



# FULL YEAR RESULTS

February 09, 2011

# 2010

# 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 forwardlooking 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.*

---

---

2010, A YEAR OF STRONG GROWTH

2010, A YEAR OF INCREASED PROFITABILITY

TOWARDS MORE VALORIZATION<sup>(1)</sup> IN WASTE

FASTER INTERNATIONAL DEVELOPMENT

OUTLOOK: MORE VALUE FROM FULL CYCLE MANAGEMENT



Jean-Louis CHAUSSADE  
CEO

2010 A YEAR OF  
STRONG GROWTH





# 2010: A YEAR OF STRONG GROWTH

---

## ■ Intense business activity

- New long term contracts in water and waste in Europe
- Rebound in Sorting & Recycling in waste
- Booming international activities, WSN acquisition<sup>(1)</sup>
- Successful strategic move and integration process of AGBAR

## ■ Double digit growth in revenue and EBITDA

- Improved operating performance in all divisions
- €120m COMPASS 2 net savings

## ■ €565m Net Result group share

## ■ Progressing towards 2012 sustainable development objectives

# MORE VALUE AHEAD

## MEDIUM TERM TARGETS<sup>(1)</sup>

---

### ■ Continued growth objectives for 2011-13

- Revenue average growth  $\geq 5\%$  at constant forex
- EBITDA average growth  $\geq 7\%$  at constant forex excluding AGBAR acquisition additional scope effect in 2011

### ■ Net debt / EBITDA ratio maintained at around 3x

- As soon as end of 2011

### ■ Dividend policy

- €0.65/share related to 2010 results
- Around +5% annual growth for the next 3 years
- Targeting long term pay-out ratio  $> 60\%$

# INTENSE BUSINESS ACTIVITY IN 2010

## DOUBLE DIGIT REVENUE GROWTH AND NEW DEVELOPMENTS

### WATER EUROPE

- New contracts wins in France & Spain: Strasbourg, Calvia
- Successful integration of AGBAR
- Development of new services with growth potential

### WASTE EUROPE

- Material recovery: rebound in Sorting & Recycling
- Energy recovery: PFI, Ivry, Recyfuel, Bavaro
- Progressive increase of waste volumes treated

### INTERNATIONAL

- Degrémont: good execution of major DB<sup>(1)</sup> contracts, high backlog
- China: renewals of Macao contracts, booming business
- Australia: development in water & waste

# STRATEGIC DEVELOPMENT IN WATER

## AGBAR: A SUCCESSFULL DEAL

---

### ■ **Leading player in Spain with regulated assets in the UK & Chile**

- 1.100 long term contracts in Spain (18-y average, 95% renewal rate)
- Solid positions in regulated markets

### ■ **Successful friendly takeover and integration of AGBAR**

- Acquisition at attractive multiples 7.9x EV/EBITDA
- Disposal of ADESLAS for €687m
- Cost synergies & efficiencies  
(commercial, IT, procurement, common innovation platform)
- 2010 net gain: €110m<sup>(1)</sup>



# STRATEGIC DEVELOPMENT IN WATER

## AGBAR: REINFORCED POSITION IN ATTRACTIVE MARKETS

---

### ■ **Growth opportunities in the Spanish water market**

- Infrastructure needs to meet regulation
- Water scarcity, ambitious water plans
- Further opportunities for PPP<sup>(1)</sup> (Calvia, 50y, €980m)
- Below European average water tariffs: price increases above inflation
- Stable business framework
- Limited impact of macro-economic situation

### ■ **Growth perspectives in Latin America**

- New developments in Chile and Brazil

# BUILDING ON COMPETITIVE ADVANTAGES

## INNOVATION FOR SUSTAINABLE DEVELOPMENT

---

- **Developing sustainable solutions to fuel tomorrow's growth**
- **Offering innovative technologies in waste and water**
  - **Waste valorization**
    - PET (Bottle-to-Bottle), Plastic-to-fuel (Cynar)
  - **Green energy production & reduced carbon footprint**
    - Degrés Bleu© (energy from wastewater), biogas (energy from sludge/waste), carbon-neutral wastewater treatment plants (Cannes, Fontainebleau)
  - **Water resource preservation**
    - Automatic meter reading, leak detection and insurance (120,000 Dolce Ô customers<sup>(1)</sup>), real-time stormwater management, monitoring of bathing water quality, re-use, lower energy intense desalination process
- **Creation of BLUE ORANGE innovation investment fund**



Jean-Marc BOURSIER  
CFO

2010 A YEAR  
OF INCREASED  
PROFITABILITY



# FY 2010 FINANCIAL HIGHLIGHTS

## STRONG GROWTH OF RESULTS, OBJECTIVES MET

### ■ All 2010 objectives met

Revenue growth $\geq$ 7% at constant forex vs. 2009	+10.9%	✓
EBITDA growth $\geq$ 9% at constant forex vs. 2009	+10.5%	✓
Net investments 2010 $\leq$ €1.3bn +€0.6bn for AGBAR	€1,647m	✓
Free Cash Flow $\geq$ €0.7bn	€852m	✓

### ■ High growth and improved operational performance

- Double digit revenue & EBITDA growth
- EBITDA margin up at 16.9%

### ■ Net Result group share at €565m : €1.15 / share

### ■ Continuation of capex selectivity

### ■ Net financial debt / EBITDA ratio at 3.2x



**GROWTH, PROFITABILITY & CASH GENERATION**



# FY 2010 KEY FINANCIALS

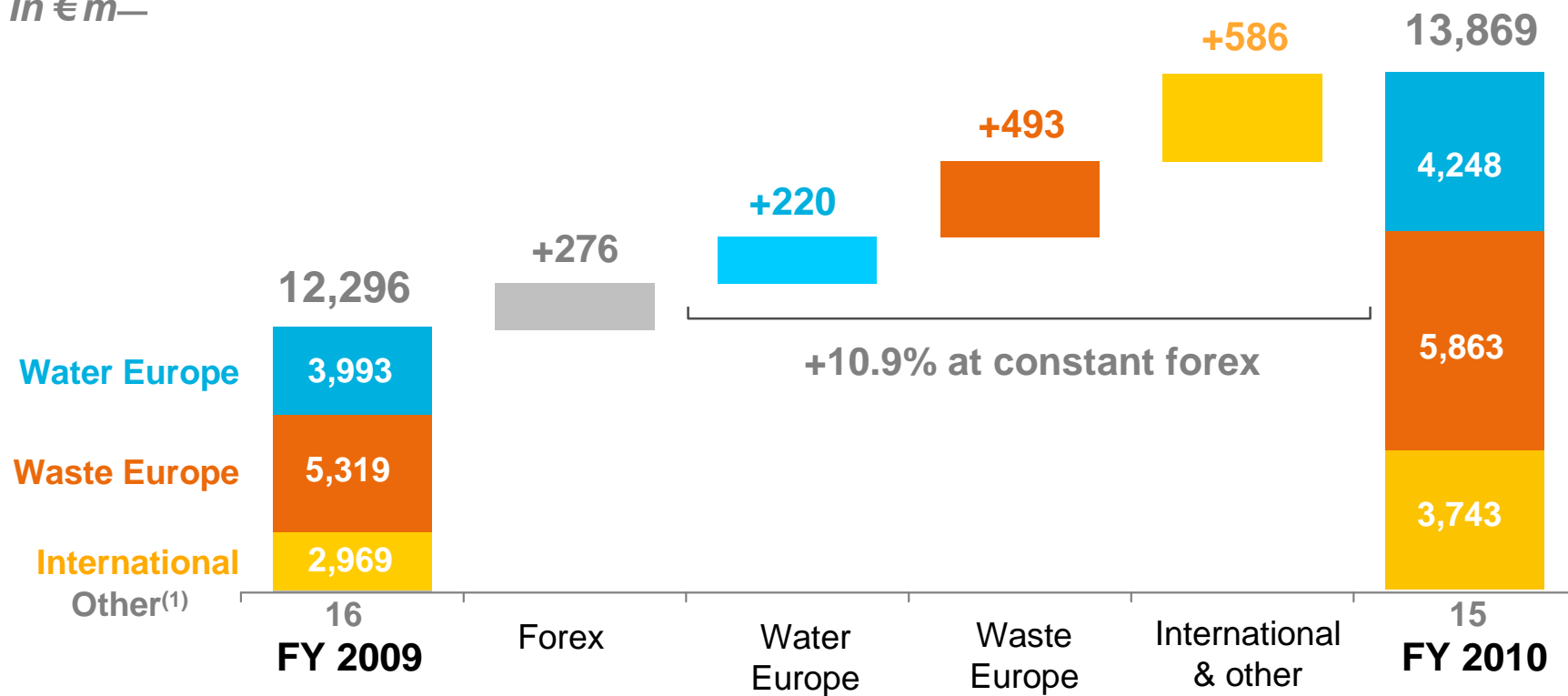
## A SOLID SET OF FIGURES

<i>In €m</i>	FY 2009	FY 2010	10/09 $\Delta$
Revenue	12,296	13,869	+12.8%
<i><math>\Delta</math> at constant Forex</i>			+10.9%
EBITDA	2,060	2,339	+13.6%
<i><math>\Delta</math> at constant Forex</i>			+10.5%
Current Operating Income	926	1,025	+10.7%
<i><math>\Delta</math> at constant Forex</i>			+6.2%
Net Result group share	403	565	+40.1%
Free Cash Flow	891	852	+20% <sup>(1)</sup>
Net Investments	1,062	1,647 <sup>(2)</sup>	+55.1%
Net financial debt at December 31	6,282	7,526	+19.8%
ROCE	7.3%	7.2%	-10bp

# FY 2010 REVENUE

INTENSE BUSINESS ACTIVITY, +10.9% AT CONSTANT FOREX

— In €m —



REVENUE GROWTH IN ALL DIVISIONS

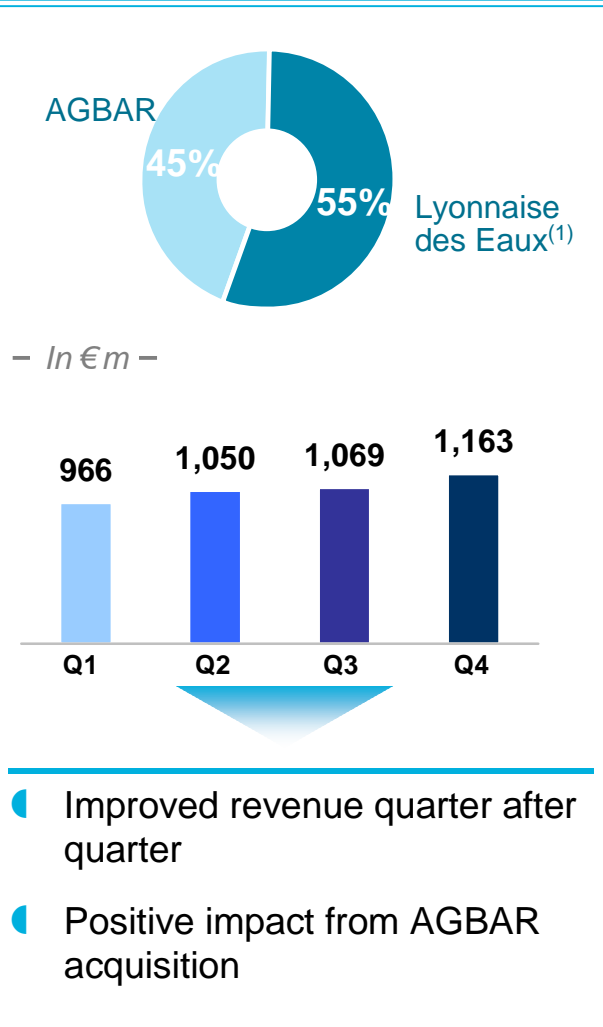




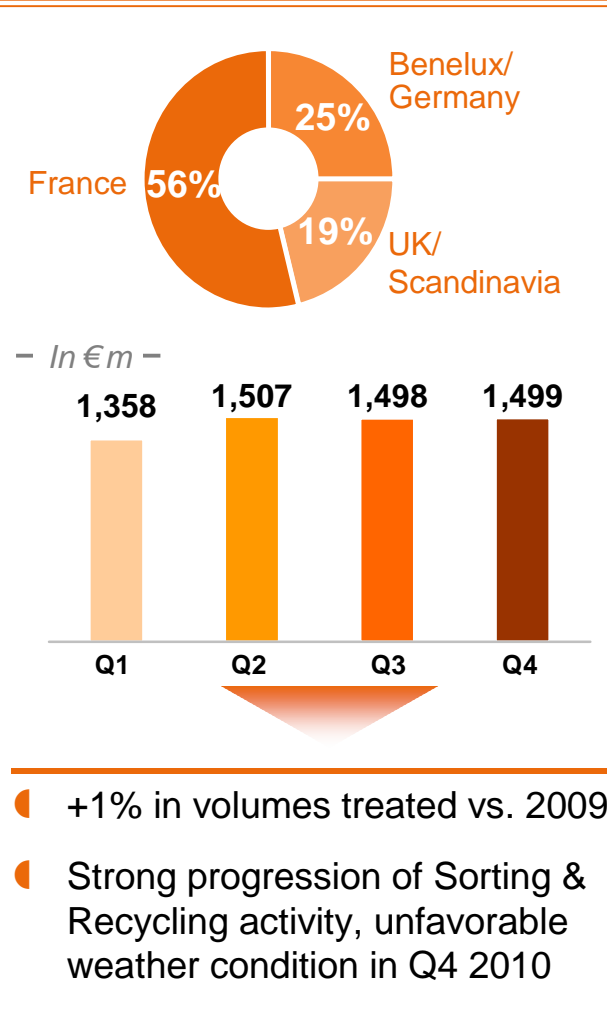
# FY 2010 REVENUE

## GROWTH IN ALL DIVISIONS, ACCELERATED IN H2 2010

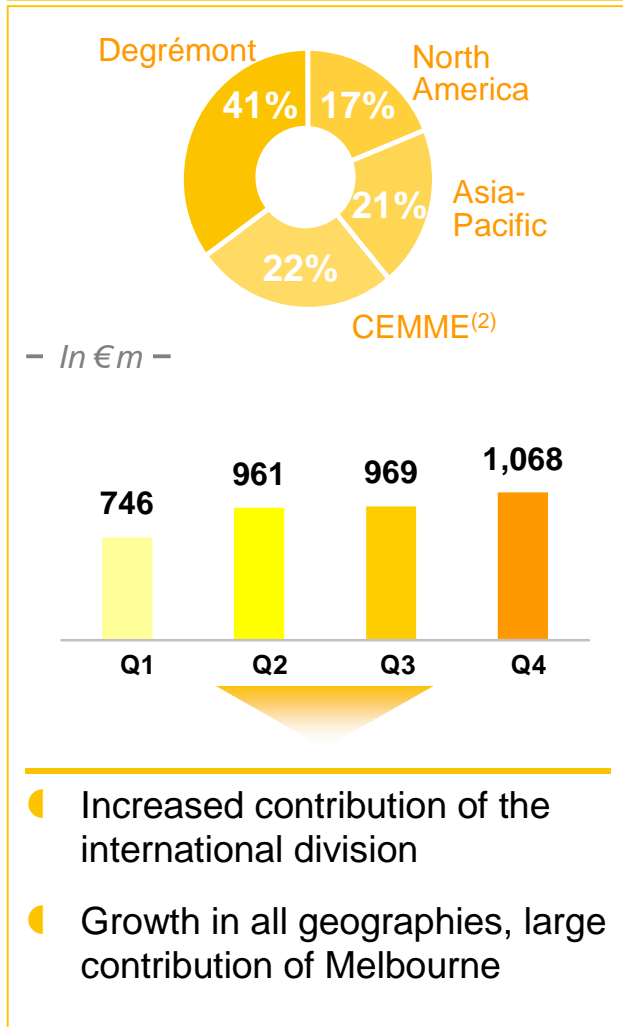
### WATER EUROPE: €4,248m



### WASTE EUROPE: €5,863m



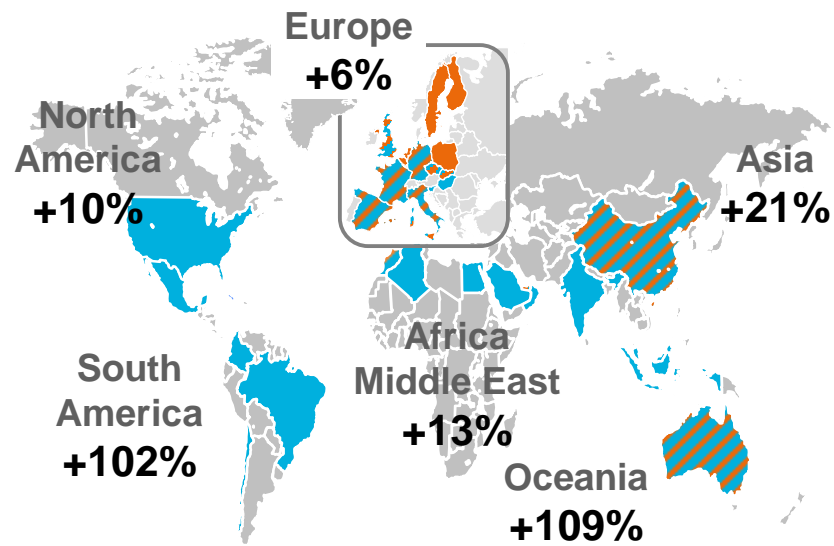
### INTERNATIONAL: €3,743m



# FY 2010 REVENUE

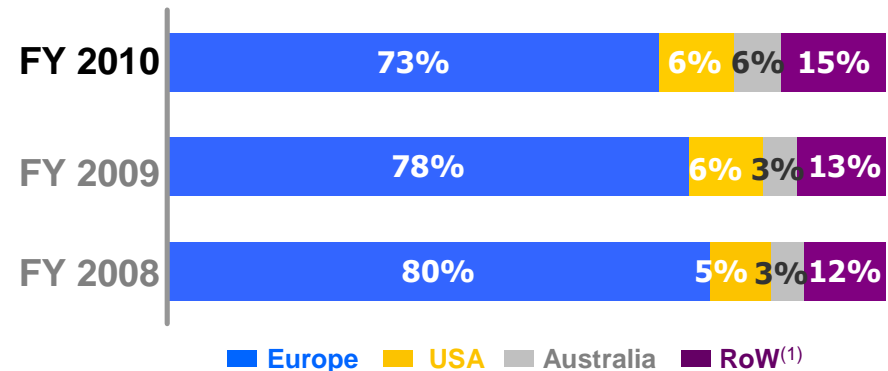
## INCREASING CONTRIBUTION OF FASTER GROWING MARKETS

### TOTAL GROWTH BY GEOGRAPHY

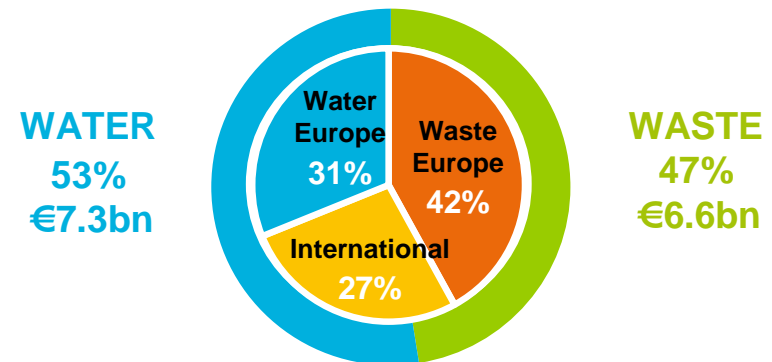


Water Waste Water & Waste Activity

### INCREASING CONTRIBUTION OF INTERNATIONAL

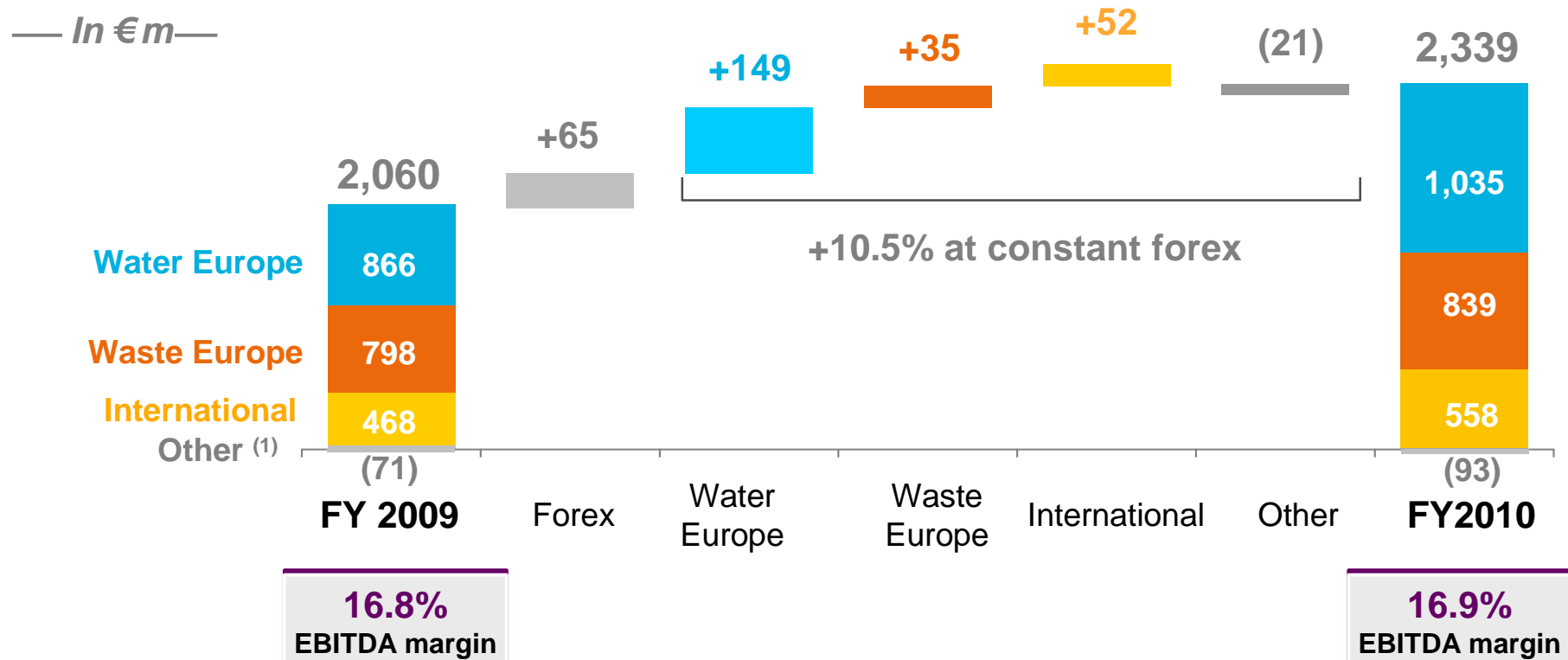


### BALANCED REVENUE IN WATER & WASTE



# FY 2010 EBITDA

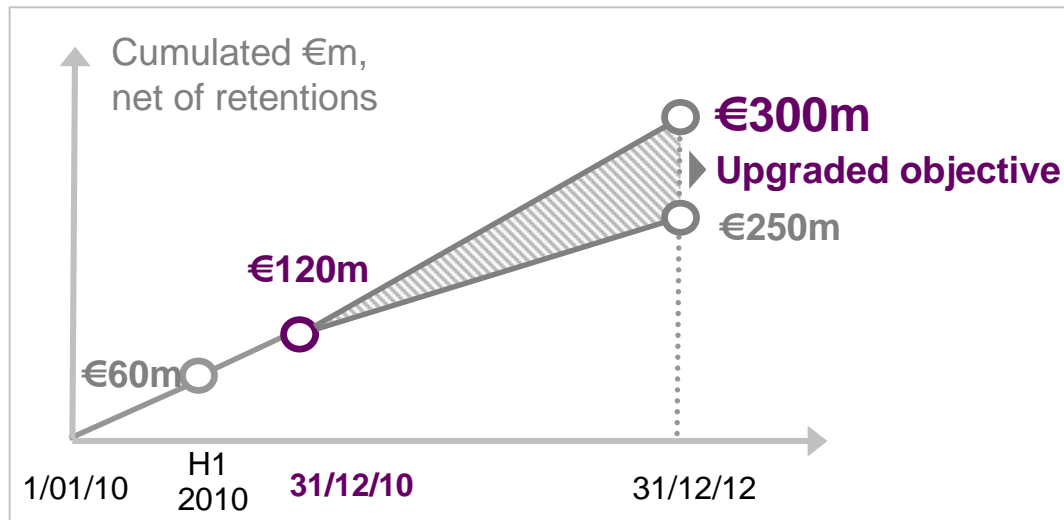
INCREASED IN ALL DIVISIONS, +10.5% AT CONSTANT FOREX



**IMPROVED MARGIN AT 16.9%**

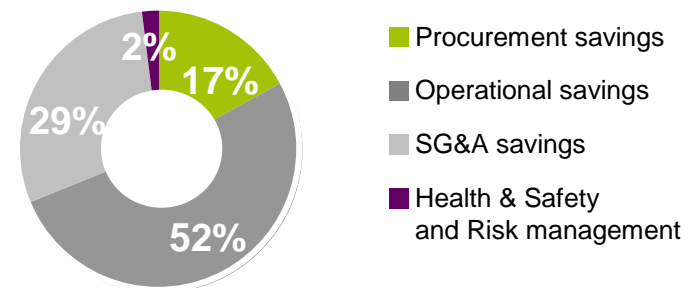
# FY 2010 COMPASS 2 UPDATE

## 2010 NET SAVINGS OF €120m, MORE EFFICIENCIES AHEAD

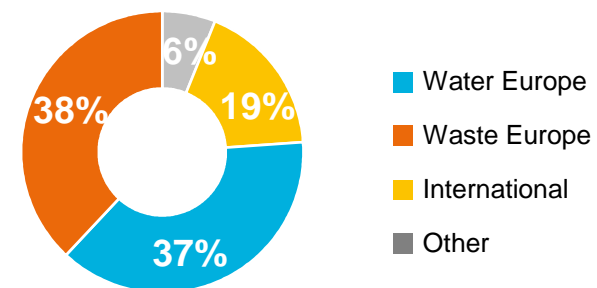


- Larger part of operational savings and SG&A** (2009 and 2010 actions)
- Water Europe:** increased contribution of AGBAR's efficiency plans and synergies, mutualisation of support & client management services
- Waste Europe:** improved fleet management in the UK, further cost structure optimization in France
- International:** improved non-revenue water in Morocco, further procurement savings in North America

2010 EBITDA IMPACT (€120m)  
BY NATURE



2010 EBITDA IMPACT (€120m)  
BY DIVISION



**2010-12 NET SAVINGS OBJECTIVE UPGRADED TO €300m<sup>(1)</sup>**

# FY 2010: PERFORMANCE BY DIVISION

## WATER EUROPE: COMMERCIAL SUCCESSES & NEW SERVICES

<i>In €m</i>	FY 2009	FY 2010	10/09 Δ cst FX	10/09 Δ organic	Mm <sup>3</sup> sold	FY 2010	10/09 Δ
Revenue	3,993	<b>4,248</b>	+6.3%	+0.8%	LDEF <sup>(1)</sup>	<b>590</b>	-1.0% <sup>(2)</sup>
EBITDA	866	<b>1,035</b>	+18.1%	-3.0%	AGBAR Spain	<b>768</b>	-0.2%
<i>EBITDA margin</i>	21.7%	<b>+24.4%</b>					
FCF	249	<b>359</b>					

### Revenue: +6.3% at constant forex (€+220m)

LDE<sup>(3)</sup> revenue +0.9% (€+20m) and AGBAR +15.3% (€+199m) at constant forex

- Commercial wins: Strasbourg (8-y, €98m), Sartrouville (20-y, €25m), Calvia (50-y, €980m), Sant Vicenç dels Horts (50-y, €113m)
- Revenue up +4% for LDE in France excluding the end of Paris contract
- Positive indexation formulas in France and Spain
- Volume decreases in France and in Spain
- +5% growth of works in France (strong in Q4), still a weak environment in Spain

### Good operating performance in 2010

- Margin increased to 24.4% benefiting from AGBAR integration
- FCF increased by +44%
- Development of New Businesses with reinforced marketing & sales efforts

# FY 2010: PERFORMANCE BY DIVISION

## WASTE EUROPE: PROGRESSIVE INCREASE OF TREATED VOLUMES

<i>In €m</i>	<b>FY 2009</b>	<b>FY 2010</b>	10/09 Δ cst FX	10/09 Δ organic	Mtons in Waste Europe	<b>FY 2010</b>	10/09 Δ
Revenue	5,319	<b>5,863</b>	+9.3%	+8.4%	<b>Elimination</b>	<b>11.4</b>	<b>-7%</b>
EBITDA	798	<b>839</b>	+4.4%	+4.1%	Landfill	10.9	-7%
<i>EBITDA margin</i>	15.0%	<b>14.3%</b>			Incineration without valo. <sup>(1)</sup>	0.4	+4%
FCF	341	<b>359</b>			<b>Valorization</b>	<b>12.9</b>	<b>+9%<sup>(3)</sup></b>
					Incineration with valo. <sup>(2)</sup>	6.3	+5% <sup>(3)</sup>
					Sorting & recycling	6.7	+12%
					<b>Volumes treated</b>	<b>24.3</b>	<b>+1%</b>

### Revenue: +9.3% (€+493m) at constant forex

France +14.0% (€+401m), UK & Scandinavia -3.4% (€-37m), NEWS<sup>(4)</sup> +9.5% (€+129m)

- Sorting & Recycling up +49% organically: with positive prices and volumes evolutions
- Rest of activities globally stable, both in collection and other treatments
- +1% volumes treated growth: stable for municipalities & higher for large I&C clients
- Still a weak environment in the UK

### Improved operational performance and strong generation of cash

- EBITDA up +5.2%
- Dilutive impact of higher commodity prices on margin evolution
- Free Cash Flow up +5.1%

(1) Incineration without energy production (electricity or heat)

(2) Incineration with energy production (electricity or heat)

(3) Excluding London waste disposed in 2009

(4) Germany & Benelux



# FY 2010: PERFORMANCE BY DIVISION

## INTERNATIONAL: BOOMING ACTIVITY

<i>In €m</i>	FY 2009	FY 2010	10/09 Δ cst FX	10/09 Δ organic		FY 2010	10/09 Δ
Revenue	2,969	<b>3,743</b>	+18.6%	+17.7%	UW <sup>(1)</sup> - Mm <sup>3</sup> sold	<b>321</b>	+4.0%
EBITDA	468	<b>558</b>	+10.3%	+9.6%	Degrémont backlog DB - €m	<b>1,639</b>	-10.3%
<i>EBITDA margin</i>	15.8%	<b>14.9%</b>			Lydec – Mm <sup>3</sup> sold	<b>137</b>	+4.3%
FCF	174	<b>272</b>					

### Revenue: +18.6% (€+586m) at constant forex

- Degrémont (+37.8%, €+416m): Melbourne contract, good level of activity in France (Evreux, Bordeaux) and abroad (Brazil, China, Chile). Strong backlog (above €1.6bn)
- Asia-Pacific (+13.8%, €+95m): high growth in China (water and waste) and in Australia
- North America (+5%, €+30m): volumes (good summer) and prices up (successful rate cases)
- CEMME (+5.8%, €+45m): growth mainly coming from Lydec and waste in Poland

### 15% margin for International activities

- +19.1% EBITDA growth
- Margin evolution reflecting stronger DB<sup>(2)</sup> activity
- Free Cash Flow increased by 56%

# FY 2010

## FROM EBITDA TO INCOME FROM OPERATING ACTIVITIES

<i>In €m</i>	FY 2009	FY 2010	10/09 $\Delta$
<b>EBITDA</b>	<b>2,060</b>	<b>2,339</b>	<b>+13.6%</b>
Amortization excluding PPA <sup>(1)</sup>	(838)	(953)	+13.7%
Provisions	(13)	(52)	-
Other (Concession charges, ESOP <sup>(2)</sup> )	(283)	(288)	+1.8%
<b>CURRENT OPERATING INCOME excl. PPA</b>	<b>926</b>	<b>1,047</b>	<b>+13.1%</b>
Price Purchase Allocation <sup>(1)</sup>	-	(22)	-
<b>CURRENT OPERATING INCOME (COI)</b>	<b>926</b>	<b>1,025</b>	<b>+10.7%</b>
Net gain <sup>(3)</sup> on AGBAR	-	110	-
Other capital gains on disposals	84	205	-
Others (restructuring, impairment, etc)	(143)	(119)	-16.8%
<b>INCOME FROM OPERATING ACTIVITIES</b>	<b>867</b>	<b>1,221</b>	<b>+40.9%</b>

o/w €56m impact from  
AGBAR acquisition

 **> +13% GROWTH IN EBITDA AND COI EXCLUDING PPA**

# FY 2010

## FROM INCOME FROM OPERATING ACTIVITIES TO NET RESULT GROUP SHARE

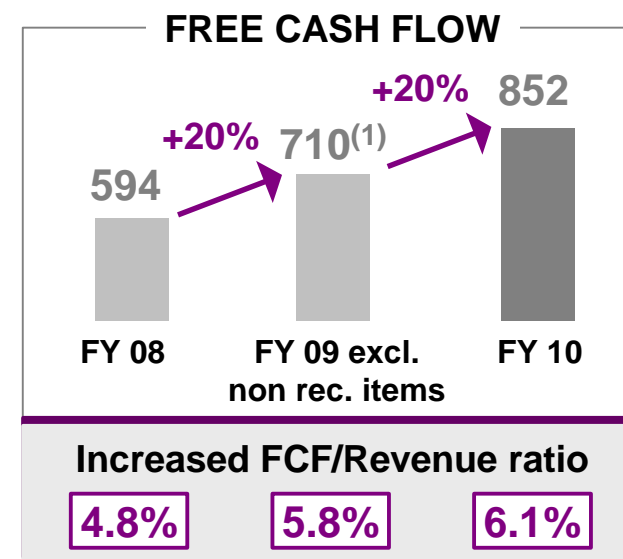
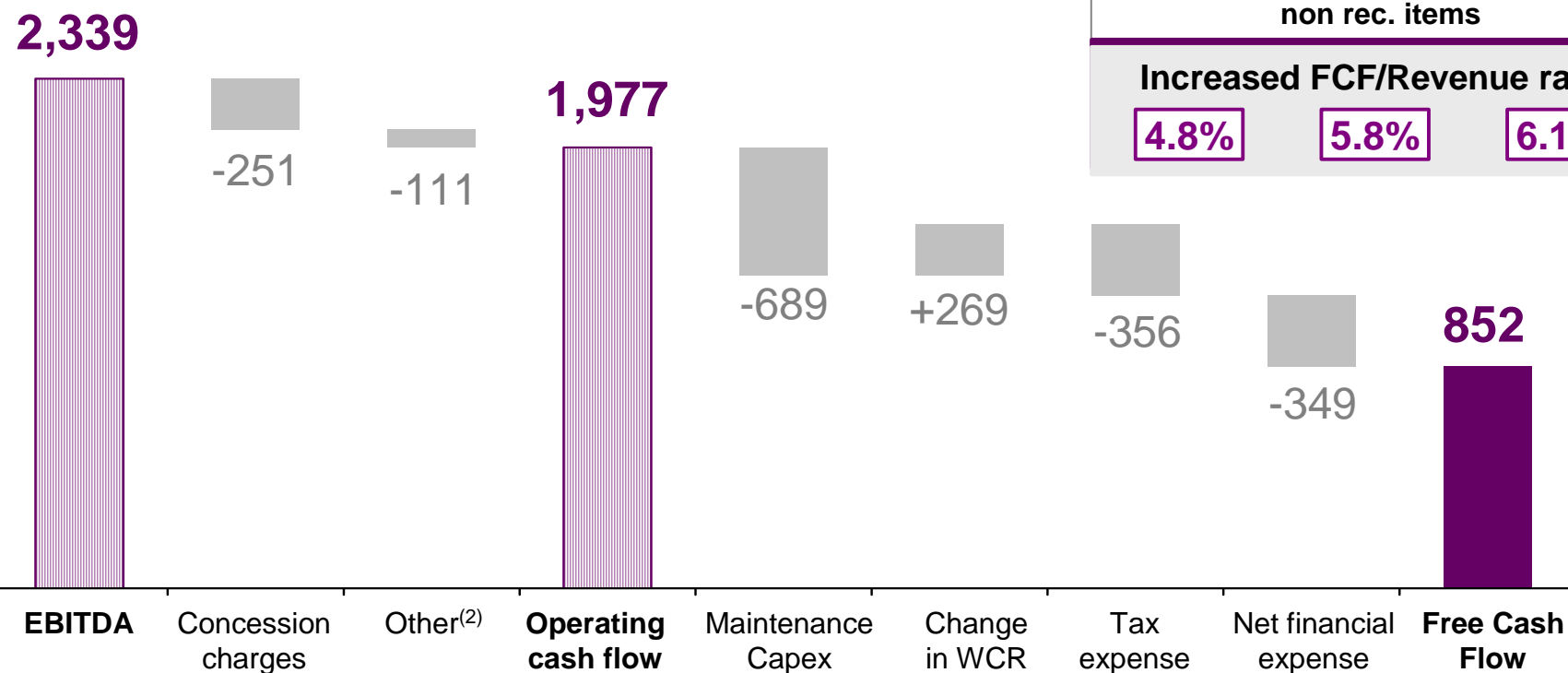
<i>In €m</i>	FY 2009	FY 2010	10/09 Δ
<b>INCOME FROM OPERATING ACTIVITIES</b>	<b>867</b>	<b>1,221</b>	<b>+40.9%</b>
<b>Cost of debt</b>	<b>(285)</b>	<b>(387)</b>	<b>+35.8%</b> — Cost of net debt of 4.9%
<b>Other financial result</b>	<b>25</b>	<b>(26)</b>	
<i>o.w. dividends</i>	40	24	
<i>o.w. LT discounting on provisions</i>	(25)	(45)	
<b>Associates</b>	<b>38</b>	<b>31</b>	
<b>Income tax</b>	<b>(129)</b>	<b>(119)</b>	<b>-7.6%</b> — Normative tax rate 29%
<b>Minority interest</b>	<b>(113)</b>	<b>(155)</b>	<b>+37.6%</b>
<b>NET RESULT GROUP SHARE</b>	<b>403</b>	<b>565</b>	<b>+40.1%</b>
Adjusted EPS <sup>(1)</sup>	0.82	1.15	+40.2%

 **HIGH EPS AT 1.15€ / SHARE**

# FY 2010: FREE CASH FLOW GENERATION

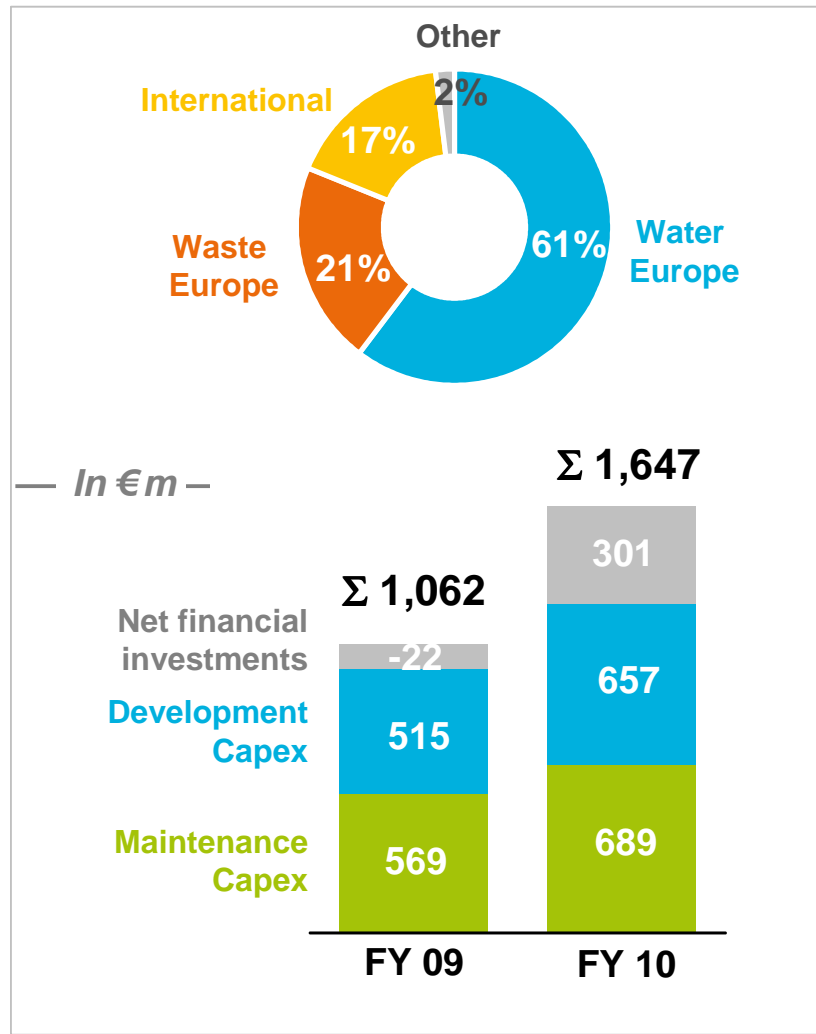
## CONTINUING INCREASE OF FREE CASH FLOW GENERATION

— In €m —



# FY 2010: NET INVESTMENTS

## SELECTIVITY OF INVESTMENTS TO FUEL PROFITABLE GROWTH



### Maintenance capex

- Between 4.5% and 5% of revenue since IPO
- Long term estimate at c. 5.5%

### Development capex

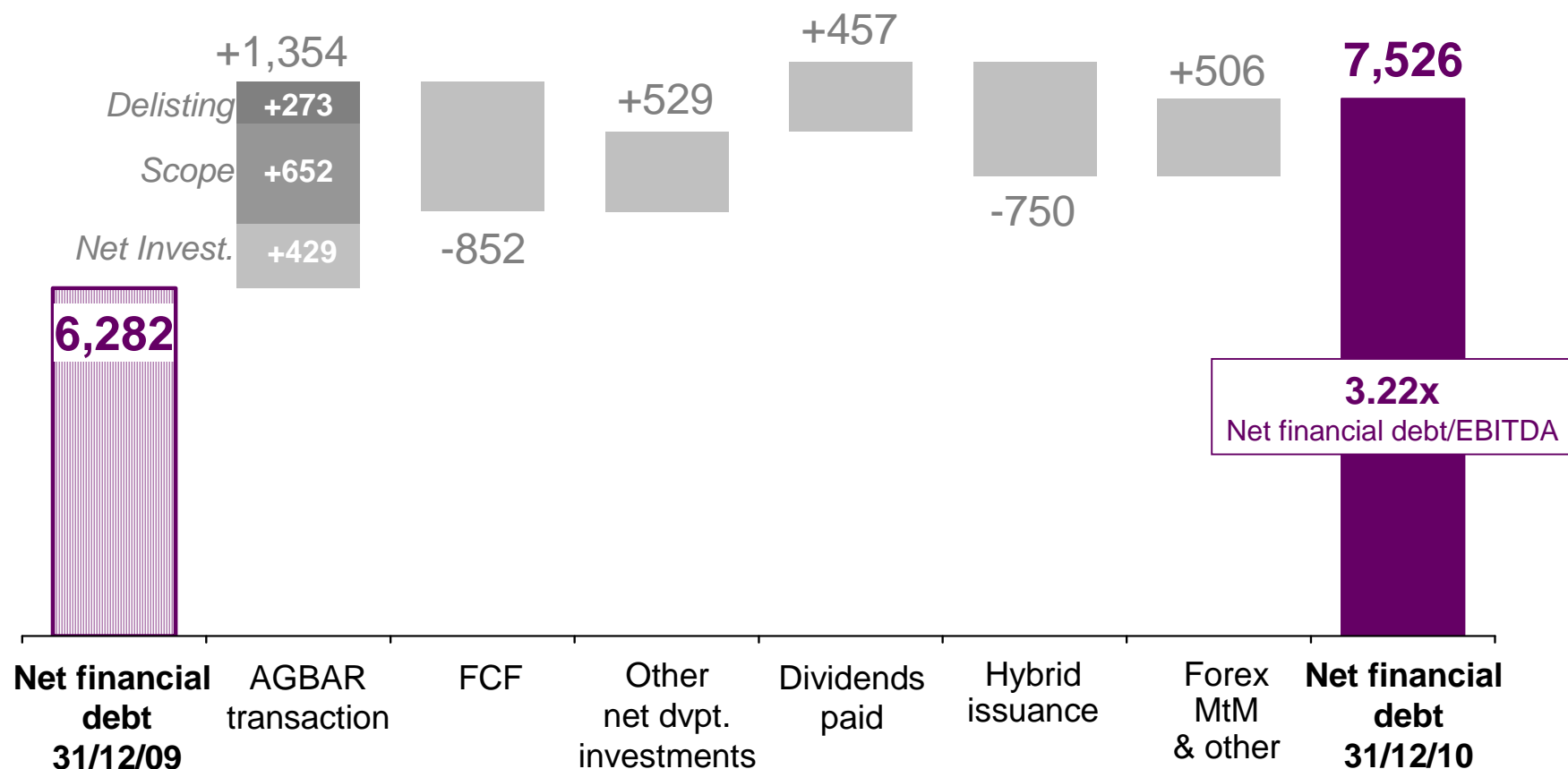
- **Water Europe:** new WWTP<sup>(1)</sup> & network in France (Cannes, Dijon, Bas Languedoc, Nouméa, Briançon, Port Saint Louis), new business, new contracts in Spain, WWTP in Chile<sup>(2)</sup>
- **Waste Europe:** Bavaro in the NL<sup>(2)</sup>, PFI in the UK<sup>(2)</sup>
- **International:** US regulated asset base<sup>(2)</sup>, Lydec, China, Australia

### Net financial investment

- AGBAR acquisition
- Disposals: €632m total proceeds in 2010
  - Of which €550m for Adeslas, London Waste<sup>(3)</sup>, French joint companies with €382m related capital gains

# FY 2010: NET FINANCIAL DEBT

— In €m —



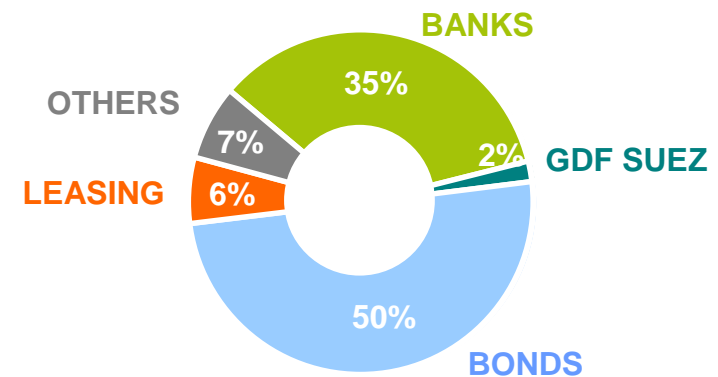


# FY 2010: NET FINANCIAL DEBT

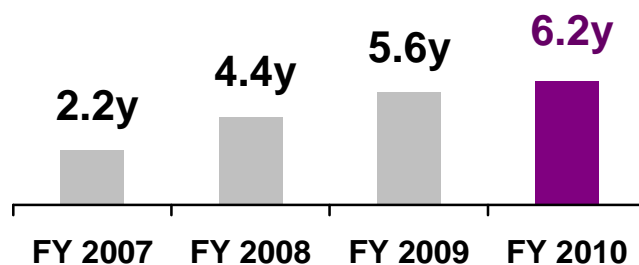
## IMPROVED PROFILE AT DECEMBER 31, 2010

- Average maturity increased to 6.2 years
- Net debt average cost of 4.94%
- 69% fixed / 31% variable debt
- Liquidity position > next 3-year reimbursements
- Renegotiated financial agreement with GDF SUEZ<sup>(1)</sup>

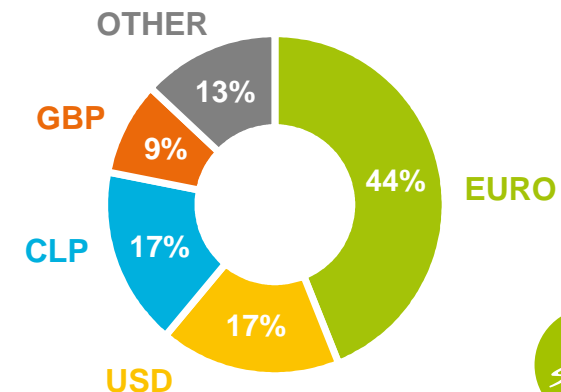
### GROSS DEBT BY TYPE



### EXTENSION OF AVERAGE MATURITY<sup>(2)</sup>



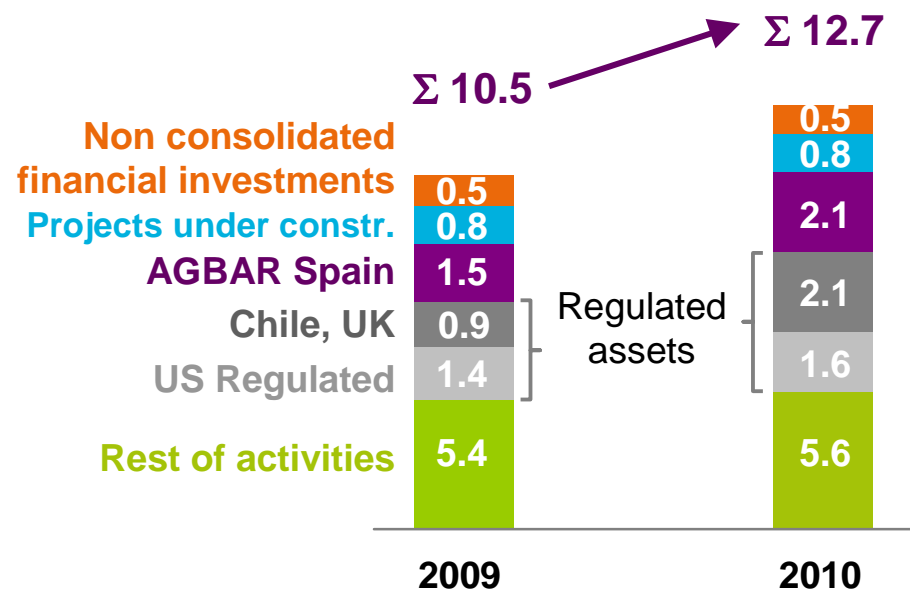
### NET DEBT BY CURRENCY



# ROCE

## INCREASING VALUE CREATION

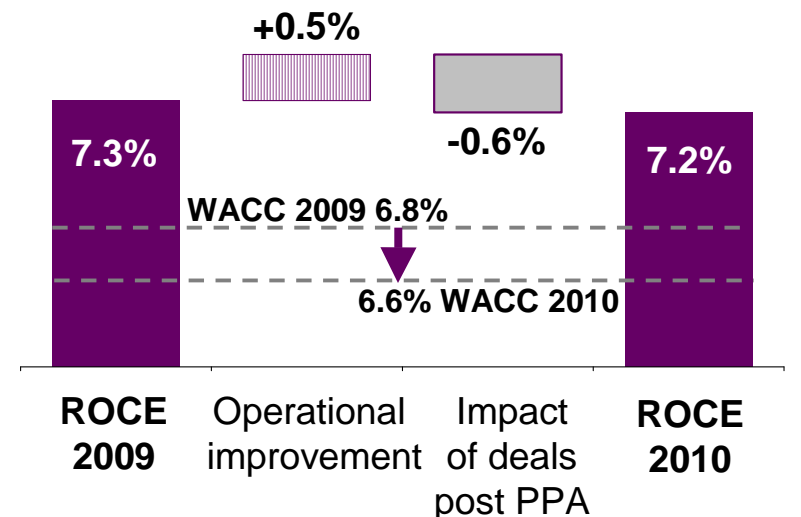
### TOTAL CAPITAL EMPLOYED<sup>(1)</sup>



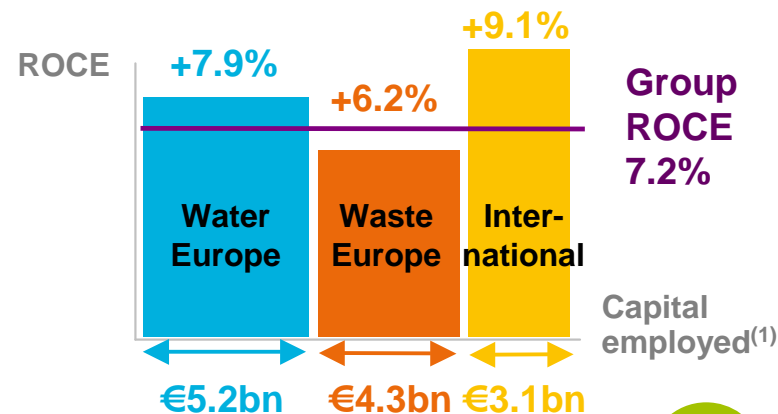
### Forthcoming ROCE improvement to benefit from

- Further organic growth from asset base
- Operational improvement of existing assets
- Assets to come into production
- Continued capex selectivity

### 2010 ROCE EVOLUTION



### ROCE<sup>(1)</sup> BY DIVISION



# CONCLUSION

## SOLID FINANCIAL PERFORMANCE

---

### ■ 2010: A year of strong growth with solid results

- All targets met
- Successful M&A activity with capital gains on disposals
- High Net Result group share

### ■ Favourable 2011 & medium-term outlook

- Continuation of dynamic growth
- Improved profitability
- Investment selectivity to fuel growth and ROCE improvement
- Net financial debt / EBITDA ratio maintained at around 3x as soon as 2011

Christophe CROS  
Senior Executive Vice President  
in charge of Waste Europe operations



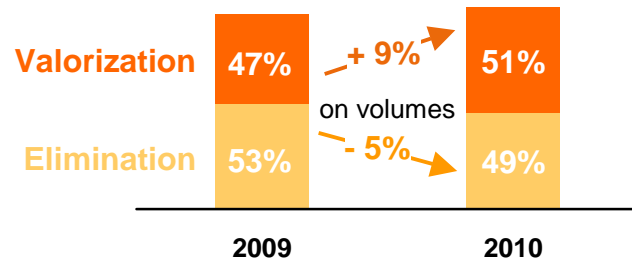
TOWARDS MORE  
VALORIZATION  
IN WASTE



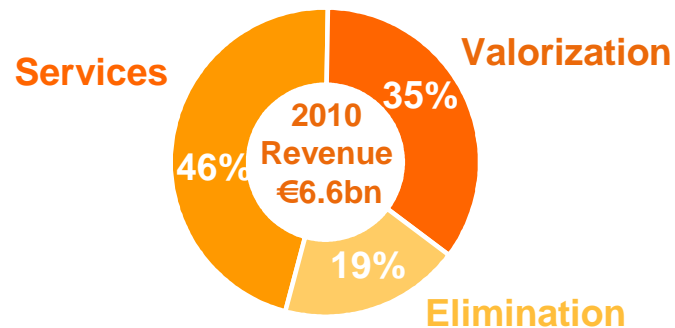
# TOWARDS MORE VALORIZATION IN WASTE

## SUEZ ENVIRONNEMENT AHEAD OF MARKET TRENDS

### TONNAGES<sup>(1)</sup> EVOLUTION BETWEEN ELIMINATION AND VALORIZATION<sup>(2)</sup>



### WASTE REVENUE BY ACTIVITY



### Balance between elimination and valorization is switching

- More tonnages recovered than eliminated in 2010

### Strong drivers for more waste valorization

- Material recovery driven by commodities prices
- Energy recovery driven by renewable energy demand

### Evolution hardened by specific national situations

- Political will to decrease dependency to fossil fuel and to decrease GhG emissions (e.g. Sweden, Germany)
- Imbalance between landfill tax and EfW capacities construction (UK)

(1) Waste Europe + Australia

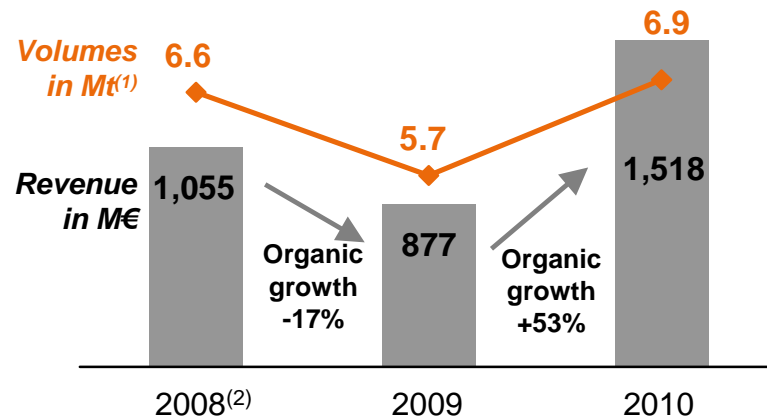
(2) Elimination = Landfill+Incineration without energy production ;  
Valorization = Material and Energy recovery

# STRONG REBOUND OF SORTING & RECYCLING ACTIVITIES

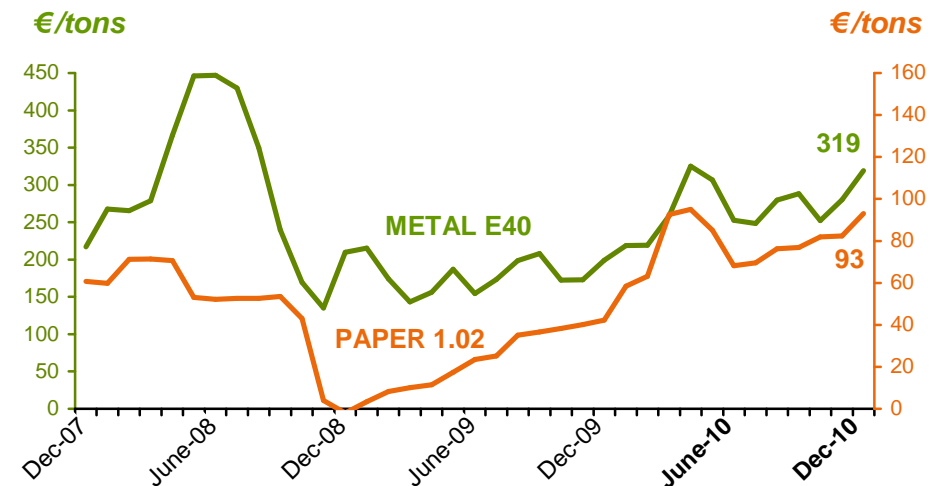
## INCREASE IN PRICES AND VOLUMES IN 2010

### INCREASE IN REVENUE IN 2010

Waste Europe, Australia, Central Europe



### COMMODITY PRICES EVOLUTION



### Contracts structure

- Municipal clients:
  - mainly fixed fee/ton for sorting, shared gain of the sale of collected recyclables
- I&C clients:
  - sorting fee, price effect resulting from time process between acquisition and sale of recyclables

### Return to favourable trend in 2010

- Correlation between high prices and increase in volumes

### Full benefit for SUEZ ENVIRONNEMENT

- Smart positioning and investments
- Cost structure optimization
- Increased assets utilization rate



# GROWTH PERSPECTIVES IN WASTE

## MORE OPPORTUNITIES IN VALORIZATION AND A UNIQUE POSITIONING

### Shift from elimination to valorization will keep increasing

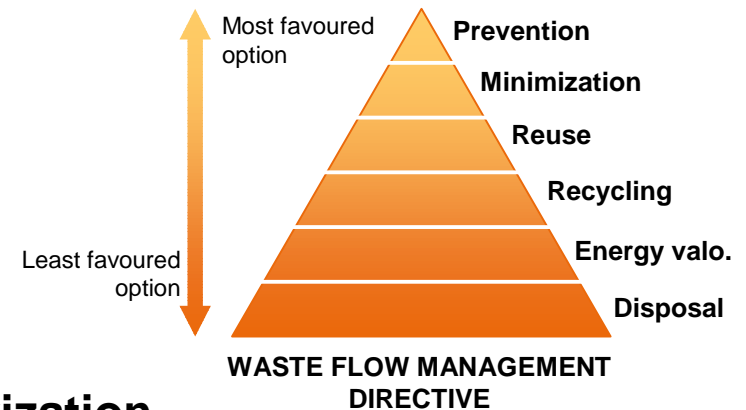
- Economics of energy / GhG
- Economics of raw materials
- Regulation

### SUEZ ENVIRONNEMENT well positioned in valorization

- Investments in new assets for energy valorization
  - Alternative fuel production (RDF, plastics to fuel)
  - New state-of-the-art EfW plants in the UK and in the Netherlands
- Large scope of recycling activities
  - Secondary raw materials
  - Circular economy (Bottle-to-bottle, pallets)
  - End-of-Life products

### SUEZ ENVIRONNEMENT, the unique European waste management platform with additional fast growing International positions

- Global waste flows management and export of prepared wastes in Europe
- Reinforced position in Australia





Thierry MALLET  
Senior Executive Vice President  
in charge of International operations

**FASTER  
INTERNATIONAL  
DEVELOPMENT**



# INTERNATIONAL DEVELOPMENT

## AMBITIOUS AND SELECTIVE STRATEGY

### ■ Ambitious development strategy

- Develop markets with attractive growth potential
- Offer competitive solutions on human resource, technical, contractual and financial aspects
- Propose adapted business models to client's need

### ■ Benefit from rapid growth area

- Increasing industrial demand for water offers
- Water: major infrastructure projects, demand for know-how & service management
- Waste: growing needs for treatment solutions

### ■ Profitable growth with long term view

- Around existing positions
- Developing with strong local partners
- Securing return on investments

Chile



Australia



# INTERNATIONAL DEVELOPMENT

## WATER AND WASTE GROWING MARKETS WORLDWIDE

### AUSTRALIA

- Develop tailor made solutions
- **Participative contracts**
- Melbourne PPP



### BRAZIL

- Respond to **industrial market**
- Oil & gas: Rnest



### CHINA

- **Joint Ventures** with clients
- Strong partnership with New World
- Water & waste combined solutions: SCIP chemical park



### AFRICA-MIDDLE-EAST

- **Management contracts**
- Offer added value services, Know-how
- Jeddah & Alger



# INTERNATIONAL DEVELOPMENT

## REINFORCEMENT OF SELECTIVE POSITIONS: 27% OF REVENUES

### DEGREMONT (worldwide)

- Upstream position to detect market opportunities, DB/DBO solutions
- Increased development on BRIC countries

### USA

- Further investment in the drinkable water regulated activity
- Development of services

### CHINA

- Booming water activity
- Reinforced presence in waste

### AFRICA-MIDDLE-EAST

- Growing needs for water & waste management and service contracts
- Infrastructure needs

### CHILE

- Increase in volumes
- Demand for infrastructure

### AUSTRALIA

- New infrastructure projects to respond to water scarcity issue
- Demand for alternative waste treatment

  
Grupo Agbar

 Water Activity

 Waste Activity

 Water & Waste Activity





Jean-Louis CHAUSSADE  
CEO

OUTLOOK  
MORE VALUE FROM  
FULL CYCLE MANAGEMENT



# 2011 OBJECTIVES<sup>(1)</sup>

## CONTINUED GROWTH

---

### ■ Operational objectives

- Revenue growth  $\geq 5\%$  at constant forex
- EBITDA growth  $\geq 10\%$ <sup>(2)</sup> at constant forex
- Net Result group share  $> €425\text{m}$
- 2011 FCF  $\geq$  2010 FCF

### ■ Net financial debt / EBITDA at around 3x at year-end

- Maintained selectivity on investments

### ■ Dividend: €0.65 per share related to 2010 results<sup>(3)</sup>

# 2012-2013 OBJECTIVES<sup>(1)</sup>

## SOLID MEDIUM TERM PERSPECTIVES

---

### ■ Profitable growth objectives

- Revenue growth  $\geq 5\%$  on average at constant forex
- EBITDA growth  $\geq 7\%$  on average at constant forex

### ■ Net financial debt / EBITDA maintained at around 3x

### ■ Attractive dividend policy

- Around +5% annual growth related to 2011-2013 results
- Targeting long term pay-out  $> 60\%$



# LONG TERM STRATEGY OF SUSTAINABLE GROWTH

---

## ■ **Balanced industrial growth strategy**

- Build on competitive advantages: innovation, green offers
- Get more value from full cycle management of waste and water
- Leverage positive market drivers: solid medium term perspectives

## ■ **Well posted to benefit from fast growing environmental markets**

- Notably in Southern European markets in water
- Towards more valorization and through volume rebound in waste
- Through an ambitious and selective international development

 **BE THE ENVIRONMENTAL PERFORMANCE LEADER**

# CONCLUSION

---

- **STRONG PERFORMANCE** and major strategic moves in 2010
- **GROWTH** and **PROFITABILITY IMPROVEMENT** objectives for 2011-13
- Clear and attractive **DIVIDEND** policy


# APPENDICES



# APPENDICES

## TABLE OF CONTENTS

---

	<i>Pages</i>
 Summary financial statements	45
Shareholding structure	49
Activity of divisions	53
Sustainable development	65
Scope & FX effects	68
Financial indicators	71
Tax & Debt	87
Assets & liabilities overview	92



# APPENDICES

## SUMMARY FINANCIAL STATEMENTS



# SUMMARY BALANCE SHEET

*In €m*

ASSETS	31/12/09	31/12/10	LIABILITIES	31/12/09	31/12/10
<b>NON CURRENT ASSETS</b>	<b>13,683</b>	<b>18,395</b>	Equity, group share	3,676	4,773
o/w goodwill	3,070	3,128	Minority Interests	742	1,854
<b>CURRENT ASSETS</b>	<b>8,864</b>	<b>7,535</b>	<b>TOTAL EQUITY<sup>(1)</sup></b>	<b>4,418</b>	<b>6,627</b>
o/w financial assets at fair value through income	1,141	265	Provisions	1,389	1,657
o/w cash & cash equivalents	2,712	1,827	Financial Debt	10,080	9,640
<b>TOTAL ASSETS</b>	<b>22,548</b>	<b>25,930</b>	Other Liabilities	6,660	8,007
			<b>TOTAL LIABILITIES</b>	<b>22,548</b>	<b>25,930</b>

(1) Gearing down to 114% in 2010 from 142% in 2009

# SUMMARY INCOME STATEMENT

<i>In €m</i>	FY 2009	FY 2010
<b>REVENUE</b>	<b>12,296</b>	<b>13,869</b>
Depreciation, amortization & provisions	(851)	(1,027)
<b>CURRENT OPERATING INCOME</b>	<b>926</b>	<b>1,025</b>
<b>INCOME FROM OPERATING ACTIVITIES</b>	<b>867</b>	<b>1,221</b>
Financial result	(260)	(414)
Associates	38	31
Income tax	(129)	(119)
Minority interest	(113)	(155)
<b>NET RESULT GROUP SHARE</b>	<b>403</b>	<b>565</b>



# SUMMARY CASH FLOW STATEMENT

<i>In €m</i>	<b>FY 2009</b>	<b>FY 2010</b>
Gross cash flow before financial loss and income tax	1,797	1,977
Income tax paid (excl. income tax paid on disposals)	(115)	(356)
Change in operating working capital	(77)	269
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1,606</b>	<b>1,890</b>
Net tangible and intangible investments	(1,083)	(1,346)
Financial investments	(330)	(587)
Disposals	352	632
Other investment flows	37	(14)
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>(1,024)</b>	<b>(1,315)</b>
Dividends paid	(431)	(457)
Balance of reimbursement of debt / new debt	2,141	(2,131)
Interests paid on financial activities	(196)	(368)
Capital increase	13	4
Other cash flows	(1,069)	1,475 <sup>(1)</sup>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>458</b>	<b>(1,477)</b>
Impact of currency, accounting practices and other	4	17
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD</b>	<b>1,669</b>	<b>2,712</b>
Total cash flow for the period	1,043	(885)
<b>CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD</b>	<b>2,712</b>	<b>1,827</b>

(1) Of which Hybrid issuance for €750m





# APPENDICES

## SHAREHOLDING STRUCTURE



# SHAREHOLDING STRUCTURE

	December 31, 2009	December 31, 2010	% at Dec 31, 2010
GDF SUEZ	173,406,974	173,406,974	35.4%
Groupe Bruxelles Lambert	35,001,611	35,001,611	7.1%
CDC	9,599,359	9,599,359	2.0%
Areva	6,906,750	6,906,750	1.4%
CNP Assurances	6,191,630	6,191,630	1.3%
Sofina	4,125,000	4,125,000	0.8%
<b>TOTAL SHAREHOLDERS AGREEMENT</b>	<b>235,231,324</b>	<b>235,231,324</b>	<b>48.04%</b>
Treasury Stocks	301,000	2,164,492	0.4%
Public & employees	254,166,737	252,303,244	51.6%
<b>TOTAL</b>	<b>489,699,060</b>	<b>489,699,060</b>	<b>100.0%</b>



# APPENDICES

## ACTIVITY OF DIVISIONS



# WATER EUROPE: MAIN FY 2010 CONTRACTS

## NEW CONTRACTS

### France

- Strasbourg (€98m, 8y)
- Sartrouville aquatic centre (€25m, 20y)
- Nîmes Ouest (€17m, 9y)
- St Dizier (€16m, 12y)
- Syndicat mixte du Dijonnais (€14m, 11y)
- Satrod (€14m, 10y)
- SIAAP services (€10m)

### Spain

- Calvia (€980m, 50y)
- Sant Vicenç dels Horts (€113m, 50y)
- La Oliva (€64m, 50y)
- Monforte (€46m, 45y)
- Villaquilambre (€22m, 25y)
- Almenara (€18m, 25y)
- Zaragosse (€18m, 4y)
- Tarragona (€13m)
- Barcelona (€10m, 4y, public fountains)

### Ondeo IS/Safège

- Hauts Plateaux (Algeria, €11m)

## RENEWALS

### France

- Epinay Longjumeau (€29m, 16y)
- CA Porte de l'Isère (€28m, 8y)
- Cholet (€27m, 10y)
- Gif-sur-Yvette (€21m, 14y)
- Blaye (€18m, 17.5y)
- Val de Gray (€14m, 12y)
- Fouesnant (€11m, 8y)

### Spain

- Ponferrada (€137m, 25y)
- Palencia (€119m, 20y)
- Alicante (€58m, 14y)
- Petrer (€57m, 30y)
- San Fulgencio (€34m, 20y)
- Ribera (€26m, 15y)
- Gelida (€16m, 20y)
- Torello (€15m, 20y)

## ACQUISITIONS

### France

- 8 former joint companies (Jan 2010)

### Spain

- Elmasa (Jan 2010)

### Germany

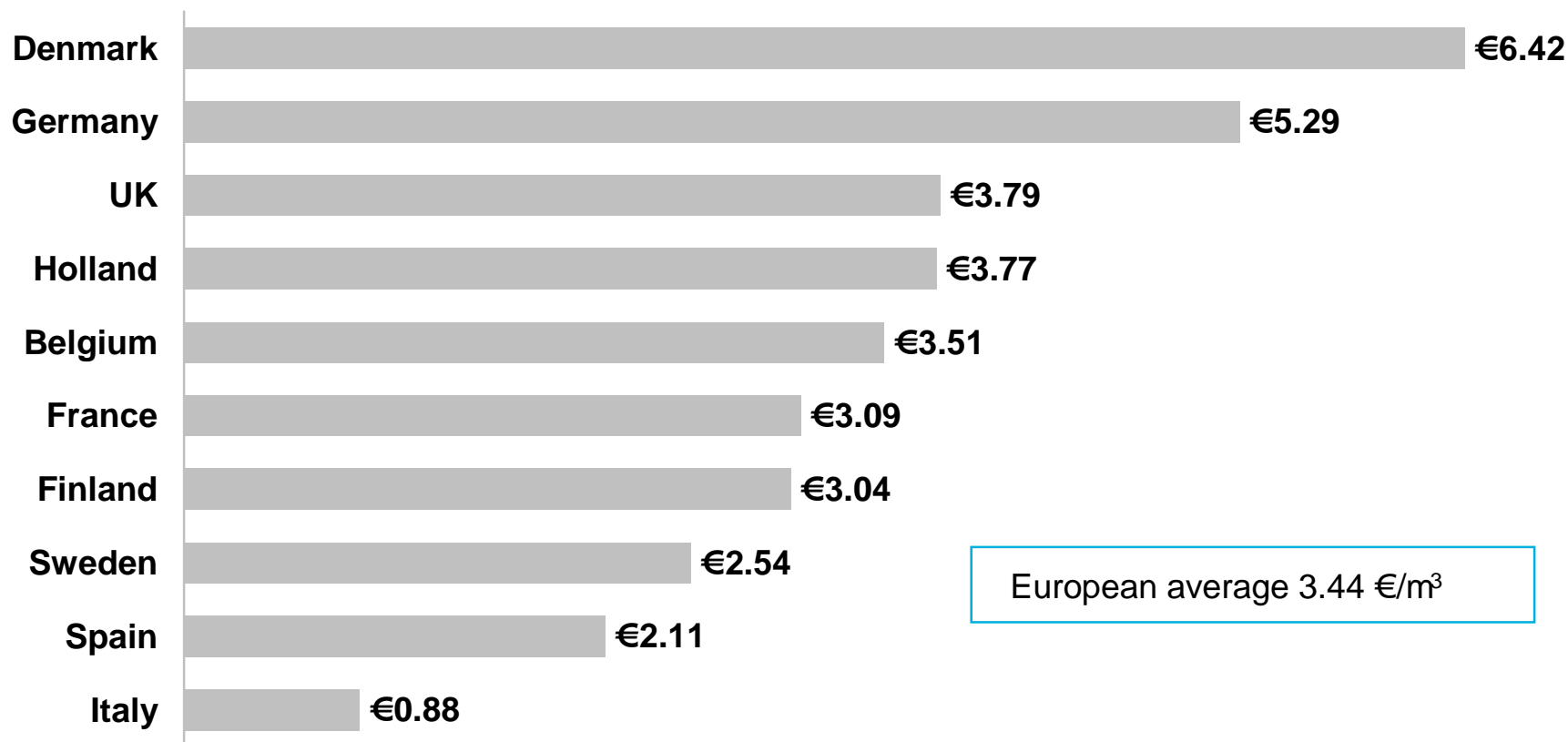
- EGE, Eurawasser (Sept 2010)

# WATER EUROPE

## WATER PRICE (January 1<sup>st</sup> 2009)

### GLOBAL AVERAGE PRICE

at constant forex, €/m<sup>3</sup>

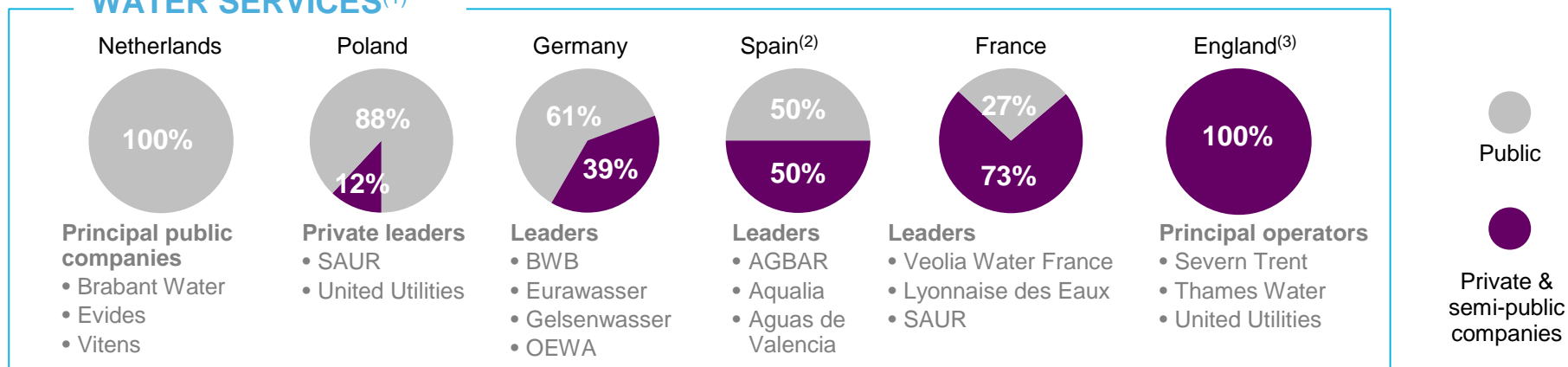




# WATER EUROPE

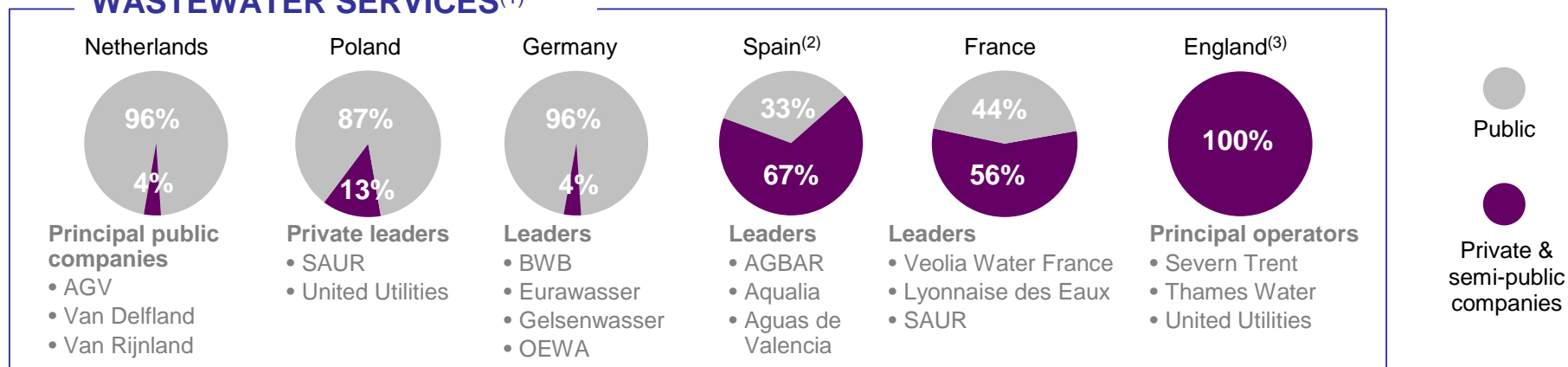
## PUBLIC-PRIVATE MARKET SHARES IN EUROPE

### 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

# WATER EUROPE

## ADDITIONAL AND NEW SERVICES

### SERVICES FOR PROFESSIONALS, LOCAL AUTHORITIES AND CONSUMERS

#### Real estate consumption management

- Services for consumption and operating expenses control (water and energy)
- Property performance diagnosis

#### New Energy Sources

- “Degrés Bleus”: valorization of energy from waste water to heat public and private buildings
- “Degrés Bleus Eau Chaude”: water heating for swimming pools

#### Aquatic environment management

- Work in aquatic environments, environmental management, bioengineering
- Dynamic management of coast water quality
- Resource protection and geothermal energy market
- Drilling work
- Dredging and weed removal

#### Consumers services

- A package of services for consumers (smart metering, Dolce Ô®, leakage insurance)
- Electronic billing

#### Equipment concessions

- Concessions for aquatic centres and sports & leisure equipments
- Port management

#### Networks

- Cleaning of networks with ice (Ice Pigging)

# WATER EUROPE

## EUROPEAN REGULATION IN WATER

---

### European Urban Wastewater Treatment Directive (1991)

- Towns > 2,000 population equivalent: water collection and secondary treatment obligation
- May 2010: Italy & Spain taken to European Court (cities not compliant: Italy 178, Spain 38)
- France: ambitious programme to become 100% compliant

### European Drinkable Water Quality Directive (1998)

- Increased requirements on the quality of water intended for consumption

### Water framework directive (2000)

- Restoring the quality of underground and surface water by 2015

### Bathing Water Quality Directive (2006)

### France: Grenelle II law (2010)

- New dynamic for more environment protection (leakage reduction, energy from sludge)
- Possibility of extending public service contracts where there is “new or greater use of renewable or recovered energy”



# WASTE EUROPE

## MAIN FY 2010 CONTRACTS

---

### NEW CONTRACTS

#### ● SITA France

- SYCTOM Agglomération Parisienne (Ivry, €210m, 6y)
- Syndicat de Traitement des Déchets Ardèche Drôme (€28m, 6y)
- Orléans (€14m, 5y)
- Marseille Provence Metropole (€12m, 4y)

#### ● SITA UK

- Suffolk PFI (€1.2bn, 25y)
- Preferred bidder South Tyne & Wear (£1bn, 25y)

#### ● SITA Germany

- Zollernalbkreis (€13m, 8y)
- Gernersheim (€11m, 10y)
- Otto (€11m, 1y)

#### ● SITA Benelux

- Drukkerij De Jong Baarle Hertog (€10m, 5y)

### RENEWALS

#### ● SITA France

- SICTRM de la Vallée du Loing (€20m, 5y)
- Trivalis (€16m, 2.5y)
- SMICTOM Villeneuve Lez Avignon (€11m, 6y)
- Ventoux Comtat Venaissin (€11m, 4y)

#### ● SITA UK

- Aberdeenshire (€230m, 15+5y)

#### ● SITA Germany

- Special Collection Systems Region South (€28m, 2y)
- Ilva (€11m, 5y)

#### ● SITA Benelux

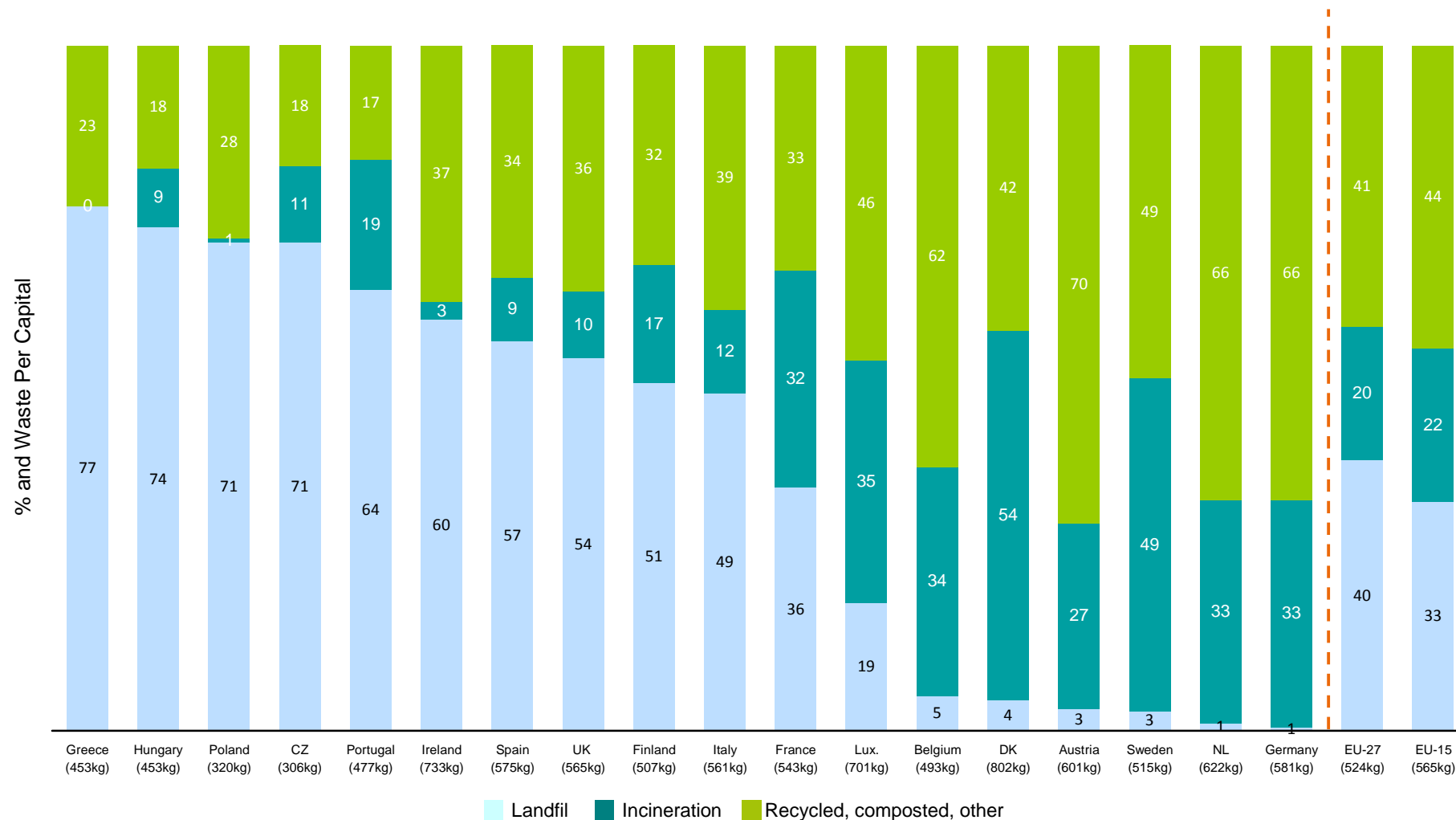
- Minet Kompost (€11m, 5.5y)
- IMOG (€10m, 5y)

#### ● SITA Sweden

- Sweden Glass Recycling (€15m, 5y)

# WASTE EUROPE

## MUNICIPAL WASTE TREATMENT MIXES IN EU COUNTRIES



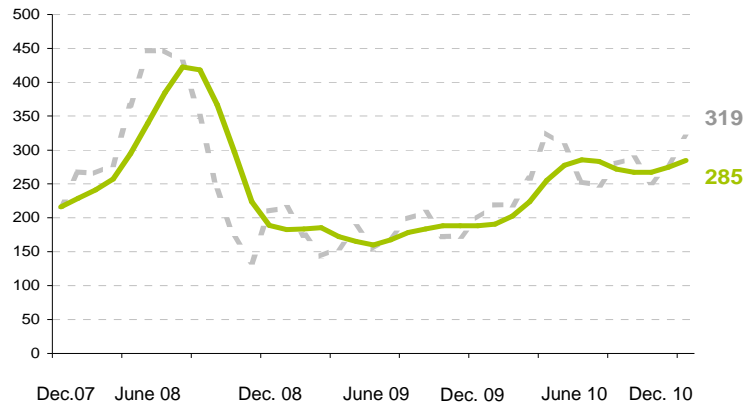
Source: Eurostat- 2008 data updated in March 2010 - Estimated figures for Belgium, Germany, Spain, France, Italy, Luxembourg, Netherlands, Austria, and UK

# WASTE EUROPE

## COMMODITY PRICES EVOLUTION (at December 31, 2010)

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

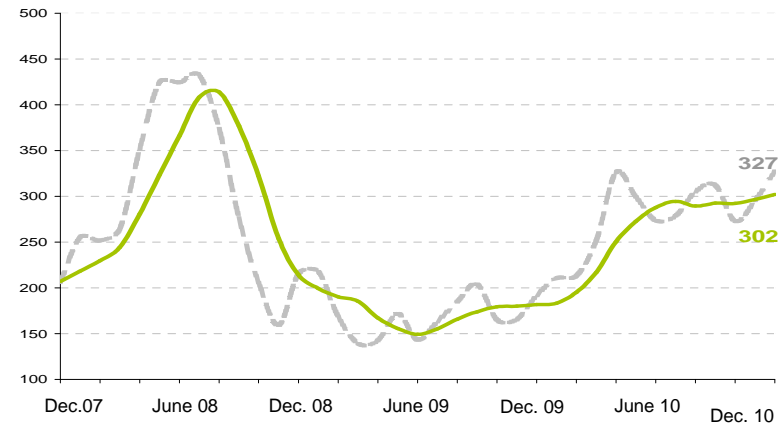
€/ton



Source: UCFF

**ALUMINIUM PRICE (raw material)**

\$/ton



Source: LME

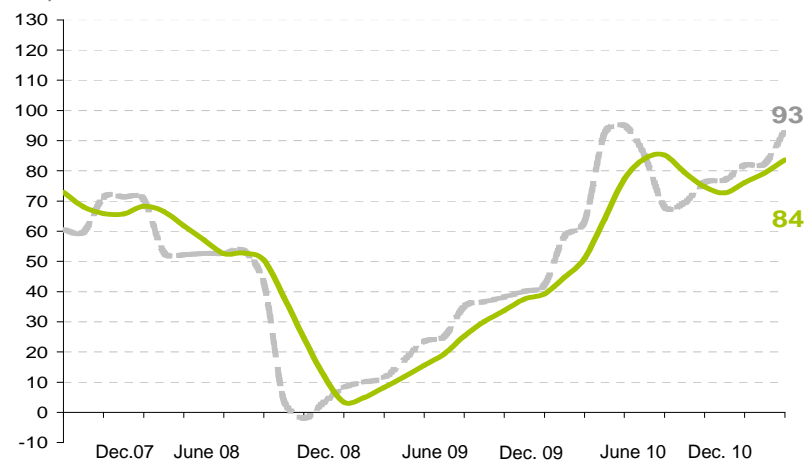
**PET PRICE (plastic, raw material)**



Source: CSEMP

**PAPER 1.02 PRICE (recycled material)**

€/ton

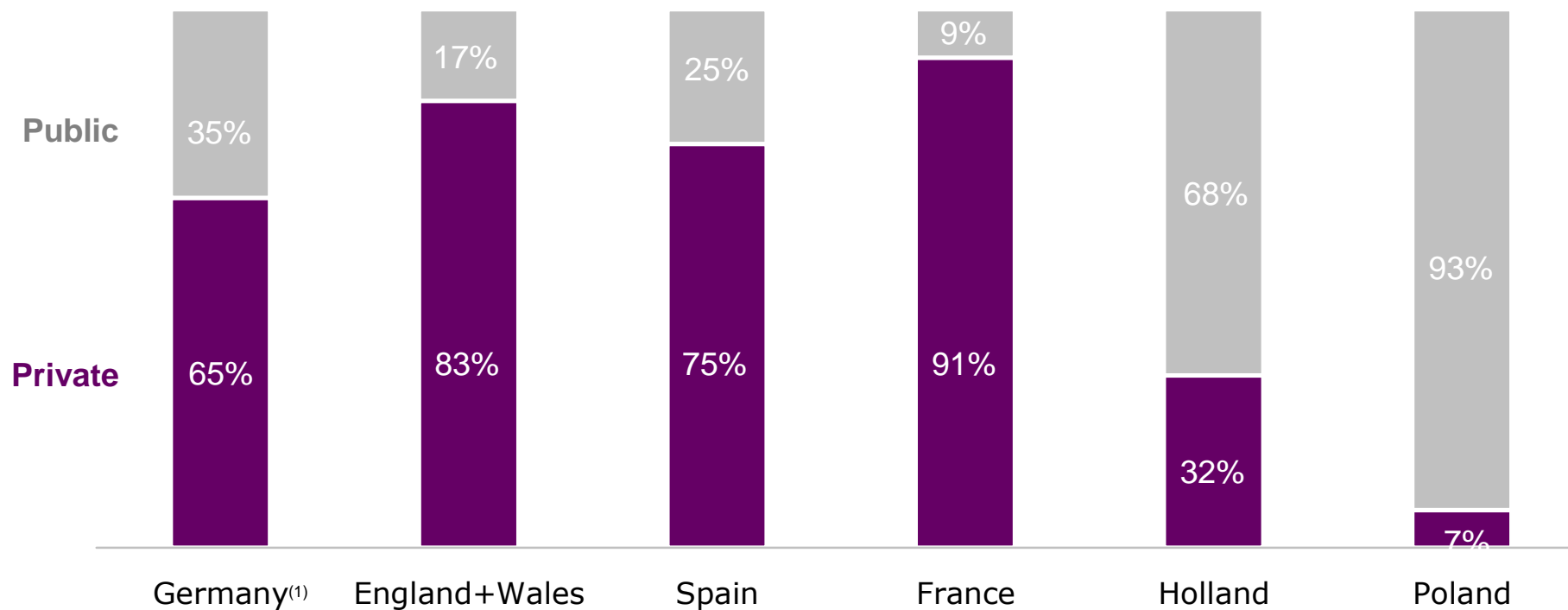


Source: REVIPAP

# WASTE EUROPE

## PUBLIC-PRIVATE MARKET SHARES

MUNICIPAL SOLID WASTE VOLUMES TREATED IN 2009



# WASTE EUROPE

## EUROPEAN REGULATION IN WASTE (1/2)

---

### GLOBAL FRAMEWORK

- **Waste Framework Directive (2008)**

- 2020 recycling targets: 50% of municipal waste, 70% of non-hazardous construction & demolition waste, in weight
- Efficient EfW installations recognized as valorization (“R1” status)
- Enlarged producer responsibility
- Integration of the Hazardous Waste Directive

- **Waste Shipments Regulation (2006)**

- Preliminary authorization system for waste shipment with differences depending on final treatment

- **Environmental liability (2004)**

- Legal framework for the “polluter-payer” principle

### WASTE TREATMENT OPERATIONS

- **Landfill Directive (1999<sup>(1)</sup>)**

- Targeted volumes of biodegradable waste to be landfilled by 2016: 35% of the total amount generated

- **Industrial emission (2010)**

- Widens the scope of previous directives to include waste valorization activities (biological treatment, slags and ashes treatment, etc. subject to permit procedures above capacity of 75t/d)

# WASTE EUROPE

## EUROPEAN REGULATION IN WASTE (2/2)

---

### MAIN WASTE FLOWS

- **Batteries (1991, 1993, 2006)**
  - Targets in term of collection: 25% minimum by Sept. 2012 at the latest and 45% by Sept. 2016 at the latest
- **End of life vehicles (2000)**
  - Recycling rate 85% and valorization rate 95% by 2015
- **Packaging (1994 and 2004)**
  - 60% minimum of packaging waste recovered (material or energy valorization) in weight
  - 55% to 80% of packaging waste recycled in weight
  - Material in packaging waste (in weight): 60% for glass, paper & cardboard; 50% for metal; 22.5% for plastic; 15% for wood
  - Deadline: 2008 for all Members that joined EC before 2003 and from 2012 to 2015 for the others
- **WEEE<sup>(1)</sup> (2002<sup>(2)</sup>)**
  - Selective collection: 4kgs/inhab/year of household WEEE collected
  - Valorization rate: 80% (in average weight per device) for big appliances, 70% for small ones & 75% for IT equipment
  - Reuse: 80% for electrical lamps, 75% for big appliances, 50% for small appliances & 65% for IT equipment

### OTHER REGULATION WITH STRONG IMPACT ON WASTE VALORIZATION

- **National Renewable Energy Action Plans (2009)**
  - National targets for the share of energy from renewable sources in gross final consumption for 2020 in line with the 20% overall goal of the EU

# INTERNATIONAL

## MAIN FY 2010 CONTRACTS

### NEW CONTRACTS

#### Degrémont

- Mapocho (Chile, €260m, 5y, DBO<sup>(1)</sup>)
- Achères (France, €110m, DB<sup>(2)</sup>)
- Saidabad (Bangladesh, €90m, 6y, DBO)
- Panama (€80m, 4y, DBO)
- Petrobras (Brazil, €49m, DB)
- Evreux (France, €42m, DBO)
- TK Halli (India, €35m, 9y, DBO)
- Rostov (Russia, €35m, DB)

#### Asia-Pacific

- Chongqing Changshou Chemical Industrial Park (China, 30y+20y)

#### Australia

- Canning (€14m, 5y)

#### North America

- East Providence (€73m, 10y)

### 2010 RATE CASES IN THE US

Utility	Date for new rates	% growth
New Rochelle	November 2010 (4 years phase in)	c. 34%
Arkansas	November 2010	c. 7%
New Jersey	August 2010	c. 8%
New York	August 2010 (3 years phase in)	c. 33%
Toms River	June 2010	c. 19%
Pennsylvania	March 2010	c. 9%
Idaho	March 2010	c. 10%

### RENEWALS

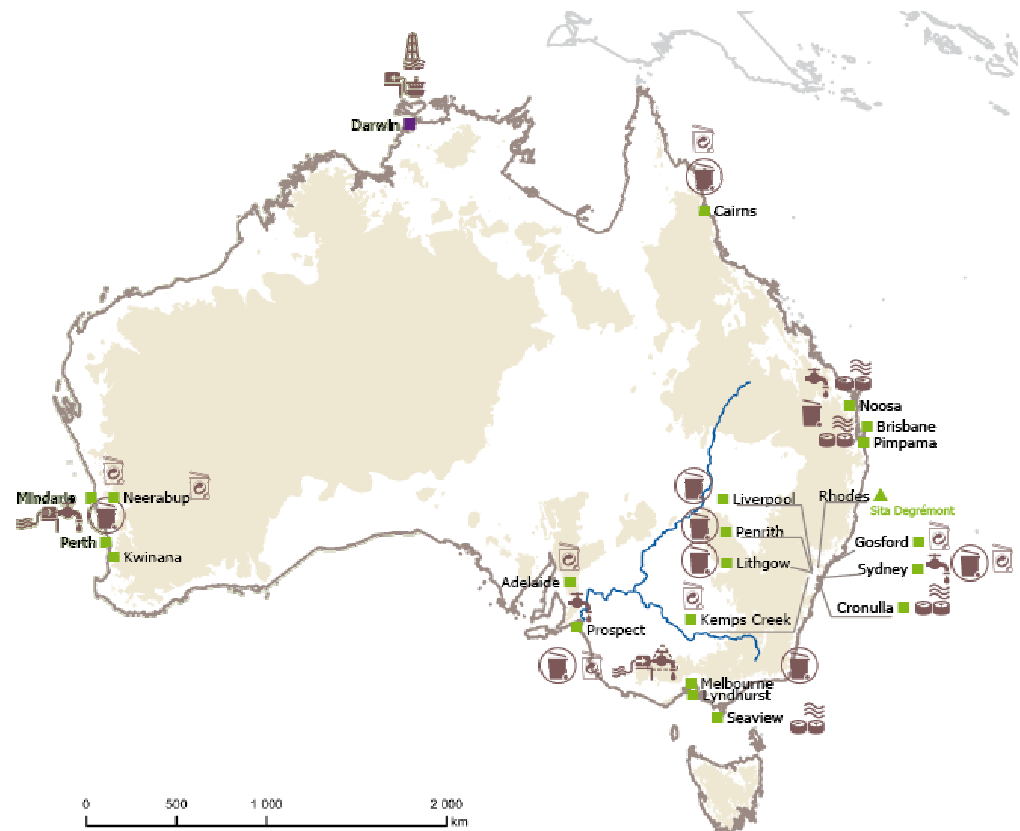
#### Asia-Pacific

- Renewal of Macau contracts (2025 and 2030)



# INTERNATIONAL POSITIONING IN AUSTRALIA

- **€786m revenue in 2010**
- **Leading position in waste: #3**
  - Presence along the waste value chain: waste collection, waste transfer, recycling, landfills management, treatment alternatives
  - WSN acquisition: strengthens positions on commercial and municipal waste markets
- **Historical presence in water**
  - Sydney: biggest water production plant
  - Largest desalination plants in the Southern Hemisphere at Melbourne and Perth
- **Opportunities in Australia**
  - Water shortage across the country
  - Fast growing waste market, treatment alternatives to be developed



## Activities



Water supply



Wastewater treatment



Desalination Plant



Waste recycling



Waste management



Waste collection



# APPENDICES

SUSTAINABLE DEVELOPMENT  
& INNOVATION



# SUSTAINABLE DEVELOPMENT

	31/12/2009	31/12/2010	Evolution vs. 2009
Increase the material valorization rate of household and non-hazardous industrial waste <sup>(1)</sup>	31.9%	36.8%	✓
Reduction of water network losses <sup>(2)</sup>	9.7 m <sup>3</sup> /km/j	9.4 m <sup>3</sup> /km/j	✓
Reduction of direct and indirect greenhouse gas emissions <sup>(3)</sup>	5.9 MtCO <sub>2</sub> eq.	6.2 MtCO <sub>2</sub> eq.	≈
Increase of renewable energy generation <sup>(3)</sup>	2.5 TWh	2.5 TWh <sup>(4)</sup>	✓
Decrease of frequency and severity rates of accidents <sup>(2)</sup>	FR 15.35	FR 16.28	—

## Positive evaluations from ESG rating agencies

## Inclusion in sustainability indices

- Of which DJSI<sup>(5)</sup> World & DJSI<sup>(5)</sup> Stoxx, Ethibel and Aspi indices

(1) Excluding impact of SITA Waste Services (SITA Waste Services not included in 2012 objectives)

(2) Excluding AGBAR (AGBAR not included in 2012 objectives)

(3) Excluding SITA Waste Services & AGBAR (not included in 2012 objectives)

(4) Sale of London Waste in Dec. 2009

(5) Dow Jones Sustainability Index

Data validation by statutory auditors in progress

# RESEARCH & INNOVATION

## KEY ISSUES



### DRINKING WATER

#### From water supply management to water quality at the point of use

- Controlling health risks
- Improving consumer satisfaction
- New technologies
- Leveraging performance and costs



### WASTEWATER & ENVIRONMENT

#### Sanitation, waste water treatment, sludge treatment

- Leveraging energy performance and facilities costs
- Controlling health and environmental risks
- Developing and validating new technologies



### ANALYSIS & HEALTH

#### Analytical and health expertise applied to the environment

- Performance of SUEZ ENVIRONNEMENT's network of labs
- Analysis tools
- Future health and environmental risks
- 24/7 stand-by service



### MATERIAL & ENERGY VALORIZATION

#### Transformation and conversion of residual materials

- Reducing environmental and health impacts
- Producing renewable energy
- Promoting material reuse and recycling





# APPENDICES

## SCOPE & FX EFFECTS



# MAIN CHANGES IN CONSOLIDATION SCOPE

## WATER EUROPE

### ENTRIES

- **Agamed, Aguas de Albacete** (AGBAR): FC from Dec 2009
- **AGBAR**: from PC to FC from June 2010
- **Assainissement de Marseille, Eaux du Nord, Eaux de Versailles & St-Cloud, Martiniquaise des Eaux, Guyannaise des Eaux & Stéphanoise des Eaux** (LDE): from PC to FC from January 2010
- **Elmasa** (AGBAR): FC from January 2010
- **WAG Schwerin** (Eurawasser): from EM to PC from Jan 2010

### DISPOSAL / EXIT

- **Adeslas** (AGBAR): PC until May 2010
- **Eaux de Marseille, Eaux d'Arles & Société Varoise, Bronzo, Silim** (LDE): PC at 50%, until Dec 2009

## WASTE EUROPE

### ENTRIES

- **Allren** (SITA Sweden): FC from Q2 2009
- **Boone Turkey/Slovakia/Slovenia** (SITA France): FC since H2 2010
- **Recydem** (SITA France): FC since Jan 2010

### START OF OPERATION

- **EVI** (SITA NL): FC from April 2009

### DISPOSAL / EXIT

- **London Waste** (SITA UK): FC until Dec 2009

## INTERNATIONAL

### ENTRIES

- **SITA Waste Services** (HK): from PC to FC from July 2009
- **JPI Painting** (USG): FC from May 2010

# IMPACT OF CURRENCIES EVOLUTION

1 EUR =	USD	GBP	AUD	CLP
FY 2010 average rate	1.33	0.86	1.44	676.13
FY 2009 average rate	1.39	0.89	1.77	777.60
Closing rate at 31/12/2010	1.34	0.86	1.31	625.39
Closing rate at 31/12/2009	1.44	0.89	1.60	730.46

€m	FY 2010	O/w Forex	O/w USD	O/w GBP	O/w AUD	O/w CLP
Revenue	13,869	+276 +1.9%	+34	+34	+81	+33
EBITDA	2,339	65 +3.1%	+7	+5	+16	+20
Net Financial Debt	7,526	319 +5.1%	+97	+16	+44	+84
Net Financial Debt/EBITDA	3.22x <sup>(1)</sup>					

(1) Net Financial Debt / EBITDA ratio excluding FOREX impact = 3.18x





# APPENDICES

## FINANCIAL INDICATORS



# REVENUE BY DIVISION

<i>In €m</i>	FY 2009	FY 2010	10/09 Δ	Organic Δ
<b>WATER EUROPE</b>	<b>3,993</b>	<b>4,248</b>	<b>+6.4%</b>	<b>+0.8%</b>
Lyonnaise des Eaux <sup>(1)</sup>	2,296	2,317	+0.9%	+0.2%
AGBAR	1,697	1,931	+13.8%	+1.8%
<b>WASTE EUROPE</b>	<b>5,319</b>	<b>5,863</b>	<b>+10.2%</b>	<b>+8.4%</b>
SITA France	2,855	3,257	+14.0%	+10.4%
SITA UK/Scandinavia	1,112	1,126	+1.2%	+2.0%
SITA Benelux/Germany	1,352	1,481	+9.5%	+9.2%
<b>INTERNATIONAL</b>	<b>2,969</b>	<b>3,743</b>	<b>+26.1%</b>	<b>+17.7%</b>
Degrémont	1,053	1,520	+44.3%	+38.1%
North America	561	620	+10.5%	+4.3%
Asia-Pacific	595	781	+31.2%	+10.4%
CEMME <sup>(2)</sup>	759	823	+8.4%	+5.6%
OTHER <sup>(3)</sup>	16	15	-4.8%	-4.8%
<b>TOTAL</b>	<b>12,296</b>	<b>13,869</b>	<b>+12.8%</b>	<b>+8.6%</b>

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

(2) Central Europe, Mediterranean and Middle East

(3) R&I Alliance, HQ.

# REVENUE BY GEOGRAPHIES

<i>In €m</i>	FY 2009	FY 2010	% in 2010	10/09 Δ
<b>EUROPE</b>	<b>9,562</b>	<b>10,104</b>	<b>72.9%</b>	<b>+5.7%</b>
France	4,941	5,082	36.6%	+2.8%
Spain	1,537	1,592	11.5%	+3.6%
United Kingdom	911	903	6.5%	-0.9%
Other Europe	2,173	2,528	18.2%	+16.3%
North America	751	829	6.0%	+10.4%
Australia	355	786	5.7%	+121.7%
<b>SUB TOTAL</b>	<b>10,668</b>	<b>11,719</b>	<b>84.5%</b>	<b>+9.9%</b>
Rest of the world	1,628	2,150	15.5%	+32.0%
<b>TOTAL</b>	<b>12,296</b>	<b>13,869</b>	<b>100.0%</b>	<b>+12.8%</b>

## REVENUE SCOPE EFFECT BY DIVISION

<i>In €m</i>	First time consolidation	Disposal	Total Scope
WATER EUROPE	762	(569)	193
WASTE EUROPE	109	(61)	48
INTERNATIONAL	29	(3)	26
<b>TOTAL</b>	<b>901</b>	<b>(634)</b>	<b>267</b>

# SPLIT OF REVENUE GROWTH BY DIVISION

<i>In €m</i>	FY 2009	FY 2010	10/09 $\Delta$	Organic $\Delta$	Scope $\Delta$	At constant Forex $\Delta$
WATER EUROPE	3,993	4,248	+6.4%	+0.8%	+5.6%	+6.3%
WASTE EUROPE	5,319	5,863	+10.2%	+8.4%	+0.9%	+9.3%
INTERNATIONAL	2,969	3,743	+26.1%	+17.7%	+0.8%	+18.6%
Other	16	15	-4.8%	-4.8%	-	-4.8%
<b>TOTAL</b>	<b>12,296</b>	<b>13,869</b>	<b>+12.8%</b>	<b>+8.6%</b>	<b>+2.3%</b>	<b>+10.9%</b>

# EBITDA BY DIVISION

<i>In €m</i>	FY 2009	FY 2010	10/09 Δ	Organic Δ	At constant Forex Δ
WATER EUROPE	866	1,035	+19.6%	-3.0%	+18.1%
WASTE EUROPE	798	839	+5.2%	+4.1%	+4.4%
INTERNATIONAL	468	558	+19.1%	+9.6%	+10.3%
Other <sup>(1)</sup>	(71)	(93)	+30.0%	+30.0%	+30.0%
<b>TOTAL</b>	<b>2,060</b>	<b>2,339</b>	<b>+13.6%</b>	<b>+1.7%</b>	<b>+10.5%</b>

(1) R&I Alliance, HQ.



# FY 2010: FROM EBITDA TO COI BY DIVISION

<i>In €m</i>	Water Europe	Waste Europe	Inter-national	Other	TOTAL FY 2010
<b>EBITDA</b>	<b>1,035</b>	<b>839</b>	<b>558</b>	<b>(93)</b>	<b>2,339</b>
Amortization	(346)	(459)	(167)	(3)	(975)
Net provisions & depreciation	(16)	8	(40)	(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>485</b>	<b>349</b>	<b>327</b>	<b>(136)</b>	<b>1,025</b>

<i>In €m</i>	Water Europe	Waste Europe	Inter-national	Other	TOTAL FY 2009
<b>EBITDA</b>	<b>866</b>	<b>798</b>	<b>468</b>	<b>(71)</b>	<b>2,060</b>
Depreciation & amortization	(242)	(457)	(137)	(2)	(838)
Net provisions	(25)	11	1	(1)	(13)
Net concession renewal expenses	(166)	(37)	(23)	-	(227)
Employees compensation plans in shares <sup>(1)</sup>	-	-	-	(56)	(56)
<b>CURRENT OPERATING INCOME</b>	<b>433</b>	<b>314</b>	<b>309</b>	<b>(130)</b>	<b>926</b>

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

## CURRENT OPERATING INCOME (COI) BY DIVISION

<i>In €m</i>	FY 2009	FY 2010	10/09 $\Delta$	Organic $\Delta$
WATER EUROPE	433	485	+12.0%	-9.6%
WASTE EUROPE	314	349	+11.0%	+10.8%
INTERNATIONAL	309	327	+5.9%	+0.9%
Other	(130)	(136)	+4.3%	+4.3%
<b>TOTAL</b>	<b>926</b>	<b>1,025</b>	<b>+10.7%</b>	<b>-1.0%</b>

## CONSOLIDATED NET INCOME: MINORITY INTEREST

<i>In €m</i>	FY 2009	FY 2010
WATER EUROPE	82	115
Of which AGBAR operation impact	-	36
WASTE EUROPE	11	15
INTERNATIONAL	19	26
<b>TOTAL</b>	<b>113</b>	<b>155</b>

# FROM EBITDA TO OPERATING CASH FLOW

<i>In €m</i>	FY 2009	FY 2010	10/09 Δ
<b>EBITDA</b>	<b>2,060</b>	<b>2,339</b>	<b>+13.6%</b>
Net disbursements under concession contracts	(227)	(252)	+11.0%
Depreciation of current assets	(16)	(58)	+263.2%
Restructuring	(46)	(80)	+74.8%
Dividends from associates	31	44	+41.3%
Provision for employee benefit and other	(6)	(17)	+183.3%
<b>OPERATING CASH FLOW</b>	<b>1,797</b>	<b>1,977</b>	<b>+10.0%</b>

# NET INVESTMENTS BY NATURE & DIVISION

<b>FY 2010 (in €m)</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>

<b>FY 2009 (in €m)</b>	<b>Maintenance investments</b>	<b>Development investments</b>	<b>Disposal</b>	<b>Total Net investments</b>
Water Europe	(198)	(196)	5	(389)
Waste Europe	(255)	(240)	14	(481)
International	(110)	(147)	15	(242)
Other	(5)	(262)	318	51
<b>TOTAL FY 2009</b>	<b>(569)</b>	<b>(845)</b>	<b>352</b>	<b>(1,062)</b>

# FREE CASH FLOW

<i>In €m</i>	FY 2009	FY 2010
<b>OPERATING CASH FLOW</b>	<b>1,797</b>	<b>1,977</b>
Maintenance Capex	(569)	(689)
Change in Working Capital	(77)	269
Cash Tax Expenses	(115)	(356)
Financial Interests Paid	(218)	(378)
Financial Interests Received	33	5
Dividends Received on Fixed Financial Assets	40	24
<b>FREE CASH FLOW</b>	<b>891</b>	<b>852</b>



# CASH FLOW GENERATION

<i>In €m</i>	Water Europe	Waste Europe	Interna- tional	Others	FY 2010
Operating Cash Flow	774	791	495	(83)	1,977
Net interest paid on investment & financial activities	(85)	(65)	(44)	(155)	(349)
Income tax	(278)	(54)	(104)	80	(356)
Change in Working Capital	217	(29)	51	30	269
Maintenance CAPEX	(269)	(284)	(125)	(9)	(689)
<b>FREE CASH FLOW</b>	<b>359</b>	<b>359</b>	<b>272</b>	<b>(137)</b>	<b>852</b>
Development CAPEX	(1,189)	(227)	(148)	(27)	(1,591)
Assets disposals	461	171	1	(1)	632
Dividends to minorities	(109)	(2)	(27)	0	(139)
<b>TOTAL</b>	<b>(477)</b>	<b>301</b>	<b>98</b>	<b>(166)</b>	<b>(246)</b>
Dividends to shareholders					(317)
Δ in perimeter and FX / MtM on net financial debt					1,807
<b>CHANGE IN NET FINANCIAL DEBT</b>					<b>1,244</b>

# CHANGE IN SHAREHOLDER EQUITY

<i>In €m</i>	FY 2010
<b>Shareholder Equity at 31/12/2009</b>	<b>4,418</b>
Net result group share	565
Net result minorities	155
Dividend group share	(317)
Dividend minorities	(137)
Forex impact	165
Fair value adjustments and other	(42)
Hybrid issuance	750
Other <sup>(1)</sup>	1,070
<b>Shareholder Equity at 31/12/2010</b>	<b>6,627</b>

(1) Mainly related to IFRS 3 revised accounting norm

# CAPITAL EMPLOYED AT 31/12/09 AND 31/12/10

<i>In €m</i>	As of 31/12/09	As of 31/12/10
Net goodwill	3,070	3,128
Tangible and intangible assets, net	8,724	12,634
Net financial assets	445	510
Investment in associates	323	443
Provisions	(1,389)	(1,656)
Others	(641)	(644)
<b>CAPITAL EMPLOYED</b>	<b>10,532</b>	<b>14,145</b>

<i>In €m</i>	As of 31/12/09	As of 31/12/10
Water Europe	3,424	6,551
Waste Europe	4,371	4,268
International	2,788	3,190
Others	(51)	137
<b>CAPITAL EMPLOYED</b>	<b>10,532</b>	<b>14,145</b>

# ROCE

<i>in €m</i>	FY 2009	FY 2010
<b>Current operating income</b>	<b>926</b>	<b>1,025</b>
Share in net result from associates	38	31
Dividends	40	24
Interest and income from receivables and current assets	8	9
Other financial income and expenses	(18)	(40)
Income tax expense	(233)	(140)
<b>NOPAT</b>	<b>761</b>	<b>909</b>
Net goodwill	2,897	3,070
Tangible and intangible assets, net	8,073	8,724
Net financial assets	683	448
Investment in associates	266	323
Provisions	(1,328)	(1,389)
Impact of exchange rate fluctuations and material changes in scope	342	2,134
Others	(464)	(643)
<b>CAPITAL EMPLOYED</b>	<b>10,468</b>	<b>12,666</b>
<b>RETURN ON CAPITAL EMPLOYED (ROCE)</b>	<b>7.3%</b>	<b>7.2%</b>

# APPENDICES

## TAX & DEBT



# TAX POSITION

<i>In €m</i>	FY 2009	FY 2010
Income before tax & share in net income from Associates	607	808
Income Tax	(129)	(119)
<i>o/w Current income tax</i>	(232)	(295)
<i>o/w Deferred income tax</i>	103	176
<b>EFFECTIVE TAX RATE</b>	<b>21.2%</b>	<b>14.7%</b>
<b>NORMATIVE TAX RATE</b>	<b>33%</b>	<b>29%</b>

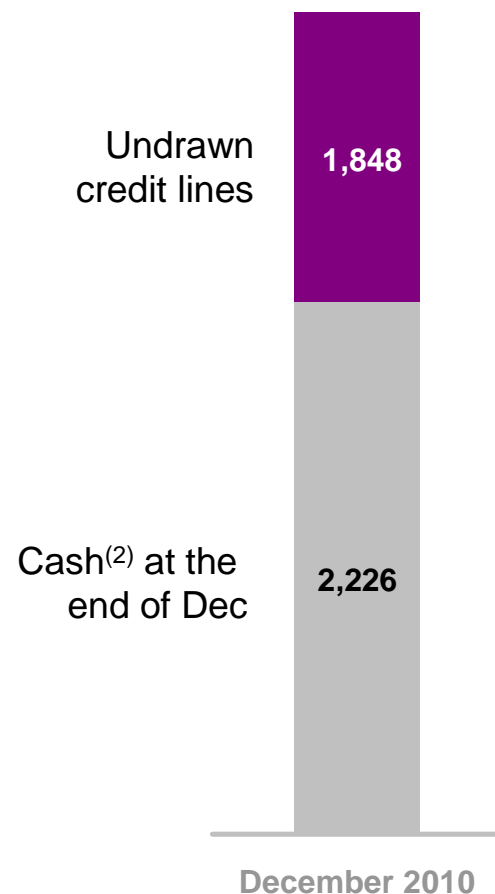
# SUEZ ENVIRONNEMENT BONDS

Pricing date	Code ISIN	Maturity date	Duration	Amount	Issue Spread	Coupon Rate
March 31, 2009	FR0010745984	April 8, 2014	5 years	€1,000m	225	4.875%
March 31, 2009	FR0010745976	April 8, 2019	10 years	€800m	300	6.25%
May 7, 2009	FR0010745984	April 8, 2014	5 years	€300m	160	4.875%
May 19, 2009	FR0010765859	June 8, 2017	8 years	€250m	180	5.20%
July 8, 2009	FR0010780528	July 22, 2024	15 years	€500m	160	5.50%
October 9, 2009	FR0010785436	Oct. 12, 2017	8 years	€150m	108	4.50%
June 15, 2010	FR0010913780	June 24, 2022	12 years	€500m	160	4.125%

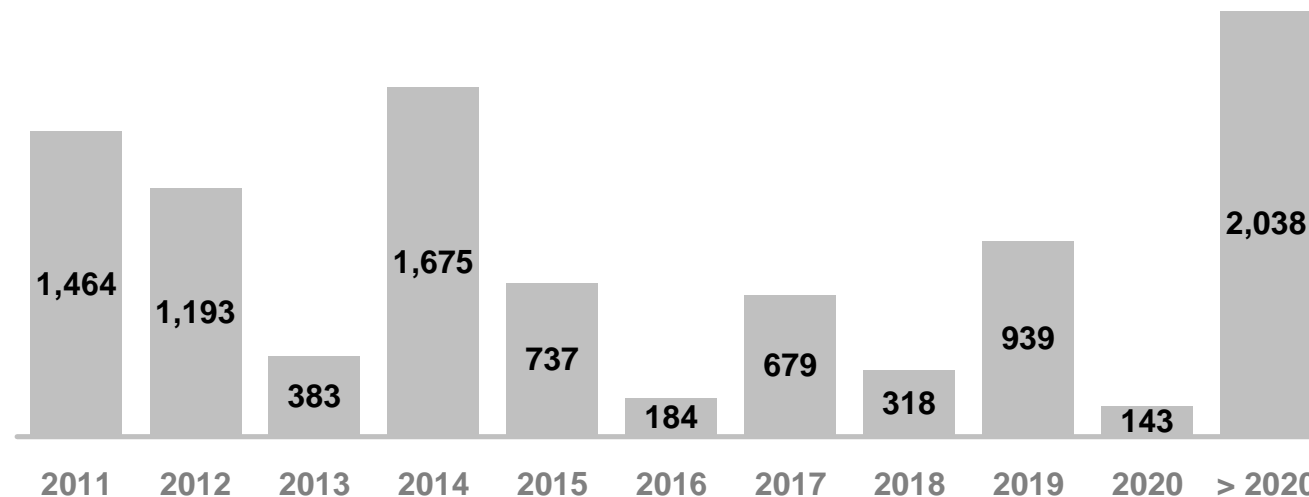


# FINANCIAL DEBT AND CASH POSITION AT 31 DECEMBER 2010

## CASH POSITION



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



# €750m HYBRID ISSUANCE

<b>Instrument</b>	<ul style="list-style-type: none"><li>• Deeply Subordinated Notes, Senior only to any classes of shares</li></ul>
<b>Maturity</b>	<ul style="list-style-type: none"><li>• Perpetual non call 5, step up 10</li><li>• Issuer's call option at par on 21 September 2015, on 21 September 2020 and any Interest Payment Date thereafter</li></ul>
<b>Coupon</b>	<ul style="list-style-type: none"><li>• Annual fixed rate 4.82% until September 21<sup>st</sup>, 2015</li><li>• Reset annual fixed rate from 21 Sept. 2015 until 21 Sept 2020 (Equal to the initial credit spread + 5yr mid-swap rate)</li><li>• From 21 Sept. 2020, quarterly floating rate of 3-Month Euribor + Initial credit spread + 100bps</li></ul>
<b>IFRS</b>	<ul style="list-style-type: none"><li>• 100% Equity</li></ul>
<b>Moody's Treatment</b>	<ul style="list-style-type: none"><li>• 50% equity / 50% credit</li></ul>
<b>Issue Rating</b>	<ul style="list-style-type: none"><li>• Rated 2 notches below senior debt (Baa2)</li></ul>



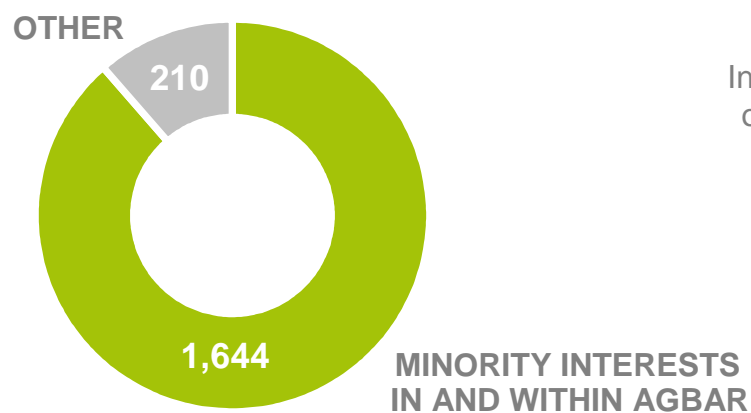
# APPENDICES

## ASSETS & LIABILITIES OVERVIEW



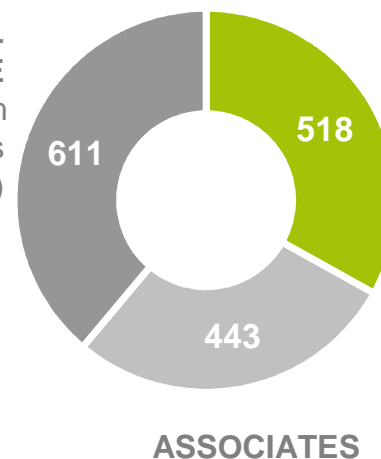
# ASSETS & LIABILITIES OVERVIEW AT 31/12/10

## MINORITIES: €1,854m



## NON CURRENT FINANCIAL ASSET: €1,572m

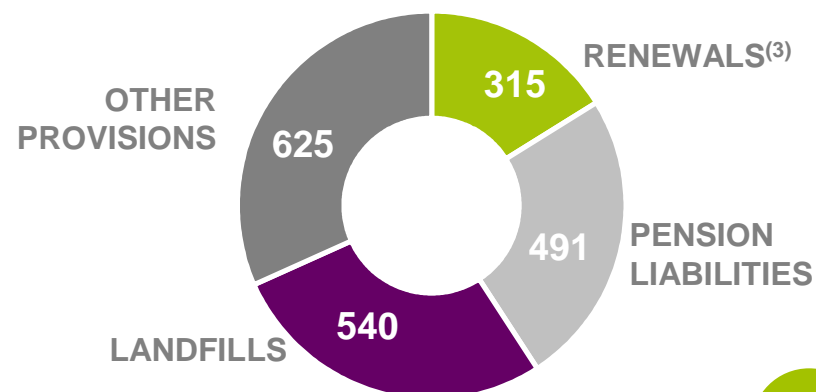
**FINANCIAL RECEIVABLE**  
Including €304m on concessions (IFRIC12)



### NON-CONSOLIDATED FINANCIAL ASSETS

- ACEA 6.5%<sup>(1)</sup>
- Eyath 5.5%<sup>(1)</sup>
- Aguas de Valencia 33%
- Chongqing Water Group 6.7%

## PROVISIONS<sup>(2)</sup>: €1,971m



(1) Marked-to-Market

(2) Including €315m 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