are not guarantees of future performances of SUEZ ENVIRONNEMENT COMPANY which may materially differ and are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of SUEZ ENVIRONNEMENT COMPANY. These risks and uncertainties include, but are not limited to, those discussed or identified in the public documents filed with the Autorité des marchés financiers (AMF). Investors and holders of SUEZ ENVIRONNEMENT COMPANY securities should consider that the occurrence of some or all of these risks may have a material adverse effect on SUEZ ENVIRONNEMENT COMPANY. SUEZ ENVIRONNEMENT COMPANY is under no obligation and does not undertake to provide updates of these forward-looking statements and information to reflect events that occur or circumstances that arise after the date of this document.

More comprehensive information about SUEZ ENVIRONNEMENT COMPANY may be obtained on its Internet website ([www.suez-environnement.com](http://www.suez-environnement.com)).


This document does not constitute an offer to sell, or a solicitation of an offer to buy SUEZ ENVIRONNEMENT COMPANY securities in any jurisdiction.



## INTRODUCTION

Jean-Louis CHAUSSADE, CEO



 **2011 FULL YEAR RESULTS**  
February 8, 2012

# AGENDA

- **INTRODUCTION - Jean-Louis CHAUSSADE**

---
- **WATER EUROPE - Philippe MAILLARD - Angel SIMON**
- **WASTE EUROPE - Christophe CROS**
- **INTERNATIONAL - Thierry MALLET**

---
- **2011 FINANCIAL RESULTS - Jean-Marc BOURSIER**

---
- **CONCLUSION - Jean-Louis CHAUSSADE**

# STRONG PERFORMANCE DESPITE A ONE-OFF

- **STRONG OPERATING PERFORMANCE**

- Sustained growth in water and waste: €14.8bn revenue
- EBITDA growth faster than revenue growth, at €2.5bn
- €130m cost optimization net impact on EBITDA

- **NET INCOME IMPACTED BY MELBOURNE DESAL.<sup>(2)</sup>**

- €560m excluding Melbourne desal.

- **EFFICIENT CASH FLOW MANAGEMENT**

- Increased FCF
- Extracting value from disposals

- **IMPROVED FINANCIAL SITUATION**

- **MAINTAINED ATTRACTIVE DIVIDEND**

**REVENUE +6.9%<sup>(1)</sup>**

**EBITDA +7.6%<sup>(1)</sup>**

**NET INCOME gs €323m**

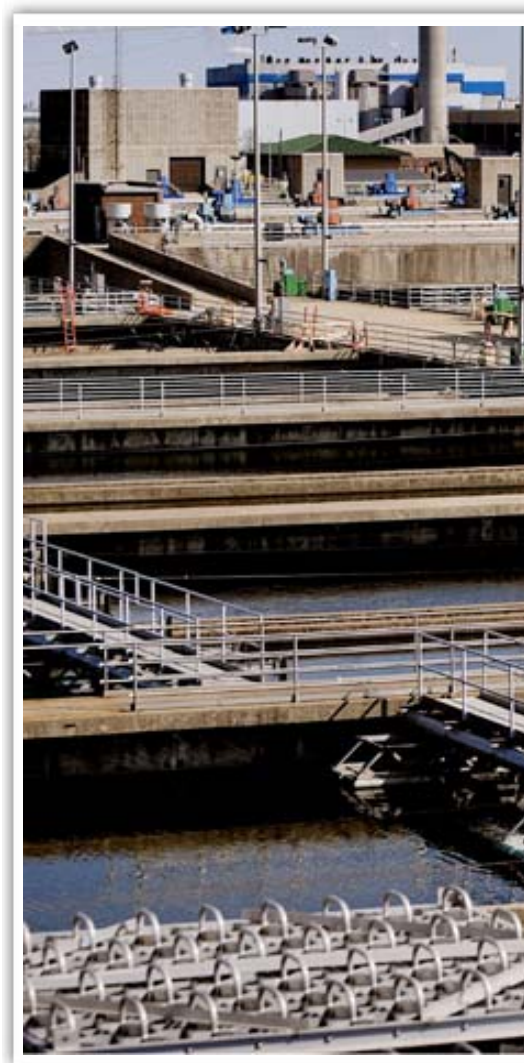
**FCF €860m**

**3.0x ND/EBITDA**

**€0.65 / SHARE**

# BUSINESS DEVELOPMENT IN WATER

- **POSITIVE COMMERCIAL BALANCE IN FRANCE**
  - New concessions (Hyères, Côte d'Albâtre) and O&M contracts (Angers) gained from competitors
  - Renewals of large contracts in Orléans, Agde, Corbeil Essonne, Périgueux, Tarbes
- **IMPROVEMENT OF MARKET SHARE IN SPAIN**
  - Long term concessions in L'Eliana (Valencia), Saleal (Leon), Marbella (Malaga), Arroyo de la Encomienda (Valladolid)
- **EXTENSION OF INTERNATIONAL ACTIVITIES IN SELECTED GEOGRAPHIES**
  - Algiers renewal, Wuhan Industrial park, Adelaide alliance contract, preferred bidder for Perth O&M, DBO contract in Prague, Pontiac O&M in the USA, AES Gener in Chile



# BUSINESS DEVELOPMENT IN WASTE

- **GROWTH IN ALL ACTIVITIES & GEOGRAPHIES**  
**CONFIRMED TREND TOWARDS MORE WASTE RECOVERY**

- New municipal contracts in Ivry, Nice, Le Mans in France, Kensington & Chelsea in the UK, Erzgebirge LK in Germany
- Dynamic I&C<sup>(1)</sup> activity (Renault, Magnetto, Carillion)

---

- **NEW RECOVERY CAPACITIES**

- Successful PFI<sup>(2)</sup>: Suffolk, South Tyne & Wear
- Start-up of Bavaro energy from waste plant
- Rotterdam plastic sorting center

---

- **STRENGTHENING OF POSITIONS**

- Integration of WSN (Australia), acquisitions of PRSP (Poland) and Provence Valorisation (France)
- RDF<sup>(3)</sup> production



(1) Industrial & commercial clients  
(2) Private Finance Initiative  
(3) Refused Derived Fuel

# REAFFIRMED STRATEGY

**PURE PLAYER**

**PROFITABLE  
GROWTH  
ON SELECTED  
GEOGRAPHIES**

**CLEAR  
DEVELOPMENT  
PRIORITIES**

- **WATER AND WASTE**

- Maintain balanced mix of activities
  - Make our clients environmental performance leaders
  - Develop across the entire value chains
- 

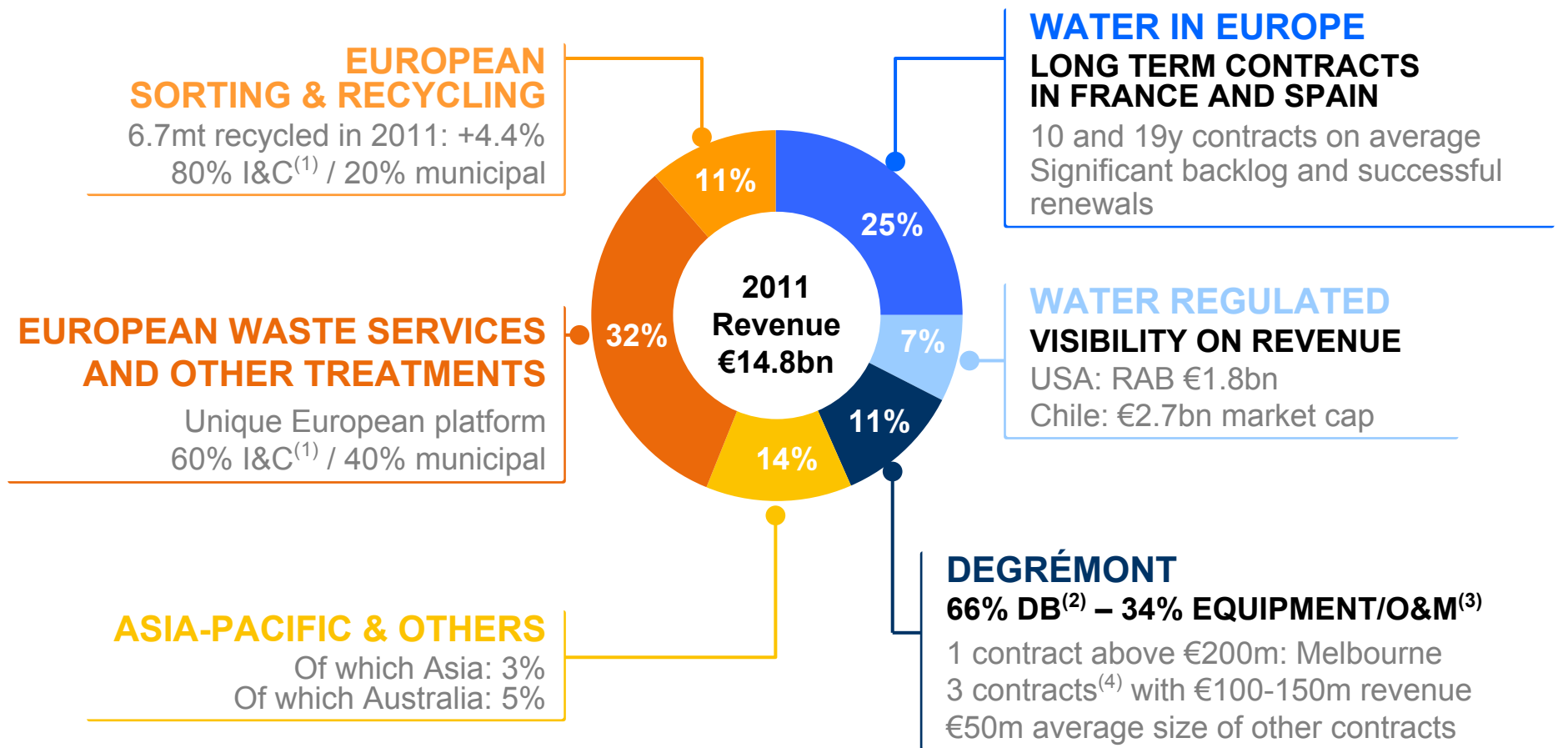
- **GROW STRONG POSITIONS ON THE RIGHT MARKETS**

- Driven by stringent environmental regulations and scarcity of resources
  - Driven by population growth, urbanization, industrialization
  - In mature and developing markets
- 

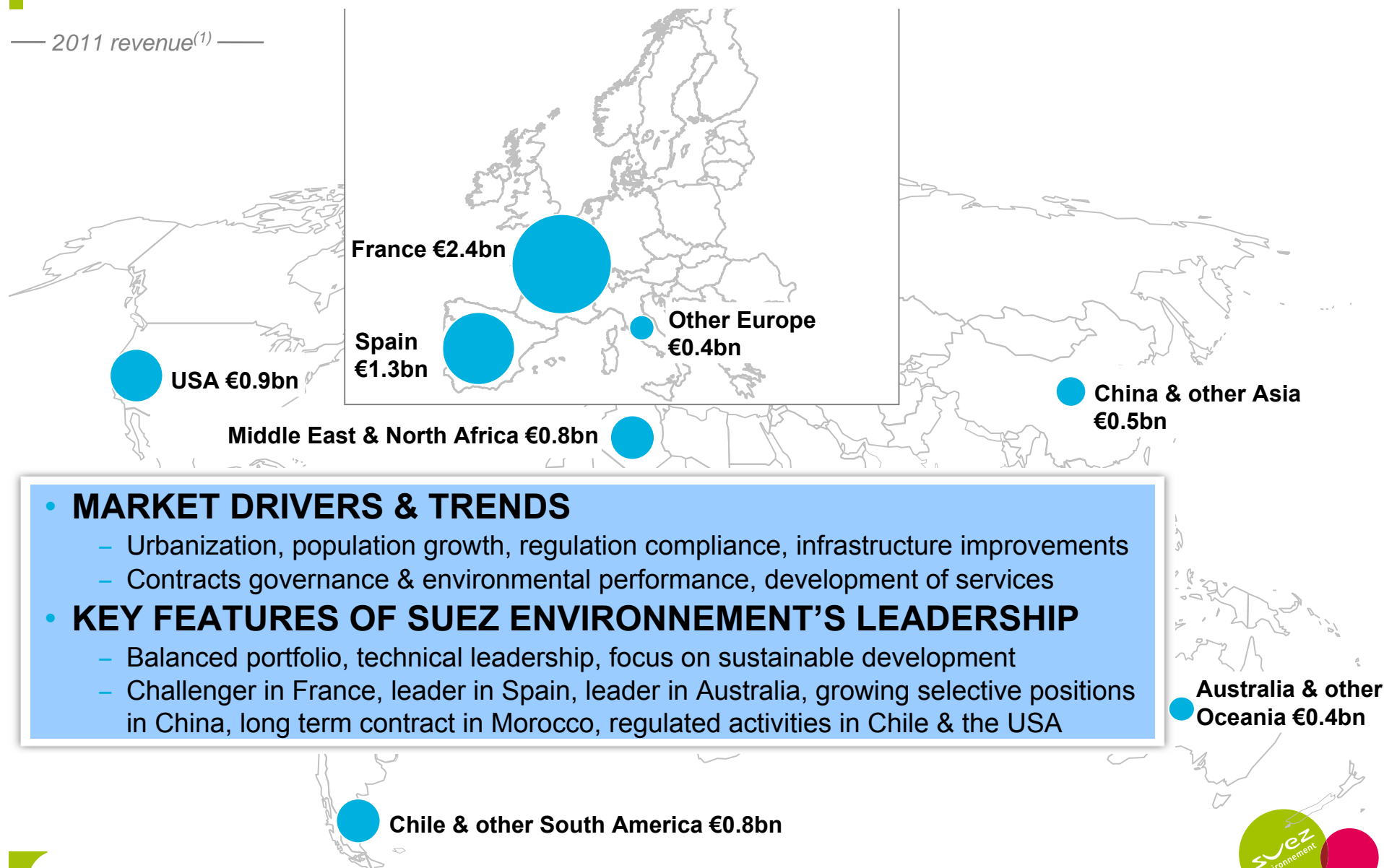
- **AXES FOR GROWTH**

- Smart water
- Waste recovery
- International development
- Industrial clients

# BALANCED BUSINESS MIX OFFERING GROWTH AND RESILIENCE



# STRONG POSITIONS IN SELECTED WATER GROWING MARKETS



## • MARKET DRIVERS & TRENDS

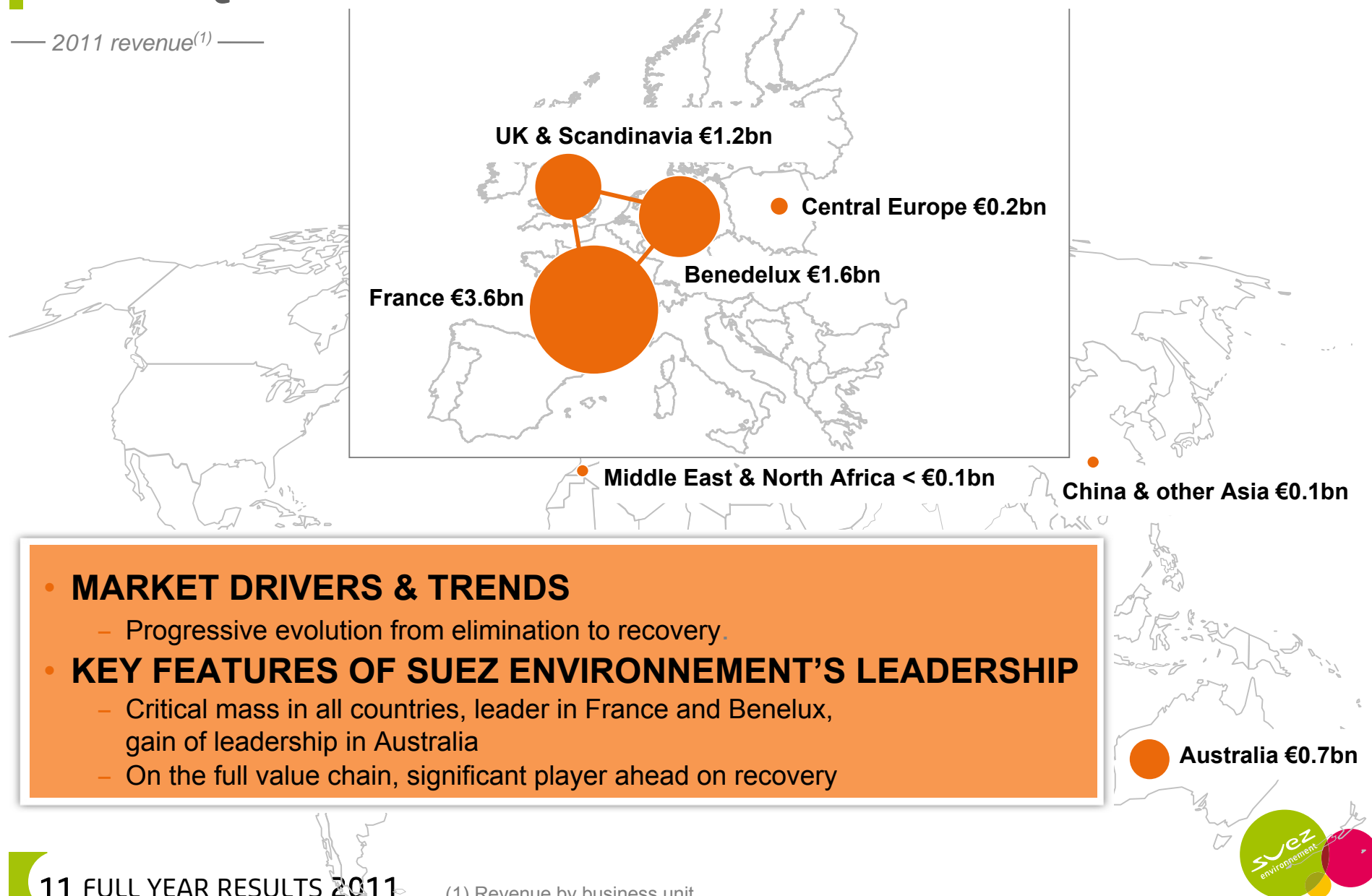
- Urbanization, population growth, regulation compliance, infrastructure improvements
- Contracts governance & environmental performance, development of services

## • KEY FEATURES OF SUEZ ENVIRONNEMENT'S LEADERSHIP

- Balanced portfolio, technical leadership, focus on sustainable development
- Challenger in France, leader in Spain, leader in Australia, growing selective positions in China, long term contract in Morocco, regulated activities in Chile & the USA

# DYNAMIC DEVELOPMENT THANKS TO A UNIQUE PLATFORM IN WASTE

— 2011 revenue<sup>(1)</sup> —



# 2012-13 OBJECTIVES<sup>(1)</sup>: PRIORITY TO PROFITABILITY & STRONG BALANCE SHEET

- **OPERATIONAL OBJECTIVES**

- 2012 Revenue  $\geq$  2011 Revenue at constant forex
  - 2012 EBITDA  $\geq$  2011 EBITDA at constant forex
  - 2012 FCF  $\geq$  2011 FCF
  - 2013 EBITDA  $\geq$  €2.7bn at constant forex
- 

- **SOLID BALANCE SHEET**

- Net financial debt / EBITDA around 3x
  - Reinforced selectivity of net investments: €1.3bn in 2012 and 2013
- 

- **DIVIDEND POLICY**


- €0.65 per share related to 2011 results<sup>(2)</sup>
- Dividend related to 2012 results  $\geq$  €0.65 per share<sup>(2)</sup>
- Long term pay-out objective > 60%



# **WATER EUROPE**

Philippe MAILLARD & Angel SIMON



 **2011 FULL YEAR RESULTS**  
February 8, 2012

# WATER IN FRANCE: WELL POSITIONED IN A COMPETITIVE MARKET

**SMOOTH GROWTH  
ON LONG TERM  
CONTRACTS**

**10% REVENUE/YEAR  
RENEWALS  
GAIN OF CONTRACTS  
FROM COMPETITION**

**DEVELOPMENT OF  
NEW SERVICES**

- **€1.4bn OF REVENUE FROM DSP<sup>(1)</sup> CONTRACTS**
  - 2,500 contracts: 10-y average and < €1m average revenue/y
  - Escalation formula on tariffs: +2.6% in 2011
  - Volumes reduction: -0.7% in 2011
  - 6 large concessions won since listing
- **POSITIVE COMMERCIAL BALANCE  
IN A COMPETITIVE MARKET**
  - Low level of renewals in 2011 (€110m)
    - Orléans, Agde, Corbeil Essonne, Périgueux, Tarbes
  - Renewed contracts: -12% on tariffs on average for 2010/11
  - Gained from competition: Hyères, Cuers, Rambouillet, Sainte Menehoulde, Côte d'Albâtre
  - Technical expertise: reduction of NRW<sup>(2)</sup> by 2% in 2011
- **SMART WATER & INDUSTRIAL PARTNERSHIPS**
  - Fast growth of new businesses in 2011 (+52%) with 205,000 Dolce Ô clients
  - Strategic partnership with agricultural sector: TERRENA
  - New offers in social housing



# WATER IN FRANCE: OUTLOOK

## PURSUE STRATEGY OF NEW OFFERS

## ACTING AS A PARTNER

- **DEVELOPMENT OF NEW OFFERS**
  - Innovative on transparency and on performance measure including environmental & social footprints
  - New contract governance (alliance contracts)
  - Extended scope: water health, large water cycle, Degrés Bleus
- **CUTTING EDGE SOLUTIONS**
  - Most innovative water technologies
  - Data management (smart metering)

## SUSTAINED GROWTH PERSPECTIVE

- **3% TO 4% STRUCTURAL GROWTH**
  - +2% price<sup>(1)</sup>, -1% volume, +2% to +3% commercial development
- **90% LONG TERM DSP<sup>(2)</sup> RENEWAL RATE**
  - €160m to be renewed in 2012 o/w Bordeaux sewage (1/1/2013 - €45m)
  - €120m to be renewed in 2013 o/w Marseille sewage (31/12/2013 - €50m)
  - More tenders and renewals expected in 2015 (Olivet decree)
- **NEW SERVICES AND OFFERS FOR PROFESSIONALS**
  - 1.2 million smart meters 3y objective in France (+150%)
  - €100m revenue objective in real estate management in 2015

# AGBAR: WELL POSITIONED IN PROMISING WATER MARKETS

**LEADER IN SPAIN:  
GAINING MARKET  
SHARE AND  
EFFICIENCY**

**LEADER IN CHILE:  
FAVORABLE  
REGULATION &  
INVESTMENT  
PLANS**

- **58% OF REVENUE<sup>(1)</sup> FROM 1,100 DSP<sup>(2)</sup> & SERVICE CONTRACTS**
    - 19-y average duration
    - +3.8% increase in tariffs in 2011
    - +0.5% total volumes in 2011
    - Large contracts signed: l'Eliana, Edar Leon, Marbella
  - **GROWING ACTIVITY IN NEW BUSINESSES**
    - 2% of revenue<sup>(1)</sup>, +6% vs 2010
  - **REDUCED LEVEL OF WORKS**
    - 6% of revenue<sup>(1)</sup>, -23% vs 2010
  - **INCREASED SYNERGIES WITH THE GROUP**
    - Joint development of smart water
    - Common R&D
- 
- **GROWING REGULATED BUSINESS**
    - 28% of revenue<sup>(1)</sup>, +13%<sup>(3)</sup> vs 2010
    - Permanent concessions with > 50% control rate:  
Aguas Andinas, Aguas Cordilleras, Aguas Manquehue, ESSAL
    - +7.0% increase in tariffs in 2011
    - +3.1% increase in volumes in 2011

(1) In pourcentage of total AGBAR revenue. Also 5% from other international activities

(2) Delegated Public Services (PPP)

(3) Organic. 38% in total



# AGBAR: OUTLOOK

## DEVELOPMENT OPPORTUNITIES IN SPAIN

- **STRONG GROWTH DRIVERS**
  - Infrastructure needs to comply with EU regulation
  - Water scarcity and desalination needs
  - Prices 50% lower than European average
  - Upcoming tenders for PPP
- **DEVELOPMENT OF NEW BUSINESSES**
  - Smart metering, data management, customer services

## SEIZING INFRASTRUCTURE NEEDS IN CHILE

- **INCREASED SANITATION COVERAGE**
  - Start of operation of Mapocho WWTP mid 2012
- **STRUCTURAL GROWTH**
  - Growth in population, need for high quality standards

## DEVELOPMENT IN THE AMERICAS AND IN THE UK

- **DEVELOPMENT WITH INDUSTRIAL CLIENTS**
  - Notably mining and food industries
- **CONTRACT SERVICES IN THE USA**
  - Collaboration between UW and AGBAR
- **SELECTIVE DEVELOPMENT IN LATAM**
  - Management contracts in Peru, Brazil
- **NON-REGULATED ACTIVITIES IN THE UK**



# WASTE EUROPE

Christophe CROS



**2011 FULL YEAR RESULTS**  
February 8, 2012

# WASTE EUROPE: WELL POSITIONED ON A TRANSFORMING MARKET

**BALANCED  
BUSINESS  
MIX**

**AHEAD  
OF MARKET  
POSITIVE  
DYNAMICS**

**SMART  
POSITIONING**

- **BALANCED EXPOSURE TO BUSINESS SEGMENTS AND CUSTOMERS**
  - 34% recovery, 19% elimination, 47% services
  - 35% municipal revenue: 5-10y contracts, up to 30y for UK PFI, escalation formula on tariffs
  - 65% I&C revenue: 1-3y contracts, 335,000 clients
- **STRONG POSITION IN RECOVERY**
  - +20% revenue in Sorting and Recycling in 3-y: €1.7bn in 2011
  - 46 EfW plants producing 4TWh (50% renewable energy)
- **PROVED ABILITY TO DELIVER INNOVATIVE ACHIEVEMENTS**
  - Growing success of our long term partnerships with industrials
  - Strong relationship with plastic EPR<sup>(1)</sup> in the Netherlands (Rotterdam sorting center)
- **DEVELOPMENT OF MODERN ASSETS**
  - Energy recovery: Bavaro, Vernea
  - Success of management contract of Ivry (biggest EfW plant in France)
  - Innovative solutions: plastic-to-fuel, high quality glass recycling



# WASTE EUROPE: KEEP THE TREND TOWARDS MORE RECOVERY

## FOCUS ON PROFITABILITY

- **OPTIMIZE MARGINS**
  - Cost efficiency, waste flow management, fleet management, selectivity in contracts renewals
  - Proven reactivity to lower activity since 2009 with IP indices still below 2008 levels
  - ROCE improvement +80bps between 2010 and 2011<sup>(1)</sup>
- **FOCUS ON INDUSTRIAL EFFICIENCY**
  - Waste flow management optimization in Northern Europe
  - High EfW availability rate
  - Continuous improvement of mature processes (reduced bottom ash volumes)


## GROWTH PERSPECTIVE: TOWARDS MORE RECOVERY

- **MEET DEMAND FOR AMBITIOUS RECOVERY OBJECTIVES**
  - Maintained structural drivers: resource scarcity & climate change
  - Ambitious European targets, rising awareness of industrial customers
  - Keep on leveraging on networking between business units
- **2017 OBJECTIVE**
  - Ratio of 2t recovered for 1t eliminated



# INTERNATIONAL

Thierry MALLET



**2011 FULL YEAR RESULTS**  
February 8, 2012

# INTERNATIONAL: STRONG POSITIONS ON WATER AND WASTE FAST GROWING MARKETS

## 4 STRONG POSITIONS HIGH GROWTH PROFILE

- **WATER USA +5%<sup>(1)</sup>**
  - Solid regulated asset base in drinking water with successful rate cases
  - Restructured and growing service contract activity
  - New contract with Pontiac city
- **ASIA +17%<sup>(1)</sup>**
  - 4 areas of focus in China: Chongqing, Shanghai, HK / Macao, Beijing
  - Fast growing presence in 7 industrial parks, in water and waste
  - Partnership with New World in water
- **AUSTRALIA +28%<sup>(1)</sup>**
  - Key references in water: Sydney, Melbourne, Adelaide, Perth
  - Accelerated development in waste with WSN successful acquisition & integration
  - Partnership with Sembcorp in waste
- **CENTRAL EUROPE / MAGHREB / MIDDLE EAST +5%<sup>(1)</sup>**
  - #1 in waste in Poland, largest Central European market
  - Extended positions in Morocco, Algeria and in UAE

## SELECTIVE SUSTAINABLE GROWTH

- **75% WATER / 25% WASTE<sup>(2)</sup>**
  - Presence in stable business framework
  - Revenue: +12%<sup>(1)</sup> excluding Melbourne desal. in 2011
  - Positive 2011 FCF contribution: €117m



# INTERNATIONAL: OUTLOOK

## FOSTER GROWTH AROUND EXISTING POSITIONS

- **USA**
  - Optimize asset base return
  - Selective operation contract development
- **CHINA**
  - Take advantage of the 12<sup>th</sup> 5-year plan of the PRC<sup>(1)</sup>
  - Accelerate waste development
- **AUSTRALIA**
  - Develop presence in the global water market
  - Pursue leadership in waste service & treatment
- **CENTRAL EUROPE / MAGHREB / MIDDLE EAST**
  - Expand activities in all geographies

## MAINTAIN GLOBAL LEADERSHIP

- **DEGRÉMONT**
  - Accelerate development of equipment and services activities to reach a balanced split of activities with design build (50/50)
- **INDUSTRIAL WATER DEVELOPMENT**
  - Focus on water intensive industries (mining, oil & gas, paper mills)
- **NEW CONTRACTUAL OFFERS**
  - New contractual governance: Adelaide
  - Balanced capital intensity



# MELBOURNE DESAL. CONTRACT UPDATE

**WORLDWIDE  
REFERENCE IN  
REVERSE OSMOSIS**

**89% PHYSICAL  
COMPLETION  
AT 31/01/2012**

**RECOVERY  
PLAN**

- **€1.6bn REVENUE FOR SUEZ ENVIRONNEMENT**
  - State of the art desalination plant: 450,000 m<sup>3</sup>/day
  - 30-y contract signed in 2009 (DB & O&M)
  - 35% of construction<sup>(1)</sup>, 60% of operation<sup>(1)</sup>, 21% equity stake
- **NO TECHNICAL ISSUE**
  - Pipeline, power cable and marine tunnel near completion
  - To be completed: end of mechanical & electrical and commissioning of Reverse Osmosis (75% completed)
- **IMPROVED PRODUCTIVITY**
  - Reinforced supervision, increased shifts, new electrical manager, improved working schedule thanks to better relationships with unions (agreement on extra-hours)
  - First water production expected mid 2012
- **CLAIMS SUBMITTED BY CONSTRUCTION JV IN EXCESS OF AUD 1bn<sup>(2)</sup>**
  - Dedicated team working on claims (force majeure, extension of time, industrial relations)

(1) Other partner is Thiess / Leighton Group

(2) For 100%. Degremont / SUEZ ENVIRONNEMENT group share of 35% (ie. claims in excess of €285m)



# MELBOURNE DESAL. CONTRACT UPDATE

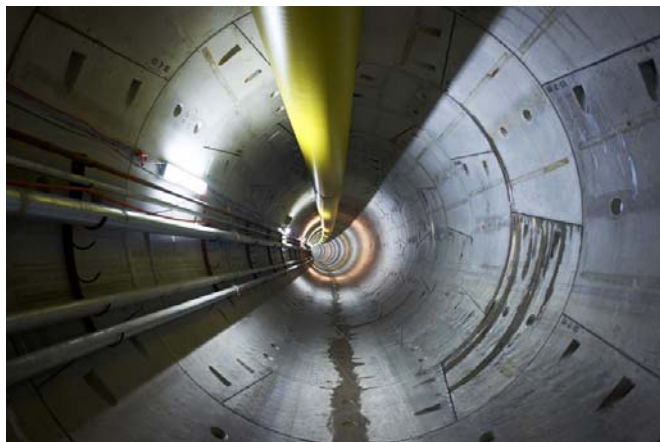
— **REVERSE OSMOSIS: 75%** —



— **PIPELINE: 94%** —



— **MARINE TUNNEL: 100%** —



— **POWER CABLE: 99%** —



— % of physical completion —

25 FULL YEAR RESULTS 2011






# FINANCIAL RESULTS

Jean-Marc BOURSIER



 **2011 FULL YEAR RESULTS**  
February 8, 2012

# STRONG RESULTS DESPITE A ONE OFF

- **STRONG PERFORMANCE**

- Better than guidance  
excluding Melbourne desal.<sup>(1)</sup>

- **MAINTAINED PROFITABILITY**

- 16.9% EBITDA margin
- €130m COMPASS gains
- 7.1% ROCE

- **FURTHER INCREASE OF FCF**

- €860m: 5.8% of sales

- **STRONG BALANCE SHEET**

- 3.0x ND / EBITDA

## — 2011 REPORTED vs. GUIDANCE —

REVENUE GROWTH > 5%<sup>(2)</sup> **+6.9%** ✓

EBITDA GROWTH > 10%<sup>(2)</sup> **+7.6%** **+15%**  
excl. Melb  
desal.

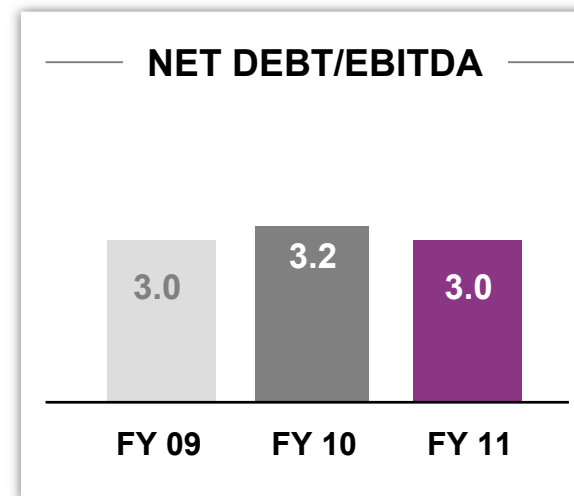
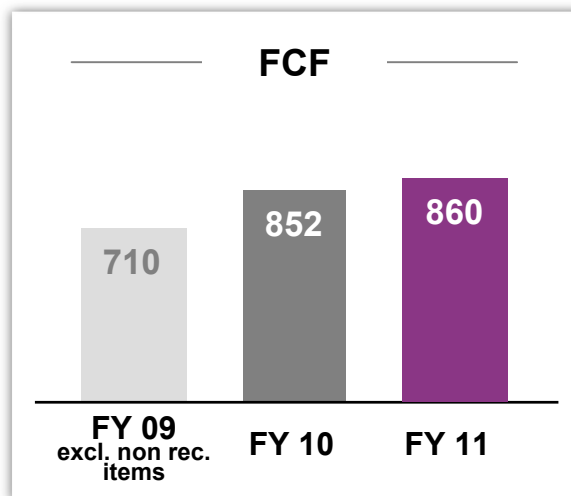
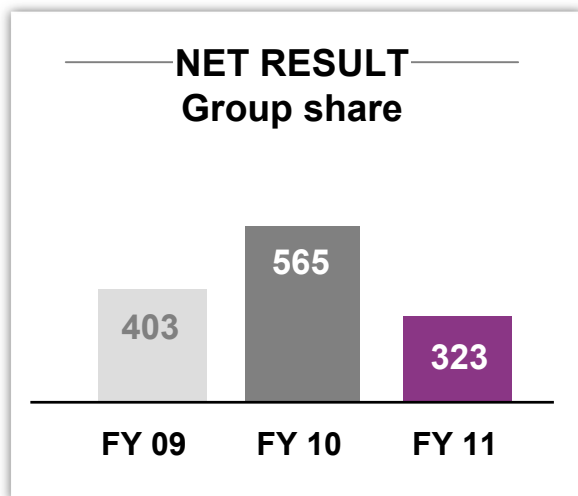
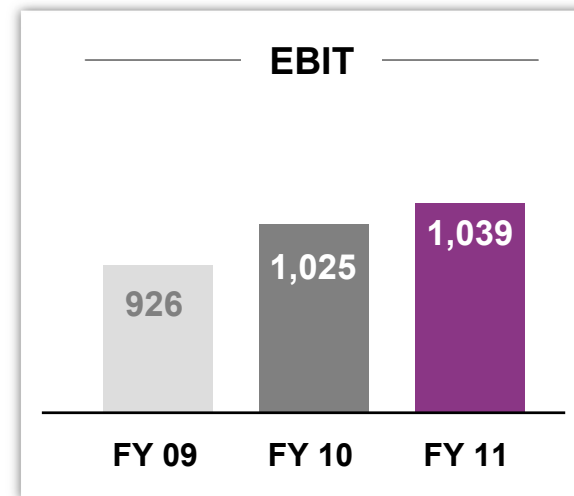
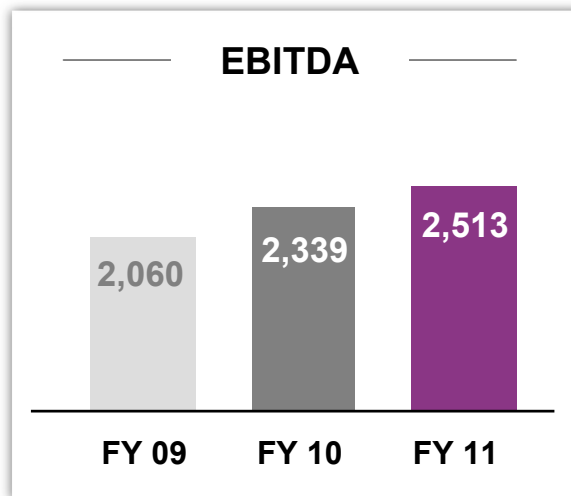
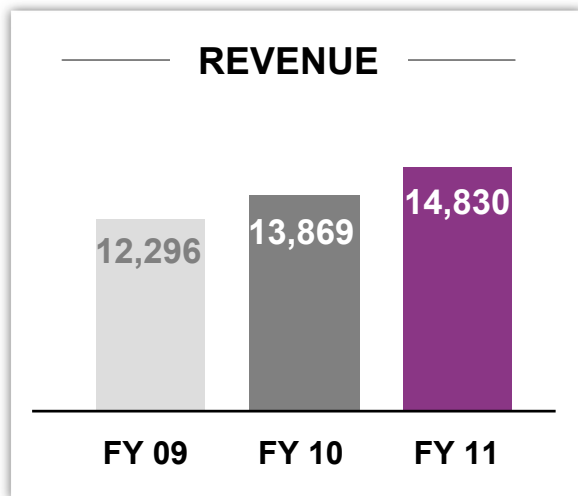
NET RESULT  
Group share > €425m **€323m** **€560m**  
excl. Melb  
desal.

FCF 2011 > FCF 2010 **+1%** ✓

ND/EBITDA c. 3x **3.0x** ✓

# CONTINUED GROWTH OVER THE LAST 3 YEARS

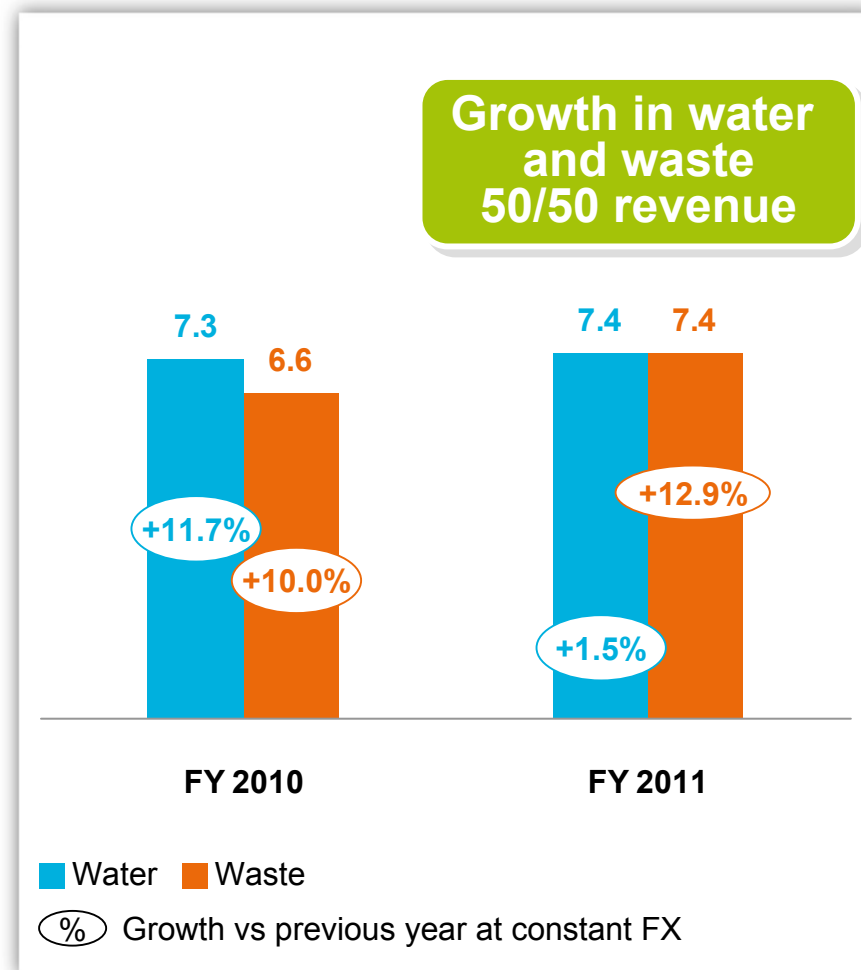
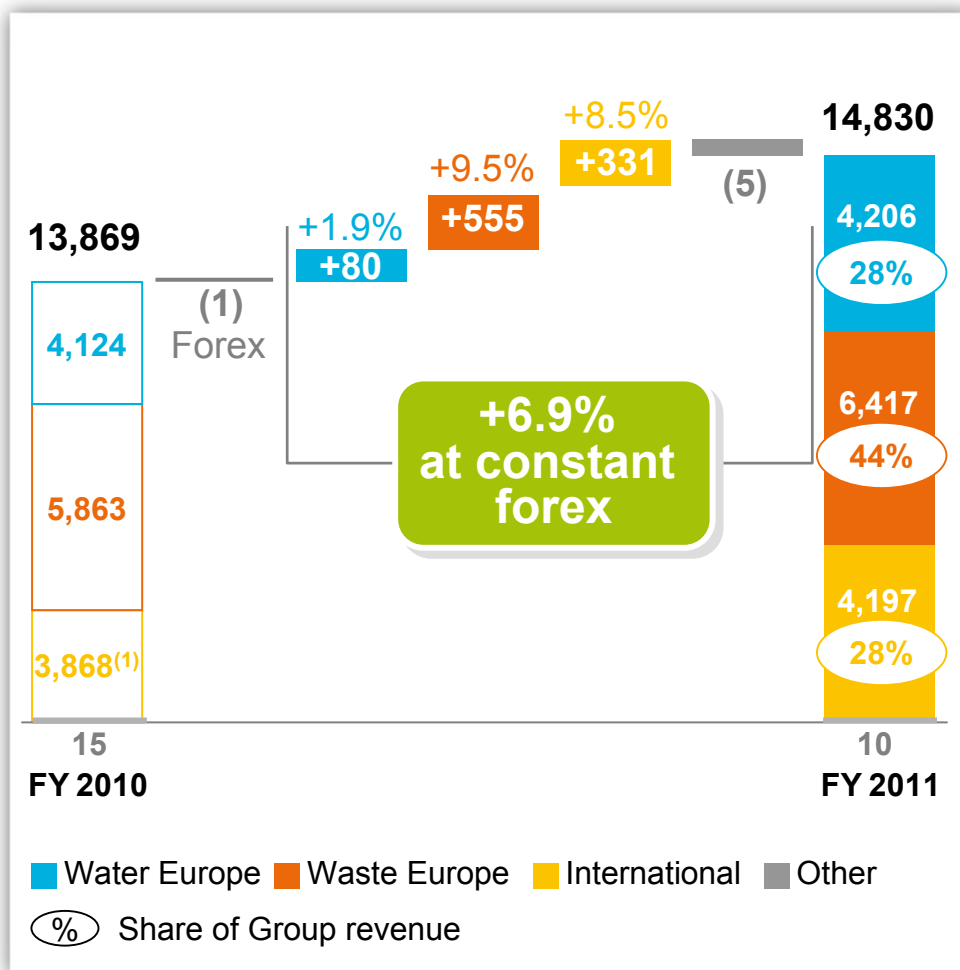
Reported figures in €m



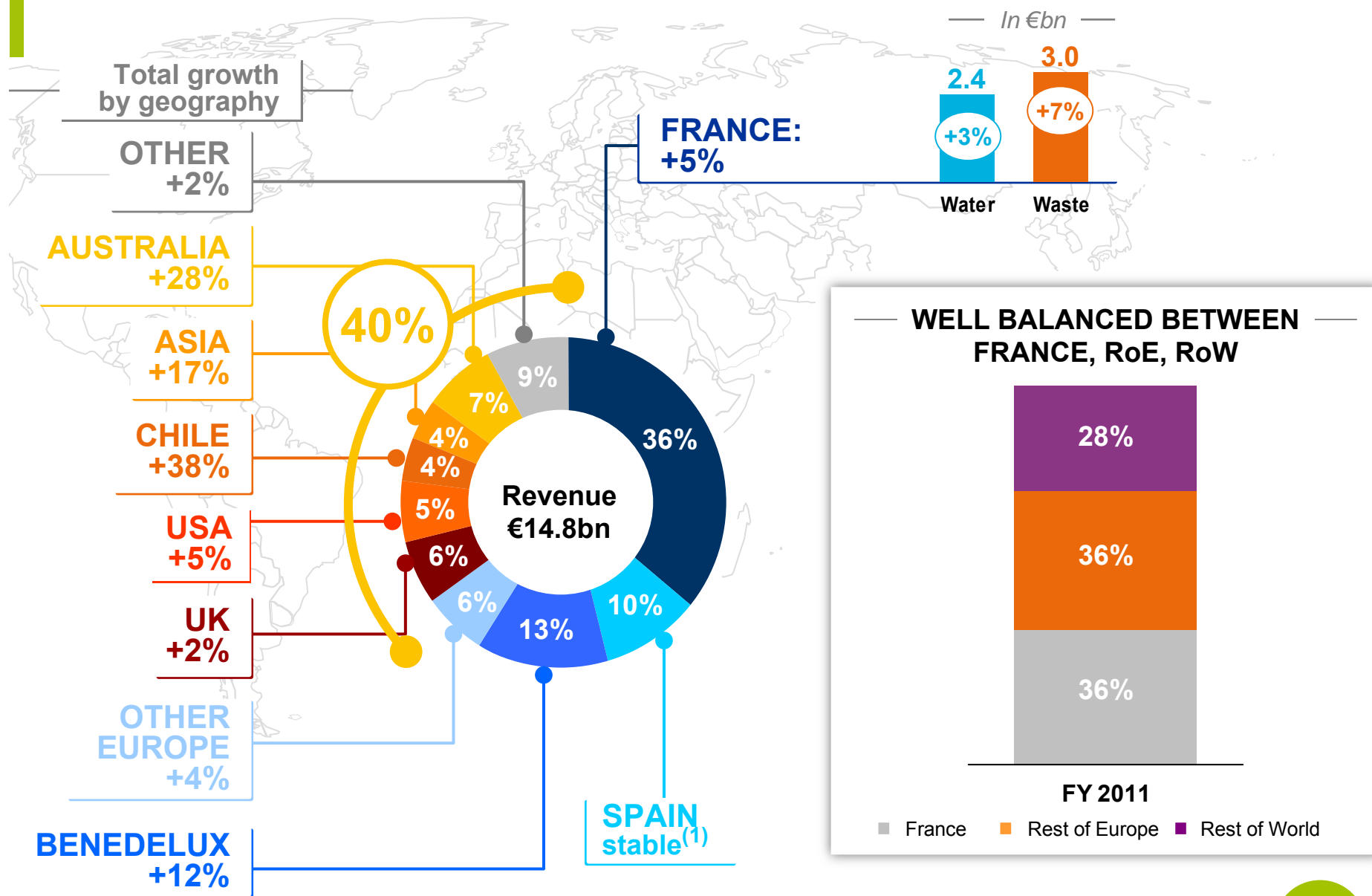
# HIGH GROWTH IN REVENUE: +6.9% AT CST. FOREX

— In €m —

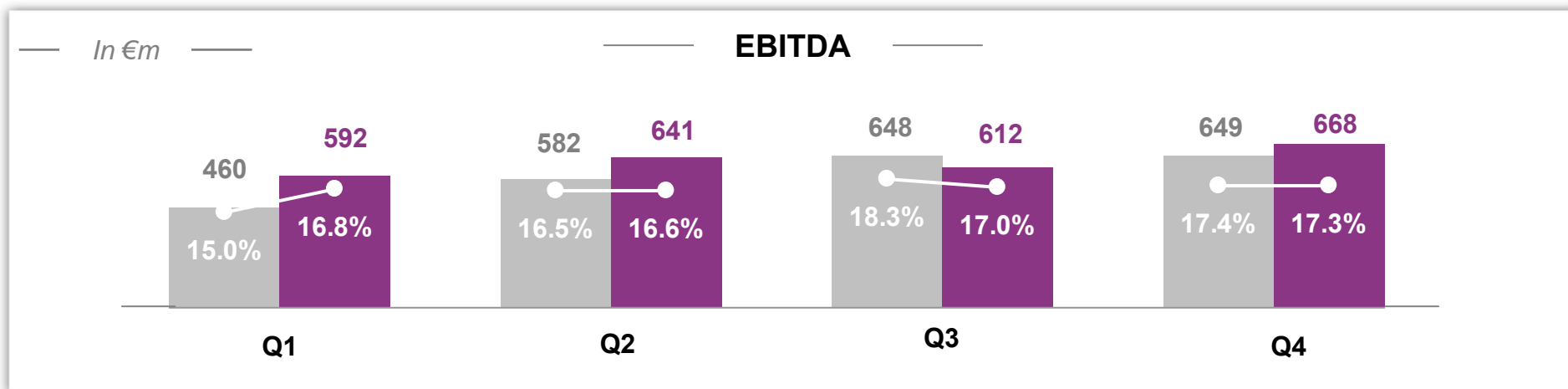
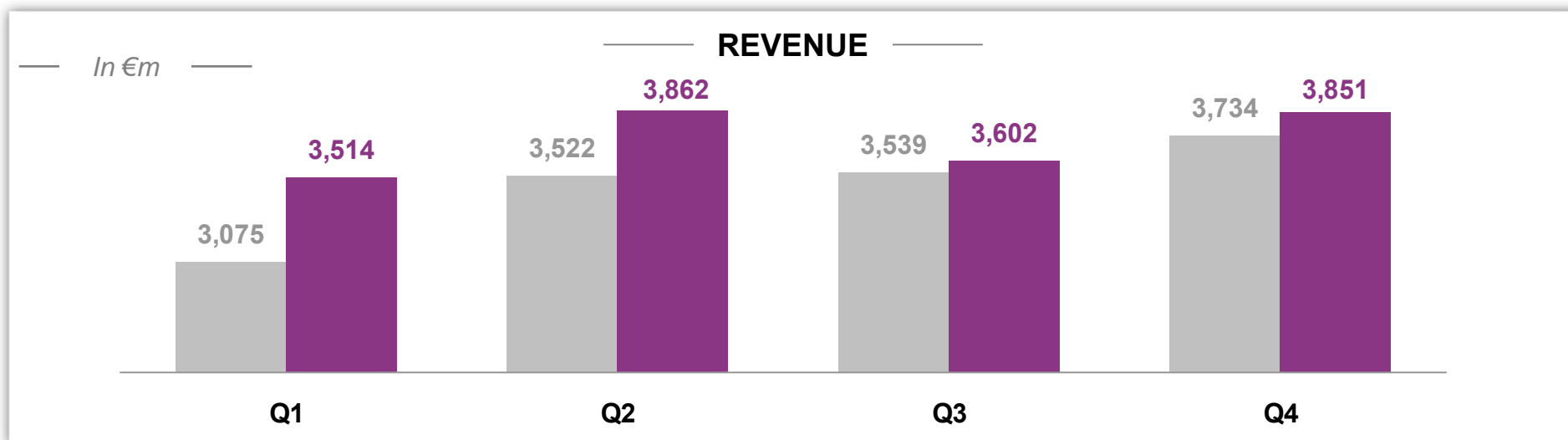
— In €bn —



# 2011 REVENUE: 40% OUTSIDE EURO ZONE

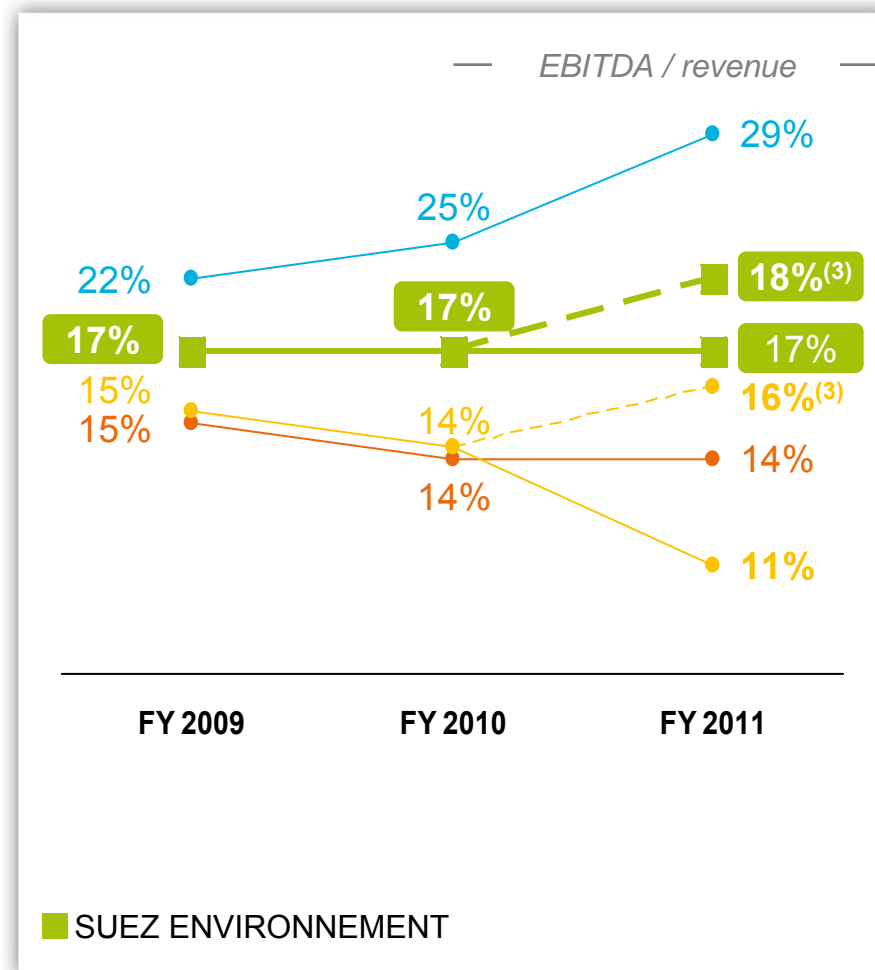
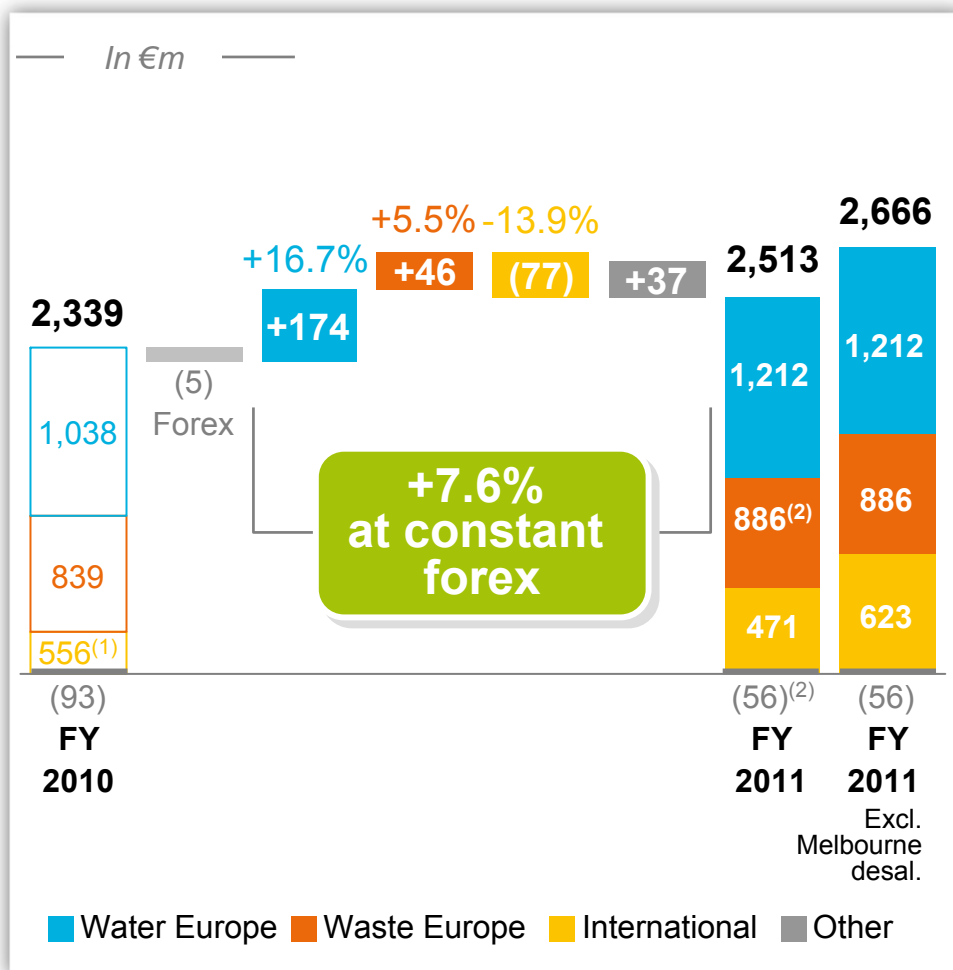


# Q4 2011: HIGHEST EBITDA AT €668M



■ 2010 ■ 2011 ○ EBITDA margin

# EBITDA IMPROVED FASTER THAN TOP LINE, MAINTAINED MARGINS



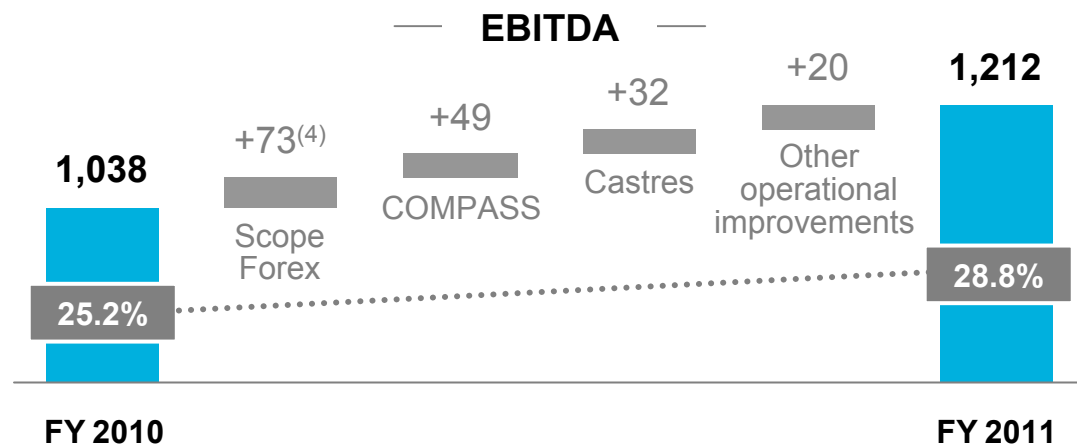
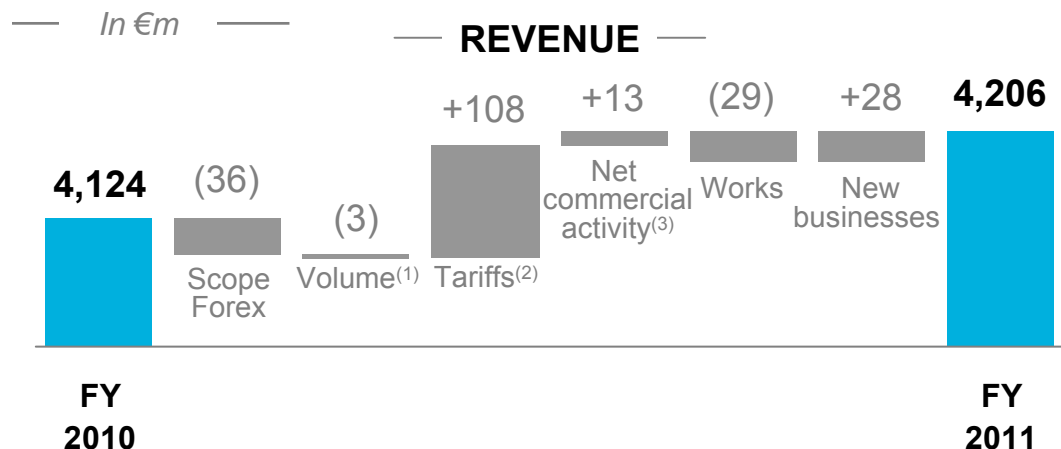
(1) OIS included in the International division

(2) EBITDA of €881m for Waste Europe and (€51m) for the division Other before reclassification of gasoil hedge

(3) Excl. Melbourne desal.

# WATER EUROPE: +1.9% REVENUE, +16.7% EBITDA

At constant forex



■ EBITDA margin

- (1) At iso contracts
- (2) Escalation formula
- (3) Net balance between contracts gained / renewed / lost & amendments
- (4) Including change in method in management fees
- (5) Vs pro forma 2010
- (6) Delegation of public services

## • VOLUMES INCLUDING COMMERCIAL ACTIVITY

Mm <sup>3</sup> sold	FY 2011	11/10 Δ
LDEF	713	-0.7%
AGBAR Spain	807	+0.5% <sup>(5)</sup>
AGBAR Chile	534	+3.1%

## • HIGHER TARIFFS

- France: +2.6%<sup>(2)</sup> on DSP<sup>(6)</sup> contracts
- Spain: +3.8% average
- Chile: +7.0% average

## • INCREASED EBITDA MARGIN

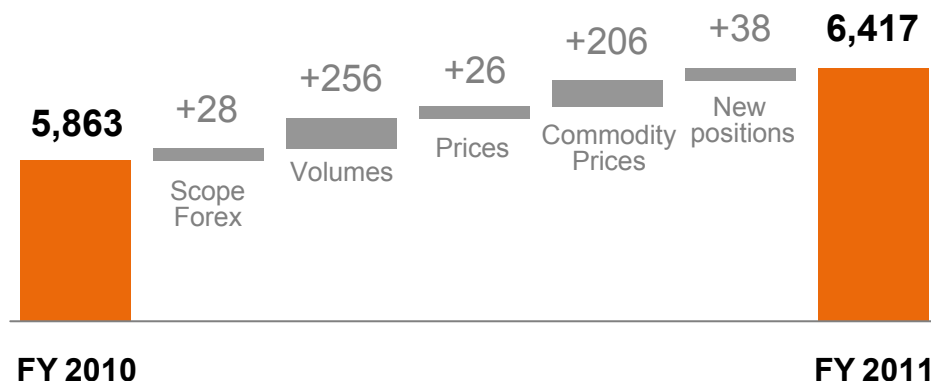
- Reorganization in France
- Synergies between AGBAR and the rest of the Group

# WASTE EUROPE: +9.5% REVENUE, +5.5% EBITDA

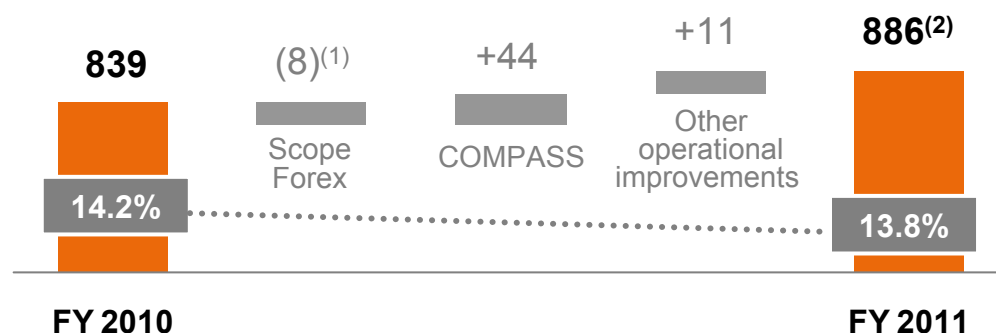
At constant forex

In €m

## REVENUE



## EBITDA



■ EBITDA margin

## • INCREASE IN VOLUMES

<i>mt</i>	H1 2011	11/10 H1 Δ	FY 2011	11/10 FY Δ
<b>Elimination</b>	<b>5.6</b>	-0.1%	<b>11.0</b>	-1.7%
<b>Recovery</b>	<b>6.9</b>	+10.9%	<b>13.9</b>	+7.8%
Energy from waste	3.6	+11.7%	7.1	+11.2%
Sorting & Recycling	3.3	+10.0%	6.7	+4.4% <sup>(3)</sup>
<b>Volumes treated</b>	<b>12.5</b>	+5.6%	<b>24.9</b>	+3.4%

## • NEW POSITIONS

- Ivry in France
- Bavaro in the Netherlands
- South Tyne & Wear and Suffolk PFI in the UK

## • DILUTIVE EFFECT OF SECONDARY RAW MATERIAL PRICES ON MARGIN RATE

(1) Including change in method in management fees

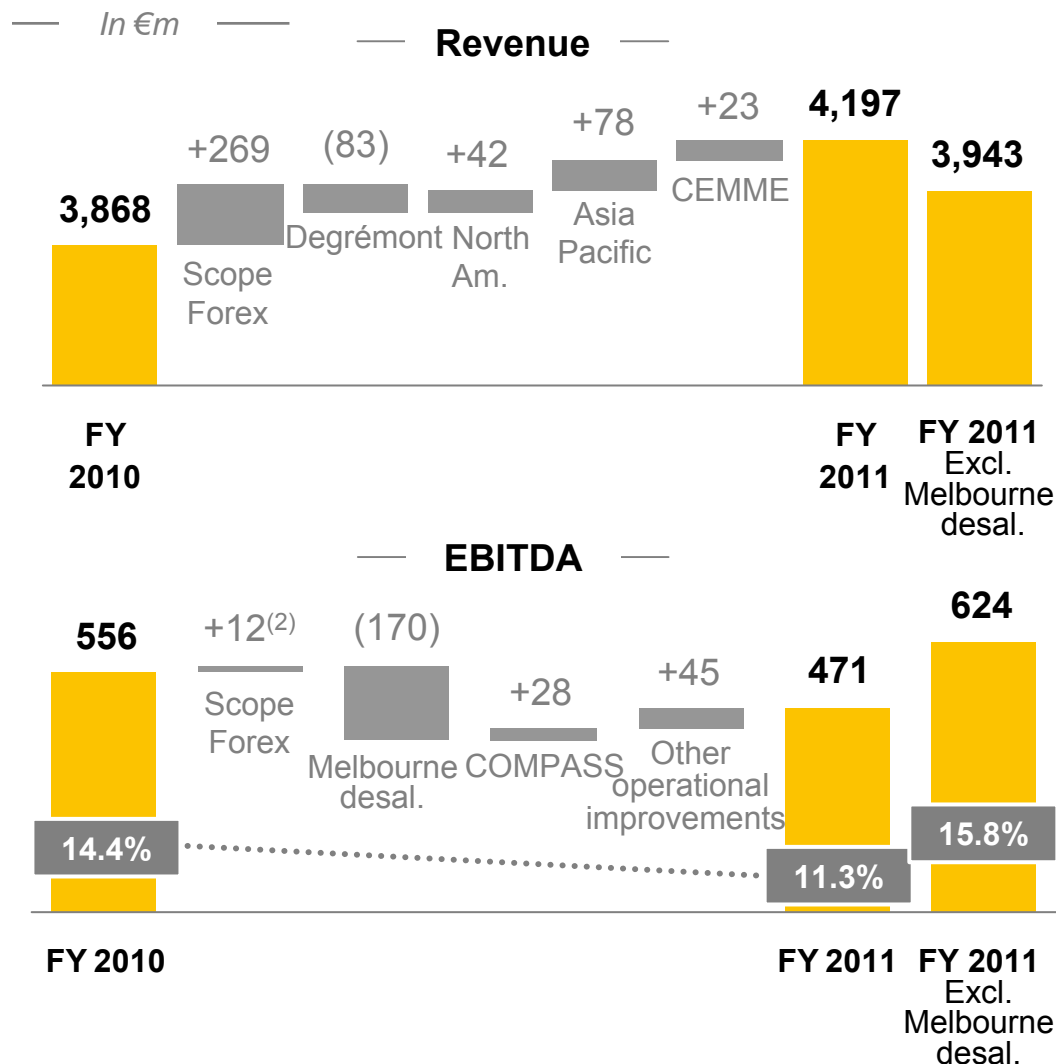
(2) EBITDA of €881m before reclassification of gasoil hedge from the division Other

(3) Vs pro forma 2010



# INTERNATIONAL: +8.5%<sup>(1)</sup> REVENUE, -13.9%<sup>(1)</sup> EBITDA

At constant forex



## • INCREASED VOLUMES IN FAST GROWING MARKETS

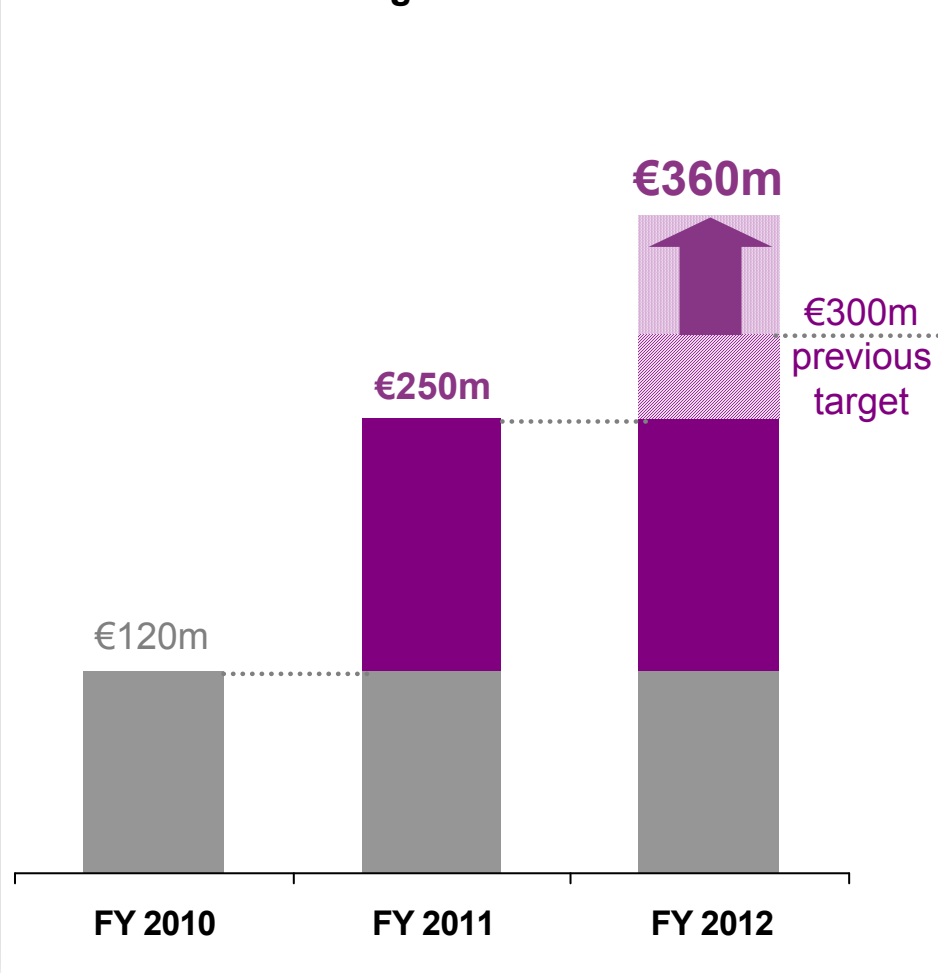
	FY 2011	11/10 Δ
Degrémont backlog DB – €m	1,246	-24.0%
UW - Mm <sup>3</sup> sold	299	-2.2%
Lydec - Mm <sup>3</sup> sold	141	+3.8%
Water China - Mm <sup>3</sup> sold	178	+15.5% <sup>(3)</sup>
Waste Australia - treated mt	3.5	NA

## • WSN: SUCCESSFUL ACQUISITION AND INTEGRATION

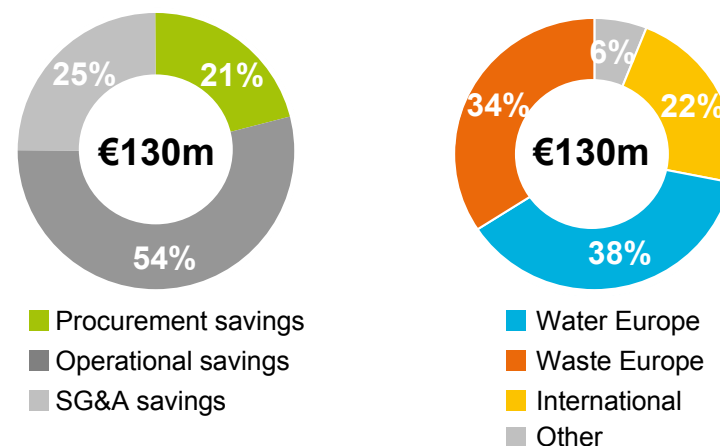
## • INCREASED OPERATIONAL PERFORMANCE EXCLUDING MELBOURNE DESAL.

# COMPASS: €360M UPGRADED 2010-2012 OBJECTIVE

Cumulated EBITDA €m,  
savings net of retentions



Net recurring savings  
on EBITDA in 2011



- PROCUREMENT**

- Water & waste joint negotiations on chemical products in France, process standardization for worldwide negotiations

- OPERATIONAL SAVINGS**

- Improvement of non profitable contracts, reduction of NRW<sup>(1)</sup>, e-invoicing

- SG&A**

- Reorganization of regional headquarters in France, synergies between AGBAR and the rest of the Group

# FROM EBITDA TO INCOME FROM OPERATING ACTIVITIES

— In €m —

	FY 2010	FY 2011	FY 2011 excl. Melbourne desal.	11/10 Δ excl. Melbourne desal.
<b>EBITDA</b>	<b>2,339</b>	<b>2,513</b>	<b>2,666</b>	<b>+14.8%</b>
Amortization	(975)	(1,039)	(1,039)	+5% trend year on year
Provisions	(52)	(140)	(31)	
Other (Concession charges, ESOP <sup>(1)</sup> )	(288)	(295)	(295)	
<b>CURRENT OPERATING INCOME</b>	<b>1,025</b>	<b>1,039</b>	<b>1,301</b>	<b>+29.1%</b>
Capital gains on disposals	315 <sup>(2)</sup>	166	166	o/w Bristol Water €88m <sup>(3)</sup> 31% premium over RCV <sup>(1)</sup> PER 20x
Others (restructuring, impairment, etc)	(119)	(113)	(113)	
<b>INCOME FROM OPERATING ACTIVITIES</b>	<b>1,221</b>	<b>1,092</b>	<b>1,353</b>	<b>+12.4%</b>

(1) Free shares, ESOP, stock options relative to GDF SUEZ / SUEZ ENVIRONNEMENT programs

(2) Step up in AGBAR and unbundling of joint water companies in France

(3) Capital gain net of taxes: €40m (Group share)

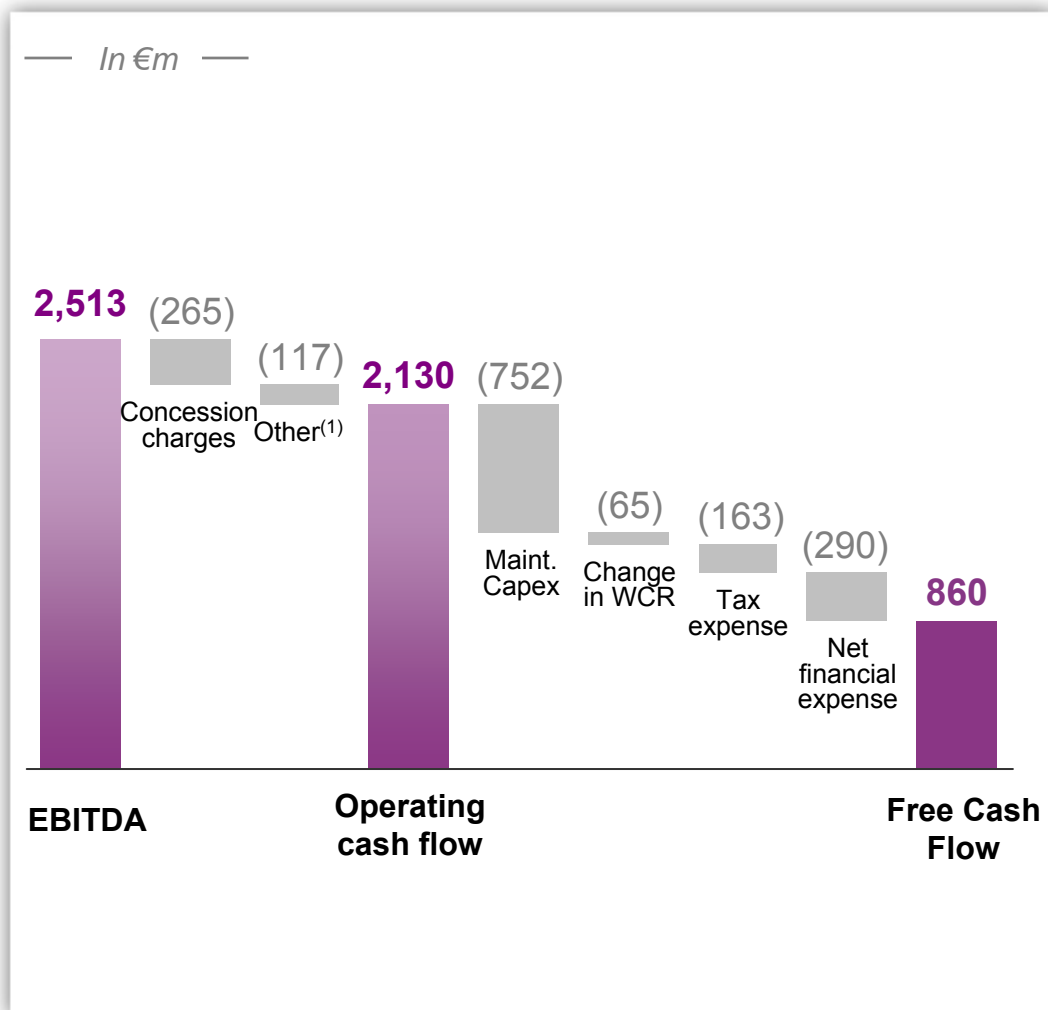
(4) Regulated Capital Value

# FROM INCOME FROM OPERATING ACTIVITIES TO NET RESULT GROUP SHARE

— In €m —

	FY 2010	FY 2011	11/10 Δ	
<b>INCOME FROM OPERATING ACTIVITIES</b>	<b>1,221</b>	<b>1,092</b>	<b>-10.6%</b>	
excluding Melbourne desal.	1,204	1,353	+12.4%	
Cost of net debt	(387)	(395)		5.19% cost of net debt
Other financial result	(26)	(10)		
<i>o.w. dividends</i>	24	35		
<i>o.w. LT discounting on provisions</i>	(79)	(87)		
Associates	31	37		32% <sup>(2)</sup> normative tax rate
Income tax	(119)	(174)		
Minority interest	(155)	(227)		o/w (€173m) related to AGBAR
<b>NET RESULT GROUP SHARE</b>	<b>565</b>	<b>323</b>	<b>-42.8%</b>	
Adjusted EPS <sup>(1)</sup>	1.15	0.60	-47.8%	

# FURTHER INCREASE OF FCF



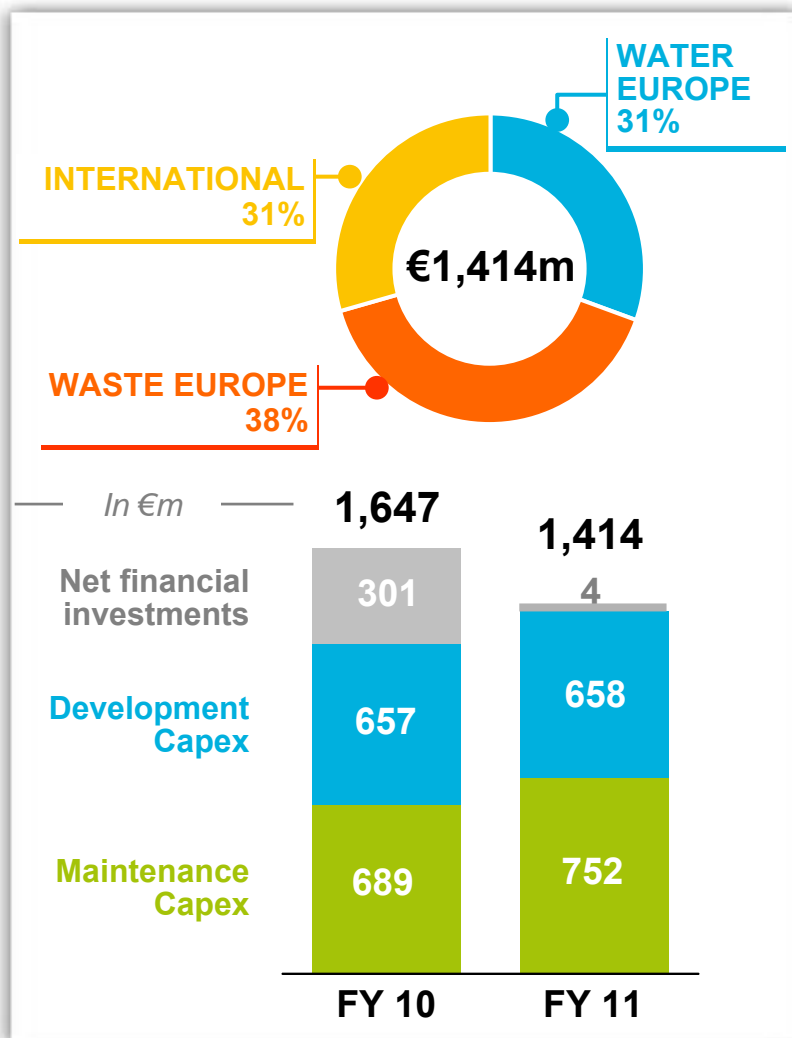
## • MAINTENANCE CAPEX

- 5.1% of revenue
- Water: network (pipes, meters, pumps), lead connections replacement
- Waste: trucks, containers, landfill void space replacement, compliance works

## • LOW WORKING CAPITAL REQUIREMENT

- Almost stable over the year despite €1bn revenue increase
- Improved in H2: +€80m vs. H1 after specific monitoring action plan
- No significant cash collection issue

# NET INVESTMENTS



## • SELECTED DEVELOPMENTS

### in water

- Mapocho in Chile (start 2012) €150m
- Water concessions in France and new services: €80m
- Development of USA RAB<sup>(1)</sup> €59m

### in waste

- WSN acquisition in Australia €174m
- EfW<sup>(2)</sup> developments €99m
- PRSP acquisition in Poland €15m

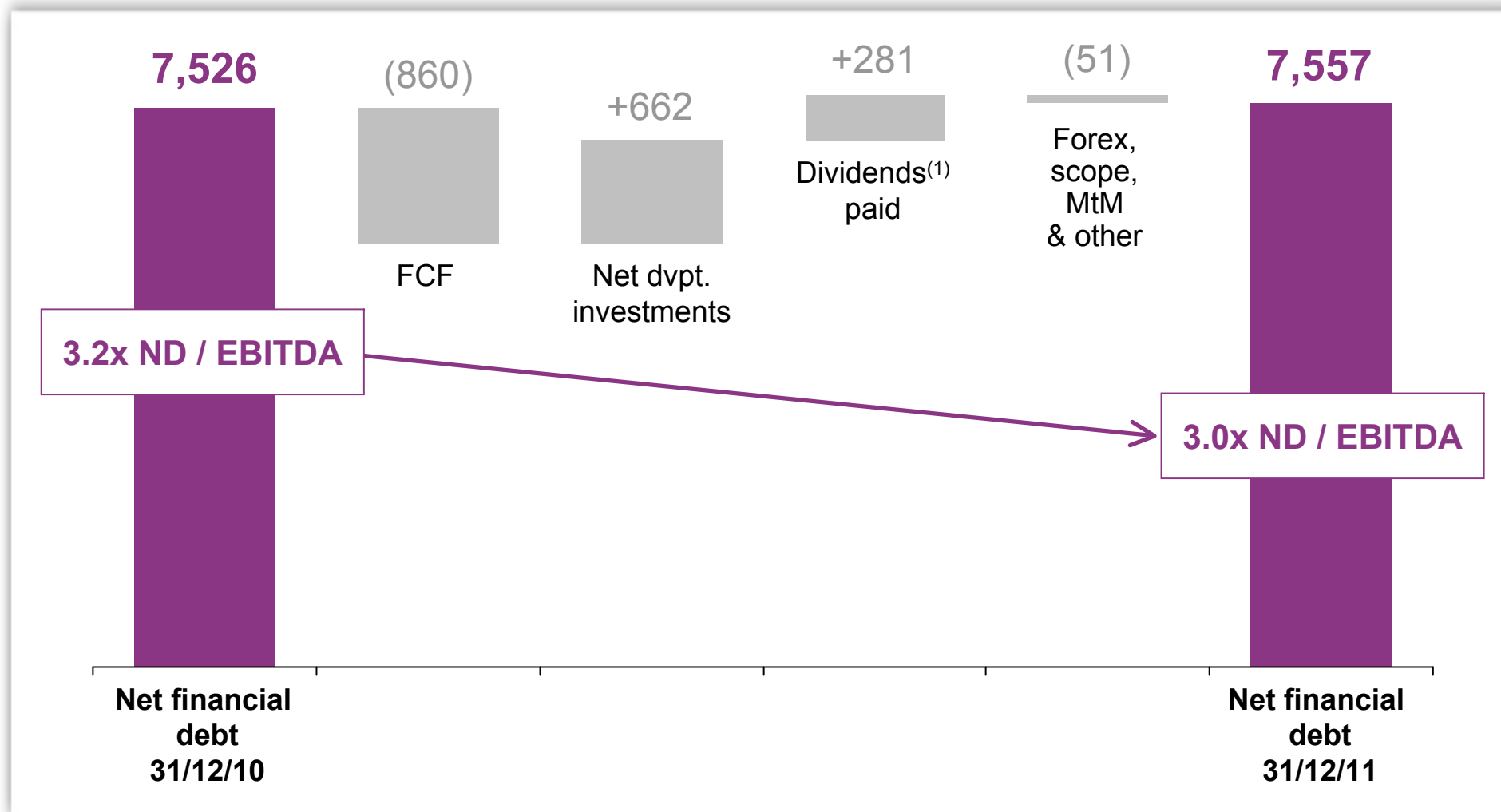
## • WORK IN PROGRESS: €0.8bn

## • SUCCESSFULL DISPOSALS

- Bristol Water €152m in Q4 2011
- Eurawasser €95m in Q1 2012

# STABLE NET DEBT, REDUCED LEVERAGE

In €m



# STRONG FINANCIAL PROFILE

- **INCREASED LIQUIDITY POSITION**  
**> NEXT 4-YEAR REIMBURSEMENTS**

- €600m new bilateral lines
- €338m 2014 redeem at 4.875%
- €750m 2021 bond at 4.078%
- £250m 2030 bond at 5.375%
- €100m 2018 bond at 3.08%

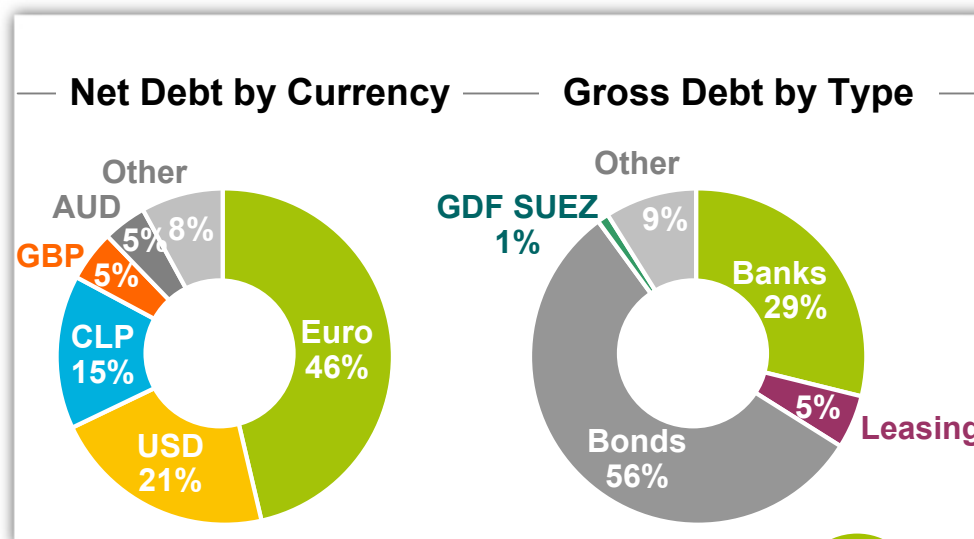
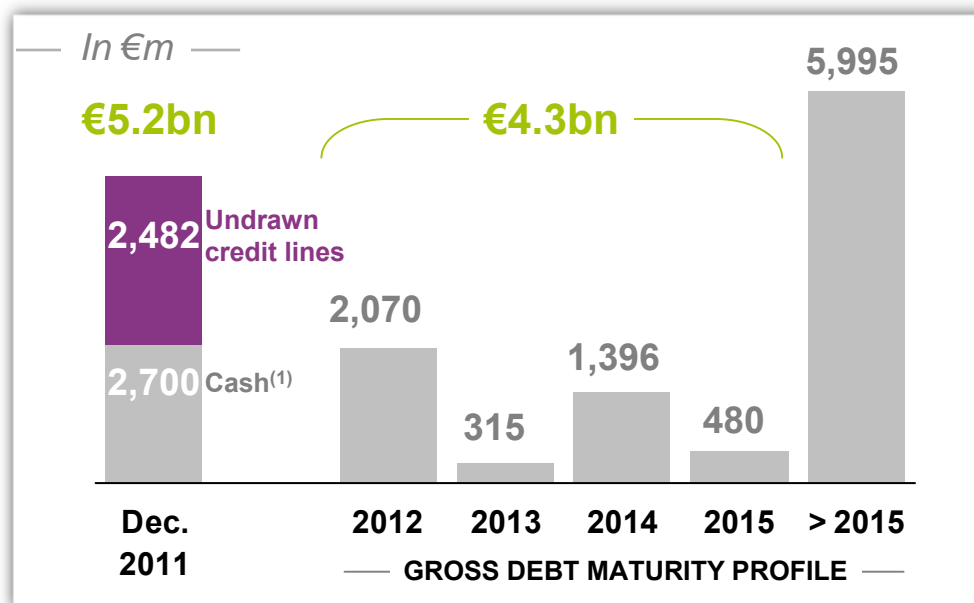
- **SOLID FINANCING STRUCTURE**

- Debt/Currency aligned with cash flows
- 81% fixed / 19% variable on net debt
- Net debt average maturity: 6.4y
- Selective cash management counterparts

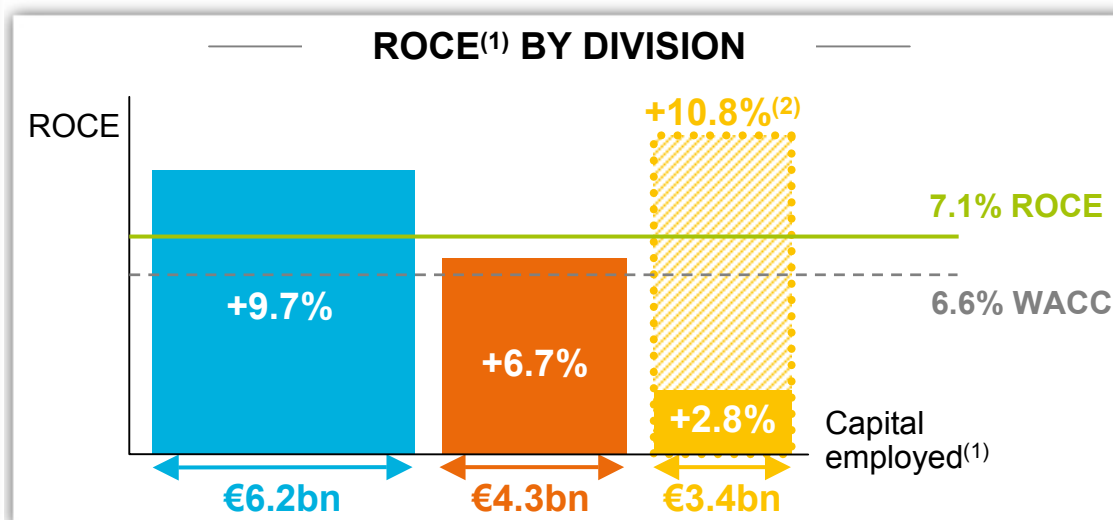
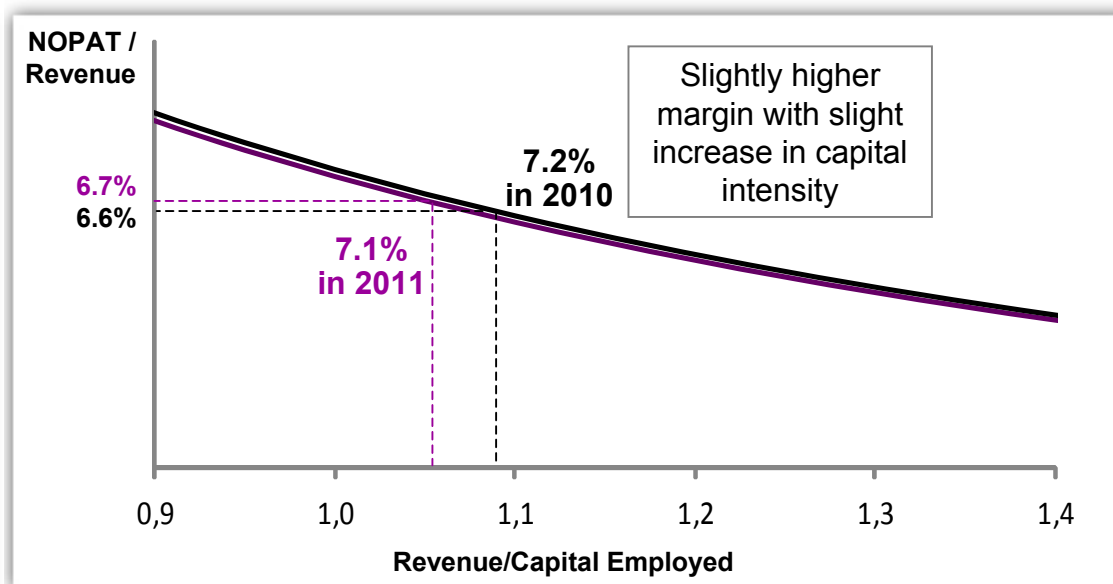
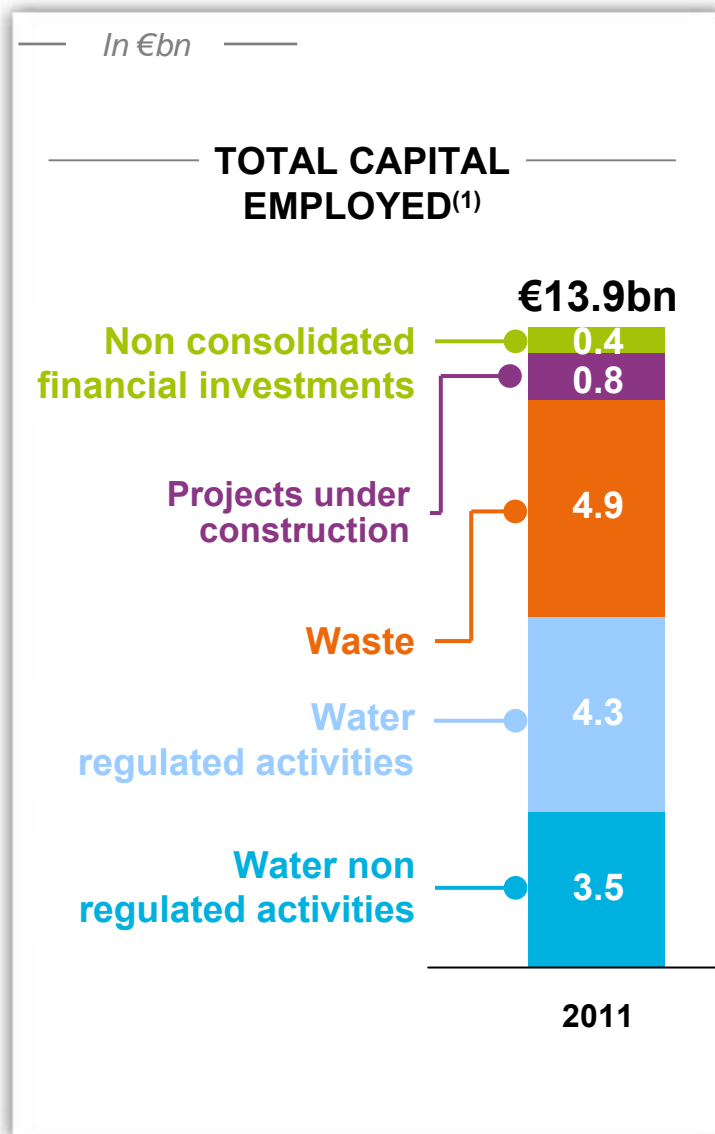
- **COST OF NET DEBT OF 5.19%**

- **MOODY'S RATING**

- A3 with stable outlook



# MAINTAINED ROCE DESPITE MELBOURNE DESAL.



■ Water Europe ■ Waste Europe ■ International & others

# FOCUS ON PROFITABILITY & FINANCIAL STRUCTURE

## 2012 - 2013 PRIORITIES

- **OPERATIONAL IMPROVEMENT**

- Continuation of profitable growth
  - EBITDA improvement:  $\geq$  €2.7bn in 2013 at constant forex
  - COMPASS acceleration:  
new target of €360m for 2010-2012, +20% vs. previous target
- Continuing focus on cash generation
  - FCF 2012  $\geq$  €860m

---

- **MAINTAIN SOLID FINANCIAL STRUCTURE**


- Continuing investment selectivity
  - €1.3bn per year after €1.65bn in 2010 & €1.41bn in 2011
- Maintain net debt / EBITDA ratio at around 3x



## CONCLUSION

Jean-Louis CHAUSSADE, CEO



 **2011 FULL YEAR RESULTS**  
February 8, 2012

# CONCLUSION

## **STRONG OPERATIONAL PERFORMANCE IN 2011**

---

**EBITDA OBJECTIVES<sup>(1)</sup>: 2012  $\geq$  2011 & 2013  $\geq$  €2.7bn**


---

**DIVIDEND<sup>(2)</sup>  $\geq$  €0.65 PER SHARE IN 2013 RELATED TO 2012**



## APPENDICES



 **2011 FULL YEAR RESULTS**  
February 8, 2012

# APPENDICES - TABLE OF CONTENTS


	<i>Pages</i>
<b>Summary financial statements</b>	<b>49</b>
<b>Shareholding structure</b>	<b>53</b>
<b>Activity of divisions</b>	<b>55</b>
<b>Sustainable development &amp; innovation</b>	<b>66</b>
<b>Financial indicators</b>	<b>70</b>
<b>Tax &amp; Debt</b>	<b>88</b>
<b>Assets &amp; liabilities overview</b>	<b>92</b>



## APPENDICES

Summary financial statements



 **2011 FULL YEAR RESULTS**  
February 8, 2012

# SUMMARY BALANCE SHEET

— In €m —

ASSETS	31/12/10	31/12/11	LIABILITIES	31/12/10	31/12/11
<b>NON CURRENT ASSETS</b>	<b>18,395</b>	<b>18,667</b>	Equity, group share	4,773	4,946
<i>o/w goodwill</i>	3,128	3,245	Minority Interests	1,854	1,871
<b>CURRENT ASSETS</b>	<b>7,535</b>	<b>8,361</b>	<b>TOTAL EQUITY</b>	<b>6,627</b>	<b>6,817</b>
<i>o/w financial assets at fair value through income</i>	265	15	Provisions	1,657	1,835
<i>o/w cash &amp; cash equivalents</i>	1,827	2,494	Financial Debt	9,640	10,071
<b>TOTAL ASSETS</b>	<b>25,930</b>	<b>27,029</b>	Other Liabilities	8,007	8,306
			<b>TOTAL LIABILITIES</b>	<b>25,930</b>	<b>27,029</b>

# SUMMARY INCOME STATEMENT

— In €m —

	FY 2010	FY 2011
<b>REVENUE</b>	<b>13,869</b>	<b>14,830</b>
Depreciation, amortization & provisions	(1,027)	(1,179)
<b>CURRENT OPERATING INCOME</b>	<b>1,025</b>	<b>1,039</b>
<b>INCOME FROM OPERATING ACTIVITIES</b>	<b>1,221</b>	<b>1,092</b>
Financial result	(414)	(405)
Associates	31	37
Income tax	(119)	(174)
Minority interest	(155)	(227)
<b>NET RESULT GROUP SHARE</b>	<b>565</b>	<b>323</b>

# SUMMARY CASH FLOW STATEMENT

— In €m —

	FY 2010	FY 2011
Gross cash flow before financial loss and income tax	1,977	2,130
Income tax paid (excl. income tax paid on disposals)	(356)	(163)
Change in operating working capital	269	(65)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1,890</b>	<b>1,902</b>
Net tangible and intangible investments	(1,346)	(1,410)
Financial investments	(587)	(260) <sup>(1)</sup>
Disposals	632	157 <sup>(2)</sup>
Other investment flows	(14)	(49)
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>(1,315)</b>	<b>(1,561)</b>
Dividends paid	(457)	(281)
Balance of reimbursement of debt / new debt	(2,131)	664
Interests paid on financial activities	(368)	(333)
Capital increase	4	25
Other cash flows	1,475 <sup>(3)</sup>	222
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>(1,477)</b>	<b>297</b>
Impact of currency, accounting practices and other	17	30
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD</b>	<b>2,712</b>	<b>1,827</b>
Total cash flow for the period	(885)	667
<b>CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD</b>	<b>1,827</b>	<b>2,494</b>

(1) Including €2m of treasury acquired and other

(2) Including €101m of treasury sold and other


(3) Of which Hybrid issuance for €750m



## APPENDICES

Shareholding structure



 **2011 FULL YEAR RESULTS**  
February 8, 2012

# SHAREHOLDING STRUCTURE

	December 31, 2010	December 31, 2011	% at Dec 31, 2011
GDF SUEZ	173,406,974	182,057,361	35.68%
Groupe Bruxelles Lambert	35,001,611	36,746,488	7.20%
CDC	9,599,359	10,078,220	1.98%
Areva	6,906,750	7,251,292	1.42%
CNP Assurances	6,191,630	6,500,390	1.27%
Sofina	4,125,000	4,125,000	0.81%
<b>TOTAL SHAREHOLDERS AGREEMENT</b>	<b>235,231,324</b>	<b>246,758,751</b>	<b>48.36%</b>
Treasury Stocks	2,164,492	3,294,721	0.65%
Public & employees	252,303,244	260,180,357	50.99%
<b>TOTAL</b>	<b>489,699,060</b>	<b>510,233,829</b>	<b>100.0%</b>






## APPENDICES

Activity of divisions



 **2011 FULL YEAR RESULTS**  
February 8, 2012

# STRICT INVESTMENT PROCESS AND CRITERIA

## OPERATIONS COMMITTEE

- **INCLUDES CEO, CFO, THE RELEVANT SENIOR EXECUTIVE VP AND THE RELEVANT BUSINESS UNIT**
- **STRICT FINANCIAL INVESTMENT CRITERIA**
  - IRR > specific hurdle rate +200bp
  - Net Result: accretion in year 2 of operation
  - Positive FCF in year 1 of operation
- **INVESTMENT THRESHOLDS**
  - Acquisitions and divestments  $\geq$  €10m (firm value)
  - Total capex  $\geq$  €20m
  - Total cumulated revenues  $\geq$  €100m ( $\geq$  €50m for DB contracts)
- **DYNAMIC INVESTMENT APPROACH IN 2011**
  - 59 projects submitted to the operations committee
  - 43% success rate on “go” projects closed at end of 2011

# WATER EUROPE: MAIN FY 2011 CONTRACTS

## NEW CONTRACTS

- **FRANCE**

- Hyères (€54m, 12y)
- Côte d'Albatre (€26m, 12y)
- Angers (€20m, 6y)
- Cuers (€12m, 10y)
- Rambouillet (€10m, 10y)
- Sainte Menehould (€10m, 15y)

- **SPAIN/CHILE**

- AES Gener (€610m, 40y)
- Edar León (€109m, 25y)
- Marbella (€93m, 25y)
- Valladolid (€63m, 30y)
- Santonia (€32m, 25y)
- Estepona (€20m, 25y)
- Socuéllamos (€16m, 12y)
- Canyelles (€10m, 20y)

## RENEWALS

- **FRANCE**

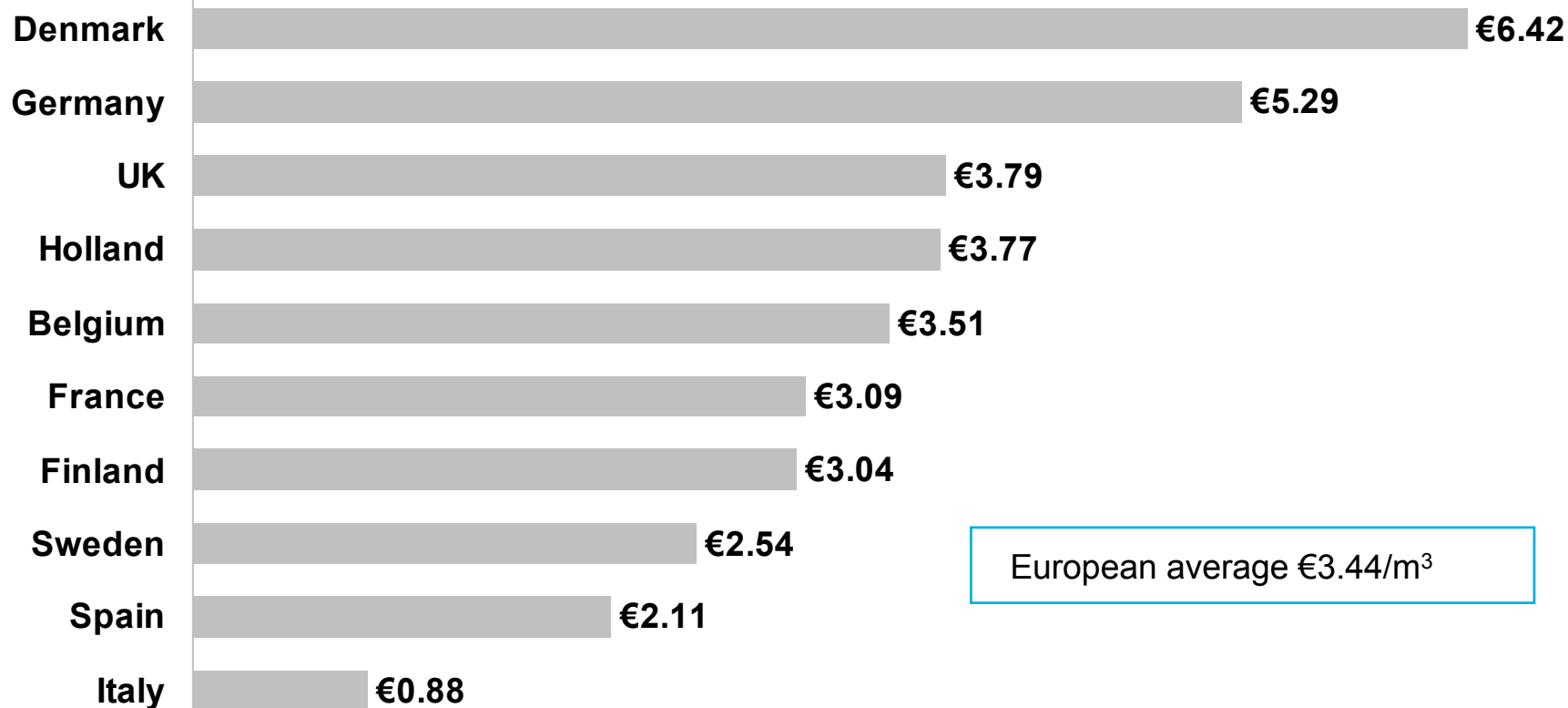
- Agde (€166m, 15y)
- Orléans (€106m, 12y)
- Tarbes (€80m, 20y)
- Corbeil-Essonnes (€40m, 10y)
- La Vauvage (€28m, 18y)
- Rouen/CREA (€23m, 6y)
- Périgueux (€17m, 10y)
- Nîmes Métropole (€16m, 9y)
- SICTEU<sup>(1)</sup> (€15m, 15y)

- **SPAIN**

- L'Eliana - Valencia (€55m, 25y)
- Barcelona (€28m, 25y)
- Masquefa (€28m, 25y)
- Tàrrega (€27m, 13y)
- IBI (€23m, 18y)
- Mollerussa (€11m, 10y)
- Cangas de Onís (€10m, 20y)

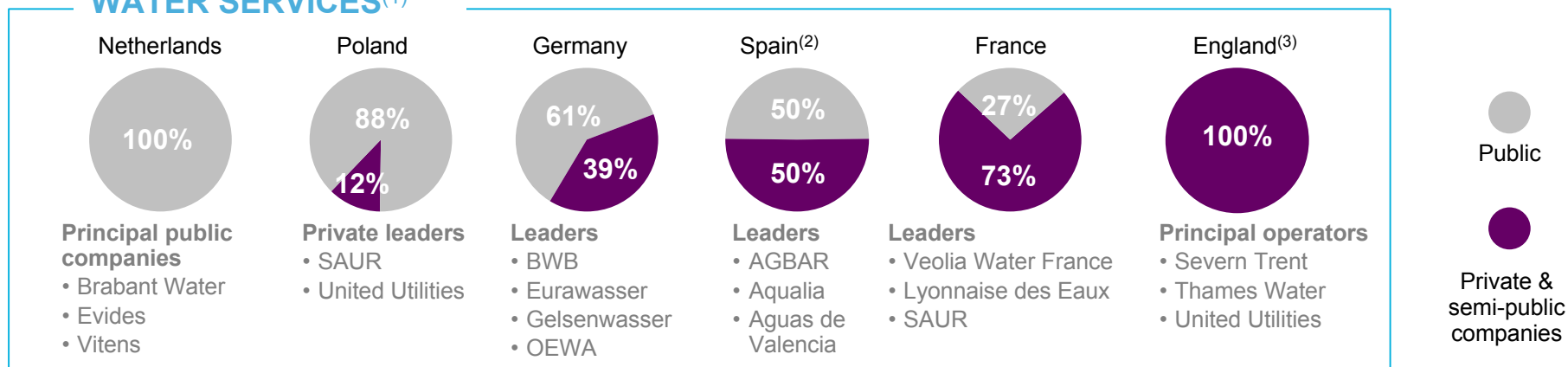
# WATER PRICE IN EUROPE

GLOBAL AVERAGE PRICE  
1 January 2009, at constant forex, €/m<sup>3</sup>



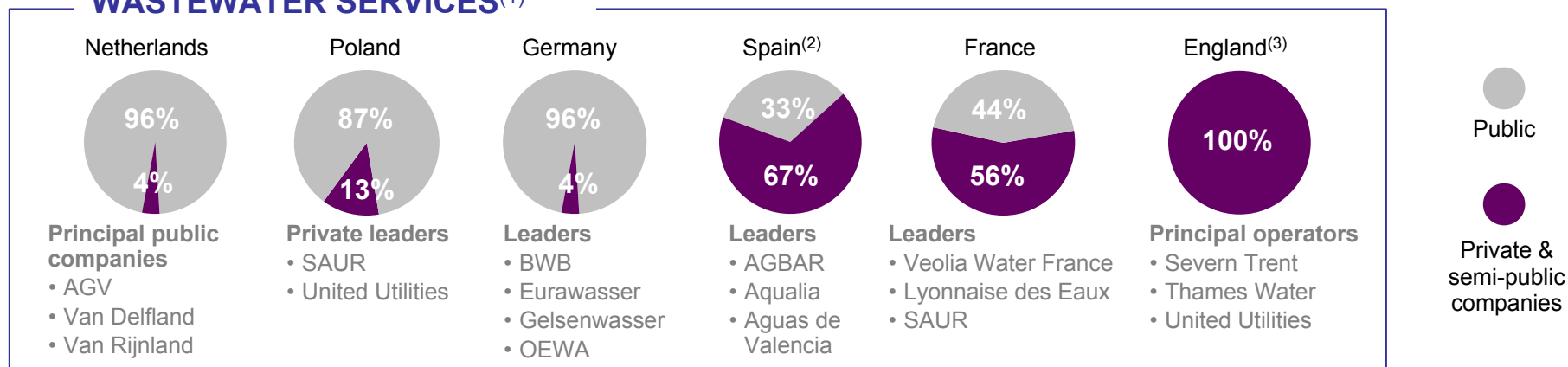
# PUBLIC-PRIVATE WATER MARKET SHARES

## WATER SERVICES<sup>(1)</sup>



(1) In terms of number of people served (2) Group estimation (3) Excludes Scotland, Wales and Northern Ireland

## WASTEWATER SERVICES<sup>(1)</sup>



(1) In terms of number of people served (2) Group estimation (3) Excludes Scotland, Wales and Northern Ireland

Source: BIPE – Enviroscope 2010

# WASTE EUROPE: MAIN FY 2011 CONTRACTS

## NEW CONTRACTS

- **SITA FRANCE**
  - Ivry-Paris XIII (€210m, 6y)
  - Magnetto (€85m, 7y)
  - France Télécom (€40-60m<sup>(1)</sup>, 3y)
  - CU Nice Cote d'Azur (€21m, 4y)
  - Myriad (€20m, 3y)
  - Le Mans (€16m, 7.5y)
  - Renault (12y)
- **SITA UK**
  - PFI South Tyne & Wear (€1.2bn, 25y)
  - Carillion (€14m, 3y)
- **SITA Germany**
  - Erzgebirge LK (€26m, 4y)
- **SITA Netherlands**
  - Nedvang (€17m, 2y)

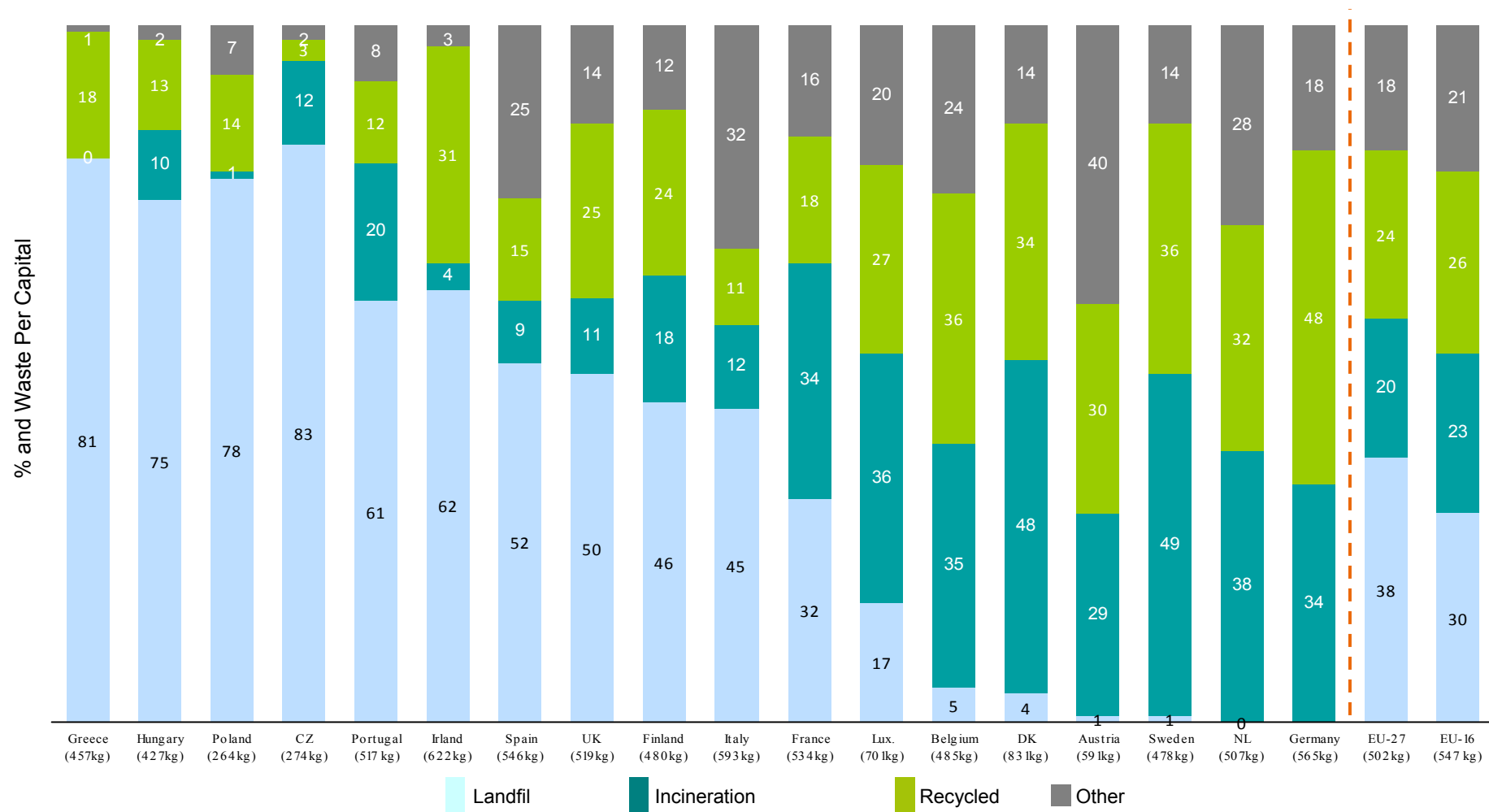
## RENEWALS

- **SITA FRANCE**
  - Vallée du Mont Blanc (€89m, 15y)
  - GPSO<sup>(2)</sup> (€42m, 7y)
  - Neuilly sur Seine (€39m, 9y)
  - Plaine Centrale (€25m, 5y)
  - Arkéma (> €20m, 2y)
  - PSA (€18m, 2.5y)
  - Vitré (€22m, 5y)
  - Aulnay (€15m, 5y)
  - Clichy (€15m, 6y)
  - Saint Mandé (€15m, 5+1+1y)
  - Valodea (€14m, 8y)
  - SISTO (€13m, 6y)
  - CS Sitru (€12m, 5y)
- **SITA UK**
  - Kensington & Chelsea (€106m, 8y)
- **SITA NEWS**
  - Arnhem (€28m, 6y)

## ACQUISITIONS

- **SITA FRANCE**
  - Provence valorisation
  - Ondaine Métaux

# MUNICIPAL WASTE TREATMENT IN EUROPE

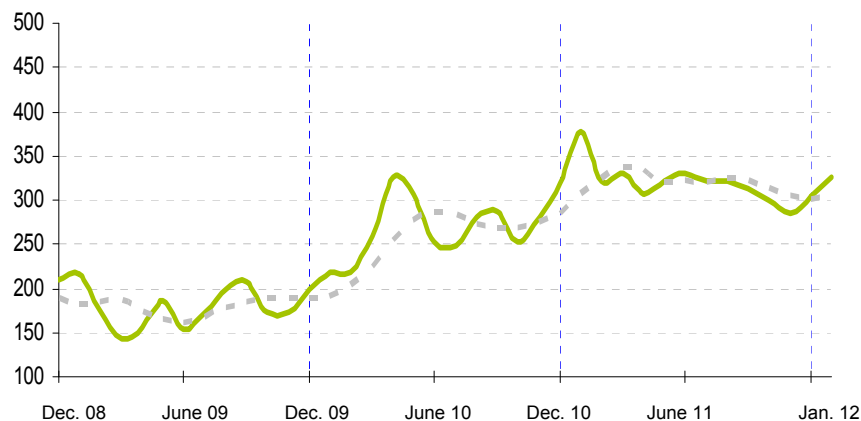


Source: Eurostat- 2009 data updated in January 2011

# COMMODITY PRICES EVOLUTION

**E40 MONTHLY AVERAGE PRICE (ferrous metal, recycled)**

€/ton



Source: UCFF

**ALUMINIUM PRICE (raw material)**

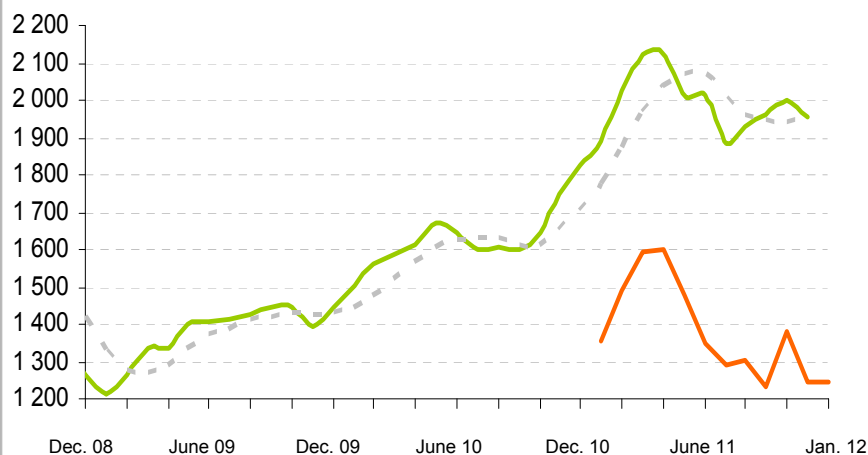
\$/ton



Source: LME

**PET PRICE (plastic, raw material)**

€/ton

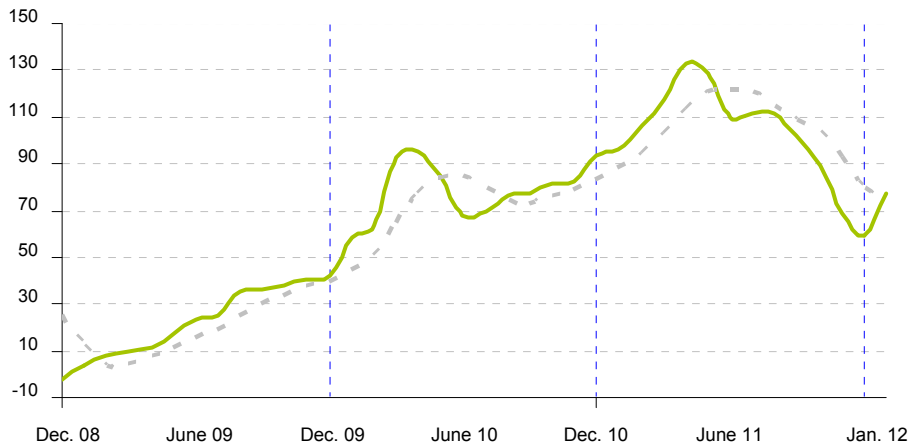


Source: CSEMP (Elipso index)

— Icis index

**PAPER 1.02 PRICE (recycled material)**

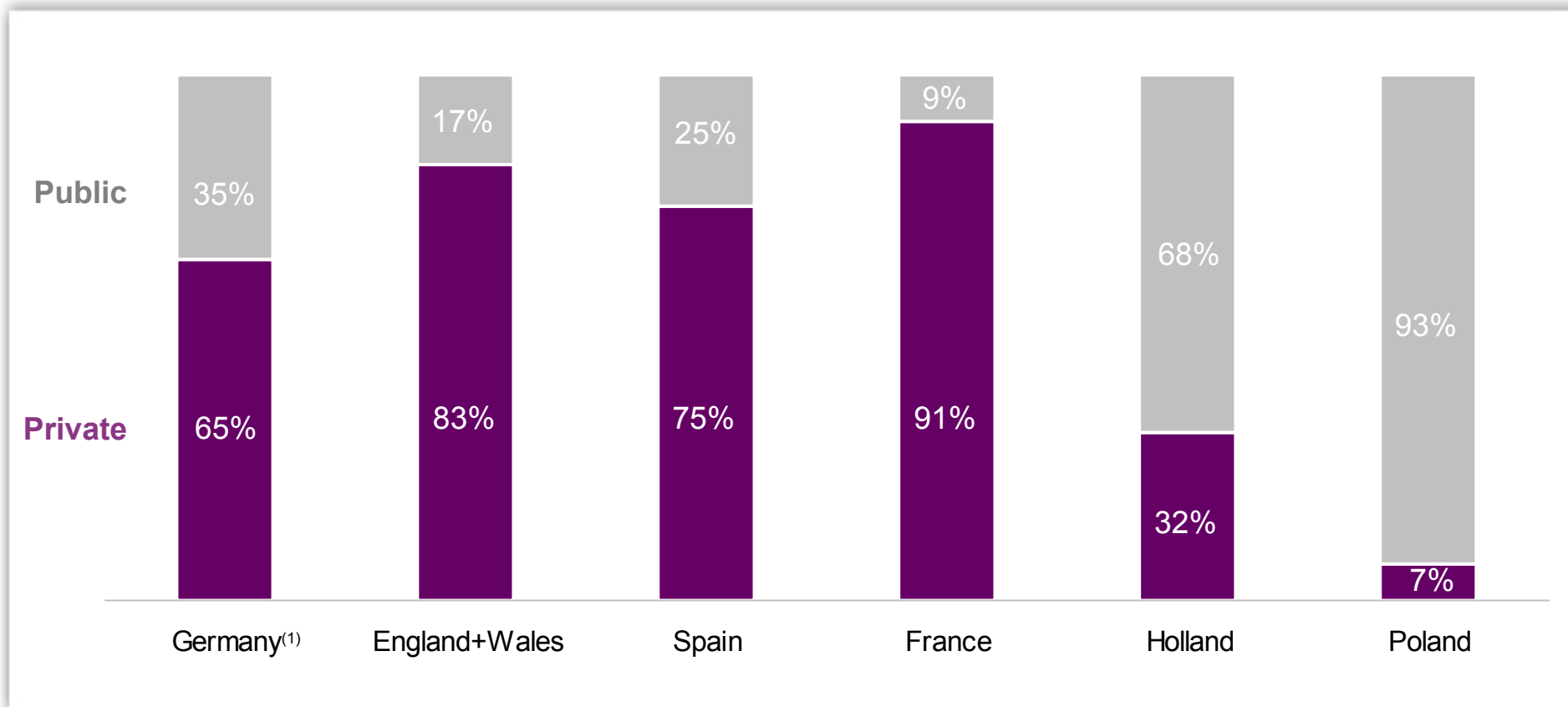
€/ton



Source: REVIPAP

# PUBLIC-PRIVATE WASTE MARKET SHARES

## MUNICIPAL SOLID WASTE VOLUMES TREATED IN 2010



# INTERNATIONAL: MAIN FY 2011 CONTRACTS

## NEW CONTRACTS

- **DEGRÉMONT**
  - Adelaïde (Australia, €420m, 10+6y, O&M)
  - Achères (€110m, 5y)
  - Prague (€67m, 1y)
  - Montes del Plata (Uruguay, €43m, DB)
  - Doha West (Qatar, €35m, 10y, DB)
  - Shenzhen (China, €19m, DB)
  - Galindo (Spain, €15m, DB)
  - Gijon (Spain, €15m, DB)
  - Dar Es Salam (Tanzania, €14m, DB)
  - Eldorado (Brazil, €10m, DB)
- **AUSTRALIA**
  - Bunnings (€15m, 3y)
- **CEMME**
  - Mohammedia (Morocco, €21m, 7y)
  - Safi (Morocco, €20m, 7y)
- **NORTH AMERICA**
  - Pontiac (USA, €28m, 5y)

## ACQUISITIONS

- **SITA AUSTRALIA**
  - WSN Environmental Solutions (Feb. 2011)
- **SITA POLAND**
  - PRSP (Sept. 2011)

## RENEWALS

- **ALGERIA**
  - Algiers (€105m, 5y)
- **DEGRÉMONT**
  - Nice Haliotis (France, €100m, 10y, O&M)
- **ASIA-PACIFIC**
  - Macau SAR (€392m, 15y)
- **CEMME**
  - Warsaw (Poland, €12m, 3y)

## 2011 RATE CASES IN THE USA

Utility	Date for new rates	% growth
New Jersey	December 2011	c. 10%
Sewer Services	July 2011	c. 11%
Connecticut	April 2011	c. 21%
Delaware	February 2011	c. 7%
New Rochelle	November 2010	c. 34%
New Jersey	August 2010	c. 8%
New York	August 2010	c. 33%



# MELBOURNE DESAL. 2010 AND 2011 IMPACTS


	FY 2010	H1 2011	H2 2011	FY 2011	11/10 Δ
REVENUE	355	233	21	254	(101)
EBITDA	17	(52)	(101)	(153)	(170)
EBIT	17	(52)	(210)	(262)	(279)
NET RESULT Group share	17	(52)	(185)	(237)	(254)
FCF	17	(52)	(101)	(153)	(170)



## APPENDICES

Sustainable development & Innovation



 **2011 FULL YEAR RESULTS**  
February 8, 2012

# SUSTAINABLE DEVELOPMENT: 2012 OBJECTIVES

- **CONSERVE RESOURCES AND ENGAGE IN THE "CIRCULAR ECONOMY"**

Raise the global recovery rate of household and non-hazardous industrial waste to 36%

Save the equivalent of the consumption of a French town of 700,000 inhabitants within four years

## 2011 PERFORMANCE



- **INNOVATE TO RESPOND TO ENVIRONMENTAL CHALLENGES**

95% of the waste sent to landfills equipped with biogas collection and treatment systems

Improve energy efficiency by 5% vs. 2008

Increase the production of renewable energy by 10% vs. 2008

100% of sensitive sites to have implemented a biodiversity action plan



# SUSTAINABLE DEVELOPMENT: 2012 OBJECTIVES

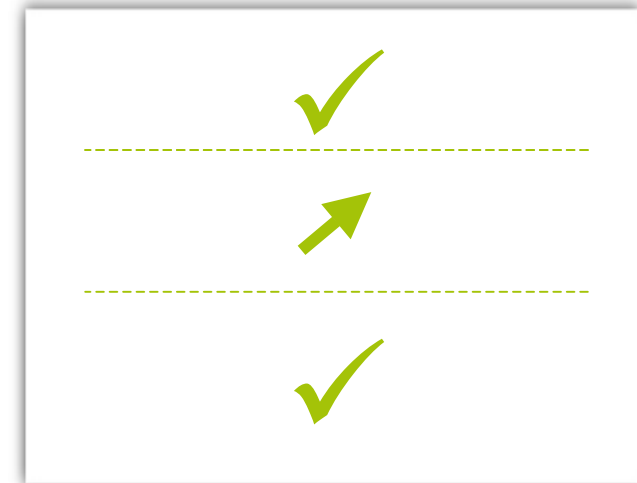
- **EMPOWER OUR EMPLOYEES AS ACTORS OF SUSTAINABLE DEVELOPMENT**

Maintain the effort to provide an average of 15 hours of annual training per employee

Reduce the frequency rate of workplace accidents < 14

Increase the proportion of women in the workforce to 20% and women in management to 26% (in the Group)

## 2011 PERFORMANCE



- **BUILD OUR DEVELOPMENT WITH ALL STAKEHOLDERS**

Generalize the dialogue with the stakeholders of our operating subsidiaries

Be a key actor of local sustainable development

Obtain a statement of reasonable assurance on all verified environmental and social indicators

## WATER HEALTH CONTRACT

“LA MAISON POUR REBONDIR”

## FTSE4GOOD INDEX

in addition of other indices

# RESEARCH & INNOVATION: €74M IN 2011

## ACCELERATED & OPEN INNOVATION

- **WORLDWIDE NETWORK OF R&D AND INNOVATION**
  - Combine constant innovation with the development of new technologies
  - Anticipate new regulatory constraints
  - Blue Orange investment fund to accelerate the development of innovative solutions

## INDUSTRIAL PERFORMANCE

- **STANDARDIZE INDUSTRIAL APPROACH & PROCESSES**
  - Leverage R&D and performance in local operations
  - Constantly improve operational skills, productivity and margins
  - Guarantee quality of operation, controlling health and environmental risks

## CO-CONCEPTION


- **INNOVATE WITH OUR CLIENTS**
  - Partnership with our clients to conceive innovative solutions
  - Worldwide technology transfer
  - Innovate in our proposal for recycling, recovery & new services



## APPENDICES

Financial indicators



 **2011 FULL YEAR RESULTS**  
February 8, 2012

# IMPACT OF CURRENCIES EVOLUTION

1 EUR =	USD	GBP	AUD	CLP
FY 2011 average rate	1.39	0.87	1.35	672.32
FY 2010 average rate	1.33	0.86	1.44	676.13
Closing rate at 31/12/2011	1.29	0.84	1.27	674.71
Closing rate at 31/12/2010	1.34	0.86	1.31	625.39

€m	FY 2011	O/w Forex	O/w USD	O/w GBP	O/w AUD	O/w CLP
Revenue	14,830	(1)	(34)	(11)	56	3
EBITDA	2,513	(5)	(7)	(1)	5	0
Net Financial Debt	7,557	82	67	9	15	(43)

# REVENUE BY DIVISION

— In €m —

	FY 2010	FY 2011	11/10 Δ	Organic Δ
<b>WATER EUROPE</b>	<b>4,124</b>	<b>4,206</b>	<b>2%</b>	<b>2.9%</b>
Lyonnaise des Eaux <sup>(1)</sup>	2,193	2,265	3.3%	3.3%
AGBAR	1,931	1,940	0.5%	2.4%
<b>WASTE EUROPE</b>	<b>5,863</b>	<b>6,417</b>	<b>9.4%</b>	<b>9.0%</b>
SITA France	3,257	3,599	10.5%	9.8%
SITA UK/Scandinavia	1,126	1,210	7.5%	7.0%
SITA Benelux/Germany	1,481	1,608	8.6%	8.6%
<b>INTERNATIONAL</b>	<b>3,868</b>	<b>4,197</b>	<b>8.5%</b>	<b>1.6%</b>
Degrémont <sup>(4)</sup>	1,644	1,584	-3.7%	-5.0%
North America	620	655	5.6%	6.8%
Asia-Pacific	781	1,099	40.7%	10%
CEMME <sup>(2)</sup>	823	860	4.5%	2.8%
OTHER <sup>(3)</sup>	15	10	-31.5%	-31.5%
<b>TOTAL</b>	<b>13,869</b>	<b>14,830</b>	<b>6.9%</b>	<b>5.0%</b>

(1) Including Lyonnaise des Eaux France, Eurawasser, Safege, Italy

(2) Central Europe, Mediterranean and Middle East

(3) R&I Alliance, HQ.

(4) OIS classified in International division since 01-01-2011

# REVENUE BY GEOGRAPHIES

— In €m —

	FY 2010	FY 2011	% in 2011	11/10 Δ
<b>EUROPE</b>	<b>10,104</b>	<b>10,528</b>	<b>71%</b>	<b>+4.2%</b>
France	5,082	5,345	36%	+5.2%
Spain	1,592	1,493	10.1%	-6.2%
United Kingdom	903	920	6.2%	+1.9%
Other Europe	2,528	2,770	18.7%	+9.6%
North America	829	868	5.9%	+4.7%
Australia	786	1,006	6.8%	+27.9%
<b>SUB TOTAL</b>	<b>11,719</b>	<b>12,401</b>	<b>83.6%</b>	<b>+5.8%</b>
Rest of the world	2,150	2,428	16.4%	+13%
<b>TOTAL</b>	<b>13,869</b>	<b>14,830</b>	<b>100.0%</b>	<b>+6.9%</b>

# REVENUE SCOPE EFFECT BY DIVISION

— In €m —

	First time consolidation	Disposal	Total Scope
WATER EUROPE	374	(412)	(39)
WASTE EUROPE	30	-	30
INTERNATIONAL	270	-	270
<b>TOTAL</b>	<b>673</b>	<b>(412)</b>	<b>261</b>

# SPLIT OF REVENUE GROWTH BY DIVISION

— In €m —

	FY 2010	FY 2011	11/10 $\Delta$	Organic $\Delta$	Scope $\Delta$	At constant Forex $\Delta$
WATER EUROPE	4,124	4,206	+2.0%	+2.9%	-0.9%	+1.9%
WASTE EUROPE	5,863	6,417	+9.4%	+9.0%	+0.5%	+9.5%
INTERNATIONAL	3,868	4,197	+8.5%	+1.6%	+7.0%	+8.5%
Other	15	10	-31.5%	-31.5%	0.0%	-31.5%
<b>TOTAL</b>	<b>13,869</b>	<b>14,830</b>	<b>+6.9%</b>	<b>+5.0%</b>	<b>+1.9%</b>	<b>+6.9%</b>

# EBITDA BY DIVISION

— In €m —

	FY 2010	FY 2011	11/10 Δ	Organic Δ	Scope Δ	At constant Forex Δ
WATER EUROPE	1,038	1,212	+16.8%	+9.8%	+6.9%	+16.7%
WASTE EUROPE	839	881	+5.0%	+6.5%	-1.7%	+4.9%
INTERNATIONAL	556	471	-15.2%	-17.4%	+3.5%	-13.9%
Other <sup>(1)</sup>	(93)	(51)	-44.9%	-12.4%	-32.5%	-44.9%
<b>TOTAL</b>	<b>2,339</b>	<b>2,513</b>	<b>+7.4%</b>	<b>+3.0%</b>	<b>+4.6%</b>	<b>+7.6%</b>

(1) R&I Alliance, HQ.

# FROM EBITDA TO COI BY DIVISION

<i>— In €m —</i>	Water Europe	Waste Europe	Inter- national	Other	TOTAL FY 2011
<b>EBITDA</b>	<b>1,212</b>	<b>881</b>	<b>471</b>	<b>(51)</b>	<b>2,513</b>
Amortization	(378)	(469)	(187)	(4)	(1,039)
Net provisions & depreciation	(25)	13	(126)	(3)	(140)
Net concession renewal expenses	(201)	(37)	(28)	-	(265)
Employees compensation plans in shares <sup>(1)</sup>	-	-	-	(29)	(29)
<b>CURRENT OPERATING INCOME</b>	<b>608</b>	<b>388</b>	<b>131</b>	<b>(87)</b>	<b>1,039</b>

	Water Europe	Waste Europe	Inter- national	Other	TOTAL FY 2010
<b>EBITDA</b>	<b>1,038</b>	<b>839</b>	<b>556</b>	<b>(93)</b>	<b>2,339</b>
Depreciation & amortization	(343)	(459)	(170)	(3)	(975)
Net provisions	(15)	8	(41)	(4)	(52)
Net concession renewal expenses	(190)	(39)	(23)	-	(252)
Employees compensation plans in shares <sup>(1)</sup>	-	-	-	(36)	(36)
<b>CURRENT OPERATING INCOME</b>	<b>490</b>	<b>349</b>	<b>322</b>	<b>(136)</b>	<b>1,025</b>

# CURRENT OPERATING INCOME (COI) BY DIVISION

— In €m —

	FY 2010	FY 2011	11/10 $\Delta$	Organic $\Delta$	Scope $\Delta$	At constant Forex $\Delta$
WATER EUROPE	490	608	+24.1%	+17.0%	+6.9%	+24.0%
WASTE EUROPE	349	388	+11.2%	+15.3%	-4.2%	+11.1%
INTERNATIONAL	322	131	-59.3%	-61.4%	+3.4%	-58.0%
Other	(136)	(87)	-35.6%	-13.3%	-22.3%	-35.6%
<b>TOTAL</b>	<b>1,025</b>	<b>1,039</b>	<b>+1.4%</b>	<b>-4.2%</b>	<b>+5.9%</b>	<b>+1.7%</b>

# MINORITY INTEREST

— In €m —

	FY 2010	FY 2011
WATER EUROPE	115	174
<i>Of which AGBAR</i>	36	173
WASTE EUROPE	15	26
INTERNATIONAL	26	27
<b>TOTAL</b>	<b>155</b>	<b>227</b>

# EARNING PER SHARE

— In €m —

	FY 2010	FY 2011
NET RESULT GROUP SHARE	565	323
Hybrid coupon	(7)	(24)
<b>ADJUSTED NET RESULT GROUP SHARE</b>	<b>558</b>	<b>299</b>
AVERAGE SHARES OUTSTANDING	487	489
Scrip dividend paid on June 27 <sup>th</sup> , 2011		9.8
<b>ADJUSTED AVERAGE SHARE OUTSTANDING</b>		<b>499</b>
<b>EARNING PER SHARE (in €)</b>	<b>1.15</b>	<b>0.60</b>

# FROM EBITDA TO OPERATING CASH FLOW

— In €m —

	FY 2010	FY 2011	11/10 Δ
<b>EBITDA</b>	<b>2,339</b>	<b>2,513</b>	<b>+7.4%</b>
Net disbursements under concession contracts	(252)	(265)	+5.2%
Depreciation of current assets	(58)	(42)	-27.6%
Restructuring	(80)	(72)	-10.0%
Dividends from associates	44	32	-27.3%
Provision for employee benefit and other	(17)	(35)	+105.9%
<b>OPERATING CASH FLOW</b>	<b>1,977</b>	<b>2,130</b>	<b>+7.7%</b>

# NET INVESTMENTS BY NATURE & DIVISION

— In €m —

<b>FY 2011</b>	<b>Maintenance investments</b>	<b>Development investments</b>	<b>Disposal</b>	<b>Total Net investments</b>
Water Europe	(278)	(337)	181	(434)
Waste Europe	(331)	(213)	13	(531)
International	(136)	(367)	53	(451)
Other	(7)	(4)	12	2
<b>TOTAL FY 2011</b>	<b>(752)</b>	<b>(920)</b>	<b>258</b>	<b>(1,414)</b>

<b>FY 2010</b>	<b>Maintenance investments</b>	<b>Development investments</b>	<b>Disposal</b>	<b>Total Net investments</b>
Water Europe	(269)	(1,189)	461	(997)
Waste Europe	(284)	(227)	171	(340)
International	(125)	(148)	1	(273)
Other	(9)	(27)	(1)	(38)
<b>TOTAL FY 2010</b>	<b>(689)</b>	<b>(1,591)</b>	<b>632</b>	<b>(1,647)</b>

# FREE CASH FLOW

— In €m —

	FY 2010	FY 2011
<b>OPERATING CASH FLOW</b>	<b>1,977</b>	<b>2,130</b>
Maintenance Capex	(689)	(752)
Change in Working Capital	269	(65)
Cash Tax Expenses	(356)	(163)
Financial Interests Paid	(378)	(333)
Financial Interests Received	5	9
Dividends Received on Fixed Financial Assets	24	34
<b>FREE CASH FLOW</b>	<b>852</b>	<b>860</b>

# CASH FLOW GENERATION

— In €m —

	Water Europe	Waste Europe	Interna- tional	Others	FY 2011
Operating Cash Flow	959	821	390	(40)	2,130
Net interest paid on investment & financial activities	(84)	(87)	(54)	(65)	(290)
Income tax	(52)	(89)	(86)	64	(163)
Change in Working Capital	(90)	12	2	10	(65)
Maintenance CAPEX	(278)	(331)	(136)	(7)	(752)
<b>FREE CASH FLOW</b>	<b>455</b>	<b>325</b>	<b>117</b>	<b>(37)</b>	<b>860</b>
Development CAPEX	(336)	(213)	(367)	(4)	(920)
Assets disposals	181	13	53	12	258
Dividends to minorities	(133)	(12)	(30)	0	(176)
<b>TOTAL</b>	<b>166</b>	<b>112</b>	<b>(227)</b>	<b>(29)</b>	<b>22</b>
Dividends to shareholders					(69)
Hybrid coupon					(36)
Δ in perimeter and FX / MtM and others on net financial debt					51
<b>CHANGE IN NET FINANCIAL DEBT</b>					<b>(31)</b>

# CHANGE IN SHAREHOLDER EQUITY

— In €m —

	FY 2011
<b>Shareholder Equity at 31/12/2010</b>	<b>6,627</b>
Net result group share	323
Net result minorities	227
Dividend group share	(69)
Dividend minorities	(173)
Forex impact	43
Fair value adjustments and other	(169)
Hybrid issuance	(24)
Other <sup>(1)</sup>	31
<b>Shareholder Equity at 31/12/2011</b>	<b>6,817</b>

# CAPITAL EMPLOYED AT 31/12/10 AND 31/12/11

— In €m —

	As of 31/12/10	As of 31/12/11
Net goodwill	3,128	3,245
Tangible and intangible assets, net	12,634	12,829
Net financial assets	510	460
Investment in associates	443	498
Provisions	(1,656)	(1,835)
Others	(914)	(790)
<b>CAPITAL EMPLOYED</b>	<b>14,145</b>	<b>14,407</b>

	As of 31/12/10	As of 31/12/11
Water Europe	6,551	6,436
Waste Europe	4,268	4,440
International	3,190	3,498
Others	137	33
<b>CAPITAL EMPLOYED</b>	<b>14,145</b>	<b>14,407</b>

# NOPAT, CAPITAL EMPLOYED AND ROCE

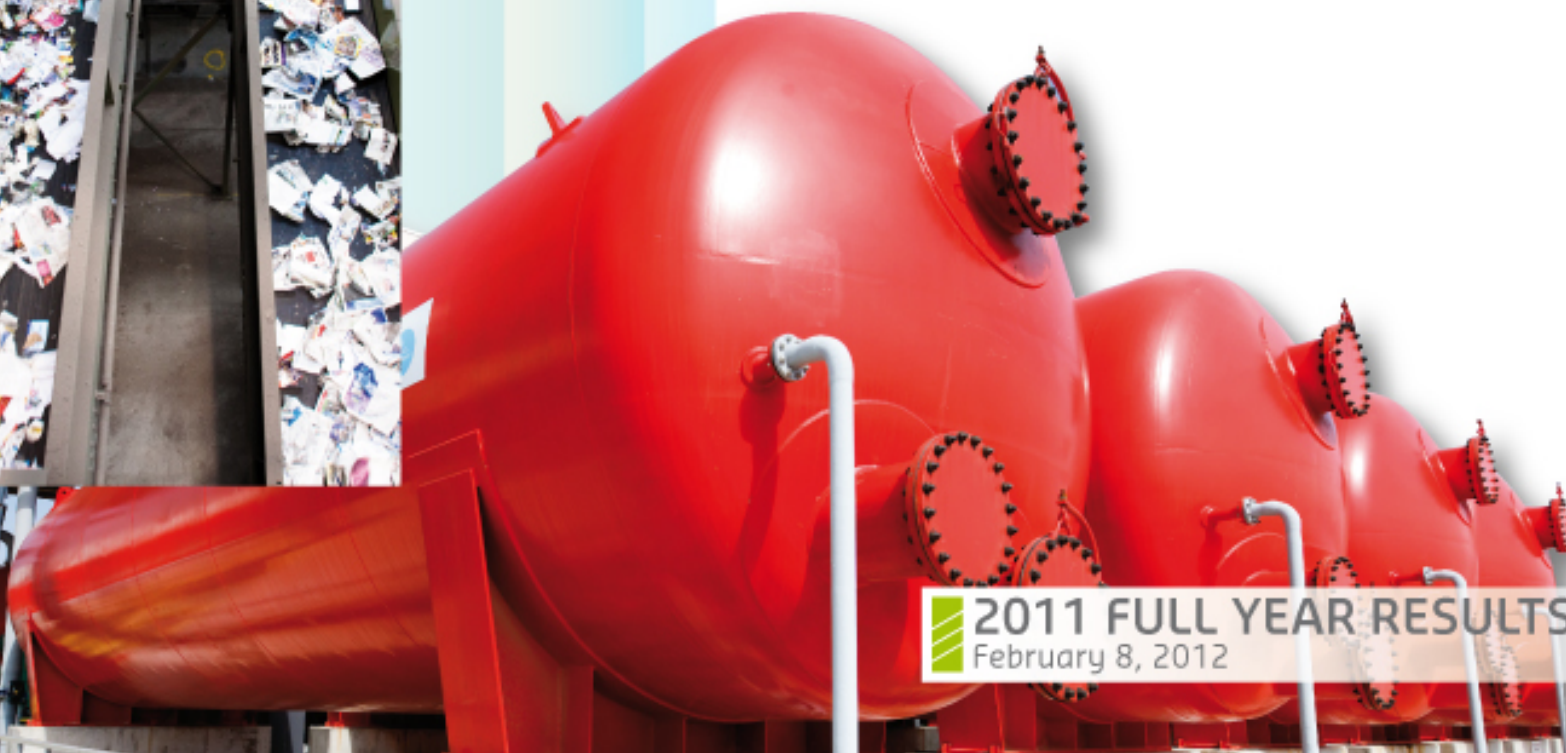
— In €m —


	FY 2010	FY 2011
<b>Current operating income</b>	<b>1,025</b>	<b>1,039</b>
Share in net result from associates	31	37
Dividends	24	35
Interest and income from receivables and current assets	9	14
Other financial income and expenses	(40)	(53)
Income tax expense	(140)	(85)
<b>NOPAT</b>	<b>909</b>	<b>988</b>
Net goodwill	3,070	3,128
Tangible and intangible assets, net	8,724	12,634
Net financial assets	448	510
Investment in associates	323	443
Provisions	(1,389)	(1,656)
Impact of exchange rate fluctuations and material changes in scope	2,134	(254)
Others	(643)	(914)
<b>CAPITAL EMPLOYED</b>	<b>12,666</b>	<b>13,891</b>
<b>RETURN ON CAPITAL EMPLOYED (ROCE)</b>	<b>7.2%</b>	<b>7.1%</b>



## APPENDICES

### Tax & debt



 **2011 FULL YEAR RESULTS**  
February 8, 2012

# TAX POSITION

— In €m —

	FY 2010	FY 2011
Income before tax & share in net income from Associates	808	687
Income Tax	(119)	(174)
<i>o/w Current income tax</i>	(295)	(97)
<i>o/w Deferred income tax</i>	176	(78)
<b>EFFECTIVE TAX RATE</b>	<b>14.7%</b>	<b>25.4%</b>
<b>NORMATIVE TAX RATE</b>	<b>29%</b>	<b>32%</b>

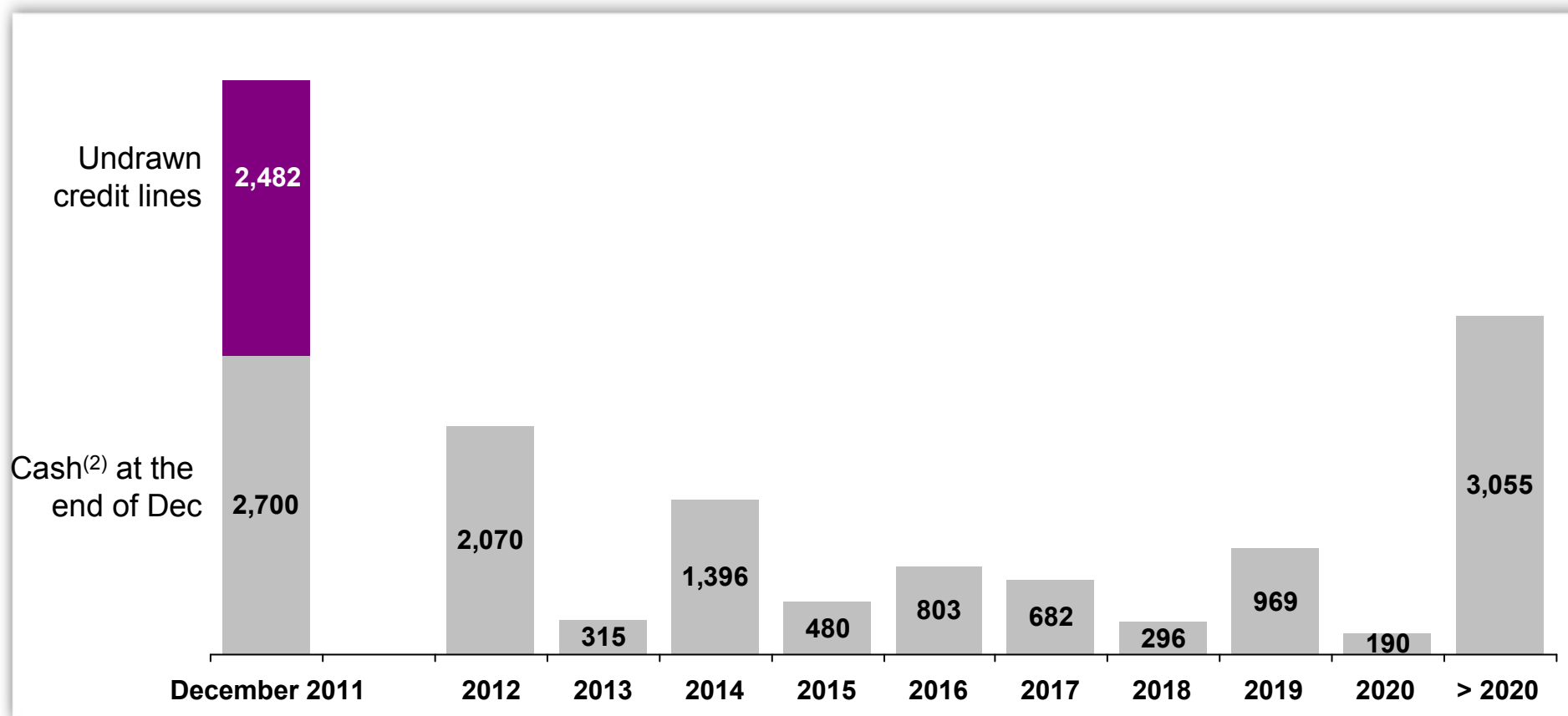
# SUEZ ENVIRONNEMENT BONDS

Pricing date	Code ISIN	Maturity date	Duration	Amount	Issue Spread	Coupon Rate
Dec 2, 2011	FR0011158849	Dec 2, 2030	19 years	£250m	260	5.375%
Nov 22, 2011	FR0011149962	Nov 22, 2018	7 years	€100m	90	3.08%
May 12, 2011	FR0011048966	May 17, 2021	10 years	€750m	86	4.078%
June 15, 2010	FR0010913780	June 24, 2022	12 years	€500m	160	4.125%
Oct. 9, 2009	FR0010785436	Oct. 12, 2017	8 years	€150m	108	4.50%
July 8, 2009	FR0010780528	July 22, 2024	15 years	€500m	160	5.50%
May 19, 2009	FR0010765859	June 8, 2017	8 years	€250m	180	5.20%
March 31, 2009	FR0010745976	April 8, 2019	10 years	€800m	300	6.25%
March 31, 2009	FR0010745984	April 8, 2014	5 years	€962m	225	4.875%

# DEBT AND CASH POSITION AT 31/12/2011

— CASH POSITION —

— GROSS DEBT MATURITY PROFILE<sup>(1)</sup> —






## APPENDICES

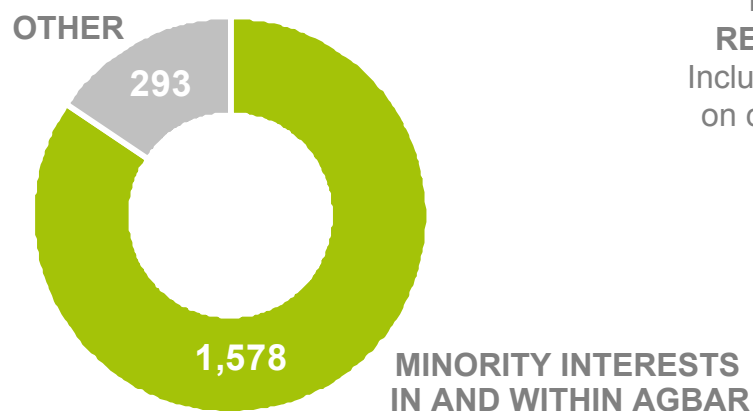
Assets & liabilities overview



 **2011 FULL YEAR RESULTS**  
February 8, 2012

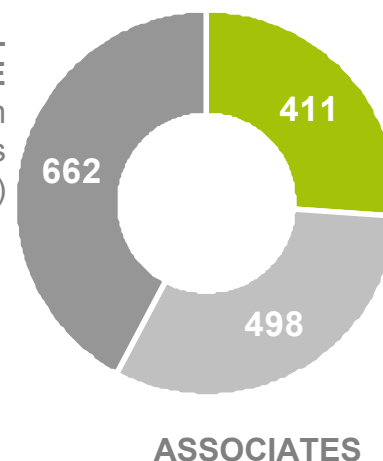
# ASSETS & LIABILITIES OVERVIEW AT 31/12/11

— MINORITIES: €1,871m —



— NON CURRENT FINANCIAL ASSET: €1,571m —

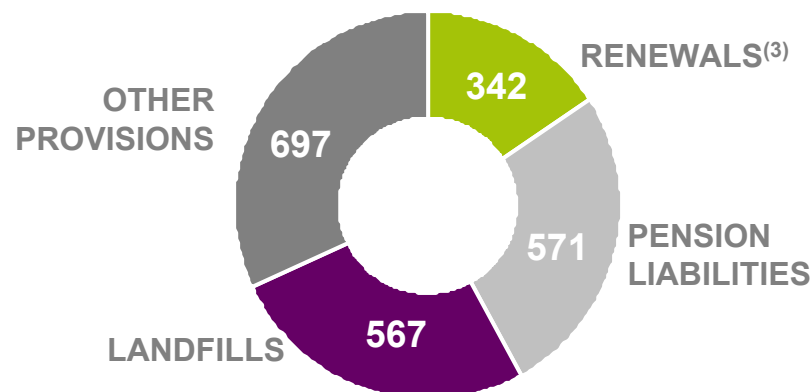
**FINANCIAL RECEIVABLE**  
Including €407m on concessions (IFRIC12)



**NON-CONSOLIDATED FINANCIAL ASSETS**

- ACEA 6.7%<sup>(1)</sup>
- Eyath 5.5%<sup>(1)</sup>
- Aguas de Valencia 33%
- Chongqing Water Group 6.7%

— PROVISIONS<sup>(2)</sup>: €2,177m —



(1) Marked-to-Market

(2) Including €342m of renewals (accounted for in other debt)

(3) These provisions represent the gap between the expenses and the commitments on a linear basis of our concession contracts