



INFORMATION MEETING

2008 Half Year Results

August 28th, 2008



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All forward-looking statements attributable to us are based upon information available to us on the date such statements are made and are expressly qualified in their entirety by the above cautionary statements. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in our expectations with regard thereto or any change in events, risks, outcomes, conditions or circumstances on which any forward-looking statement is based, whether as a result of new information, future events, or otherwise.





Highlights

JEAN-LOUIS CHAUSSADE



H1 2008 highlights

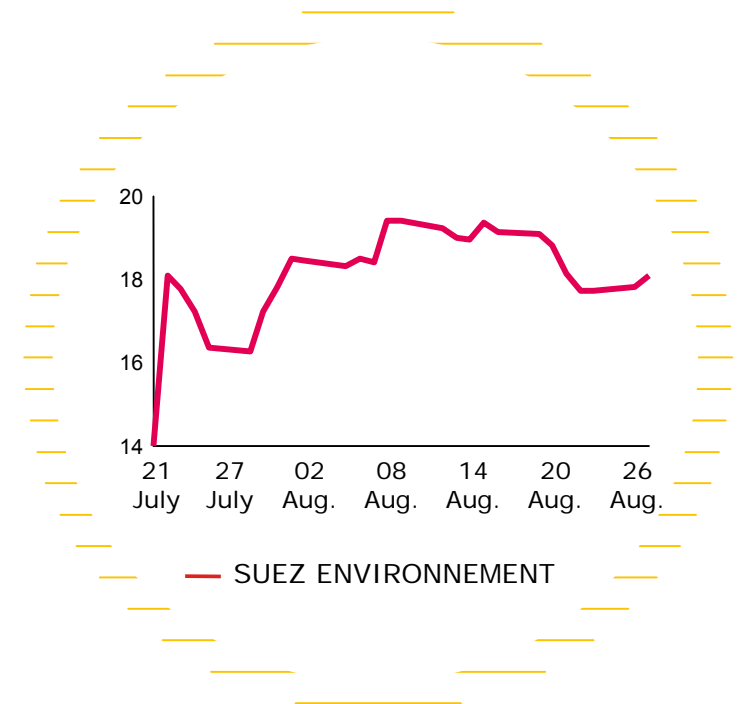
- **Successful listing of SUEZ ENVIRONNEMENT**
- **Solid H1 2008 performance**
- **A solid and profitable growth strategy**
- **All divisions contribute to performance and cash generation**
- **Confirmation of 2008-2010 financial objectives**





Successful listing

- **16 July 2008: SUEZ Shareholders' Meeting approves the spin-off of 65% of SUEZ ENVIRONNEMENT**
- **22 July 2008: Listing of SUEZ ENVIRONNEMENT on Euronext Paris & Brussels**
 - + 29%⁽¹⁾ performance since listing
 - 2 millions of shares traded on average/day through Euronext ⁽²⁾
- **Members of shareholders agreement have increased their stake from 47.16% to 48.04%**



SUEZ ENVIRONNEMENT

- GLOBAL LEADER DEDICATED TO WATER AND WASTE
- €8.8bn MARKET CAPITALIZATION AS OF END OF AUGUST, 2008

(1) Based on August 26, 2008 share price (€18.07)

(2) Excluding first week of trading





Solid H1 2008 performance

GROWTH, PROFITABILITY, CASH FLOW GENERATION

+7.5%⁽¹⁾

REVENUE

- Sustained revenue growth

€6,030m

+5.2%⁽¹⁾

EBITDA

- Continued growth of EBITDA
 - 16.7% EBITDA margin

€1,006m

+18.8%

FCF BEFORE DISPOSALS

- Strong cash flow generation
 - €0.6bn⁽²⁾ of investments
 - Stable net debt: €5.4bn

€275m

€0,41/share
6 months

H1 2008 EPS

- Net income group share
 - Positive tax impact, not included in H1 results, to be accounted in FY results (retroactive as of Jan. 1, 2008)

€201m

RESILIENT TO H1 2008 MACRO-ECONOMIC SLOW DOWN

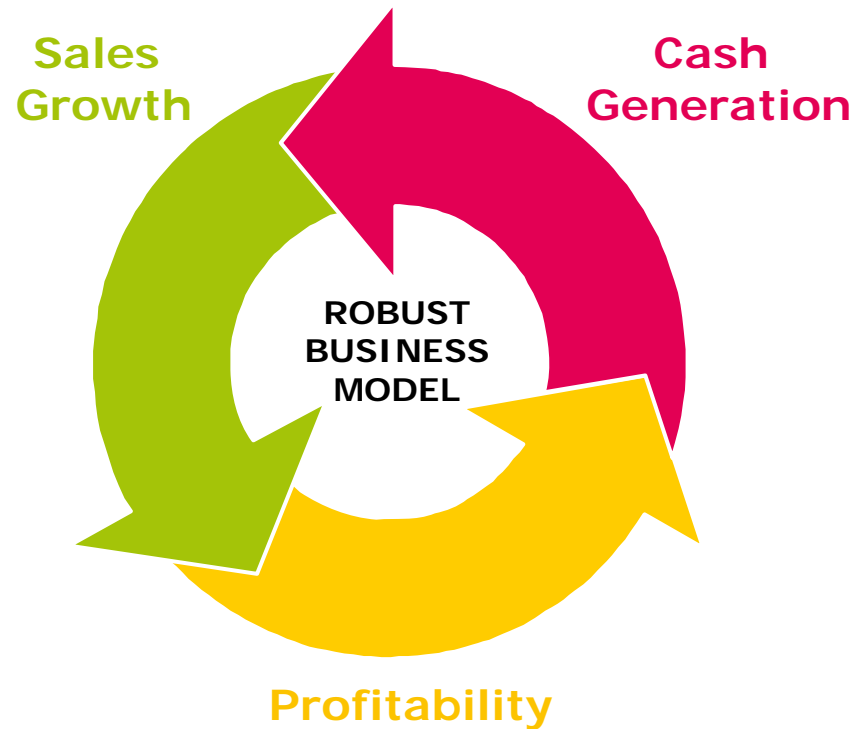
(1) 2007 pro forma, excluding Applus, disposed in Nov 07
(2) Excluding public offer of AGBAR (€708m cash out in 08)





A solid and profitable growth strategy

GLOBAL LEADER WITH A ROBUST BUSINESS MODEL



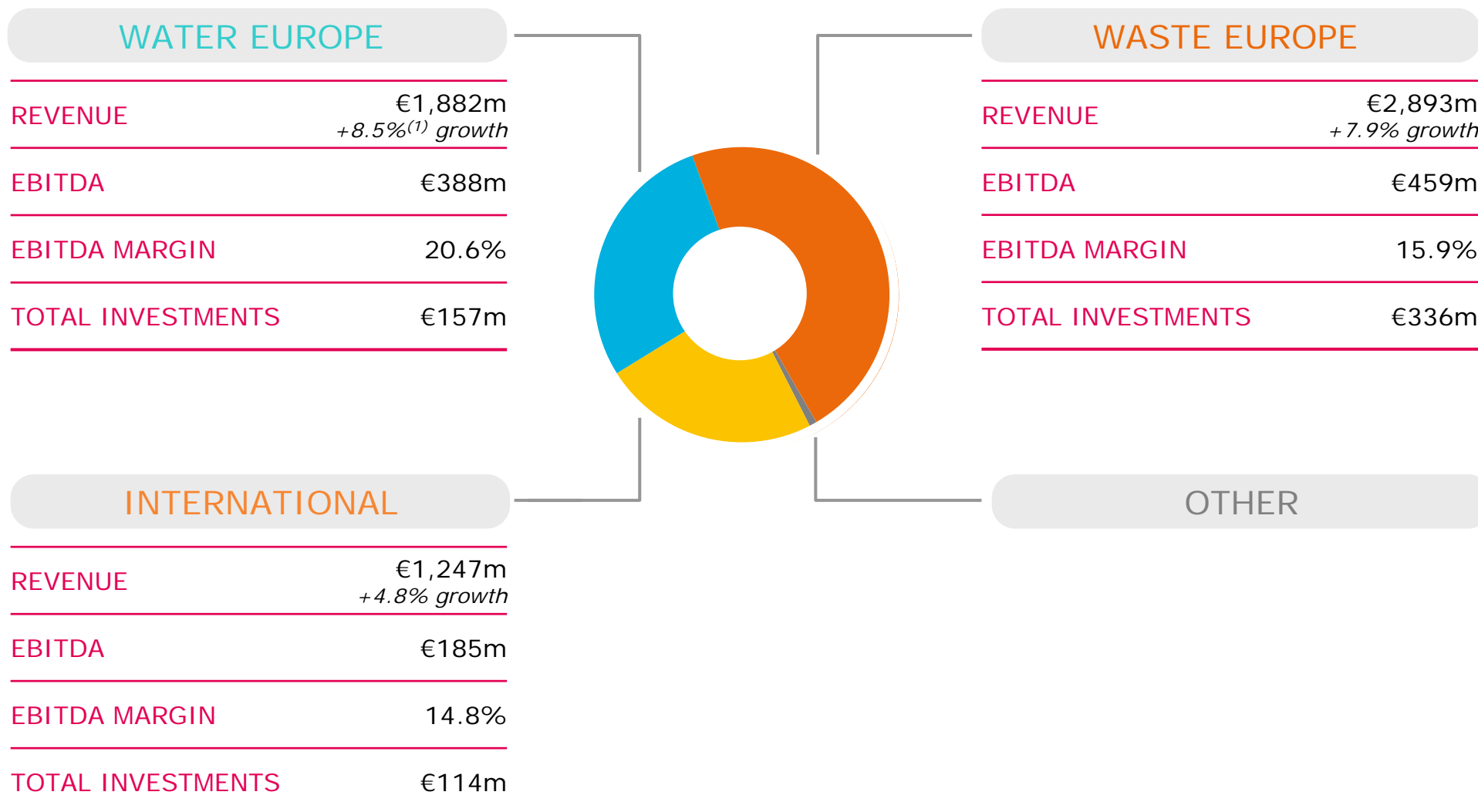
- **Clear priorities**

- Europe: home market with long term growth visibility
- International: selected positions in growing markets
- Local partnerships that support international development
- Sustainable development and technology focus

- **Balanced business mix**

- Mature / growing markets
- Europe / International
- Municipal / industrial & commercial customers
- Non regulated / regulated assets, capital light / capital intensive
- Multicultural employee base with long standing reputation of excellence

All divisions contribute to performance & cash generation



(1) 2007 pro forma, excluding Applus





Water Europe

HIGHLIGHTS AND DEVELOPMENT

- **Strong commercial activity in France, strengthening positions and leadership**
 - New contracts: SIAEP du Bas Languedoc (€68m, 14 y.), Nantes (€50m, 10 y.), Brasseries Kronenbourg Obernai (€14m, 10 y.), SOBEGI Lacq (€16m, OIS) ...
 - Renewals: Grasse (€124m, 20 y.), Durance Ventoux (€56m, 10 y.), Bassin de Thau (€41m, 10 y.), L'Isle sur la Sorgue (€35m, 15 y.) ...
 - Lyonnaise des Eaux awarded 1st French utility company in "client relationship of services" by BearingPoint/TNS Sofres
- **Sustained organic and external growth for AGBAR**
 - Signature of new contracts and renewals such as Mutxamel (€24m, 8y.)
 - Price increases in Spain and Chile
 - Successful public offer on AGBAR (45.9% economic interest)
 - Acquisition of 51% of ESSAL (4th water distribution company in Chile)
- **Development in Italy**
 - Joint Venture signed with ACEA⁽¹⁾ on municipal water activities: €400m managed revenue in major Tuscan cities (Florence, Pisa, Siena, Arezzo, ...)
 - Nuove Acque (Arezzo): award by the Tuscany Region for performance in non revenue water ratio improvement

INCREASED ACTIVITY THROUGH
COMPETITIVE POSITION & COMMERCIAL DYNAMISM

(1) Subject to regulatory approval, 45% stake of SUEZ ENVIRONNEMENT





Water Europe

DYNAMIC ACTIVITY AND OPERATIONAL PERFORMANCE

● Increase of operational performance in France despite decrease of volumes

- +5.0% revenue organic growth, benefiting from price increases and new contracts for both municipal and industrial customers
- Development of new services and construction activities
- On-going efficiency efforts

● Improvement of operational result at AGBAR

- Significant price increases in water in Spain and Chile
- Slight reduction of margins in the healthcare business due to adverse loss ratio

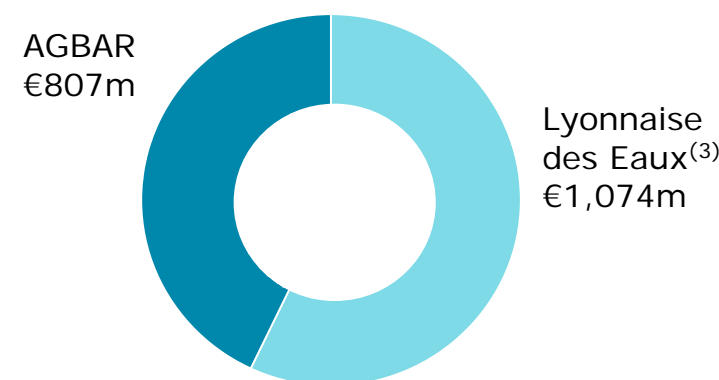
● Investments include

- Wastewater treatment plants (Briançon, Coudekerque, Vallauris) ...

FINANCIALS

in €m	H1 2008
REVENUE	1,882
EBITDA	388
08/07 ⁽¹⁾ Δ at constant FX	+3.4%
% of revenue	20.6%
TOTAL INVESTMENTS⁽²⁾	157

REVENUE BY BUS



(1) 2007 pro forma, excluding Applus

(2) Excluding AGBAR take over of €708m in 2008

(3) Including Lyonnaise des Eaux France, Eurawasser, OIS, Safege





Waste Europe

HIGHLIGHTS AND DEVELOPMENT

- **Increased commercial activity and presence on the value chain, in all geographies**
 - Strong activity in France
 - New contracts: SMEVOM du Charolais (€14m, 9 y.)...
 - Renewals: Airbus (€55m, 5 y.), Rambouillet (€19m, 5 y.), Cambrai (€18m, 5 y.)...
 - Acquisition of Fayolle waste activities in France
 - New contracts in collection & treatment in the rest of Europe
 - Calderdale (€54m, 7 y., UK), Kusel (15 y., Germany), DAF Trucks (€8m, 5 y., Netherlands)...
- **Development in material recovery**
 - Start of operations of Montpellier methanization facility
 - Acquisition of 68.4% of BellandVision
 - Structuring partnerships with industrials: Renault (cars dismantling), Michelin (reindustrialisation of Toul site, tyres recovery), Nexans (cables recycling)

DEVELOPMENT OF KEY PLAYER POSITIONING
AND PRESENCE ON THE WASTE VALUE CHAIN





Waste Europe

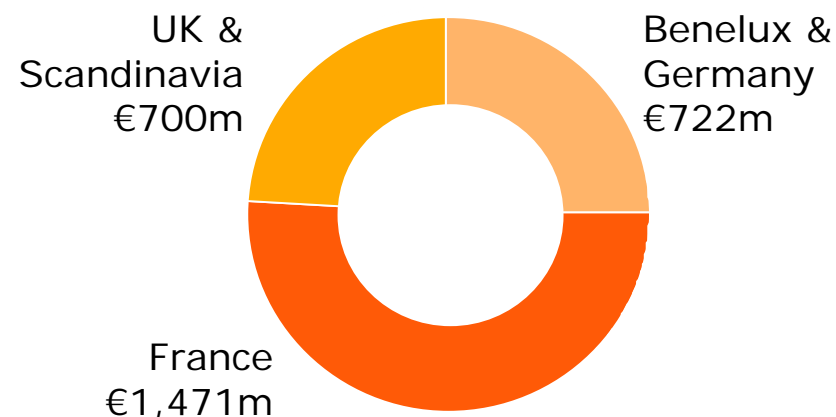
DYNAMIC ACTIVITY AND OPERATIONAL PERFORMANCE

- **High growth in revenue**
 - Including increase in landfill tax and commodity prices
- **Strong performance in treatment activities**
 - General increase of gate fees
 - Higher prices of electricity sold from both incinerators and biogas facilities
 - Full operation of the Sleco incinerator in Antwerp
- **Development of recycling and material recovery activities**
- **High level of investments**
 - Acquisition of 25% of Sita Sverige
 - Acquisition of 68.4% of BellandVision
 - Pursuit of MBT⁽¹⁾ development in France
 - Creation or optimization of sorting facilities (Alençon, Saint Etienne, ...)

FINANCIALS

in €m	H1 2008
REVENUE	2,893
EBITDA	459
<i>08/07 Δ at constant FX</i>	+5.7%
<i>% of revenue</i>	15.9%
TOTAL INVESTMENTS	336

REVENUE BY BUS



(1) Mechanical & Biological Treatment





International

HIGHLIGHTS AND DEVELOPMENT

- **Large number of contracts signed by Degrémont**
 - Engineering: Alexandria East (€99m), Bombay (€59m), Valenton (€77m), Lyon (€60m)...
 - Continuing development of equipment activity (acquisition of WPT from Earth Tech)
- **Increased positioning and performance in the US**
 - Regulated Asset Base (\$1.5bn): dynamic rate case strategy
 - Contract services: acquisition of USC and Naco (from Earth Tech), renewal of Jersey City (€90m, 10 y.) and Gary (€34m, 5 y.)
- **Strong growth in Asia Pacific: +12.6% revenue organic growth**
 - Water: acquisition of 7.5% of Chongqing Water
 - Waste: new contracts in I&C collection (Qantas Flight Catering, €14m, 5 y.), acquisition of CEC's 50% stake in JV in Australia
- **Development in Central Europe, Mediterranean and Middle East**
 - In waste in Central Europe: strong increase in Poland (+28%) and in Czech Republic
 - In Middle East: management contract of Jeddah (€39m, 7 y.), development of new cities with Qatari Diar
 - In Morocco: satisfactory renegotiation of Lydec contract, waste contract in Rabat (€11m, 7 y.)

SUSTAINED GROWTH AND INCREASED PROFITABILITY
THROUGH SELECTIVE DEVELOPMENT





International

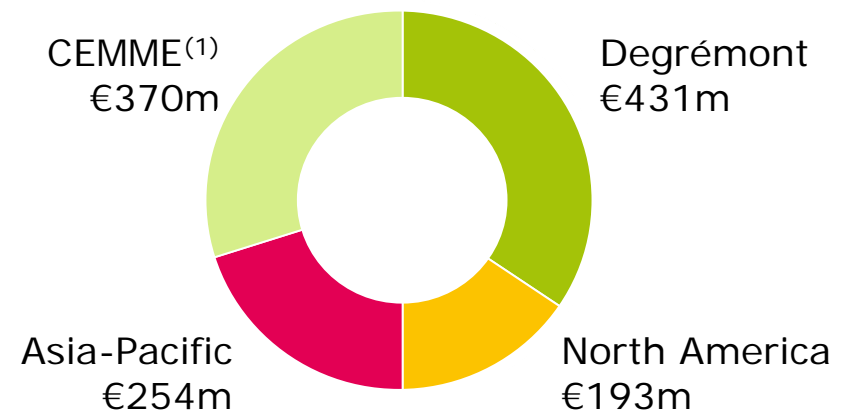
DYNAMIC ACTIVITY AND OPERATIONAL PERFORMANCE

- **Strong improvement of margins due to:**
 - Development of regulated activities with higher margins and contract renegotiations in wastewater in the US
 - Margin improvement for Degrémont (renegotiation in Jordan, satisfactory start Jumeirah Gulf Estate)
 - Completion of Spolana soil remediation contract in Czech Republic
 - Improved volumes and network efficiency for Lydec
- **Investments include**
 - Development capex in the US, in China (Macao Water)
 - Tuck-in acquisitions in Australia

FINANCIALS

in €m	H1 2008
REVENUE	1,247
EBITDA	185
<i>08/07 Δ at constant FX</i>	<i>+23.3%</i>
<i>% of revenue</i>	<i>14.8%</i>
TOTAL INVESTMENTS	114

REVENUE BY BUS



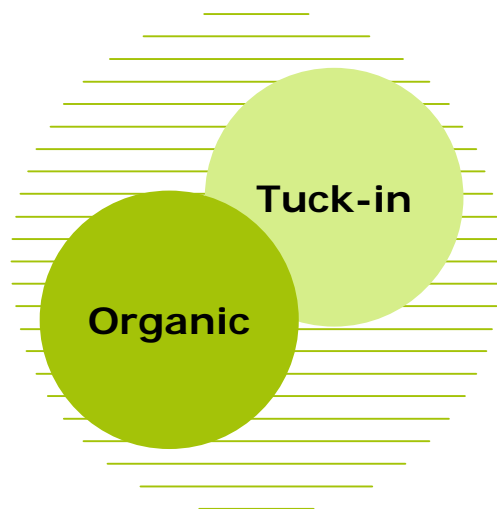
(1) Central Europe, Mediterranean and Middle East



Confirmation of 2008-2010 financial objectives

A SOLID AND PROFITABLE GROWTH STRATEGY

COMMERCIAL
DYNAMISM
EFFICIENCY
IMPROVEMENTS
STRICT FINANCIAL
DISCIPLINE



- Organic growth $\geq 5\%$
Tuck-in acquisitions $\geq 2\%$
- +8% average annual growth of EBITDA in 2009 and 2010
- 2008 EBITDA target: €2.1–2.15bn
- c. €4.5bn⁽¹⁾ of industrial investments over the 2008-2010 period
- Continuing efforts to improve operational performance: Compass program
- €320 million (€0.65/share) of dividend paid in 2009, $\geq +10\%$ annual growth in the next 2 years
- Net debt/EBITDA $<3x$ over 2008-2010⁽²⁾

AN INDUSTRIAL BUSINESS MODEL

- BASED ON ORGANIC GROWTH AND TUCK-IN
- GUIDANCE INDEPENDENT OF STRATEGIC ACQUISITIONS

(1) Excluding strategic acquisitions and offer on AGBAR in 2008

(2) Excluding strategic acquisitions



Financial Results

JEAN-MARC BOURSIER



H1 2008 Financial results

- Sustained revenue growth
- Continued growth of operational performance
- Impact of spin off and IPO costs in H1 2008
- Strong free cash flow generation
- Stable Net Debt
- Confirmation of 2008 financial results



H1 2008 Key Financials

In €m	H1 2007	H1 2008	H1 08/07 Δ
Revenue <i>Organic growth</i>	5,611 ⁽¹⁾	6,030	+ 7.5% + 6.7%
EBITDA <i>Organic growth</i>	956 ⁽¹⁾	1,006	+ 5.2% + 4.8%
Current Operating Income	499 ⁽¹⁾	508	+ 1.7%
Net Result Group share excl. spin off & IPO costs	233	220	- 5.9%
Net Result Group share	233	201	- 14.0%
Free Cash Flow before disposals	232	275	+ 18.8%
Total investments	794	613 ⁽²⁾	- 22.8%
Net financial debt at June 30, 2008 and Dec. 31, 2007 <i>Net debt / EBITDA⁽³⁾</i>	5,387 2.67x ⁽¹⁾	5,388 2.60x	–

SOLID H1 RESULTS, 2008 FORECAST CONFIRMED

- (1) Excluding Applus in H1 2007. Including Applus, SUEZ ENVIRONNEMENT revenue: €5,776m ; EBITDA: €979m ; COI: €514m
 (2) Excluding €708m investment in AGBAR
 (3) Based on latest 12 months EBITDA

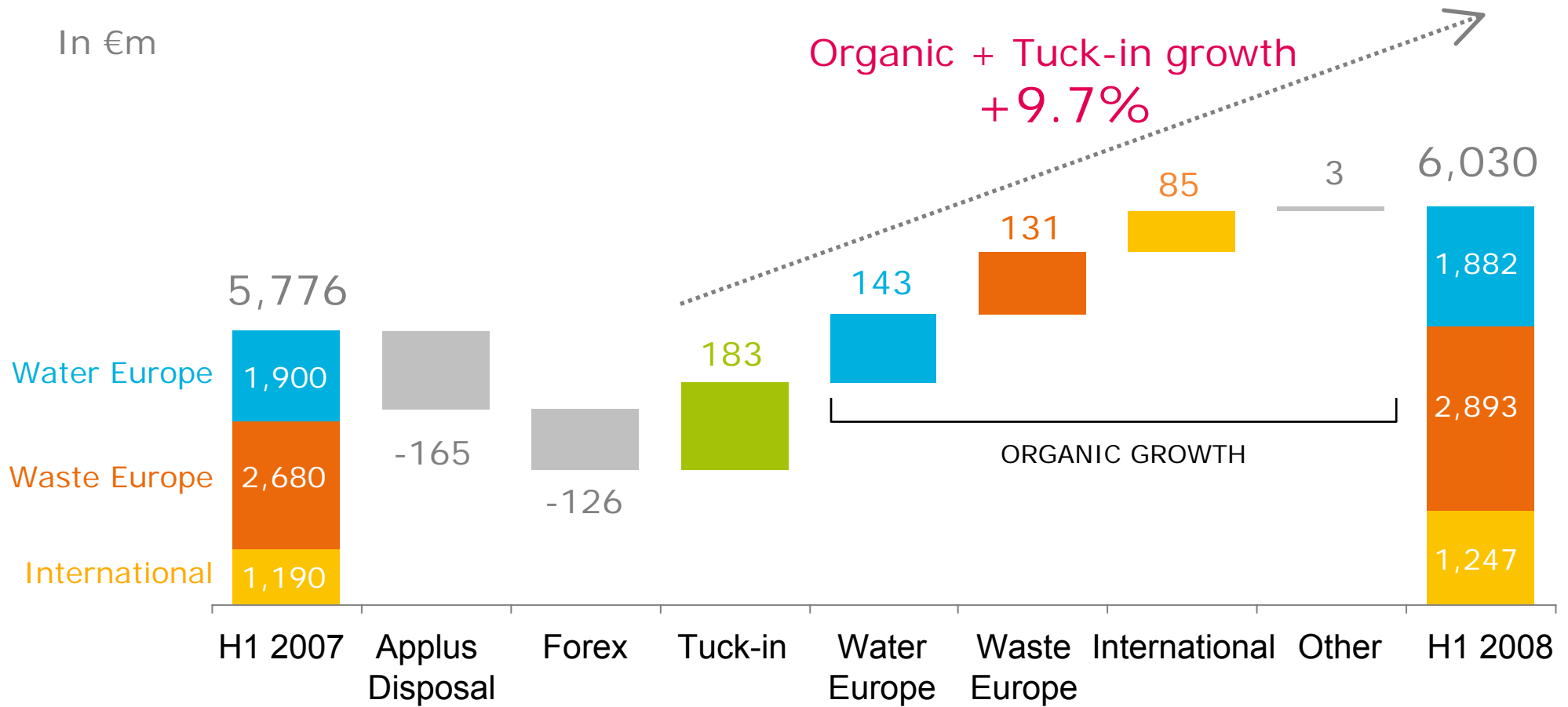


Sustained revenue growth

TOTAL GROWTH +7.5% EXCLUDING APPLUS

In €m

Organic + Tuck-in growth
+9.7%



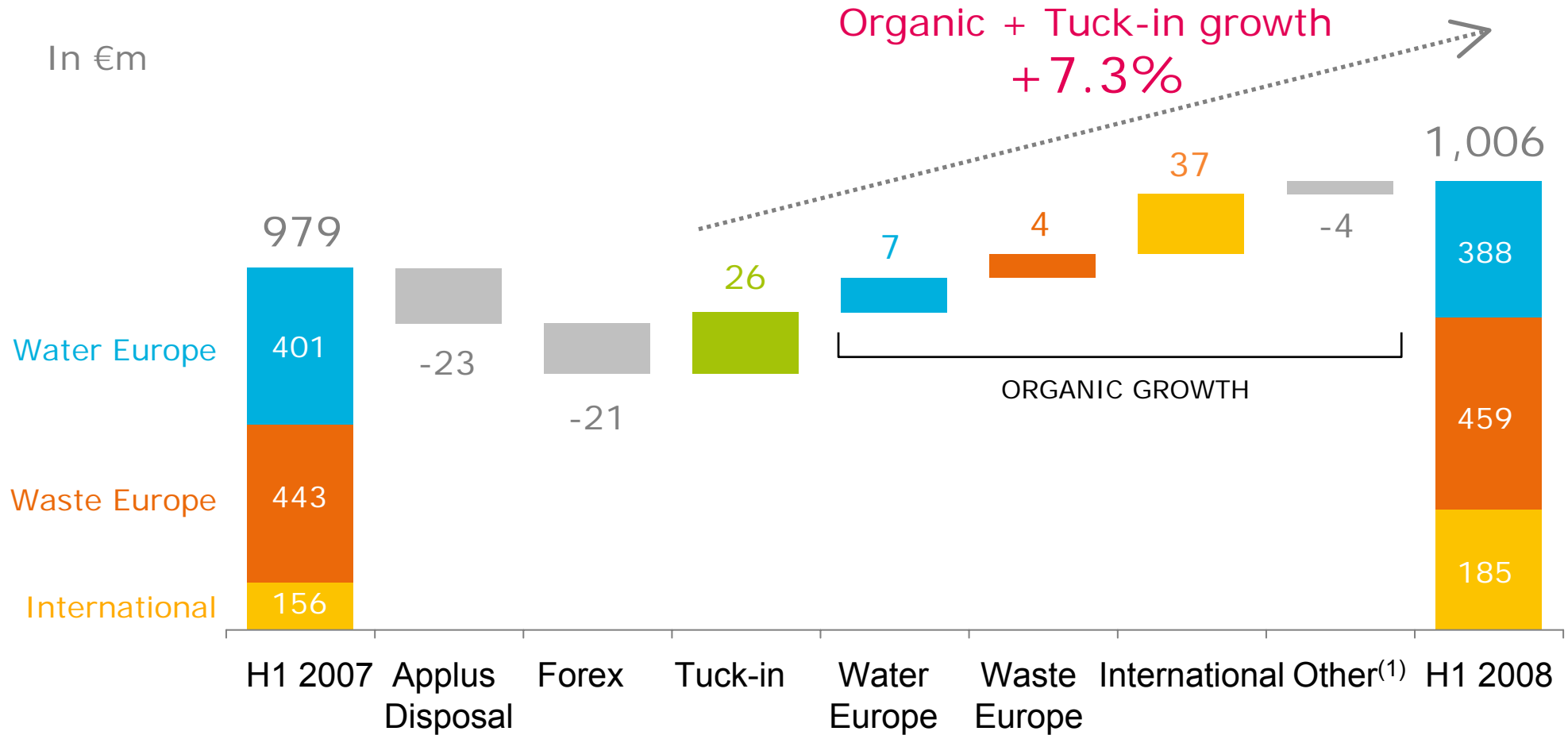
ALL DIVISIONS CONTRIBUTE TO GROWTH



Continued growth of operational performance

TOTAL EBITDA GROWTH +5.2% EXCLUDING APPLUS

In €m



EBITDA MARGIN AT 16.7%

(1) Increase of SG&A at holding company resulting from SUEZ ENVIRONNEMENT new listed status





Continued growth of operational performance

RESILIENT TO H1 2008 MACRO-ECONOMIC SLOW DOWN

- **Forex: negative evolution of all currencies⁽¹⁾ versus Euro**
 - No FX financial exposure but only conversion impact
 - Limited impact on equity value (cash flows and debt in same currency)
 - Equity in foreign subsidiaries partially hedged at parent company level

- **Commodities price increase**
 - Fuel: impact mainly in waste collection, mitigation through contractual hedge and financial hedge ("stop loss/take profit" policy)
 - Other commodities (metal, paper, plastic, wood, ...): positive but limited impact on recycling activities

- **Limited impact of inflation**
 - "Cost plus" based activities
 - Escalation formula, discretionary price revisions

(1) Except Central Europe (PLN and CZK mainly)



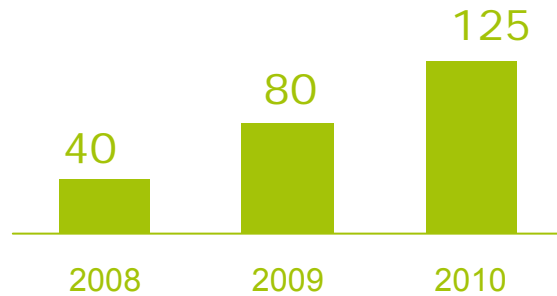


Continued growth of operational performance

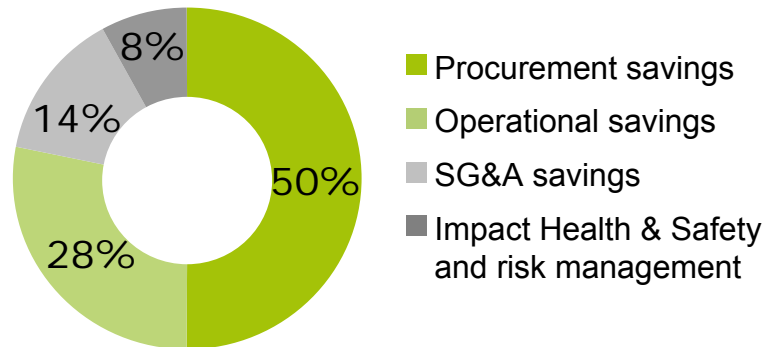
COMPASS PROGRAM: ON-GOING EFFORTS TO IMPROVE OPERATIONAL EFFICIENCY

In €M 2008-2010 targets

€125m of cumulated EBITDA gains expected, vs. 2007



Breakdown of cumulated EBITDA gains expected



- **Appointment of dedicated Compass Manager**
 - Direct report to CFO
- **All business units involved in Compass**
- **Procurement savings (50% expected gains) to benefit from strong purchasing power of GDF SUEZ** (for example in metering and pipes)
- **Specific focus on cross savings**
 - Shared service centers, notably in France
 - Same management for water & waste international activities
- **Ongoing operational efficiency in water in the context of volume decreases**
- **SG&A reduction**
- **Improvement of sustainable development indicators** (non revenue water, Health & Safety...)

UPDATE ON COMPASS PROGRAM AT FULL YEAR 2008 RESULTS





Continued growth of operational performance

FROM EBITDA TO CURRENT OPERATING INCOME

In €m	H1 2007 Excl. Applus	H1 2008	08/07 Δ Excl. Applus
EBITDA	956	1,006	+5.2%
Depreciation & amortization	(379)	(376)	-0.8%
Net provisions	+24	+7	-70.8%
Net disbursements under concession contracts	(93)	(105)	+12.7%
CURRENT OPERATING INCOME before employees compensation plans in shares⁽¹⁾	508	532	+4.7%
Employees compensation plans in shares ⁽¹⁾	(9)	(24)	-
CURRENT OPERATING INCOME	499	508	+1.7%

8.4% CURRENT OPERATING MARGIN

(1) Free shares, ESOP & Stock Options relative to GDF SUEZ global programs



Impact of spin off and IPO costs in H1 2008

FROM CURRENT OPERATING INCOME TO INCOME FROM OPERATING ACTIVITIES

In €m	H1 2007	H1 2008	08/07 Δ
CURRENT OPERATING INCOME excl. Applus in H1 2007	499	508	+1.7%
Assets disposal	25	40 ⁽¹⁾	-
Other	(6)	(11)	-
INCOME FROM OPERATING ACTIVITIES BEFORE SPIN OFF & IPO COSTS <i>Excl. Applus in H1 2007</i>	518	537	+3.7%
<i>Incl. Applus in H1 2007</i>	533	537	-
Spin off & IPO costs	-	(19)	-
INCOME FROM OPERATING ACTIVITIES incl. Applus in H1 2007	533	518	-

(1) Of which €42m relative to sale of SUEZ shares by AGBAR



Impact of spin off and IPO costs in H1 2008

FROM INCOME FROM OPERATING ACTIVITIES TO NET RESULT GROUP SHARE

In €m	H1 2007	H1 2008	
INCOME FROM OPERATING ACTIVITIES excl. spin off & IPO cost	533 ⁽¹⁾	537	
Cost of debt	(114)	(129)	Average cost of gross debt: 5.22%
Other financial result	10	9	
Associates	13	18	
Income tax	(129)	(146)	Positive impact to come in H2 2008
Minority interest	(79)	(69)	
NET RESULT GROUP SHARE excl. spin off & IPO cost	233	220	
Spin off & IPO costs		(19)	
NET RESULT GROUP SHARE	233	201	

IMPACT OF PUBLIC OFFER ON AGBAR ON MINORITY INTEREST AND FINANCIAL RESULT

(1) Including Applus





Impact of spin off & IPO in H1 2008

POSITIVE TAX IMPACT IN FRANCE FOLLOWING SPIN OFF

- **Creation of a French tax group**
 - Annual savings estimated at €40m per annum
 - Applicable as of January 1, 2008 (retroactive)

- **Tax deficits**
 - Estimated €0.5bn of SUEZ deficit as of 31 December 2007 to be allocated to SUEZ ENVIRONNEMENT
 - To be used within a 2 to 3 year period

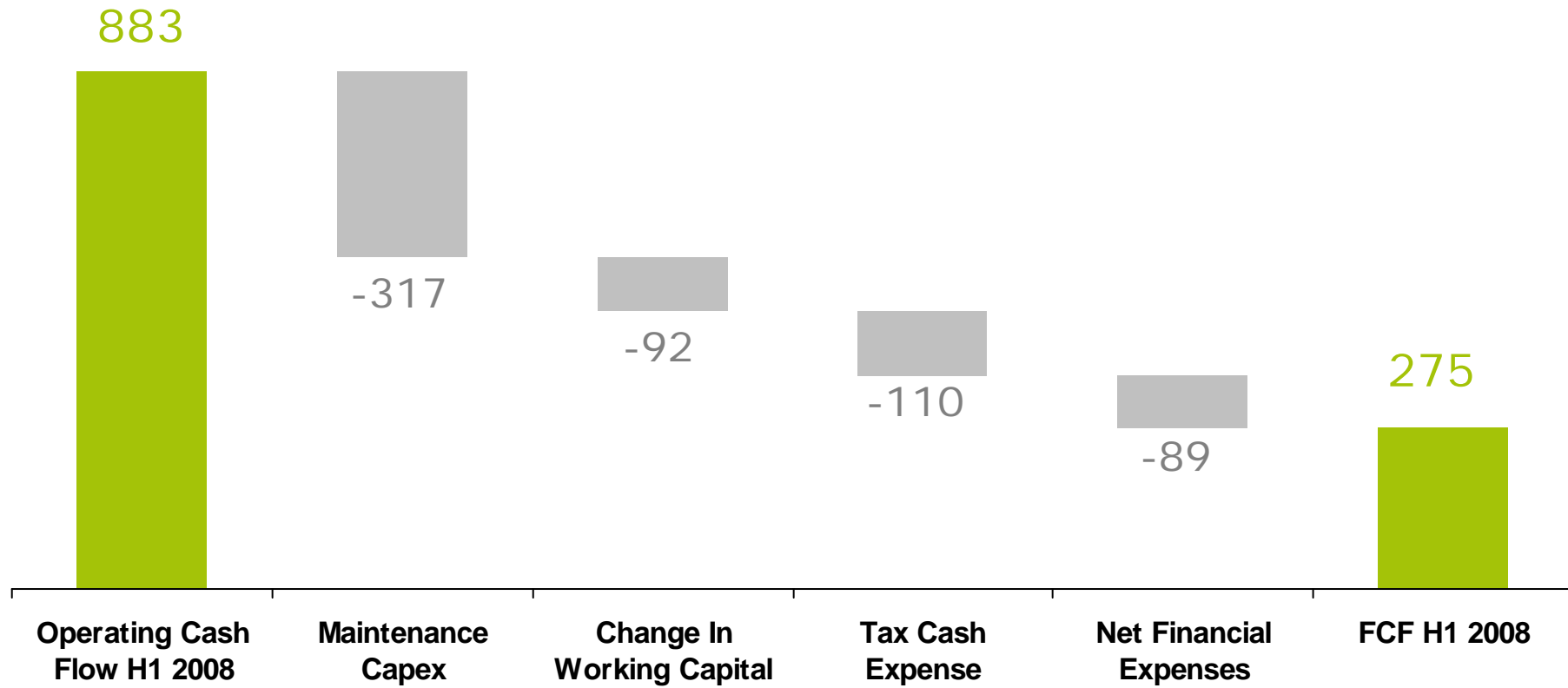
POSITIVE TAX IMPACT FROM THE SPIN OFF APPLICABLE FOR FULL YEAR RESULTS





Strong free cash flow generation

€275m FREE CASH FLOW BEFORE DISPOSALS



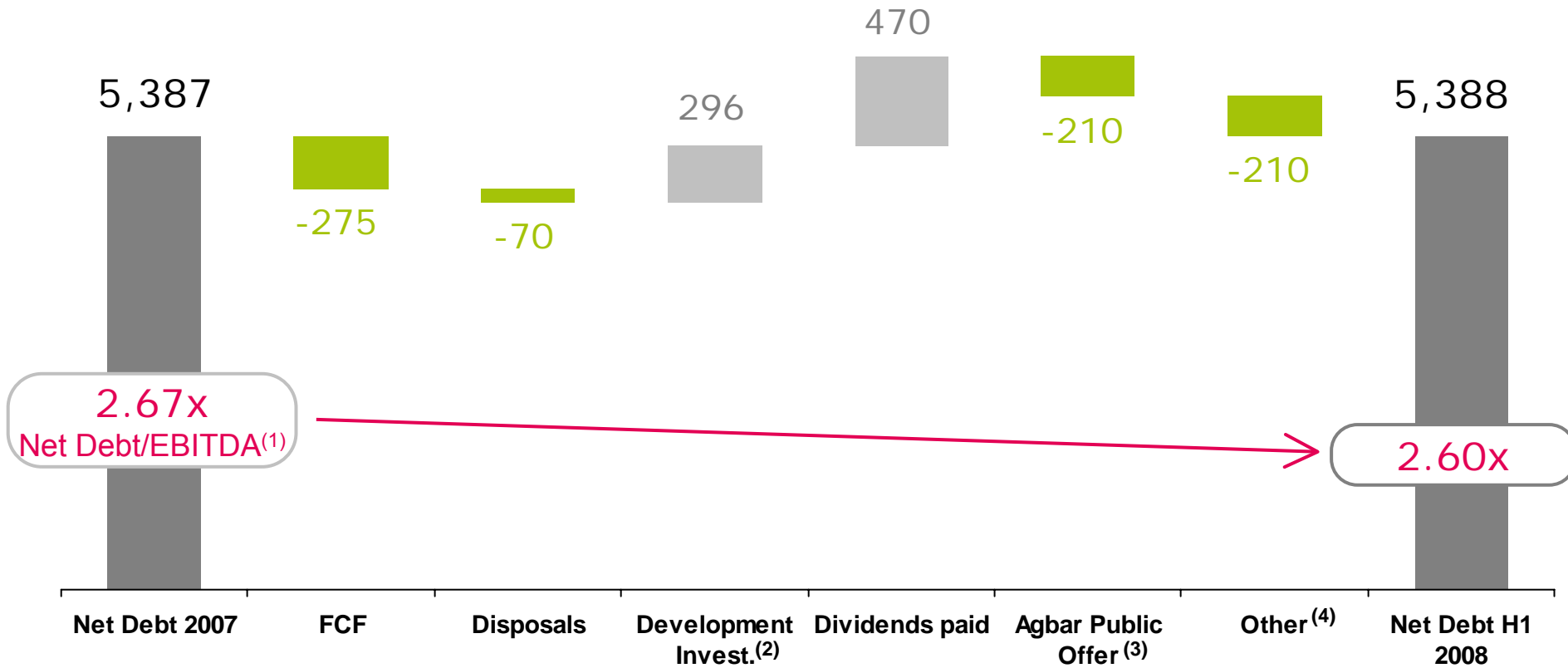
+18.8% INCREASE IN FREE CASH FLOW GENERATION





Stable net debt

IMPROVEMENT OF COVER RATIO



(1) Based on latest 12 months EBITDA

(2) Including development investments for €147m and financial investments for €150m (excluding AGBAR take over)

(3) Final stake in AGBAR at 90% jointly with Criteria vs 100% commitment as of Dec. 07

(4) Of which - €165m FX



Confirmation of 2008 financial objectives

	H1 2008 ⁽¹⁾	FY 2008 OBJECTIVE	
REVENUE	+ 6.7% organic + 9.7% "organic+tuck-in"	≥ +5% organic ≥ +2% "tuck-in"	✓
EBITDA	+ 5.2% €1,006m	+4% to +6.5% ⁽²⁾ €2.1–2.15bn	✓
TOTAL INVESTMENTS ⁽³⁾	€613m	Average €1.5bn p.a. over 2008-2010	✓
NET DEBT/EBITDA ⁽⁴⁾	2.60x	< 3.0x	✓

€320m (€0.65/SHARE) OF DIVIDEND PROPOSED IN 2009

(1) Excluding Applus

(2) Versus €2,021m pro forma 2007

(3) Excluding AGBAR take over of €708m

(4) Based on latest 12 months EBITDA



Conclusion

JEAN-LOUIS CHAUSSADE



Conclusion

- **Solid H1 2008 performance in line with 2008 objectives**

- **Confirmation of 2008-2010 financial objectives**





Appendices



Appendices

TABLE OF CONTENTS

- **Corporate Governance**
- **Summary financial statements**
- **Scope effect (o/w Applus), impact of FX, inflation, fuel**
- **Breakdown of financial indicators**
 - Revenue, EBITDA, Current operating income
 - Investments and cash flow
- **Tax and debt**
- **Assets and Liabilities overview**
- **Business appendices and activity by division**

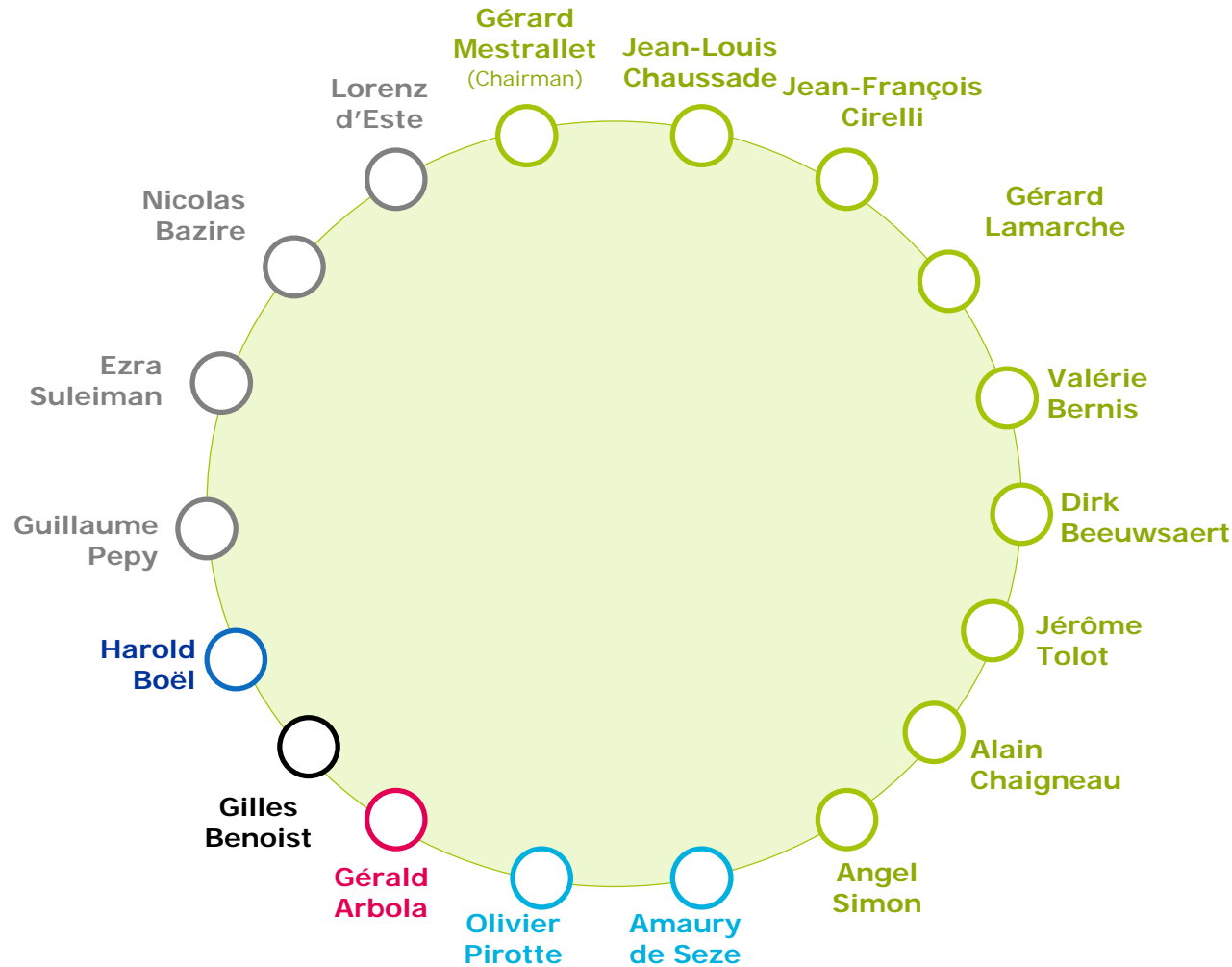




Corporate Governance



Board of Directors



Board member representing GDF SUEZ

Board member representing Areva

Board member representing Sofina

Board member representing GBL

Board member representing CNP

Independent Board members

STRATEGIC COMMITTEE

- Gérard Mestrallet (Chairman)
- Nicolas Bazire
- Gilles Benoist
- Alain Chaigneau
- Gérard Lamarche
- Guillaume Pepy
- Olivier Pirotte

AUDIT & ACCOUNT COMMITTEE

- Ezra Suleiman (Chairman)
- Nicolas Bazire
- Gérard Lamarche
- Guillaume Pepy
- Olivier Pirotte

ETHICS & SUSTAINABLE DEVELOPMENT COMMITTEE

- Guillaume Pepy (Chairman)
- Gérald Arbola
- Lorenz d'Este

APPOINTMENTS & COMPENSATIONS COMMITTEE

- Lorenz d'Este (Chairman)
- Amaury de Sèze
- Ezra Suleiman





Listing

- **22 July 2008: listing of SUEZ ENVIRONNEMENT on Euronext Paris & Brussels**
 - ISIN FR 0010613471
 - Ticker symbol: SEV (Euronext Paris) and SEVB (Euronext Brussels)

- **Allotment rights**
 - ISIN FR 0010614115
 - Ticker symbol: SEVDA (Euronext Paris) and SEVBA (Euronext Brussels)
 - Listed until October 22, 2008, and then transferred to the delisted shares section for a period of 20 months





Shareholding structure

AT AUGUST 20, 2008

	Number of Shares after stabilization period	% after stabilization period	% at listing
GDF SUEZ	173,406,974	35.41%	35.41%
Groupes Bruxelles Lambert	35,001,901	7.15%	6.28%
CDC	9,599,345	1.96%	1.96%
Areva	6,906,750	1.41%	1.41%
CNP Assurances	6,192,238	1.26%	1.26%
Sofina	4,125,000	0.84%	0.84%
TOTAL SHAREHOLDERS AGREEMENT	235,232,208	48.04%	47.16%
Treasury Stocks	203,291	0.04%	-
Public & Employees	254,263,561	51.92%	52.84%
TOTAL	489,699,060	100.00%	100.00%





Summary financial statements



Summary Balance Sheet

ASSETS	31/12/07	H1 2008
NON CURRENT ASSETS	12,733	12,444
o/w goodwill	2,720	2,634
CURRENT ASSETS	6,005	6,306
o/w financial assets at fair value through income	180	85
o/w cash & cash equivalents	1,466	1,482
TOTAL ASSETS	18,738	18,750

LIABILITIES	31/12/07	H1 2008
Equity, group share	3,644	3,519
Minority Interests	613	613
TOTAL EQUITY	4,257	4,132
Provisions	1,296	1,347
Financial Debt	7,073	6,991
Other Liabilities	6,112	6,280
TOTAL LIABILITIES	18,738	18,750

Summary Income Statement

In €m	H1 2007	H1 2007 Excl. Applus	H1 2008
REVENUE	5,776	5,611	6,030
Depreciation, Amortization & Provisions	(362)	(355)	(369)
CURRENT OPERATING INCOME	514	499	508
INCOME FROM OPERATING ACTIVITIES	533	518	518
Financial Result	(104)		(120)
Associates	13		18
Income tax	(129)		(146)
Minority interest	(79)		(69)
NET RESULT GROUP SHARE	233		201
o/w spin off & IPO costs			(19)
NET RESULT GROUP SHARE EXCL. SPIN OFF & IPO COSTS	233		220

Summary Cash Flow Statement

In €m	H1 2007	H1 2008
Gross cash flow before financial loss and income tax	899	883
Income tax paid (excl. income tax paid on disposals)	(179)	(110)
Change in operating working capital	(103)	(92)
CASH FLOW FROM OPERATING ACTIVITIES	617	681
Net tangible and intangible investments	(468)	(464)
Financial investments	(326)	(858) ⁽¹⁾
Disposals and other investment flows	117	77
CASH FLOW FROM INVESTMENT ACTIVITIES	(677)	(1,244)
Dividends paid	(520)	(470)
Balance of reimbursement of debt / new debt	198	1,105 ⁽¹⁾
Interests paid on financial activities	(103)	(120)
Capital increase	4	0
Other cash flows	(29)	95
CASH FLOW FROM FINANCIAL ACTIVITIES	(450)	610
Impact of currency, accounting practices and other	(3)	(32)
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD	1,995	1,466
Total cash flow for the period	(514)	15
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	1,481	1,482

(1) Including AGBAR take over €708m



Scope effect (o/w Applus) Impact of FX, inflation, fuel



Main changes in consolidation scope

2008 ACQUISITIONS

- **Sita Sverige**
 - Full consolidation
 - Change in interest rate from 75% to 100% at 03/04/08
- **AGBAR**
 - Proportional consolidation 51% (no change)
 - Change in interest rate: 45.9% as of 01/23/08
- **BellandVision (Sita Germany)**
 - Full consolidation from 01/01/08
 - Interest rate 68,4%

2007 ACQUISITIONS

- **Ista (Lyonnaise des Eaux)**
 - Full consolidation from 06/30/07
- **Stericycle (SITA UK)**
 - Full consolidation from 02/15/07
 - Interest rate 50%
- **Easco (SITA UK)**
 - Full consolidation from 04/30/07

WITHDRAWALS/EXIT

- **Applus (AGBAR)**
 - Proportional integration 51% until 11/30/07



Applus contribution in SUEZ Environnement accounts in 2007

In €M

P&L impacts (Proportional integration 51%)	H1 2007	FY 2007
REVENUE	165	307
EBITDA	23	41
Current operating income	15	27
NET INCOME GROUP SHARE	2	59
<i>O/W CAPITAL GAIN (AFTER TAX)</i>	-	57



Impact of USD and GBP evolution

Impact of USD evolution

	USD
H1 2008 average rate	1.53
H1 2007 average rate	1.33
Closing rate at 30/06/2008	1.58
Closing rate at 31/12/2007	1.47

in €m	Δ
Revenue	(31)
EBITDA	(4)
Net Debt	(57)

Impact of GBP evolution

	GBP
H1 2008 average rate	0.78
H1 2007 average rate	0.67
Closing rate at 30/06/2008	0.79
Closing rate at 31/12/2007	0.73

in €m	Δ
Revenue	(71)
EBITDA	(10)
Net Debt	(59)

The average rate applies to the income statement
The closing rate applies to the balance sheet



Contracts structure

- **Long term contracts with municipalities**
 - Price escalation formula, automatic application once to twice a year
 - Standard of sector and general rule to maintain contracts financial equilibrium in water leading to contractual revisions
- **Short term contracts and contracts with industrials**
 - OIS in water and new services
 - Engineering activity of Degrémont: specific formula
 - 1-3 years duration in waste collection: time lag effect but quick rotation of contracts
 - Price market campaigns are the standard (good success rate)
- **"Costs plus" based activities**
 - Regulated operations: United Water (62% of its revenue in 2007), Bristol Water, Chilean water activities





Fuel consumption: mainly in waste collection

	2007 full year impact
Volumes (million litres)	229
<i>In water</i>	24
<i>In waste</i>	205
Average price (€/l)	0.96

● Structural operational reduction measures

- Training of drivers to reduce trucks' fuel consumption
- Optimisation of collection process through the use of specific software
- Increasing use of alternative vehicles (gas)
- Increasing use of tippers with trash compactors in order to reduce garbage collection frequency

● 12,000 collection trucks

● Around 45% of 2008 volumes covered

- Contractual hedge for 30% of volumes: indexation formula on municipal contracts
- Additional 15% of 2008 volumes covered by financial hedging

● 2009-2010: objective by end 2008

- Contractual hedge for 30% of volumes: indexation formula on municipal contracts
- Additional financial hedging policy on volumes not covered by contractual hedging :
 - 75% of 2009 volumes
 - 33% of 2010 volumes



Financial indicators

REVENUE, EBITDA, CURRENT OPERATING INCOME,
INVESTMENTS AND CASH FLOW

Revenue by division

In €m	H1 2007	H1 2008	Δ 07/08	Organic Δ
WATER EUROPE excluding Applus	1,735	1,882	+8.5%	+8.4%
Lyonnaise des Eaux	1,037	1,074	+3.6%	+5.0%
AGBAR excluding Applus	698	807	+15.7%	+13.5%
WASTE EUROPE	2,680	2,893	+7.9%	+5.0%
SITA France	1,343	1,471	+9.5%	+4.6%
SITA UK/Scandinavia	661	700	+6.0%	+8.0%
SITA Benelux/Germany	677	722	+6.7%	+3.3%
INTERNATIONAL	1,190	1,247	+4.8%	+7.6%
Degrémont	415	431	+3.8%	+6.3%
North America	203	193	-4.9%	+3.4%
Asia-Pacific	233	254	+8.6%	+12.6%
CEMME ⁽¹⁾	339	370	+9.2%	+8.1%
OTHER	6	8	-	-
TOTAL excluding Applus	5,611	6,030	+7.5%	+6.7%
Applus	165	-	-	-
TOTAL	5,776	6,030	+4.4%	+6.7%

(1) Central Europe, Mediterranean and Middle East



Revenue by geographies

In €m	H1 2007	H1 2008	2008 %	08/07 Δ
EUROPE	4,730	4,911	81%	+3.8%
France	2,346	2,416	40%	+3.0%
Spain	713	730	12%	+2.4%
United Kingdom	583	617	10%	+5.8%
Other Europe	1,087	1,147	19%	+5.5%
North America	277	274	5%	-1.3%
Australia	130	145	2%	+11.5%
Sub Total	5,137	5,330	88%	+3.7%
Rest of the world	639	701	12%	+9.7%
TOTAL	5,776	6,030	100%	+4.4%

EBITDA by division

In €m	H1 2007	H1 2008	Δ 07/08	Organic Δ
WATER EUROPE excluding Applus	378	388	+2.6%	+1.9%
WASTE EUROPE	443	459	+3.6%	+1.0%
INTERNATIONAL	156	185	+18.3%	+26.3%
Other	(21)	(26)	-	-
TOTAL excluding Applus	956	1,006	+5.2%	+4.8%
Applus	23	-	-	-
TOTAL	979	1,006	+2.7%	+4.8%

EBITDA margin including dividends and associates

	H1 2007	H1 2008	08/07 Δ
EBITDA	979	1,006	-
% OF REVENUE	16.9%	16.7%	-
+ Dividends from non consolidated companies	18	27	+50%
+ Associates	13	18	+38%
- Other	1	(2)	-
TOTAL	1,009	1,053	-
% OF REVENUE	+17.5%	+17.5%	-

Current operating income by divisions

In €m	H1 2007	H1 2008	08/07 Δ	Organic Δ
WATER EUROPE excluding Applus	193	200	+ 3.8%	+ 2.4%
WASTE EUROPE	224	232	+ 3.6%	- 0.1%
INTERNATIONAL	109	123	+ 12.9%	+ 21.4%
OTHER ⁽¹⁾	(26)	(47)	-	-
TOTAL excluding Applus	499	508	+ 1.7%	+ 1.0%
Applus	15	-	-	-
TOTAL	514	508	- 1.3%	+ 1.0%

(1) Includes the increase in share based payments for €15m

Reconciliation between EBITDA and gross cash flow before financial result and income tax

In €m	H1 2007	H1 2008
EBITDA	979	1,006
Net disbursements under concession contracts	(93)	(105)
Depreciation of current assets	(3)	(7)
Restructuring	8	(28) ⁽¹⁾
Dividends from associates	9	14
Provision for employee benefit	1	(2)
GROSS CASH FLOW BEFORE FINANCIAL RESULT AND INCOME TAX	899	883

(1) Of which - €19m of spin off & IPO costs

Total investments by nature and divisions

H1 2008 (In €m)	Maintenance investments	Development investments	Total investments
Water Europe	(97)	(61)	(157)
Waste Europe	(173)	(163)	(336)
International	(46)	(68)	(114)
Other	(1)	(4)	(5)
TOTAL H1 2008	(317)	(296)⁽¹⁾	(613)⁽¹⁾
H1 2007 (In €m)			
Water Europe	(111)	(110)	(221)
Waste Europe	(125)	(236)	(361)
International	(72)	(67)	(139)
Other	(1)	(72) ⁽²⁾	(73)
TOTAL H1 2007	(309)	(485)	(794)

(1) Excluding €708m related to AGBAR take over

(2) Capex of the other segments include 15% of Indaver



Free cash flow

In €m	H1 2007	H1 2008
GROSS CASH FLOW BEFORE FINANCIAL RESULT AND INCOME TAX	899	883
Maintenance capex	(309)	(317)
Change in working capital	(156)	(92)
Cash Tax Expenses	(125)	(110)
Financial Interests Paid	(130)	(149)
Financial Interests Received	35	34
Dividends Received on Fixed Financial Assets	19	26
FREE CASH FLOW	232	275

Cash flow generation

Flow in €m	Water Europe	Waste Europe	International	Others	H1 08
Gross cash flow before financial loss and income tax	314	441	171	(43)	883
Net interest paid on investment & financial activities	(5)	(46)	(24)	(14)	(89)
Income tax	(32)	(57)	(20)	(1)	(110)
Δ in WCR	(35)	43	(58)	(42)	(92)
Total investments ⁽¹⁾	(157)	(336)	(114)	(6)	(613)
Assets disposals ⁽²⁾	50	24	(3)	(1)	70
Dividends to minorities	(51)	(8)	(9)	0	(67)
TOTAL	84	61	(57)	(106)	(18)
Dividends to SUEZ					(403)
Δ in perimeter and FX / MtM on net debt					420
CHANGE IN NET DEBT					(1)

(1) Excluding AGBAR take over of €708m

(2) Excluding impact of cash situation of disposed entities



Tax and Debt



Tax position

In €m	H1 2007	H1 2008
Consolidated Income before Tax & Share in Associates	429	397
Consolidated Income Tax	(129)	(146)
<i>o/w Current income tax</i>	(129)	(121)
<i>o/w Deferred income tax</i>	(0)	(25)
EFFECTIVE TAX RATE	30.1%	36.7%



Financial debt at 30/06/08

GROSS DEBT MATURITY PROFILE⁽¹⁾



Reduce average cost of gross debt: 5.22% (vs 5.24% in 2007)
Maturity profile yet to be extended

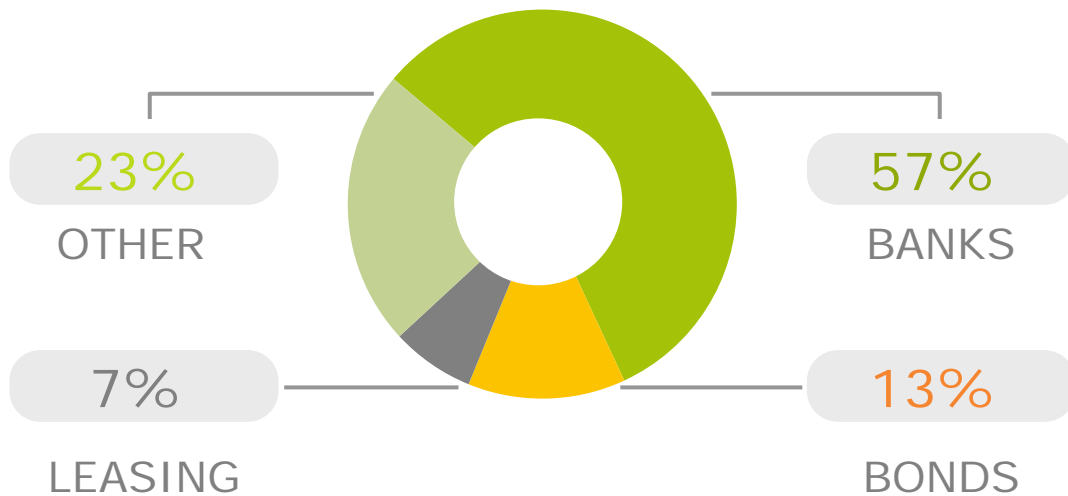
(1) Excluding IAS 30/39





Financial debt and liquidity at 30/06/08

GROSS DEBT BREAKDOWN BY TYPE



LIQUIDITY

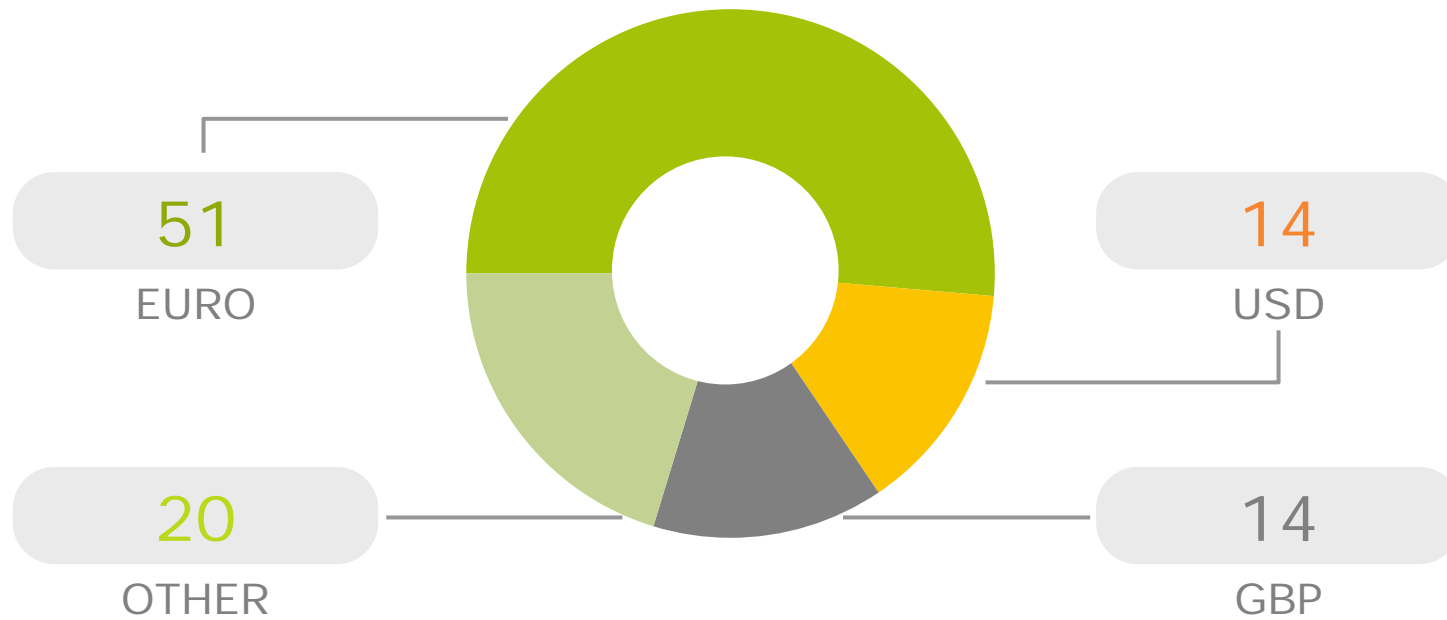
- **Cash and cash equivalent:** €1,665m
- **Undrawn credit lines:** €537m





Financial debt at 30/06/08

NET DEBT BREAKDOWN BY CURRENCY





Financial debt at 30/06/08

NET DEBT BREAKDOWN BY RATE TYPE

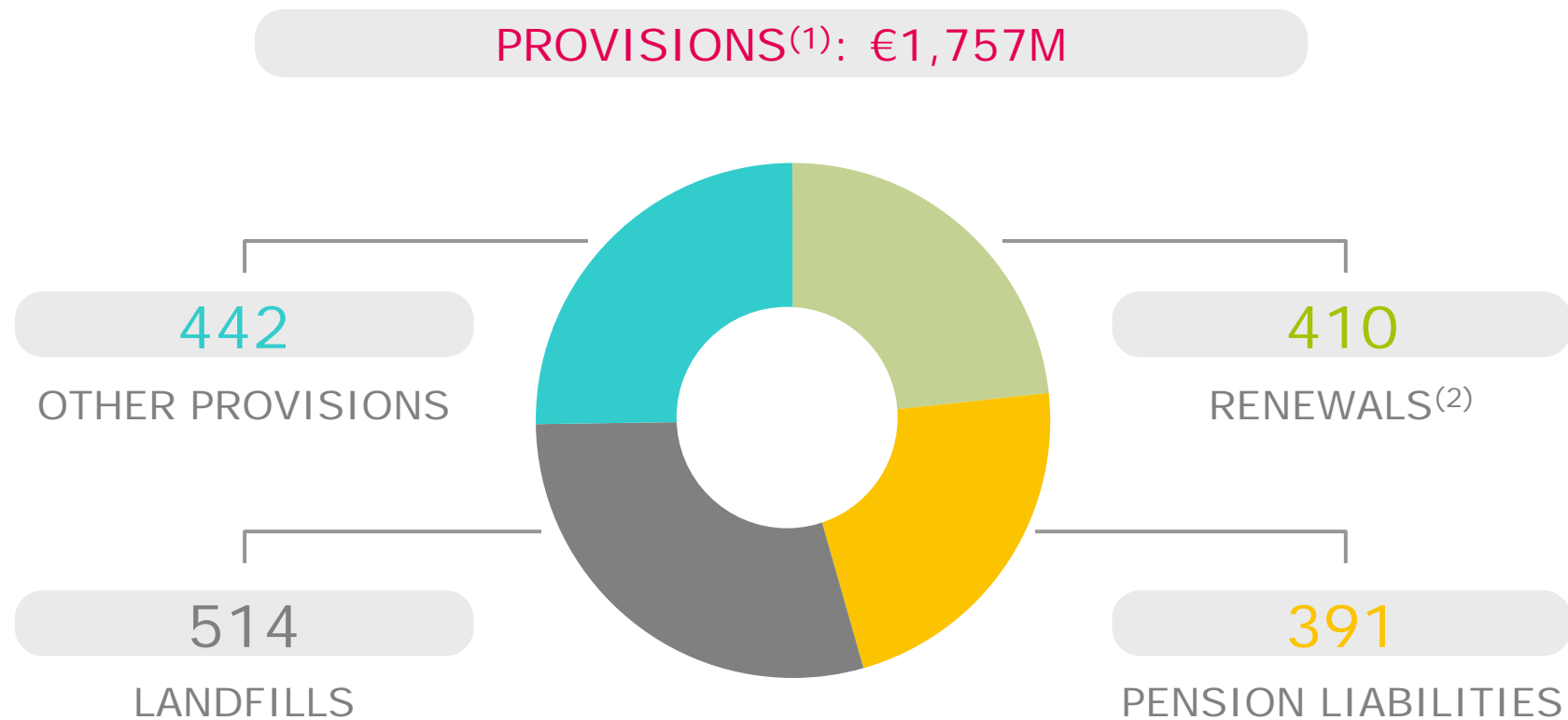




Assets & liabilities overview at 06/30/08



Assets & liabilities overview at 06/30/08



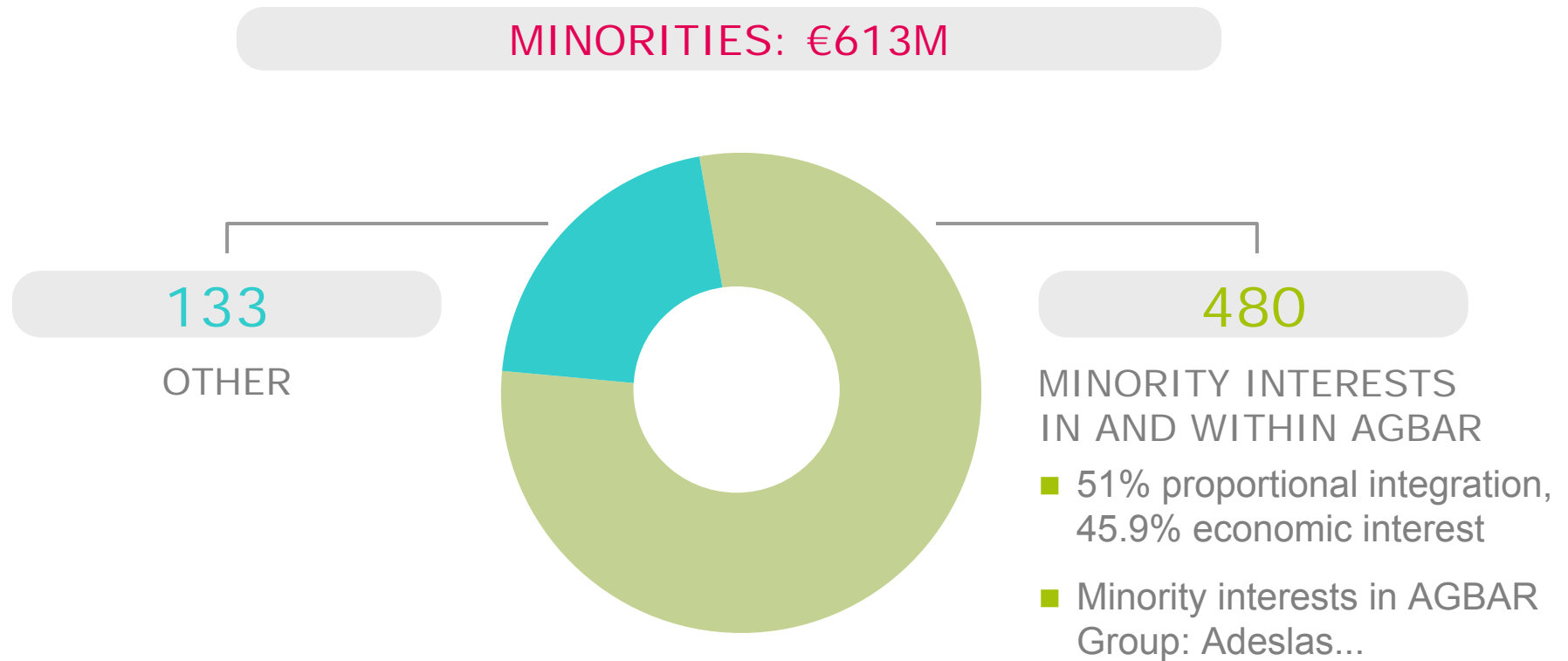
(1) Including €410m of renewals (accounted for in suppliers' debt)

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





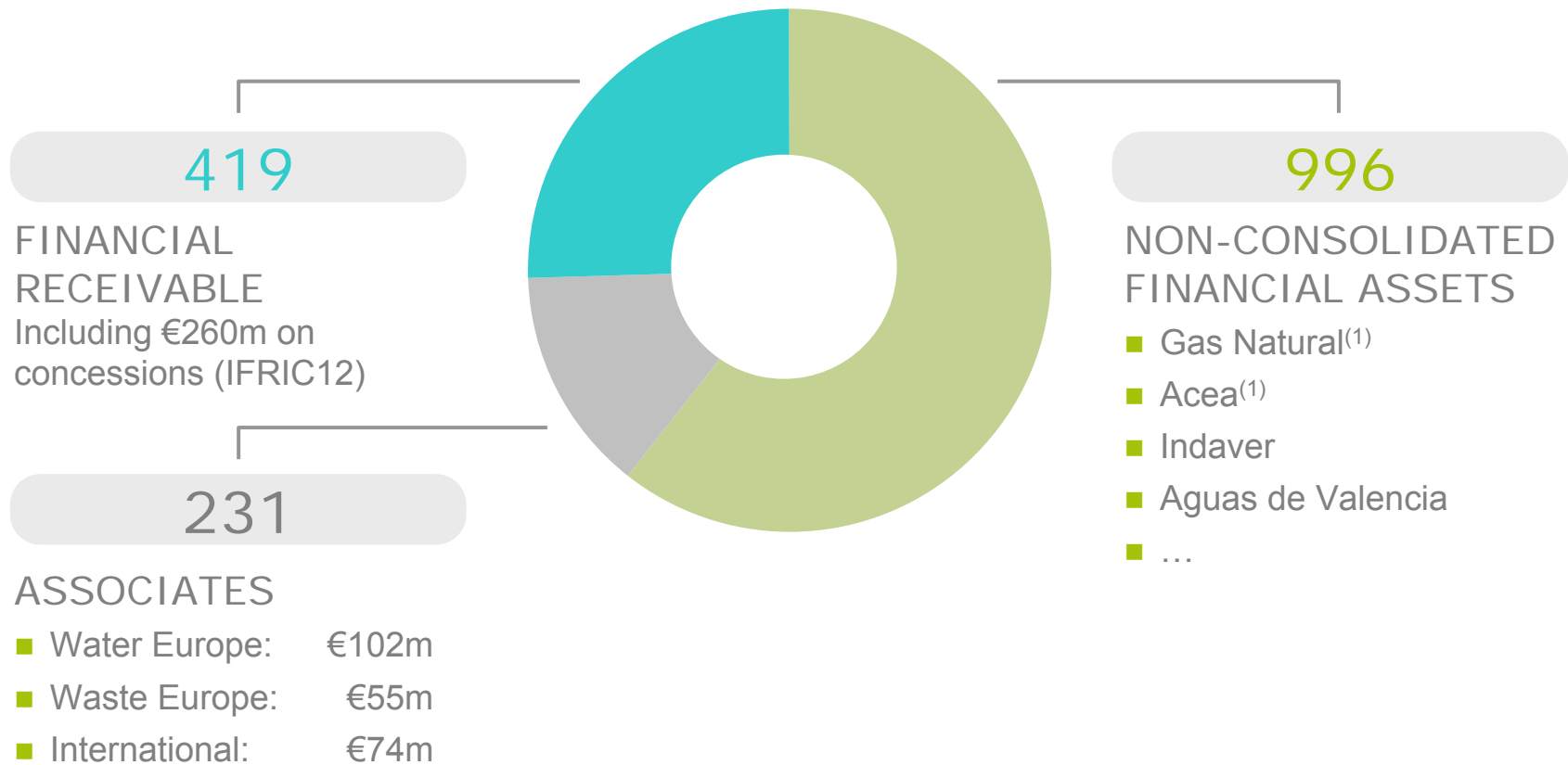
Assets & liabilities overview at 06/30/08





Assets & liabilities overview at 06/30/08

FINANCIAL ASSETS: €1,646M



(1) Mark-to-Market





Business appendices & Activity by division



Water Europe activity

NEW CONTRACTS

- **SIAEP⁽¹⁾ du Bas Languedoc** (€68m, 14 years)
- **Nantes** (€50m, 7 years)
- **Brasseries Kronenbourg Obernai** (€14m, 10 years)
- **CA⁽²⁾ du Drouais** (€8m, 18 years)
- **Condom** (€7m, 9 years)
- **AGBAR: La Bisbal d'Empordà** (water)
- **OIS: SOBEGI Lacq** (€16m)
- **Safege: Syndicat Intercommunal des Eaux des Monts Lyonnais et de la Basse Vallée du Gier** (€2m)

RENEWALS

- **Grasse** (€124m, 20 years)
- **Durance Ventoux** (€56m, 10 years)
- **Bassin de Thau** (€41m, 10 years)
- **L'Isle sur la Sorgue** (€35m, 15 years)
- **SIAEP de la Viadène** (€9m, 12 years)
- **SIAEP du Val d'Aron** (€7m, 12 years)
- **SI des Eaux Communay et Région** (€11m, 10 years)
- **AGBAR: Pontevedra** (wastewater)

ACQUISITIONS

- **Public offer on AGBAR:** €708m in 2008
- **51% of ESSAL⁽³⁾**, acquired through Aguas Andinas, AGBAR's subsidiary in water in Chile

(1) Syndicat Intercommunal d'Alimentation en Eau Potable

(2) Communauté d'Agglomérations

(3) Closed & paid in H2 2008

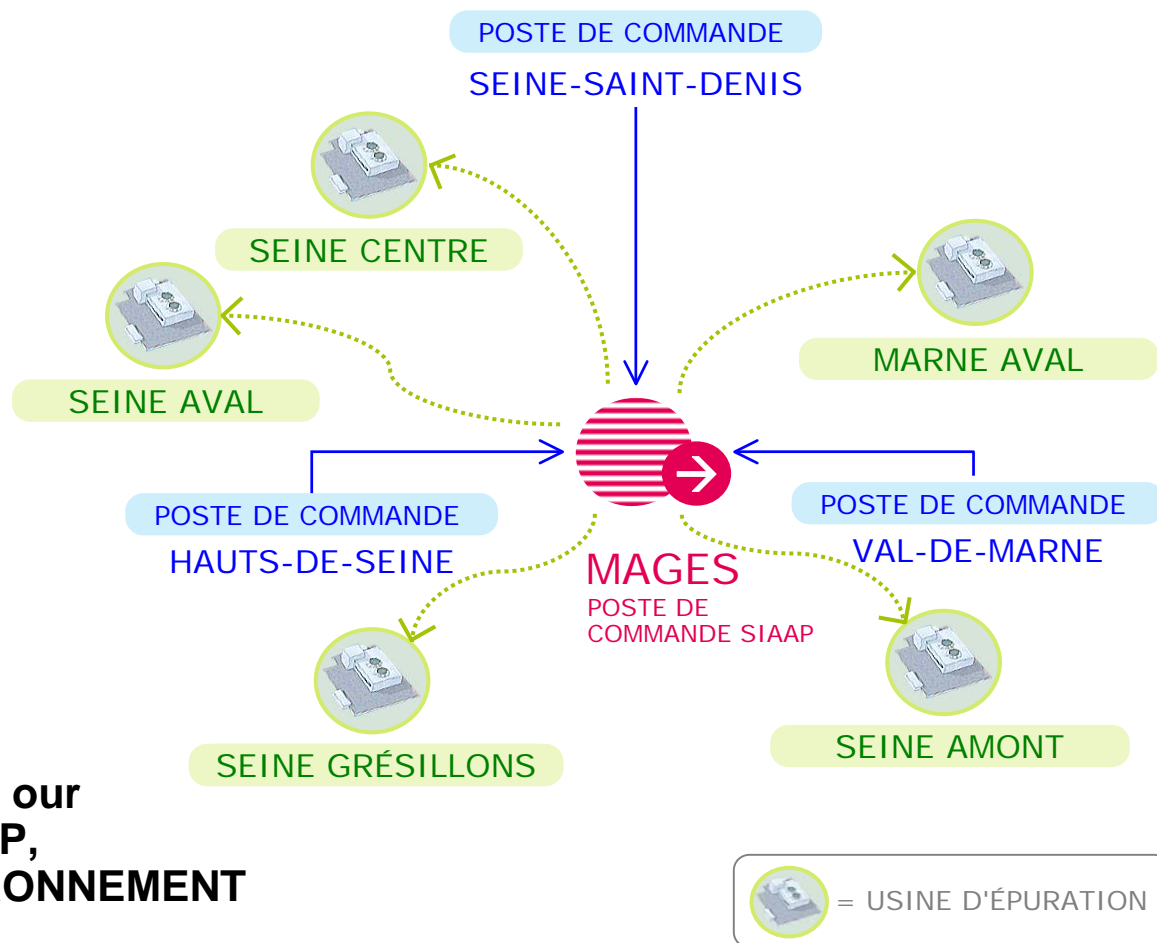


Water Europe

MAGES: A STRONG REFERENCE IN SIAAP⁽¹⁾ AREA FOR STORMWATER MANAGEMENT

MAGES, AN INNOVATION FOR SUSTAINABLE DEVELOPMENT

- **Unique expert system in Europe**
 - Results of R&D efforts of SUEZ ENVIRONNEMENT
- **A technological innovation that changes the way that stormwater systems are operated**
- **A response to the issues of the Grenelle de l'Environnement (French Summit on Sustainable Development)**
- **A added value solution brought to our clients, and especially to the SIAPP, an historical client of SUEZ ENVIRONNEMENT**



ON LINE STORMWATER MANAGEMENT:
An innovative solution towards the environmental protection

(1) Syndicat Interdépartemental pour l'Assainissement de l'Agglomération Parisienne





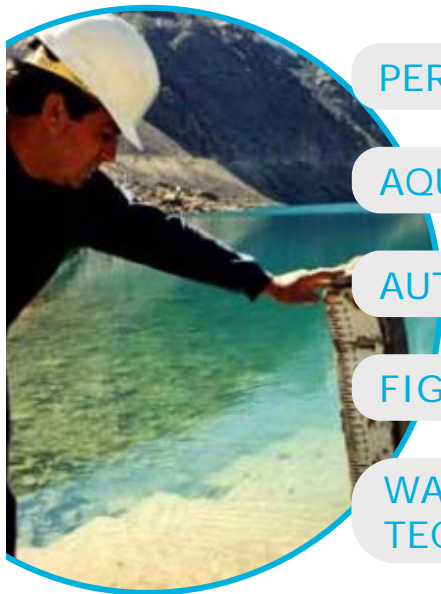
Water business

WATER RESOURCES MANAGEMENT ISSUES: DEVELOPMENT OF INNOVATIVE SOLUTIONS

In the climate change context, more and more countries will be facing water resources issues in the next decades

SUEZ ENVIRONNEMENT provides innovative solutions adapted to each specific local context

PROTECT THE EXISTING RESOURCES AND MANAGE THE WATER DEMAND



PERMANENT LEAK DETECTION

AQUIFER RECHARGE

AUTOMATIC METER READING

FIGHT AGAINST WATER WASTING

WASTEWATER TREATMENT TECHNOLOGIES

DEVELOP ALTERNATIVE SOLUTIONS

DESALINATION

REUSE





Waste Europe activity

NEW CONTRACTS

- **SMEVOM du Charolais** (€14m, 9 years)
- **SYVEDAC** (€6m, 2 years)
- **Narbonne** (€6m, 5 years)
- **Peugeot** (€6m, 3 years + possible 2-year extension)
- **Development in I&C⁽¹⁾ recycling:**
 - Creation of a JV with Renault
 - Reindustrialisation of Michelin's site in Toul
- **SITA Germany: Kusel** (15 years)
- **SITA NL:**
 - DAF Trucks (€8m, 5 years)
 - La Haye's jail (€5m, 3 years)
- **SITA UK: Calderdale** (€54m, 7 years)

RENEWALS

- **Airbus** (€55m, 5 years + possible 3-year extension)
- **Rambouillet** (€19m, 5 years)
- **Cambrai** (€18m, 5 years)
- **Valor'Aisne** (€14m, 2 years)
- **CA Narbonnaise** (€14m, 5 years)
- **Kronenbourg** (€10m, 10 years)
- **SITA NL: Ahold** (€12m, 3 years)
- **SITA Belgium: Dupont** (€8m, 5 years)

ACQUISITIONS

- Acquisition of 25% of **SITA Sverige**
- Acquisition of 68.4% of **BellandVision**
- **Fayolle waste activities⁽²⁾**

(1) Industrial & Commercial
(2) Closed & paid in H2 2008



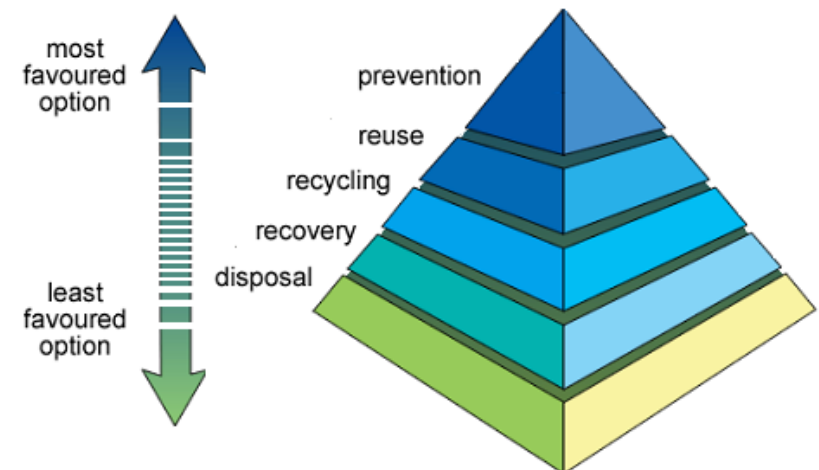


Waste Europe activity

REVISED WASTE FRAMEWORK DIRECTIVE SUCCESSFULLY VOTED BY THE EUROPEAN PARLIAMENT (JUNE 17, 2008)

- **A revision 30 years after the first waste framework directive to:**
 - **Clarify definitions and the distinction between recovery and disposal**
 - **Introduce environmental objectives** (Life cycle analysis, minimum standards, clear recovery definitions, end-of-waste criteria)
 - **Simplify the existing legal framework**
- **Key outcome for the waste industry**
 - **Aggressive recycling targets** for Member States (50% of municipal waste, 70% of non-hazardous construction & demolition waste, in weight, by 2020)
 - **Efficient Energy-from-waste recognized as recovery**
 - **Enlarged producer responsibility**
 - **Integration of the Hazardous Waste Directive**

5-STEP WASTE HIERARCHY



TRANSPOSITION IN NATIONAL LAWS
of each Member State within 2 years (end of 2010)



International activity

NEW CONTRACTS

- **Degrémont:**
 - **Jeddah** (€39m, 7 years)
 - **Alexandria Est** (€99m, DBO)
 - **Bombay** (€59m, DBO)
 - **Rabat** (€11m, 7 years)
 - **Valenton** (€77m, DB)
 - **Lyon** (€60m, DBO)
 - **SIAPP La Morée** (€60m, B)
- **SITA Australia:**
 - **Qantas Flight Catering** (€14m, 5 years)
 - **Mount Barker** (€4m, 7 years)
- **Middle East:**
 - JV with Qatari Diar for the development of new cities in Qatar
 - Management contract in Jeddah

RENEWALS

- **US:**
 - **Jersey** (€90m, 10 years)
 - **Gary** (€34m, 5 years)

ACQUISITIONS

- **7.5% of Chongqing Water Group** (€70m)⁽²⁾
- **Utility Service Company**⁽²⁾
- **Acquisition Naco and WPT from Earth Tech in the US**⁽²⁾

(1) DBO: Design Build Operate

(2) Closed & paid in H2 2008





International Water

DEVELOPMENT IN THE MIDDLE EAST

- **A geographical area facing water stress**
 - 5% of the world population, 1% of water resources
 - With water availability $< 1,000 \text{ m}^3$ per person per year, the population is facing water scarcity
 - Threat for the future economic development of these countries
- **A strong political will for important and sustainable investments**



PALM JUMEIRAH,
DUBAI

- **Opportunities for SUEZ ENVIRONNEMENT**
 - Development of desalination and reuse, two technologies requiring a specific know-how
 - Accompany real estate « sustainable » projects (new cities) in high development in Qatar and in the UAE
 - Leverage through strategic local partnership (Al Qudra, Qatari Diar et Barwa...)



International Water

DEVELOPMENT IN THE MIDDLE EAST

