



SUEZ ENVIRONNEMENT COMPANY
(incorporated with limited liability in the Republic of France) as Issuer

**€500,000,000 Undated Deeply Subordinated
Fixed Rate Resettable Notes**

Issue price: 99.326 per cent.

The €500,000,000 Undated Deeply Subordinated Fixed Rate Resettable Notes (the **Notes**) of Suez Environnement Company (**Suez Environnement** or the **Issuer**) will be issued outside the Republic of France on 23 June 2014 (the **Issue Date**).

The principal and interest of the Notes constitute (subject to certain limitations described in "Terms and Conditions of the Notes - Status of the Notes - Payment on the Notes in the Event of Liquidation of the Issuer") direct, unconditional, unsecured and lowest ranking subordinated obligations (*engagements subordonnés de dernier rang*) of the Issuer and rank and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by French law) *pari passu* with all other present or future Deeply Subordinated Notes, but subordinated to the *prêts participatifs* granted to the Issuer, Ordinary Subordinated Notes and Unsubordinated Notes of the Issuer, as set out in the "Terms and Conditions of the Notes - Status of the Notes".

The Notes will bear interest (i) from (and including) the Issue Date to (but excluding) 23 June 2020 (the **First Call Date**), at a fixed rate of 3.00 per cent. *per annum*, payable annually in arrear on 23 June in each year commencing on 23 June 2015, (ii) from (and including) the First Call Date to (but excluding) the final redemption of the Notes, at a fixed rate *per annum* which shall be equal to the 5-year Swap Rate determined two Business Days prior to the first day of the relevant Interest Rate Period (as defined herein) plus the relevant Margin (as defined herein) for each Interest Rate Period, payable annually in arrear on or about 23 June in each year commencing on 23 June 2021.

Payment of interest on the Notes may be deferred at the option of the Issuer under certain circumstances, as set out in "Terms and Conditions of the Notes - Interest - Interest Deferral".

The Notes are undated securities with no specified maturity date. The Issuer will have the right to redeem all of the Notes (but not some only) on the First Call Date, on the Second Call Date or upon any Interest Payment Date thereafter, as defined and further described in "Terms and Conditions of the Notes - Redemption and Purchase - Optional Redemption". The Issuer may also, at its option, redeem all of the Notes (but not some only), upon the occurrence of certain events, including a Gross-Up Event, a Tax Deductibility Event, an Accounting Event and a Rating Methodology Event, and shall redeem the Notes upon the occurrence of a Withholding Tax Event as further described in "Terms and Conditions of the Notes - Redemption and Purchase".

In addition, the Issuer may, further to the occurrence of a Change of Control Call Event, redeem or procure purchase for all the Notes (but not some only), as further described in "Terms and Conditions of the Notes - Redemption and Purchase - Redemption following a Change of Control Event". If such option is not exercised, the interest payable on the Notes will be increased by an additional margin of 5 per cent. *per annum*.

This Prospectus constitutes a prospectus (the **Prospectus**) for the purposes of Article 5.3 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended from time to time (the **Prospectus Directive**) and the relevant implementing measures in France, in respect of, and for the purposes of giving information with regard to, Suez Environnement and its fully consolidated subsidiaries taken as a whole (the **Group**) and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of Suez Environnement and the Group.

Application has been made for approval of this Prospectus to the *Autorité des marchés financiers* (the **AMF**) in France in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive.

Application has been made to Euronext Paris for the Notes to be listed and admitted to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC, as amended, appearing on the list of regulated markets issued by the European Commission (a **Regulated Market**).

The Notes will be issued in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Notes will be evidenced in accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical documents of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes. The Notes will, upon issue, be inscribed in the books of Euroclear France (**Euroclear France**) which shall credit the accounts of the Account Holders. **Account Holder** shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. (**Euroclear**) and the depositary bank for Clearstream Banking, société anonyme (**Clearstream, Luxembourg**).

The long-term debt of the Issuer is currently rated A3 (stable outlook) by Moody's Investors Service Ltd. (**Moody's**). The Notes are expected to be assigned a rating of Baa2 by Moody's. As of the date of this Prospectus, Moody's is established in the European Union (EU) and is registered under Regulation (EC) No. 1060/2009 on credit rating agencies, as amended, (the **CRA Regulation**) and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with such regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the factors described under the section headed "Risk factors" in this Prospectus.

Joint Bookrunners and Joint Structuring Advisers to the Issuer

Deutsche Bank

J.P. Morgan

Joint Bookrunners

Barclays

BNP PARIBAS

Citigroup

Commerzbank

NATIXIS

Société Générale Corporate & Investment Banking

UniCredit Bank

*This Prospectus should be read and construed in conjunction with any supplement that may be published from time to time and with all documents incorporated by reference herein (see "Documents Incorporated by Reference") (together, the **Prospectus**).*

Certain information contained in this Prospectus and/or documents incorporated herein by reference have been extracted from sources specified in the sections where such information appears. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the above sources, no facts have been omitted which would render the information reproduced inaccurate or misleading. The Issuer has also identified the source(s) of such information.

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Joint Bookrunners (each as defined in "General Description of the Notes"). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or those of the Group since the date hereof or the date upon which this Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or that of the Group since the date hereof or the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the issue of the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restriction.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUBJECT TO CERTAIN EXCEPTIONS, NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS AND SALES OF NOTES AND ON DISTRIBUTION OF THIS PROSPECTUS, SEE "SUBSCRIPTION AND SALE".

No action has been taken by the Issuer or the Joint Bookrunners which would permit a public offering of the Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Joint Bookrunners have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Prospectus comes are required by the Issuer and the Joint Bookrunners to inform themselves about and to observe any such restriction.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Joint Bookrunners to subscribe for, or purchase, the Notes.

The Joint Bookrunners have not separately verified the information contained in this Prospectus. None of the Joint Bookrunners makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability (whether fiduciary, in tort or otherwise), with respect to the accuracy or completeness of any of the information in this Prospectus or any other information provided by the Issuer in connection with the Notes. The Joint Bookrunners accept no responsibility or liability (whether arising in tort, contract or otherwise) in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Notes. To the fullest extent permitted by law, none of the Joint Bookrunners accepts any responsibility for the contents of this Prospectus or for any other statements made or purported to be made by any Joint Bookrunner or on their behalf in connection with the Issuer or the issue and offering of any Notes. Each of the Joint Bookrunners accordingly disclaims all and

any liability (whether arising in tort, contract or otherwise) which it might otherwise have in respect of this Prospectus or any such statement.

Neither this Prospectus nor any information incorporated by reference in this Prospectus is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Joint Bookrunners that any recipient of this Prospectus or any information incorporated by reference should subscribe for or purchase the Notes. None of the Joint Bookrunners acts as a fiduciary to any investor or potential investor in the Notes. In making an investment decision regarding the Notes, prospective investors must rely on their own independent investigation and appraisal of the Issuer, its business and the terms of the offering, including the merits and risks involved and the Joint Bookrunners shall have no responsibility or liability (whether fiduciary, in tort or otherwise) to any investor or prospective investor in the Notes with respect thereto. For further details, see "Risk Factors" herein. The contents of this Prospectus are not to be construed as legal, business or tax advice. Each prospective investor should subscribe for or consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes. None of the Joint Bookrunners undertakes to review the financial condition or affairs of the Issuer or the Group after the date of this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Joint Bookrunners.

The consolidated financial statements of the Issuer and the Group for the years ended 31 December 2013 and 31 December 2012 have been prepared in accordance with IFRS.

*In connection with this issue, J.P. Morgan Securities plc (the **Stabilising Manager**) (or person(s) acting on behalf of the Stabilising Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or person(s) acting on its behalf) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or person(s) acting on its behalf) in accordance with all applicable laws and rules.*

*In this Prospectus, unless otherwise specified or the context otherwise requires, references to **€**, **Euro**, **EUR** or euro are to the single currency of the participating member states of the European Economic and Monetary Union which was introduced on 1 January 1999.*

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain statements that are forward-looking including statements with respect to the Issuer's business strategies, expansion and growth of operations, trends in its business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

*For the purpose of this section headed "Risk factors", the **Group** is defined as the Issuer and its subsidiaries.*

The order in which the following risks factors are presented is not an indication of the likelihood of their occurrence.

(A) Risk Factors relating to the Issuer and the Group

See "Documents Incorporated by Reference" on pages 23 to 26 of this Prospectus.

(B) Risk Factors relating to the Notes

The following paragraphs describe some of the risk factors that are material to the Notes in order to assess the market risk associated with these Notes. They do not describe all the risks of an investment in the Notes. Prospective investors should consult their own financial and legal advisers about risks associated with investment in the Notes and the suitability of investing in the Notes in light of their particular circumstances.

Terms defined herein shall have the same meaning as in the Terms and Conditions of the Notes.

1. General Risks relating to the Notes

Independent Review and Advice

The Notes may not be a suitable investment for all investors. Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes. A prospective investor may not rely on the Issuer or the Joint Bookrunners or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Potential Conflicts of Interest

All or some of the Joint Bookrunners and their affiliates have engaged, and/or may in the future engage, in investment banking, commercial banking and other financial advisory and commercial dealings with the Issuer and its affiliates and in relation to securities issued by any entity of the Group. They have or may (i) engage in investment banking, trading or hedging activities including in activities that may include prime brokerage business, financing transactions or entry into derivative transactions, (ii) act as underwriters in connection with offering of shares or other securities issued by any entity of the Group or (iii) act as financial advisers to the Issuer or other companies of the Group. In the context of these transactions, some of such Joint Bookrunners have or may hold shares or other

securities issued by entities of the Group. Where applicable, they have or will receive customary fees and commissions for these transactions.

Each of the Issuer and the Joint Bookrunners may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

Potential conflicts of interest may arise between the Calculation Agent and the Noteholders, including with respect to certain discretionary determinations and judgments that such Calculation Agent may make pursuant to the Terms and Conditions of the Notes that may influence the amount receivable upon redemption of the Notes.

Legality of Purchase

Neither the Issuer, the Joint Bookrunners nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor in the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

Modification and Waivers

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and or were not represented at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Legal Investment Considerations may Restrict Certain Investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the country where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial instruments such as the Notes. Potential investors cannot rely upon the tax summary contained in this Prospectus but should ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State (the **Disclosure or Information Method**).

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. The

Savings Directive will also apply a "look through approach" to certain payments where an individual resident in a Member State is regarded as the beneficial owner of that payment for the purposes of the Savings Directive. This approach may apply to payments made to or by, or secured for or by, persons, entities or legal arrangements (including trusts), where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The rate of such withholding tax equals 35 per cent. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of the Disclosure of Information Method.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

Pursuant to the Terms and Conditions of the Notes, if a payment were to be made or collected through a Member State which has opted for a withholding system under the Savings Directive and an amount of, or in respect of, tax is withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note, as a result of the imposition of such withholding tax. The Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

Financial Transaction Tax

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the **Draft Directive**) on a common financial transaction tax (**FTT**). According to the Draft Directive, the FTT shall be implemented in eleven EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia; the **Participating Member States**).

Pursuant to the Draft Directive, the FTT shall be payable on financial transactions provided at least one party to the financial transaction is established or deemed established in a Participating Member State and there is a financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.1 per cent. of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT shall be payable by each financial institution established or deemed established in a Participating Member State which is a party to the financial transaction, acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

Prospective holders should therefore note, in particular, that any sale, purchase or exchange of the Notes will be if the Draft Directive is implemented by the Participating Member States in its current form, subject to the FTT at a minimum rate of 0.1 per cent. provided the abovementioned prerequisites are met. The holder may be liable to itself pay this charge or reimburse a financial institution for the charge, and/or the charge may affect the value of the Notes.

The Draft Directive is still subject to negotiation between the Participating Member States and therefore may be changed at any time. Moreover, once the Draft Directive has been adopted, it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing this directive might deviate from the directive itself. Prospective

holders of the Notes should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

Change of Law

The Terms and Conditions of the Notes are based on French laws in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in French laws or administrative practice after the date of this Prospectus.

French Insolvency Law

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the **Assembly**) in case of the opening in France of an accelerated preservation (*procédure de sauvegarde accélérée*) (as from 1st July 2014) or an accelerated financial preservation (*procédure de sauvegarde financière accélérée*) or a preservation (*procédure de sauvegarde*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) of the Issuer, in order to defend their common interests.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes), whether or not under a debt issuance programme (such as the Euro Medium Term Notes programme of the Issuer) and regardless of their ranking and their governing law.

The Assembly deliberates on the proposed safeguard plan (*projet de plan de sauvegarde*, *projet de plan de sauvegarde accélérée* (as from 1st July 2014), or *projet de plan de sauvegarde financière accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling and/or writing-off debts;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into shares or securities that give or may give right to the share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders expressing a vote). No quorum is required on convocation of the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in the Terms and Conditions of the Notes set out in this Prospectus will not be applicable in these circumstances.

The insolvency procedure in France is regulated by the provisions of the French *Code de commerce* as amended by ordinance n°2014-326 dated 12 March 2014 and these provisions govern the common rights, interests and representation of the Noteholders in this context. As a result, Noteholders should be aware that they will generally have limited ability to influence the outcome of an accelerated preservation (*procédure de sauvegarde accélérée*) (as from 1 July 2014), an accelerated financial preservation (*procédure de sauvegarde financière accélérée*), a preservation (*procédure de sauvegarde*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) of the Issuer in France, especially given the current capital structure of the Issuer.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the Notes. These incidental costs may significantly reduce or even exclude the potential profit of the Notes. For instance, credit institutions as a rule charge their clients for own commissions, which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or

foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any additional costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

Liquidity Risks/Trading Market for the Notes

The Notes may not have an established trading market when issued. There can be no assurance of a secondary market for the Notes or the continued liquidity of such market if one develops.

The development or continued liquidity of any secondary market for the Notes will be affected by a number of factors such as general economic conditions, the financial condition, the creditworthiness of the Issuer and/or the Group, and the value of any applicable reference rate, as well as other factors such as the complexity and volatility of the reference rate, the method of calculating the return to be paid in respect of such Notes, the outstanding amount of the Notes, any redemption features of the Notes and the level, direction and volatility of interest rates generally. Such factors also will affect the market value of the Notes. In addition, certain Notes may be designed for specific investment objectives or strategies and therefore may have a more limited secondary market and experience more price volatility than conventional debt securities.

Investors may not be able to sell Notes readily or at prices that will enable investors to realise their anticipated yield. No investor should purchase Notes unless the investor understands and is able to bear the risk that certain Notes will not be readily sellable, that the value of Notes will fluctuate over time and that such fluctuations will be significant.

Exchange rate risk and exchange controls

The Issuer will pay principal and interest on the Notes in euros. This presents certain risks relating to currency or currency unit conversions if an investor's financial activities are denominated principally in a currency or a currency unit (the **Investor's Currency**) other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro would decrease (i) the Investor's Currency equivalent yield on the relevant Notes, (ii) the Investor's Currency equivalent value of the principal payable on the relevant Notes and (iii) the Investor's Currency equivalent market value of the relevant Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Market Value of the Notes

The market value of the Notes will be affected by the creditworthiness of the Issuer and/or that of the Group and a number of additional factors, including, but not limited to, the value of the reference rate, its volatility, market interest and yield rates.

The value of the Notes and the reference rate depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes or the reference rate are traded. The price at which a Noteholder will be able to sell the Notes prior to redemption by the Issuer may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. The historical market prices of the reference rate should not be taken as an indication of the reference rate's future performance during the life of the Notes.

2. Risks relating to the structure of the Notes

The Notes are deeply subordinated obligations of the Issuer

The Issuer's obligations under the Notes are direct, unconditional, unsecured and lowest ranking subordinated obligations (*engagements subordonnés de dernier rang*) of the Issuer and rank and will at all times rank *pari passu* among themselves. In the event of the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure, or if the Issuer is liquidated for any other reason, the rights of Noteholders to payment under the Notes will be subordinated to the full payment of the unsubordinated creditors of the Issuer (including holders of Unsubordinated Notes), of the ordinary subordinated creditors of the Issuer (including holders of Ordinary Subordinated Notes) and of lenders in relation to *prêts participatifs* granted to the Issuer, if and to the extent that there is still cash available for those payments. Thus, the Noteholders face a higher performance risk than holders of unsubordinated and ordinary subordinated obligations of the Issuer.

The claims of the Noteholders under the Notes are intended to be senior only to claims of ordinary shareholders. There are currently no other instruments of the Issuer that rank junior to the Notes other than the ordinary shares of the Issuer.

The Notes are undated securities

The Notes are undated securities, with no specified maturity date. The Issuer is under no obligation to redeem or repurchase the Notes at any time except as noted otherwise, and the Noteholders have no right to require redemption of the Notes. Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Notes for an indefinite period and may not recover their investment in the foreseeable future.

Deferral of interest payment

Interest which accrues during an Interest Period ending on but excluding an Interest Payment Date will be due on that Interest Payment Date unless the Issuer elects to defer such payment in whole or in part, and the Issuer shall not have any obligation to make such payment. Any such failure to pay shall not constitute a default by the Issuer under the Notes or for any purpose. Any interest in respect of the Notes not paid on any applicable Interest Payment Date shall, so long as the same remains outstanding, constitute Arrears of Interest and, if due for at least one year, bear interest, and shall be payable as outlined in the Terms and Conditions of the Notes.

Risk of early redemption following the occurrence of a Gross-Up Event, a Withholding Tax Event, a Tax Deductibility Event, an Accounting Event, a Rating Methodology Event, a Change of Control Call Event or a Repurchase Event

The Issuer may, at its option, redeem all of the Notes (but not some only) on the First Call Date, on the Second Call Date or upon any Interest Payment Date thereafter, and at any time following the occurrence of a Gross-Up Event, a Tax Deductibility Event, an Accounting Event, a Rating Methodology Event, a Change of Control Call Event or a Repurchase Event, as outlined in the Terms and Conditions of the Notes.

The Issuer shall redeem all the Notes following the occurrence of a Withholding Tax Event, as outlined in the Terms and Conditions of the Notes.

In the event of an early redemption of the Notes following the occurrence of a Gross-Up Event, a Withholding Tax Event, a Change of Control Call Event or a Repurchase Event, such early redemption of the Notes will be made at the principal amount of the Notes together with any accrued interests and Arrears of Interest (including any Additional Interest Amounts thereon), as outlined in the Terms and Conditions of the Notes. In the event of an early redemption at the option of the Issuer following the occurrence of a Tax Deductibility Event, an Accounting Event or a Rating Methodology Event, such early redemption of the Notes will be made (i) at the Early Redemption Price, where such redemption occurs before the Second Call Date, or (ii) at their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon)

where such redemption occurs on or after the Second Call Date, as outlined in the Terms and Conditions of the Notes.

The redemption at the option of the Issuer might negatively affect the market value of such Notes. During any period when the Issuer may elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to the Second Call Date. The Issuer may also be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. There can be no assurance that, at the relevant time, Noteholders will be able to reinvest the redemption proceeds at an effective interest rate as high as the return that would have been received on such Notes had they not been redeemed. Potential investors should consider reinvestment risk in light of other investment available at that time.

There are no events of default or cross default under the Notes

The Terms and Conditions of the Notes do not provide for events of default or cross default allowing acceleration of the Notes if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Notes, including the payment of any interest, investors will not have the right of acceleration of principal. Upon a payment default, the sole remedy available to Noteholders for recovery of amounts owing in respect of any payment of principal or interest on the Notes will be the institution of proceedings to enforce such payment. Notwithstanding the foregoing, the Issuer will not, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

No limitation on issuing or guaranteeing debt ranking senior or pari passu with the Notes

There is no restriction on the amount of debt which the Issuer may issue or guarantee. The Issuer and its subsidiaries and affiliates may incur additional indebtedness or grant guarantees in respect of indebtedness of third parties, including indebtedness or guarantees that rank *pari passu* or senior to the obligations under and in connection with the Notes. If the Issuer's financial condition were to deteriorate, the Noteholders could suffer direct and materially adverse consequences, including loss of interest and, if the Issuer were liquidated (whether voluntarily or not), the Noteholders could suffer loss of their entire investment.

Any decline in the credit ratings of the Issuer may affect the market value of the Notes or lead to the early redemption of the Notes and changes in rating methodologies may lead to the early redemption of the Notes

The Notes are expected to be assigned a rating by Moody's Investors Service Limited (**Moody's**). As of the date of this Prospectus, Moody's is established in the European Union (**EU**) and is registered under Regulation (EC) No. 1060/2009 on credit rating agencies, as amended, (the **CRA Regulation**) and is included in the list of credit rating agencies registered in accordance with the CRA Regulation published on the website of the European Securities and Markets Authority (www.esma.europa.eu/page/List-registered-and-certified-CRAs) in accordance with such regulation. The rating granted by Moody's or any other rating assigned to the Notes may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In addition, Moody's or any other rating agency may change its methodologies for rating securities with features similar to the Notes in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Notes, sometimes called "notching". If the rating agencies were to change their practices for rating such securities in the future and the ratings of the Notes were to be subsequently lowered, this may have a negative impact on the trading price of the Notes.

If as a consequence of a change in the rating methodology of Moody's or of a rating downgrade of the Issuer from an investment grade to a non-investment grade rating, the Notes are no longer eligible for the same or higher category of equity credit attributed to the Notes at the date of their issue, the Issuer

may, at its option, redeem all of the Notes (but not some only), as provided in "Terms and Conditions of the Notes – Redemption and Purchase – Redemption following a Rating Methodology Event".

Interest Rate Risk

Interest on the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Risk relating to the Change in the Rate of Interest

The Fixed Rate will be reset as from the First Call Date. Such rate will be determined two Business Days before the First Call Date (and re-determined every 5 years thereafter) and as such is not pre-defined at the date of issue of the Notes; such re-determined rate may be different from the initial rate and may adversely affect the yield of the Notes.

GENERAL DESCRIPTION OF THE NOTES

This overview is a general description of the Notes and is qualified in its entirety by the remainder of this Prospectus. For a more complete description of the Notes, including definitions of capitalised terms used but not defined in this section, please see "Terms and Conditions of the Notes".

Issuer	Suez Environnement Company
Securities	€500,000,000 Undated Deeply Subordinated Fixed Rate Resettable Notes (the Notes)
Maturity	Perpetual
Form and Denomination	The Notes will be issued in dematerialised bearer form (<i>au porteur</i>) in the denomination of €100,000
Issue Date	23 June 2014

Status / Ranking The Notes are deeply subordinated notes (**Deeply Subordinated Notes**) issued pursuant to the provisions of Article L.228-97 of the French *Code de commerce*. The principal and interest on the Notes constitute direct, unconditional, unsecured and lowest ranking subordinated obligations (*engagements subordonnés de dernier rang*) of the Issuer and rank and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by French law) *pari passu* with all other present and future Deeply Subordinated Notes (which include, for the avoidance of doubt, the €750,000,000 undated deeply subordinated fixed to floating rate notes issued on 21 September 2010), but subordinated to the *prêts participatifs* granted to the Issuer, Ordinary Subordinated Notes and Unsubordinated Notes of the Issuer.

Ordinary Subordinated Notes means notes the principal and interest of which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by French law) *pari passu* with all other present or future Ordinary Subordinated Notes, behind Unsubordinated Notes but in priority to the *prêts participatifs* granted to the Issuer and Deeply Subordinated Notes.

Unsubordinated Notes means notes the principal and interest of which are unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu* without preference or priority among themselves and (save for certain obligations required to be preferred by French law) equally and rateably with all other present or future unsecured and unsubordinated indebtedness, obligations and guarantees of the Issuer.

Interest The Notes shall bear interest on their principal amount:

- from (and including) 23 June 2014 (the **Issue Date**) to (but excluding) the First Call Date, at a fixed rate of 3.00 per cent. *per annum*; and
- from (and including) the First Call Date to (but excluding) the final redemption of the Notes, at a fixed rate *per annum* which shall be equal to the 5-year Swap Rate determined two Business Days prior to the first day of the relevant Interest Rate Period (each a **Determination Date**) plus the relevant Margin for each Interest Rate Period.

Each Interest Amount shall be payable annually in arrear on 23 June of each year, commencing on 23 June 2015 (each an **Interest Payment Date**).

First Call Date means the Interest Payment Date falling on 23 June 2020.

Interest Rate Period means each period beginning on (and including) a Reset Date and ending on (but excluding) the next succeeding Reset Date.

Margin means (i) in relation to the Interest Rate applicable to the Interest Periods from, and including, the First Call Date to, but excluding, the Second Call Date, 2.253 per cent. *per annum*, (ii) in relation to the Interest Rate applicable to the Interest Periods from, and including, the Second Call Date, 3.253 per cent. *per annum*.

Reset Date means the First Call Date, the Second Call Date and each 5th anniversary thereof.

Second Call Date means the Interest Payment Date falling on 23 June 2025.

Rate of Interest following a Change of Control

Further to the occurrence of a Change of Control Call Event (as defined below), if the Call Option in case of Change of Control has not been exercised by the Issuer, the interest payable on the Notes will be increased by an additional margin of 5 per cent. *per annum* from (and including) the date of the Call Event Notice (as defined below) to (but excluding) the redemption of the Notes.

Interest Deferral

Optional Interest Payment

Interest which accrues during an Interest Period ending on but excluding an Interest Payment Date will be due on that Interest Payment Date unless the Issuer, by giving notice to the Noteholders, elects to defer such payment in whole or in part, and the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer under the Notes or for any other purpose.

Any interest in respect of the Notes which has not been paid in accordance with the above will be deferred and shall constitute **Arrears of Interest** and shall be payable as outlined below.

For the purpose hereof:

Interest Period means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

Payments of Arrears of Interest

Arrears of Interest (together with the corresponding Additional Interest Amount (as defined below)) may at the option of the Issuer be paid in whole (but not in part) at any time, provided that all Arrears of Interest (together with the corresponding Additional Interest Amounts) in respect of all Notes for the time being outstanding shall become due in full on whichever is the earliest of:

- (i) ten (10) Business Days following a Mandatory Payment Event;
- (ii) the next Interest Payment Date in respect of which the Issuer does not elect to defer interest accrued in respect of the relevant Interest Period;
- (iii) the redemption of the Notes; or
- (iv) the date upon which a judgment is made for the voluntary or judicial liquidation of the Issuer (*liquidation judiciaire* or *liquidation amiable*) or the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer or if the Issuer is liquidated for any other reason.

Each amount of Arrears of Interest shall bear interest, in accordance with Article 1154 of the French *Code civil*, as if it constituted the principal of the Notes

at a rate which corresponds to the Rate of Interest from time to time applicable to the Notes (the **Arrears Interest Rate**) and the amount of such interest (the **Additional Interest Amount**) with respect to Arrears of Interest shall be due and payable pursuant to this paragraph and shall be calculated by the Calculation Agent applying the Arrears Interest Rate to the amount of the Arrear of Interest and otherwise *mutatis mutandis*.

The Additional Interest Amount accrued up to any Interest Payment Date shall be added in accordance with Article 1154 of the French *Code civil*, for the purpose only of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest.

For the purpose hereof:

A **Mandatory Payment Event** means that:

- (i) a dividend, other distribution or payment of any nature was validly declared, paid or made in respect of any Equity Securities or any Parity Securities of the Issuer, or
- (ii) the Issuer has repurchased, redeemed, or otherwise acquired any Equity Securities or any Parity Securities of the Issuer or any other than, with respect to Equity Securities, in connection with the satisfaction by the Issuer of its obligations under any existing or future buy-back programme, share option, or free share allocation plan reserved for directors, officers and/or employees of the Issuer, liquidity agreement (*programme de liquidité*) or any associated hedging transaction,

save for, in each case, any compulsory dividend, other distribution, payment, repurchase, redemption or other acquisition required by the terms of such securities; and in the case of Parity Securities, any repurchase or other acquisition that was made below par.

Parity Securities means, at any time, any Deeply Subordinated Notes and any securities which rank *pari passu* with the Notes (which include, for the avoidance of doubt, the €750,000,000 undated deeply subordinated fixed to floating rate notes issued on 21 September 2010). The term Parity Securities shall apply *mutatis mutandis* to any instruments issued by any Subsidiary of the Issuer, where relevant, provided that each such instrument shall qualify as Parity Securities only to the extent such instrument is guaranteed by the Issuer or the Issuer otherwise assumes liability for it, and the Issuer's obligations under the relevant guarantee or other assumption of liability rank *pari passu* with the Issuer's obligations under Parity Securities.

Subsidiary means any fully consolidated subsidiary (as defined in Article L.233-1 of the French *Code de commerce*) of the Issuer.

Taxation

All payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the French Republic or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

Additional Amounts

If applicable law should require that payments of principal or interest made by the Issuer in respect of any Note be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever levied by the Republic of France, the Issuer, will, to the fullest extent then permitted by law, pay such additional amounts (**Additional Amounts**) as shall result in receipt by the Noteholders of

such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note, in certain circumstances.

Final Redemption

Subject to any early redemption described below, the Notes are undated securities with no specified maturity date.

Optional Redemption at the option of the Issuer

The Issuer will have the right to redeem all of the Notes (but not some only) on the First Call Date, on the Second Call Date or on any Interest Payment Date thereafter. Such early redemption of the Notes will be made at their principal amount together with any accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon).

Early Redemption following a Gross-Up Event

If, by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts (a **Gross-Up Event**), the Issuer may at its option redeem all of the Notes (but not some only) at any time at their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding for French taxes.

Early Redemption following a Withholding Tax Event

If the Issuer would on the occasion of the next payment in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable (a **Withholding Tax Event**), notwithstanding the undertaking to pay Additional Amounts, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall redeem all of the Notes (but not some only) at their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes without withholding for French taxes, or, if such date is past, as soon as practicable thereafter.

Early Redemption following a Tax Deductibility Event

If, an opinion of a recognised law firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in the part of the interest payable by the Issuer in respect of the Notes that is tax-deductible being reduced (a **Tax Deductibility Event**), the Issuer may at its option redeem all of the Notes (but not some only) at any time at (i) the Early Redemption Price (as defined below) where such redemption occurs before the Second Call Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the Second Call Date, provided, in each case, that the effective date of redemption of which notice hereunder may be given shall be no earlier than the latest practicable date preceding the effective date on which the tax regime of interest payments under the Notes is modified.

Early Redemption following an Accounting Event

If an Accounting Event shall occur after the Issue Date, the Issuer may at its option redeem all the Notes (but not some only) at any time at (i) the Early Redemption Price (as defined below) where such redemption occurs before the Second Call Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the Second Call Date; provided that the due date for redemption of which notice hereunder may be given shall be no

earlier than the last day before the date on which the proceeds of the Notes must not or must no longer be recorded as "equity" pursuant to IFRS (as defined below) or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of the Issuer.

Accounting Event means that an opinion of a recognised accountancy firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that the funds raised through the issue of the Notes must not or must no longer be recorded as "equity" pursuant to the International Financial Reporting Standards (**IFRS**) or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of the Issuer.

Early Redemption following a Rating Methodology Event

If a Rating Methodology Event shall occur after the Issue Date, the Issuer may at its option redeem all the Notes (but not some only) at any time at (i) the Early Redemption Price (as defined below) where such redemption occurs before the Second Call Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the Second Call Date; provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the last day before the date on which the Notes will no longer be eligible for the same or higher category of equity credit.

For the purpose hereof:

A **Rating Downgrade** shall be deemed to have occurred if the rating previously assigned to the Issuer by any Rating Agency is changed from an investment grade rating (Baa3, BBB-, or better) to a non-investment grade rating (Ba1, BB+, or worse).

Rating Methodology Event means that the Issuer certifies in a notice to the Noteholders that (i) an amendment, clarification or change has occurred in the equity credit criteria of any Rating Agency from whom the Issuer is assigned sponsored ratings or (ii) a Rating Downgrade has occurred and, in each case, has resulted in a lower equity credit for the Notes than the respective equity credit assigned by the Relevant Rating Agency on the Issue Date, or if equity credit is not assigned on the Issue Date, at the date when the equity credit is assigned for the first time.

Early Redemption following a Change of Control

If a Change of Control Call Event (as defined below) occurs after the Issue Date, the Issuer may redeem, or procure purchase for all the Notes (but not some only) on the Call Date, at (i) the Early Redemption Price (as defined below) where such redemption occurs before the Second Call Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the Second Call Date. Such option shall operate as set out below.

A **Change of Control Call Event** will be deemed to occur if:

- (i) Any person or group of persons acting in concert or any person or persons acting on behalf of any such person(s) (other than a Permitted Holding Company) (the Relevant Persons) (a) acquires directly or indirectly more than 50% of the total voting rights or of the issued ordinary share capital of the Issuer (or any successor entity), (b) acquires directly or indirectly a number of shares in the ordinary share capital of the Issuer carrying more than 40% of the voting rights exercisable in general meetings of the Issuer and no other shareholder of such entity, directly or indirectly, acting alone or in concert with others, holds a number of shares carrying a percentage of the voting rights exercisable in such general meetings which is higher than the percentage of voting rights attached to the number of shares held directly or indirectly by such Relevant Person(s) (any such event being a

Change of Control); and

- (ii) on the date notified (the **Relevant Announcement Date**) that is the earlier of (A) the date of the first public announcement of the Change of Control; and (B) the date of the earliest Relevant Potential Change of Control Announcement, the senior unsecured long-term debt of the Issuer carries from any Rating Agency:
 - (x) an investment grade credit rating (Baa3, or equivalent, or better), and such rating from any Rating Agency is, within the Change of Control Period either downgraded to a non-investment grade credit rating (Ba1, or equivalent, or worse) or withdrawn and is not, within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or
 - (y) a non-investment grade credit rating (Ba1, or equivalent, or worse), and such rating from any Rating Agency is within the Change of Control Period either downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency;

provided that, for the avoidance of doubt,

1. any such decision of the relevant Rating Agency referred to in (x) or (y) above shall not be deemed to have occurred in respect of a particular Change of Control if such Rating Agency does not publicly announce or confirm that such decision was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control; and
2. if at the time of the occurrence of a Change of Control the senior unsecured long-term debt of the Issuer is not rated by a Rating Agency, and no Rating Agency assigns within the Change of Control Period an investment grade rating to the Notes, a Change of Control Call Event will be deemed to have occurred.

Promptly upon the Issuer becoming aware that a Change of Control Call Event has occurred the Issuer shall give notice (a **Call Event Notice**) to the Noteholders specifying the nature of the Change of Control Call Event, the circumstances giving rise to it and either the date on which redemption or purchase of the Notes (the **Call Date**) will take place or the Issuer's election not to redeem, or procure purchase for, the Notes.

For the purposes of this Condition:

Change of Control Period means the period commencing on the Relevant Announcement Date, and ending one hundred and eighty (180) calendar days (inclusive) after the occurrence of the relevant Change of Control (or such longer period for which the senior unsecured long-term debt of the Issuer is under consideration (such consideration having been announced publicly within the period ending one hundred and twenty (120) calendar days after the occurrence of the relevant Change of Control) for rating review or, as the case may be, for rating by, a Rating Agency, such period not to exceed sixty (60) calendar days after the

public announcement of such consideration);

Permitted Holding Company means GDF Suez or any company or other legal entity whose share capital (or equivalent) and associated voting rights are controlled (within the meaning of Article L.233-3 of the French *Code de commerce*) by GDF Suez, and any successor to each of GDF Suez or any such company or other legal entity;

Rating Agency means any of the following: Moody's Investors Service Limited, any other rating agency of equivalent international standing requested from time to time by the Issuer to grant a rating to the Issuer and/or the Notes and in each case, any of their respective successors to the rating business thereof; and

Relevant Potential Change of Control Announcement means any public announcement or statement by the Issuer or any Relevant Person thereto relating to any potential Change of Control.

Early Redemption Price

Early Redemption Price means:

- (i) the principal amount of the Notes in case of a Change of Control Call Event and a Repurchase Event; or
- (ii) 101 per cent. of the principal amount of the Notes in case of a Tax Deductibility Event, an Accounting Event and a Rating Methodology Event,

in each case together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date of the Notes.

Early Redemption Date means the effective date of redemption of the Notes.

Purchase

The Issuer may at any time purchase Notes together with rights to interest and any other amounts relating thereto in the open market or otherwise at any price subject to applicable laws and regulations. All Notes which are purchased by the Issuer will forthwith be cancelled.

In the event that at least 80 per cent. of the initial aggregate principal amount of the Notes has been purchased by the Issuer (a **Repurchase Event**), the Issuer may redeem all of the outstanding Notes (but not some only) at (i) the Early Redemption Price where such redemption occurs before the Second Call Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the Second Call Date.

Negative Pledge

There will be no negative pledge in respect of the Notes.

Enforcement Events, no Events of Default and no Cross Default

There will be no events of default in respect of the Notes. There will be no cross default under the Notes.

However, each Note shall become immediately due and payable at its principal amount, together with accrued interest thereon, if any, to the date of payment and any Arrears of Interest (including any Additional Interest Amounts thereon), in the event that a judgement is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure, or if the Issuer is liquidated for any other reason. No payments will be made to holders of any class of the share capital of the Issuer before all amounts due, but unpaid, to all Noteholders have been paid by the Issuer.

Representation of

The Noteholders will be grouped automatically for the defence of their respective

Noteholders	common interests in a masse governed by the provisions of the French <i>Code de commerce</i> subject to certain exceptions and provisions (the Masse). The Masse will be a separate legal entity and will act in part through a representative and in part through a general meeting of the Noteholders.
Listing	Application will be made for the Notes to be listed and admitted to trading on Euronext Paris. Such listing and admission to trading are expected to occur as of the Issue Date or as soon as practicable thereafter.
Selling Restrictions	There are restrictions on the offer and sale of the Notes and the distribution of offering material, including in the United States of America, the United Kingdom, France and the Republic of Italy.
Governing law	The Notes and all non-contractual obligations arising from or in connection with the Notes are governed by, and shall be construed in accordance with, French law.
Fiscal Agent, Principal Paying Agent and Calculation Agent	BNP Paribas Securities Services.

DOCUMENTS ON DISPLAY

For so long as the Notes are outstanding:

- (1) the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection and, in the case of documents listed under (iii) to (v), collection free of charge, at the office of the Fiscal Agent and the Paying Agent:
 - (i) the Agency Agreement;
 - (ii) the constitutive documents (*statuts*) of Suez Environnement Company;
 - (iii) 2013 Reference Document (as defined in section "Documents incorporated by reference");
 - (iv) 2012 Reference Document (as defined in section "Documents incorporated by reference");
 - (v) a copy of this Prospectus together with any supplement to this Prospectus and any document incorporated by reference; and
 - (vi) all reports, letters and other documents, balance sheets, valuations and statements by any expert, any part of which is extracted or referred to in this Prospectus in respect of the issue of the Notes.
- (2) a copy of this Prospectus together with any supplement to this Prospectus and any document incorporated by reference (a) may be obtained, free of charge, at the registered office of the Issuer during normal business hours and (b) will be available on the website of the Issuer (www.suez-environnement.com) and on the website of the *Autorité des marchés financiers* (www.amf-france.org).

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following:

- (1) the sections referred to in the table below included in the *Document de Référence* 2013, in French language¹, of the Issuer which was filed under n° D.14-0360 with the AMF on 14 April 2014 and which includes, *inter alia*, the audited annual consolidated financial statements of the Issuer for the year ended 31 December 2013 and the related statutory auditors' report (the **2013 Reference Document**);
- (2) the sections referred to in the table below included in the *Document de Référence* 2012 in French language³, of the Issuer which was filed under n° D.13-0302 with the AMF on 5 April 2013 and which includes, *inter alia*, the audited annual consolidated financial statements of the Issuer for the year ended 31 December 2012 and the related statutory auditors' report (the **2012 Reference Document**).

The information incorporated by reference that is not included in the cross-reference table below is considered as additional information and is not required by the relevant schedules of the Commission Regulation No. 809/2004, as amended.

Such documents shall be deemed to be incorporated by reference in, and form part of this Prospectus, save that any statement contained in this Prospectus or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement prepared in accordance with Article 16 of the Prospectus Directive modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

This Prospectus and copies of the documents incorporated by reference in this Prospectus may be obtained in accordance with section "Documents on Display" of this Prospectus.

This Prospectus and copies of the documents from which these sections are incorporated by reference in this Prospectus may be obtained without charge from the registered office of the Issuer, the Issuer's website (www.suez-environnement.com) and the website of the AMF (www.amf-france.org).

For the purpose of the Prospectus Directive, information can be found in such documents incorporated by reference of this Prospectus in accordance with the following cross-reference table:

Annex IX of the European Regulation 809/2004 of 29 April 2004, as amended		2013 Reference Document	2012 Reference Document
2	Statutory Auditors		
2.1	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	Page 7	
2.2	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, details if material.	Page 7	
3	Risks Factors		
3.1	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".	Pages 11 to 25	

¹ The English language translation of (i) the 2013 Reference Document and (ii) the 2012 Reference Document are published on, and may be obtained without charge from the website of the Issuer (www.suez-environnement.com). These English language versions are for information purposes only and are not incorporated by reference in this Prospectus. The only binding versions are the French language versions.

4	Information about the Issuer		
4.1	History and development of the issuer:	Pages 34 to 36	
4.1.1	the legal and commercial name of the issuer.	Page 34	
4.1.2	the place of registration of the issuer and its registration number.	Page 34	
4.1.3	the date of incorporation and the length of life of the issuer, except where indefinite.	Page 34	
4.1.4	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business of different from its registered office.	Page 34	
4.1.5	any recent events particular to the issuer and which are to a material extent relevant to the evaluation of the issuer's solvency.	Pages 34 to 36; 328 (§ 21.1.4) and 367 (§ 26.5 - 3 rd resolution)	
5	Business Overview		
5.1	Principal activities:		
5.1.1	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed	Pages 58 to 77	
5.1.2	The basis for any statements in the registration document made by the issuer regarding its competitive position.	Pages 50 to 57	
6	Organisational Structure		
6.1	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.	Pages 101 to 102	
6.2	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	Page 102	
9	Administrative, Management and Supervisory Bodies		
9.1	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:		
	members of the administrative, management or supervisory bodies;	Pages 141 to 161	
9.2	Administrative, Management, and Supervisory bodies conflicts of interests		
	Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect.	Page 161	

10	Major Shareholders		
10.1	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	Pages 207 to 212	
11	Financial Information concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses		
11.1	<p>Historical Financial Information</p> <p>Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. Such financial information must be prepared according to Regulation (EC) No. 1606/2002, or if not applicable to a Member's State national accounting standards for issuers from the Community.</p> <p>The historical annual financial information must be independently audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard.</p>		
	<ul style="list-style-type: none"> • Balance sheet: 	Pages 218 to 219	Pages 224 to 225
	<ul style="list-style-type: none"> • Income statement: 	Page 220	Page 226
	<ul style="list-style-type: none"> • Cash flow statement: 	Page 223	Page 229
	<ul style="list-style-type: none"> • Accounting policies and explanatory notes: 	Pages 224 to 296	Pages 230 to 317
	<ul style="list-style-type: none"> • Audit report: 	Pages 297 to 298	Pages 318 to 319
11.2	<p>Financial statements</p> <p>If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.</p>	Pages 218 to 296	Pages 224 to 317
11.3	Auditing of historical annual financial information		
11.3.1	A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.	Pages 297 to 298	Pages 318 to 319
11.5	<p>Legal and arbitration proceedings</p> <p>Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or</p>	Pages 321 to 323	

	profitability, or provide an appropriate negative statement.		
12	Material Contracts		
	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.	Page 337	

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes will be as follows:

The issue outside the Republic of France of the €500,000,000 Undated Deeply Subordinated Fixed Rate Resetable Notes (the **Notes**) of Suez Environnement Company (the **Issuer**) has been authorised by the resolution of the Board of Directors (*Conseil d'administration*) of the Issuer held on 22 May 2014 and a decision of the Chief Executive Officer (*Directeur Général*) of the Issuer dated 16 June 2014. The Issuer has entered into an agency agreement (the **Agency Agreement**) dated 16 June 2014 with BNP Paribas Securities Services as fiscal agent, principal paying agent and calculation agent. The fiscal agent and principal paying agent, the calculation agent and the paying agent for the time being are referred to in these Conditions as the **Fiscal Agent**, the **Principal Paying Agent**, the **Calculation Agent** and the **Paying Agent** (which expression shall include the Principal Paying Agent), each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Agency Agreement, and are collectively referred to as the **Agents**. Copies of the Agency Agreement are available for inspection at the specified offices of the Paying Agent. References to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

1. Form, Denomination and Title

The Notes are issued on 23 June 2014 (the **Issue Date**) in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each. Title to the Notes will be evidenced in accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France (**Euroclear France**), which shall credit the accounts of the Account Holders. For the purpose of these Conditions, **Account Holders** shall mean any intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. (**Euroclear**) and the depositary bank for Clearstream Banking, société anonyme (**Clearstream, Luxembourg**).

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books.

2. Status of the Notes

2.1 Deeply Subordinated Notes

The Notes are deeply subordinated notes (**Deeply Subordinated Notes**) issued pursuant to the provisions of Article L.228-97 of the French *Code de commerce*. The principal and interest on the Notes constitute direct, unconditional, unsecured and lowest ranking subordinated obligations (**engagements subordonnés de dernier rang**) of the Issuer and rank and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by French law) *pari passu* with all other present and future Deeply Subordinated Notes (which include, for the avoidance of doubt, the €750,000,000 undated deeply subordinated fixed to floating rate notes issued on 21 September 2010), but subordinated to the *prêts participatifs* granted to the Issuer, Ordinary Subordinated Notes and Unsubordinated Notes of the Issuer.

Ordinary Subordinated Notes means notes the principal and interest of which constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by French law) *pari passu* with all other present or future Ordinary Subordinated Notes, behind Unsubordinated Notes but in priority to the *prêts participatifs* granted to the Issuer and Deeply Subordinated Notes.

Unsubordinated Notes means notes the principal and interest of which are unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu* without preference or priority among themselves and (save for certain obligations required to be preferred by French law) equally and rateably with all other present or future unsecured and unsubordinated indebtedness, obligations and guarantees of the Issuer.

2.2 Payment on the Notes in the event of the liquidation of the Issuer

If any judgement is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure, or if the Issuer is liquidated for any other reason, the payments of the creditors of the Issuer shall be made in the following order of priority (in each case subject to the payment in full of priority creditors):

- unsecured creditors of the Issuer (including holders of Unsecured Notes);
- ordinary subordinated creditors of the Issuer (including holders of Ordinary Subordinated Notes);
- lenders in relation to *prêts participatifs* granted to the Issuer, and
- deeply subordinated creditors of the Issuer (including holders of Deeply Subordinated Notes).

In the event of liquidation of the Issuer, the Notes shall only rank in priority to any payments to holders of Equity Securities.

Equity Securities means (a) the ordinary shares (*actions ordinaires*) of the Issuer and (b) any other class of the Issuer's share capital (including preference shares (*actions de préférence*)).

In the event of incomplete payment of unsecured creditors, the obligations of the Issuer in connection with any present or future Deeply Subordinated Notes (including the Notes) shall be terminated. The holders of Deeply Subordinated Notes (including the Notes) shall take all steps necessary for the orderly accomplishment of any collective proceedings or voluntary liquidation.

3. Negative Pledge

There will be no negative pledge in respect of the Notes.

4. Interest

4.1 General

The Notes shall bear interest on their principal amount:

- from (and including) 23 June 2014 (the **Issue Date**) to (but excluding) the First Call Date, at a fixed rate of 3.00 per cent. *per annum*; and
- from (and including) the First Call Date to (but excluding) the final redemption of the Notes, at a fixed rate *per annum* which shall be equal to the relevant Reference Rate plus the relevant Margin for each Interest Rate Period.

Each Interest Amount shall be payable annually in arrear on 23 June of each year, commencing on 23 June 2015 (each an **Interest Payment Date**), provided, however, that if any Interest Payment Date would otherwise fall on a date which is not a Business Day, the relevant payment will be postponed to the next Business Day and no interest shall accrue nor be payable as a result of such postponement.

The Notes will cease to bear interest from and including the due date for redemption unless payment of the principal in respect of the Notes is improperly withheld or refused on such date or unless default is otherwise made in respect of the payment. In such event, the Notes will continue to bear interest at the relevant rate as specified in this Condition 4 on their remaining unpaid amount until the day on which all sums due in respect of the Notes up to that day are received by or on behalf of the relevant Noteholders.

For the purpose hereof:

5-year Swap Rate means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating Euro interest rate swap transaction which (a) has a term of 5 years commencing on the first day of the relevant Interest Period, (b) is in an amount that is representative of a single transaction, in the swap market with an acknowledged dealer

of good credit in the swap market, and (c) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis) and which appears on Reuters screen “ISDAFIX2” under the heading “EURIBOR BASIS” and above caption “11:00 AM Frankfurt time” (as such headings and captions may appear from time to time) as of 11:00 a.m. (Brussels time) (the **Screen Page**). In the event that the 5-year Swap Rate does not appear on the Screen Page on the relevant Determination Date, the 5-year Swap Rate will be the Reference Bank Rate on such Determination Date.

5-year Swap Rate Quotations means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating Euro interest rate swap transaction which transaction (i) has a term of 5 years commencing on the first day of the relevant Interest Period, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis).

Business Day means any day (other than a Saturday or a Sunday) which is a TARGET 2 Settlement Day.

First Call Date means the Interest Payment Date falling on 23 June 2020.

Interest Period means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

Interest Rate means the rate of interest applicable to the Notes, from time to time.

Interest Rate Period means each period beginning on (and including) a Reset Date and ending on (but excluding) the next succeeding Reset Date.

Margin means (i) in relation to the Interest Rate applicable to the Interest Periods from, and including, the First Call Date to, but excluding, the Second Call Date, 2.253 per cent. *per annum*, (ii) in relation to the Interest Rate applicable to the Interest Periods from, and including, the Second Call Date, 3.253 per cent. *per annum*.

Reference Bank Rate means the percentage rate determined on the basis of the 5-year Swap Rate Quotations provided by five leading swap dealers in the interbank market (the **Reference Banks**) to the Calculation Agent at approximately 11:00 a.m. (Brussels time), on the Determination Date. If at least three quotations are provided, the 5-year Swap Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If the Reference Bank Rate is unavailable or the Calculation Agent determines that no Reference Bank is providing offered quotations, the Interest Rate for the relevant Interest Rate Period shall be the Interest Rate in effect for the last preceding Interest Rate Period.

Reference Rate means the 5-year Swap Rate determined on the day falling two Business Days prior to the first day of the relevant Interest Rate Period (each a **Determination Date**).

Reset Date means the First Call Date, the Second Call Date and each 5th anniversary thereof.

Second Call Date means the Interest Payment Date falling on 23 June 2025.

TARGET 2 Settlement Day means any day on which the TARGET 2 System is operating.

TARGET 2 System means the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor thereto.

Promptly after the determination of the Reference Rate, the Calculation Agent shall determine the Interest Rate for each Note and calculate the relevant Interest Amount.

The Calculation Agent will cause the Interest Rate and the relevant Interest Amount payable per Note to be notified to the Issuer, the Fiscal Agent and Principal Paying Agent and, if required by the rules of Euronext Paris or any other stock exchange on which the Notes are listed from time to time, to such

stock exchange, and to the Noteholders in accordance with Condition 10 without undue delay, but, in any case, not later than on the fourth Business Day after its determination.

4.2 Rate of Interest following a Change of Control Call Event

Further to the occurrence of a Change of Control Call Event described in Condition 5.6 below, if the Call Option in case of Change of Control has not been exercised by the Issuer, the interest payable on the Notes will be increased by an additional margin of 5 per cent. *per annum* from (and including) the date of the Call Event Notice (as defined below) to (but excluding) the redemption of the Notes.

4.3 Calculation of Interest Amounts

The amount of interest (the **Interest Amount**) payable on each Note and on each Interest Payment Date will be the product of the principal amount of such Note and the applicable Interest Rate, multiplied by the Actual/Actual (ICMA) day count fraction and rounding the resulting figure, if necessary, to the nearest cent (half a cent being rounded upwards).

Actual/Actual (ICMA) means:

- if interest is required to be calculated for a period of less than one year, the number of days in the relevant period divided by the number of days in the Interest Period in which the relevant period falls;
- if interest is required to be calculated for a period of more than one year, the sum of (a) the number of days of the relevant period falling in the Interest Period in which it begins divided by the total number of days in such Interest Period and (b) the number of days of the relevant period falling in the next Interest Period divided by the total number of days in such next Interest Period (including the first such day but excluding the last).

4.5 Notifications, etc. to be final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, whether by the Reference Banks (or any of them) or the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Fiscal Agent and all Noteholders.

4.6 Calculation Agent

The Agency Agreement provides that the Issuer may at any time terminate the appointment of the Calculation Agent and appoint a substitute Calculation Agent provided that so long as any of the Notes remain outstanding, there shall at all times be a Calculation Agent for the purposes of the Notes having a specified office in a major European city. In the event of the appointed office of any bank being unable or unwilling to continue to act as the Calculation Agent or failing duly to determine the Interest Amount for any Interest Period, the Issuer shall appoint the European office of another leading bank engaged in the Euro-zone or London interbank market to act in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed. The Calculation Agent shall act as an independent expert and not as agent for the Issuer or the Noteholders.

Notice of any change of Calculation Agent or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 10 and, so long as the Notes are listed on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

4.7 Interest Deferral

(a) Optional Interest Payment

Interest which accrues during an Interest Period ending on but excluding an Interest Payment Date will be due on that Interest Payment Date unless the Issuer, by giving notice to the Noteholders pursuant to Condition 4.7(c), elects to defer such payment in whole or in part,

and the Issuer shall not have any obligation to make such payment and any failure to pay shall not constitute a default by the Issuer under the Notes or for any other purpose.

Any interest in respect of the Notes which has not been paid in accordance with this paragraph will be deferred and shall constitute **Arrears of Interest** and shall be payable as outlined below.

(b) *Payment of Arrears of Interest*

Arrears of Interest (together with the corresponding Additional Interest Amount (as defined below)) may at the option of the Issuer be paid in whole (but not in part) at any time, provided that all Arrears of Interest (together with the corresponding Additional Interest Amounts) in respect of all Notes for the time being outstanding shall become due in full on whichever is the earliest of:

- (i) ten (10) Business Days following a Mandatory Payment Event;
- (ii) the next Interest Payment Date in respect of which the Issuer does not elect to defer interest accrued in respect of the relevant Interest Period;
- (iii) the redemption of the Notes; or
- (iv) the date upon which a judgment is made for the voluntary or judicial liquidation of the Issuer (*liquidation judiciaire or liquidation amiable*) as contemplated under Condition 8 or the sale of the whole of the business (*cession totale de l'entreprise*) of the Issuer or if the Issuer is liquidated for any other reason.

Each amount of Arrears of Interest shall bear interest, in accordance with Article 1154 of the French *Code civil*, as if it constituted the principal of the Notes at a rate which corresponds to the Rate of Interest from time to time applicable to the Notes (the **Arrears Interest Rate**) and the amount of such interest (the **Additional Interest Amount**) with respect to Arrear of Interest shall be due and payable pursuant to this paragraph (b) and shall be calculated by the Calculation Agent applying the Arrears Interest Rate to the amount of the Arrear of Interest and otherwise mutatis mutandis as provided in the foregoing provisions of this Condition.

The Additional Interest Amount accrued up to any Interest Payment Date shall be added in accordance with Article 1154 of the French *Code civil*, for the purpose only of calculating the Additional Interest Amount accruing thereafter, to the amount of Arrears of Interest remaining unpaid on such Interest Payment Date so that it will itself become Arrears of Interest.

For the purpose hereof:

A Mandatory Payment Event means that:

- (i) a dividend, other distribution or payment of any nature was validly declared, paid or made in respect of any Equity Securities or any Parity Securities of the Issuer, or
- (ii) the Issuer has repurchased, redeemed, or otherwise acquired any Equity Securities or any Parity Securities of the Issuer or any other than, with respect to Equity Securities, in connection with the satisfaction by the Issuer of its obligations under any existing or future buy-back programme, share option, or free share allocation plan reserved for directors, officers and/or employees of the Issuer, liquidity agreement (*programme de liquidité*) or any associated hedging transaction,

save for, in each case, any compulsory dividend, other distribution, payment, repurchase, redemption or other acquisition required by the terms of such securities; and in the case of Parity Securities, any repurchase or other acquisition that was made below par.

Parity Securities means, at any time, any Deeply Subordinated Notes and any securities which rank *pari passu* with the Notes (which include, for the avoidance of doubt, the €750,000,000 undated deeply subordinated fixed to floating rate notes issued on

21 September 2010). The term Parity Securities shall apply *mutatis mutandis* to any instruments issued by any Subsidiary of the Issuer, where relevant, provided that each such instrument shall qualify as Parity Securities only to the extent such instrument is guaranteed by the Issuer or the Issuer otherwise assumes liability for it, and the Issuer's obligations under the relevant guarantee or other assumption of liability rank *pari passu* with the Issuer's obligations under Parity Securities.

Subsidiary means any fully consolidated subsidiary (as defined in Article L.233-1 of the French *Code de commerce*) of the Issuer.

(c) *Notice of Deferral and Payment of Arrears of Interests*

Notice of (i) deferral of any interest under the Notes on any Interest Payment Date and (ii) any date upon which amounts in respect of Arrears of Interest and/or Additional Interest Amounts shall become due and payable shall be given to the Noteholders in accordance with Condition 10, and the Fiscal Agent and the Calculation Agent at least five (5) Business Days, but no more than thirty (30) Business Days, prior to such Interest Payment Date or date. So long as the Notes are listed on Euronext Paris and the rules applicable to such stock exchange so require, notice of any such deferral shall also be given as soon as reasonably practicable to such stock exchange.

5. Redemption and Purchase

The Notes may not be redeemed otherwise than in accordance with this Condition.

5.1 Final Redemption

Subject to any early redemption described below, the Notes are undated securities with no specified maturity date.

5.2 Optional Redemption

The Issuer will have the right to redeem all of the Notes (but not some only) on the First Call Date, on the Second Call Date or upon any Interest Payment Date thereafter, subject to having given not more than sixty (60) nor less than thirty (30), calendar days' prior notice to the Noteholders (which notice shall be irrevocable). Such early redemption of the Notes will be made at their principal amount together with any accrued interest and Arrears of Interest (including any Additional Interest Amounts thereon).

5.3 Redemption for Taxation Reasons

- (i) If, by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay additional amounts as specified in Condition 7 below (a **Gross-Up Event**), the Issuer may, at its option, at any time, subject to having given not more than forty-five (45) nor less than thirty (30) calendar days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 10, redeem all of the Notes (but not some only) at their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding for French taxes.
- (ii) If the Issuer would on the occasion of the next payment in respect of the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable (a **Withholding Tax Event**), notwithstanding the undertaking to pay additional amounts contained in Condition 7 below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than seven calendar days' prior notice to the Noteholders in accordance with Condition 10 redeem all of the Notes (but not some only) at their principal amount together with any accrued interest and any Arrears of

Interest (including any Additional Interest Amounts thereon) on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes without withholding for French taxes, or, if such date is past, as soon as practicable thereafter.

- (iii) If an opinion of a recognised law firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that by reason of a change in French law or regulation, or any change in the official application or interpretation of such law, becoming effective after the Issue Date, the tax regime of any payments under the Notes is modified and such modification results in the part of the interest payable by the Issuer in respect of the Notes that is tax-deductible being reduced (a **Tax Deductibility Event**), the Issuer may, at its option, at any time (subject to having given not more than sixty (60) nor less than thirty (30) calendar days' notice to Noteholders (which notice shall be irrevocable) in accordance with Condition 10), redeem all of the Notes (but not some only) at (i) the Early Redemption Price (as defined below) where such redemption occurs before the Second Call Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the Second Call Date, provided in each case that the effective date of redemption of which notice hereunder may be given shall be no earlier than the latest practicable date preceding the effective date on which the tax regime of interest payments under the Notes is modified.

5.4 Redemption following an Accounting Event

If an Accounting Event shall occur after the Issue Date, the Issuer may, at its option, redeem all the Notes (but not some only) at any time, subject to the Issuer having given the Noteholders not less than thirty (30), or more than sixty (60), Business Days' prior notice (which notice shall be irrevocable) in accordance with Condition 10, at (i) the Early Redemption Price (as defined below) where such redemption occurs before the Second Call Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the Second Call Date; provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the last day before the date on which the proceeds of the Notes must not or must no longer be recorded as "equity" pursuant to IFRS (as defined below) or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of the Issuer.

Accounting Event means that an opinion of a recognised accountancy firm of international standing has been delivered to the Issuer and the Fiscal Agent, stating that the funds raised through the issue of the Notes must not or must no longer be recorded as "equity" pursuant to the International Financial Reporting Standards (**IFRS**) or any other accounting standards that may replace IFRS for the purposes of the annual consolidated financial statements of the Issuer.

5.5 Redemption following a Rating Methodology Event

If a Rating Methodology Event shall occur after the Issue Date, the Issuer may, at its option, redeem all the Notes (but not some only) at any time, subject to the Issuer having given the Noteholders not less than thirty (30), or more than sixty (60), Business Days' prior notice (which notice shall be irrevocable) in accordance with Condition 10, at (i) the Early Redemption Price (as defined below) where such redemption occurs before the Second Call Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the Second Call Date; provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the last day before the date on which the Notes will no longer be eligible for the same or higher category of equity credit.

For the purpose hereof:

A **Rating Downgrade** shall be deemed to have occurred if the rating previously assigned to the Issuer by any Rating Agency is changed from an investment grade rating (Baa3, BBB-, or better) to a non-investment grade rating (Ba1, BB+, or worse).

Rating Methodology Event means that the Issuer certifies in a notice to the Noteholders that (i) an amendment, clarification or change has occurred in the equity credit criteria of any Rating Agency (as

defined in Condition 5.6 below) from whom the Issuer is assigned sponsored ratings or (ii) a Rating Downgrade has occurred and, in each case, has resulted in a lower equity credit for the Notes than the respective equity credit assigned by the Relevant Rating Agency on the Issue Date, or if equity credit is not assigned on the Issue Date, at the date when the equity credit is assigned for the first time.

5.6 Redemption following a Change of Control Call Event

If a Change of Control Call Event (as defined below) occurs after the Issue Date, the Issuer may redeem, or procure purchase for, all of the Notes (but not some only) on the Call Date (as defined below), at (i) the Early Redemption Price where such redemption occurs before the Second Call Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the Second Call Date. Such option (the **Call Option in case of Change of Control**) shall operate as set out below.

- (a) A **Change of Control Call Event** will be deemed to occur if:
- (i) Any person or group of persons acting in concert or any person or persons acting on behalf of any such person(s) (other than a Permitted Holding Company) (the **Relevant Persons**) (a) acquires directly or indirectly more than 50 per cent. of the total voting rights or of the issued ordinary share capital of the Issuer (or any successor entity), (b) acquires directly or indirectly a number of shares in the ordinary share capital of the Issuer carrying more than 40 per cent. of the voting rights exercisable in general meetings of the Issuer and no other shareholder of such entity, directly or indirectly, acting alone or in concert with others, holds a number of shares carrying a percentage of the voting rights exercisable in such general meetings which is higher than the percentage of voting rights attached to the number of shares held directly or indirectly by such Relevant Person(s) (any such event being a **Change of Control**); and
 - (ii) on the date (the **Relevant Announcement Date**) that is the earlier of (A) the date of the first public announcement of the Change of Control; and (B) the date of the earliest Relevant Potential Change of Control Announcement, the senior unsecured long-term debt of the Issuer carries from any Rating Agency:
 - (x) an investment grade credit rating (Baa3, or equivalent, or better), and such rating from any Rating Agency is, within the Change of Control Period either downgraded to a non-investment grade credit rating (Ba1, or equivalent, or worse) or withdrawn and is not, within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to an investment grade credit rating by such Rating Agency; or
 - (y) a non-investment grade credit rating (Ba1, or equivalent, or worse), and such rating from any Rating Agency is within the Change of Control Period either downgraded by one or more notches (for illustration, Ba1 to Ba2 being one notch) or withdrawn and is not within the Change of Control Period subsequently (in the case of a downgrade) upgraded or (in the case of a withdrawal) reinstated to its earlier credit rating or better by such Rating Agency;

provided that, for the avoidance of doubt,

1. any such decision of the relevant Rating Agency referred to in (x) or (y) above shall not be deemed to have occurred in respect of a particular Change of Control if such Rating Agency does not publicly announce or confirm that such decision was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control; and
2. if at the time of the occurrence of a Change of Control the senior unsecured long-term debt of the Issuer is not rated by a Rating Agency,

and no Rating Agency assigns within the Change of Control Period an investment grade rating to the Notes, a Change of Control Call Event will be deemed to have occurred.

- (b) Promptly upon the Issuer becoming aware that a Change of Control Call Event has occurred the Issuer shall give notice (a **Call Event Notice**) to the Noteholders in accordance with Condition 10 specifying the nature of the Change of Control Call Event, the circumstances giving rise to it and either the date on which redemption or purchase of the Notes (the **Call Date**) will take place or the Issuer's election not to redeem, or procure purchase for, the Notes.
- (c) If the Issuer elects to redeem the Notes, or to procure purchase for the Notes, such redemption or purchase will take place not less than thirty (30), nor more than forty-five (45) days after a Call Event Notice is given.
- (d) For the purposes of this Condition:

Change of Control Period means the period commencing on the Relevant Announcement Date, and ending one hundred and eighty (180) calendar days (inclusive) after the occurrence of the relevant Change of Control (or such longer period for which the senior unsecured long-term debt of the Issuer is under consideration (such consideration having been announced publicly within the period ending one hundred and twenty (120) calendar days after the occurrence of the relevant Change of Control) for rating review or, as the case may be, for rating by, a Rating Agency, such period not to exceed sixty (60) calendar days after the public announcement of such consideration);

Permitted Holding Company means GDF Suez or any company or other legal entity whose share capital (or equivalent) and associated voting rights are controlled (within the meaning of Article L.233-3 of the French *Code de commerce*) by GDF Suez, and any successor to each of GDF Suez or any such company or other legal entity;

Rating Agency means any of the following: Moody's Investors Service Limited, any other rating agency of equivalent international standing requested from time to time by the Issuer to grant a rating to the Issuer and/or the Notes and in each case, any of their respective successors to the rating business thereof; and

Relevant Potential Change of Control Announcement means any public announcement or statement by the Issuer or any Relevant Person thereto relating to any potential Change of Control.

5.7 Purchases

The Issuer may at any time purchase Notes together with rights to interest and any other amounts relating thereto in the open market or otherwise at any price subject to applicable laws and regulations.

In the event that at least 80 per cent. of the initial aggregate principal amount of the Notes has been purchased by the Issuer (a **Repurchase Event**), the Issuer may redeem all of the outstanding Notes (but not some only) at (i) the Early Redemption Price where such redemption occurs before the Second Call Date, or (ii) their principal amount together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) where such redemption occurs on or after the Second Call Date, subject to the Issuer having given the Noteholders not less than thirty (30), or more than sixty (60), Business Days' prior notice (which notice shall be irrevocable) in accordance with Condition 10.

5.8 Cancellation

All Notes which are purchased for cancellation by the Issuer pursuant to this Condition 5 will forthwith be cancelled (together with rights to interest any other amounts relating thereto) by transfer to an account in accordance with the rules and procedures of Euroclear France. Any Notes so purchased by the Issuer may be held and resold in accordance with Articles L.213-1 A and D.213-1 A of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Notes.

5.9 Definitions

For the purposes of this Condition:

Early Redemption Price means:

- (i) the principal amount of the Notes in case of a Change of Control Call Event and a Repurchase Event; or
- (ii) 101 per cent. of the principal amount of the Notes in case of a Tax Deductibility Event, an Accounting Event and a Rating Methodology Event,

in each case together with any accrued interest and any Arrears of Interest (including any Additional Interest Amounts thereon) up to the Early Redemption Date of the Notes.

Early Redemption Date means the effective date of redemption of the Notes made in accordance with this Condition.

6. Payments

6.1 Method of Payment

Payments of principal and interest (including, for the avoidance of doubt, any Arrears of Interest and Additional Interest Amounts) in respect of the Notes will be made in euro by transfer to a euro-denominated account of the relevant Account Holder. All payments validly made to such Account Holders in favour of the Noteholders will be an effective discharge of the Issuer in respect of such payments.

All payments are subject in all cases to any applicable fiscal or other laws, regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

6.2 Payments on Business Days

If any due date for payment in respect of any Note is not a Business Day, the Noteholder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment.

No commission or expenses shall be charged to the Noteholders in respect of such payments.

6.3 Fiscal Agent, Paying Agent and Calculation Agent

The names of the initial Agents and their specified offices are set out below:

Fiscal Agent, Principal Paying Agent and Calculation Agent

BNP Paribas Securities Services
Les Grands Moulins de Pantin
9, rue du Débarcadère
93500 Pantin
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Principal Paying Agent or Paying Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be a Fiscal Agent and a Principal Paying Agent having a specified office in a European city. Notice of any such change or any change of specified office shall promptly be given as soon as reasonably practicable to the Noteholders in accordance with Condition 10 and, so long as the Notes are listed on Euronext Paris and if the rules applicable to such stock exchange so require, to such stock exchange.

7. Taxation

All payments in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the

French Republic or any political subdivision or any authority thereof or therein having power to tax unless such withholding or deduction is required by law.

If applicable law should require that payments of principal or interest made by the Issuer in respect of any Note be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever levied by the Republic of France, the Issuer, will, to the fullest extent then permitted by law, pay such additional amounts (**Additional Amounts**) as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Note, as the case may be:

- (i) **Other connection:** to, or to a third party on behalf of, a Noteholder (including a beneficial owner (*ayant droit*) who is (i) entitled to avoid such deduction or withholding by making a declaration of non-residence or other similar claim for exemption to the financial intermediary, the Issuer or the competent tax authority, or (ii) liable to such taxes, duties, assessments or governmental charges in respect of such Note or interest coupon by reason of his having some connection with the Republic of France other than the mere holding of the Note or interest coupon; or
- (ii) **Presentation more than thirty (30) calendar days after the Relevant Date:** presented for payment more than thirty (30) calendar days after the Relevant Date except to the extent that the Noteholder would have been entitled to such Additional Amounts on presenting it for payment on the thirtieth such day; or
- (iii) **Savings Directive:** where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC (as modified by EU Council Directive 2014/48 adopted by the European Council of 24 March 2014) or any other EU Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) **Payment by another Paying Agent:** presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note or interest coupon to another Paying Agent in a Member State of the EU.

As used in these Conditions, **Relevant Date** in respect of any Note or interest coupon means the date on which payment in respect of it first becomes due (and, for the avoidance of doubt, in the case of Arrears of Interest, references to **becomes due** shall be interpreted in accordance with the provisions of Condition 4.1) or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made. References in these Conditions to (i) **principal** shall be deemed to include any premium payable in respect of the Notes, the Early Redemption Price and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) **interest** shall be deemed to include all Interest Amounts and all other amounts (including, for the avoidance of doubt, all Arrears of Interest and all Additional Interest Amounts) payable pursuant to Condition 4 or any amendment or supplement to it and (iii) **principal** and/or **interest** shall be deemed to include any Additional Amounts that may be payable under this Condition.

Supply of Information: Each Noteholder shall be responsible for supplying to the Paying Agent, in a reasonable and timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by the European Council Directive 2003/48/EC or any other European Directive implementing the conclusions of the ECOFIN Council Meeting dated 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive.

8. **Enforcement Events, no Events of Default and no Cross Default**

There are no events of default in respect of the Notes. There is no cross default under the Notes.

However, each Note shall become immediately due and payable at its principal amount, together with accrued interest thereon, if any, to the date of payment and any Arrears of Interest (including any Additional Interest Amounts thereon), in the event that a judgement is rendered by any competent court declaring the judicial liquidation (*liquidation judiciaire*) of the Issuer, or in the event of a transfer of the whole of the business of the Issuer (*cession totale de l'entreprise*) subsequent to the opening of a judicial recovery procedure, or if the Issuer is liquidated for any other reason. No payments will be made to holders of any class of the share capital of the Issuer before all amounts due, but unpaid, to all Noteholders have been paid by the Issuer.

9. Representation of the Noteholders

Noteholders will be grouped automatically for the defence of their common interests in a *masse* (in each case, the **Masse**).

The Masse will be governed by the provisions of the French *Code de commerce* with the exception of Articles L.228-48, L.228-59, the second sentence of Article L.228-65 II and Articles R.228-63, R.228-67 and R.228-69 subject to the following provisions:

9.1 Legal Personality

The Masse will be a separate legal entity and will act in part through a representative (the **Representative**) and in part through a general meeting of the Noteholders (the **General Meeting**).

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

9.2 Representative

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:

- (i) the members of the Management Committee (*Comité de Gestion*), the members of the Board of Directors (*Conseil d'Administration*), the general managers (*directeurs généraux*), the statutory auditors, or the employees of the Issuer as well as their ascendants, descendants and spouse; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*Conseil d'Administration*), Executive Board (*Directoire*), or Supervisory Board (*Conseil de Surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- (iii) companies holding 10% or more of the share capital of the Issuer or companies having 10% or more of their share capital held by the Issuer; or persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the Masse and the alternate Representative are the following:

Initial Representative:

MASSQUOTE S.A.S.U.
RCS 529 065 880 Nanterre
Represented by its Chairman
7 bis, rue de Neuilly
F-92110 Clichy
France

Mailing address:

33, rue Anna Jacquin
92100 Boulogne Billancourt
France

Alternate Representative:

Gilbert Labachotte
8 Boulevard Jourdan
75014 Paris France

In connection with its functions or duties, the Representative will be entitled to a remuneration of €500 (VAT excluded) per year payable on the Issue Date and on each anniversary thereafter.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate Representative will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

9.3 Powers of Representative

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not be involved in the management of the affairs of the Issuer.

9.4 General Meeting

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, hour, place and agenda of any General Meeting will be published as provided under Condition 10 not less than fifteen (15) calendar days prior to the date of such General Meeting. Each Noteholder has the right to participate in a General Meeting in person, by proxy, by correspondence or, if the *statuts* of the Issuer so specify, by videoconference or by any other means of telecommunication allowing the identification of participating Noteholders.

Each Note carries the right to one vote.

9.5 Powers of the General Meetings

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in

controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) of the Noteholders, nor establish any unequal treatment between the Noteholders, nor to decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least one fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a simple majority of votes cast by Noteholders attending such General Meetings or represented thereat.

In accordance with Article R.228-71 of the French *Code de commerce*, the right of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant general assembly.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 10.

9.6 Information to Noteholders

Each Noteholder or Representative thereof will have the right, during the fifteen (15)-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting.

9.7 Expenses

The Issuer will pay all expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

9.8 Single Masse

The holders of Notes of the same Series, and the holders of Notes of any other Series which will be assimilated with other Notes in accordance with Condition 12, shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the Notes will be the Representative of the single Masse.

10. Notices

- (a) Notice to the Noteholders will be valid if published at the option of the Issuer (i) so long as such Notes are listed and admitted to trading on Euronext Paris, in a leading daily newspaper of general circulation in France (which is expected to be *Les Echos*), or (ii) they are published in a leading daily newspaper of general circulation in Europe (which is expected to be the *Financial Times*) or (iii) they are published in accordance with Articles 221-3 and 221-4 of the General Regulations (*Règlement Général*) of the AMF.
- (b) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication.
- (c) Notices required to be given to the Noteholders may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication of a notice required by Conditions 10(a) and (b) above; except that (i) so long as the Notes are listed and admitted to trading on Euronext Paris the rules of such regulated market so require, notices shall also be published in a leading daily newspaper of general circulation in France, and (ii) notices relating to the convocation and decision(s) of the

General Meetings pursuant to Condition 9 shall also be published in a leading daily newspaper of general circulation in Europe.

11. Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed 10 years (in the case of principal) and five years (in the case of interest) from the due date for payment thereof.

12. Further Issues

The Issuer may, from time to time without the consent of the Noteholders, issue further Notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated notes will, for the defence of their common interests, be grouped in a single Masse having legal personality.

13. Governing Law and Jurisdiction

- (a) **Governing Law:** The Notes and all non-contractual obligations arising from or connected with the Notes are governed by, and shall be construed in accordance with, French law.
- (b) **Jurisdiction:** Any claim against the Issuer in connection with any Notes may be brought before any competent court located within the jurisdiction of the *Cour d'Appel* of Paris.

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be used for the Issuer's general corporate purposes. Part of these proceeds will be used in connection with the buy-back of the €750,000,000 undated subordinated fixed to floating rate notes issued in September 2010.

DESCRIPTION OF THE ISSUER

For a general description of the Issuer, its activities and its financial conditions, please refer to the cross-reference table appearing in Section "Documents incorporated by Reference" on pages 23 to 26 of this Prospectus.

RECENT DEVELOPMENTS

Press release dated 25 March 2014

SUEZ ENVIRONNEMENT SECURES A PROJECT OF ENERGY RECOVERY PLANT IN NANTONG (CHINA)

Today, SUEZ ENVIRONNEMENT, through its subsidiary SITA Waste Services Ltd., signs the contract with Shanghai Chemical Industry Park Investment Corporate ("SCIP") and Nantong Economic Technology and Development Area Company ("NETDA") to establish a joint venture ("JV"), gathering SUEZ ENVIRONNEMENT at 60%, SCIP at 30% and NETDA at 10%, for the construction and operation of a new hazardous waste-to energy recovery plant in the Nantong Economic Technology and Development Area ("NETDA"). The contract will approximately generate a revenue of 575 million euros (4.9 billion RMB) in the coming 30 years.

The new energy recovery and treatment plant has a designed capacity of 30,000 tons/year for the treatment of locally generated hazardous waste and the professional treatment of 3,300 tons/year of medical waste. This state of the art incinerator will strictly meet both Chinese and European emission standards and be managed according to the best international safety and environmental standards.

Moreover, this project further demonstrates the commitment of SUEZ ENVIRONNEMENT and its partners to creating a circular economy by recovering energy. The energy from the waste will be captured and used to produce steam as an green source of energy for other facilities and companies within the NETDA park.

Marie-Ange Debon, Deputy Chief Executive Officer in charge of the international division of SUEZ ENVIRONNEMENT comments, *"We feel very privileged to work with NETDA and SCIP, our local partners, on the city's largest and most advanced waste-to energy project. Combining our technical and environmental expertise and know-how together with the experiences and support from our local partners will enable SUEZ ENVIRONNEMENT to further assist the local authority in their ambitions waste management of the city and to achieve the sustainable development objective of the Chinese government, i.e. Green China, Green Future."*

Press release dated 24 April 2014

**1st QUARTER 2014
OPERATING PERFORMANCE IN LINE WITH OBJECTIVES**

- **Revenue: €3,353 million, +1.2% organic growth**
- **EBITDA: €552 million, +3.2% organic growth**
- **Net debt: €7,018 million, down €168 million in Q1; Net debt /EBITDA at 2,77x**
- **Significant impacts of exchange rates: -€4 million on revenue, -€30 million on EBITDA, -€55 million on net debt**

IN €MILLION	31 March 2013 adjusted ²	31 March 2014	Organic change	Exchange rate change	Gross change
Revenue	3,423	3,353	+1.2%	-2.7%	-2.1%
EBITDA	564	552	+3.2%	-5.2%	-2.2%
EBITDA/Revenue	16.5%	16.5%			

- **In the first quarter of 2014, SUEZ ENVIRONNEMENT reported an organic growth in revenues by +1.2%, reaching €3,353 million.** The Water Europe and Waste Europe divisions increased organically their turnover by respectively +3.7% and +1.7%. Internationally, all areas were up, but the division as a whole, was down by -3.0%, affected by the cyclical nature of Degremont's activities, in relation to the end of some contracts in Chile and the Middle East.
- **EBITDA at the end of March 2014 stands at €552 million, up +3.2% in organic terms, a stronger increase than the revenue's one.** EBITDA margin is 16.5%, stable compared to the margin of the first quarter of 2013.
- **The Group's net financial debt⁶ stands at €7.0 billion, compared to €7.6 billion in the first quarter of 2013 and to €7.2 billion at the end of 2013.** The NFD/EBITDA ratio is 2.77x, lower than our objective of around 3x, which comforts the group's financial flexibility.
- **Commenting on the first quarter 2014 results, Jean-Louis Chaussade, Chief Executive Officer, stated:** *"This first quarter of 2014 has been characterized by a satisfactory performance in the three divisions of our Group, in an economic context which seems to be stabilizing in Europe. Water Europe's activities are growing thanks to our efficient commercial policy, the development of new services, and satisfactory pricing indexations. International growth remains dynamic in Asia, Africa, and North America. Moreover, the slight improvement in the Waste business seen at the end of last year, has continued, as shown by the +1.7% increase in treated volumes. Finally, thanks to permanent discipline in terms of cash flow generation, the Group's financial flexibility has been increasing."*

² 2013 revenue, EBITDA and net debt adjusted by the impact of new IFRS norms 10 and 11 and to the new definition of EBITDA used by the Group as of 1 January 2014.

BREAKDOWN OF ACTIVITY AS AT END MARCH 2014

REVENUE In €million	31 March 2013 adjusted²	31 March 2014	Organic change	Exchange rate change	Gross change
Water Europe	1,050	1,073	+3.7%	-3.0%	+2.2%
Waste Europe	1,563	1,553	+1.7%	0.0%	-0.6%
International	808	726	-3.0%	-7.6%	-10.2%
Other benefit ³	2	1	-	-	-
TOTAL	3,423	3,353	+1.2%	-2.7%	-2.1%

At the end of March 2014, **SUEZ ENVIRONNEMENT's** revenue was €3,353 million, a gross change of 2.1% (-€71 million) compared to 31 March 2013. This breaks down as follows:

- **Organic growth of +1.2% (+€42 million):**
 - Revenue in the Water Europe division was up (+€39 million, +3.7%), thanks to rising water prices and the development of new services.
 - Revenue in the Waste Europe division was up (+€27 million, +1.7%). It benefitted from an increase in the treated waste volumes, partly offset by a decrease in secondary raw material prices.
 - The International division's revenue excluding Degrémont was up (+€20 million, +3.8%); overall, with Degrémont, it displayed a decrease of -3.0% (-€24 million), due to the end in 2013 of some contracts in Chile and the Middle East.
- **Unfavourable exchange rate impact of -2.7% (-€94 million)**, mainly due to the depreciation of the Australian dollar (-€1 million) and the Chilean peso (-€33 million) against the euro.
- **Scope effect of -0.5% (-€19 million):**
 - Water Europe: +€16 million, primarily related to the acquisition of Aguas de Sabadell in August 2013;
 - Waste Europe: -€37 million, due mainly to the sale of some sites in the United Kingdom in September 2013;
 - International: +€4 million
 - Others: -€2 million.

In the first quarter of 2014, SUEZ ENVIRONNEMENT posted 26.5% of its revenue outside of Europe.

Taking into account these results, which are in line with expectations, the SUEZ ENVIRONNEMENT Group is maintaining all of its objectives⁴ for 2014.

³ R+I Alliance, HQ

⁴ Assuming GDP growth of 1% in 2014 in Eurone, within unchanged accounting and tax frameworks as of 01/01/2014 and at constant exchange rates

PERFORMANCE BY DIVISION

WATER EUROPE

In €million	31 March 2013 adjusted ²	31 March 2014	Organic change	Exchange rate change	Gross change
Revenues	1,050	1,073	+3.7%	-3.0%	+2.2%

The Water Europe division posted organic growth of +3.7% (+€39 million).

- **Lyonnais des Eaux displayed an organic stability of -0.6% (-€4 million).**

In France, the positive price effect linked to the increase in pricing escalations formulas and the development of new services activities (+8%) compensated only partially the -1.6% decrease in volumes. Moreover, works activity has fallen, because of the "wait-and-see" policy of the pre-electoral period. During the first quarter, the group won the Orange contract (€6 million, 12 years), the technical assistance contract for SEDIF (€7 million, 5 years), and renewed mainly the Cayenne (€34 million, 12 years) and the Valenciennes (€12 million, 5 years) contracts.

- **Agbar recorded sustained organic growth of +8.5% (+€13 million).**

Activity has benefitted from very favourable pricing indexes in all zones and from a significant rise in volumes in Chile, to +3.9%. In Spain, the -1.4% decrease in volumes has been offset by a scope effect via the additional contribution of Aguas de Sabadell.

WASTE EUROPE

In €million	31 March 2013 adjusted ²	31 March 2014	Organic change	Exchange rate change	Gross change
Revenues	1,563	1,553	+1.7%	+0.0%	-0.6%

During the 1st quarter of 2014, the Waste Europe division was up by +1.7% (+€27 million) in organic terms. It has benefitted from a positive effect of +1.7% in treated volumes, due to both a macro-economic environment that seems to stabilize and the commissioning of new plants. This volume effect has nevertheless been reduced by a negative price effect on secondary raw materials, particularly on metal, which has decreased by 11% compared to 2013, and on electricity sale prices in Continental Europe.

- **SITA France grew organically by +1.8% (+€15 million).**

This organic growth is primarily the result of an increase in recycled volumes and in landfilled volumes. Service activities were stable.

- **The United Kingdom/Scandinavia zone grew organically by +6.5% (+€20 million).**

In the United Kingdom, treatment activities overall have increased, particularly due to the commissioning of the South Tyne & Wear energy from waste plant, and to the refused derived fuel production plants for Cemex and the wood production plant for RWE. Volumes in landfills have also increased. Moreover, the ongoing constructions of the Suffolk and Cornwall incinerators are in line with the announced schedule.

- **The Benelux and Germany Region is stabilizing at +0.4% (+€2 million)**

The sorting and recycling business activities improved, primarily thanks to an increase in the treated volumes of paper. The waste-to-energy recovery units ran at full capacity, but were still affected by price decreases, primarily for the electricity generated. Furthermore, competition on the waste collection business in the Netherlands remained strong.

- **The Central Europe region reported strong organic decrease of -15.4% (-€ million).**

The drop in activity stemmed primarily from a mild climate in Poland, leading to a strong decrease in snow removal activities. Also in Poland, new rules in the allocation of municipal waste collection contracts are now in place, thereby causing a change in the market and greater competition with local players. Lastly, the energy from waste plant project in Poznan is proceeding as planned.

INTERNATIONAL

In €million	31 March 2013 adjusted ²	31 March 2014	Organic change	Exchange rate change	Gross change
Revenues	808	726	-3.0%	-7.6%	-10.2%

The International segment posted good performance in all geographic regions except in construction activity, which is by nature more volatile.

- **Asia-Pacific posted organic growth of +3.1% (+€8 million)** generated by an increase of collected waste volumes in Australia as well as positive price effects. In China, the waste management activities remained solidly on track thanks to an upward trend in volumes. In addition, the Group registered satisfactory commercial activity marked by the signing of a construction and management contract for a hazardous waste-to-energy plant in Nantong (€75 million, 30 years).
- **Africa/Middle East/India experienced sustained organic growth of +4.8% (+€7 million).**

This increase stems essentially from Lydec's activities in Morocco and from the contribution from new contracts in Bangalore and New Delhi in India. The Group saw major commercial successes over the quarter, such as in Morocco with the operation of a waste recycling and management site in Meknes (€90 million, 20 years), the renewal of an urban waste management contract in Casablanca (€87 million, 7 years), and a performance contract to improve the water supply service for the city of Bombay, India (€31 million, 5 years).

- **North America posted organic growth of +4.3% (+€5 million).**
United Water's regulated activity benefitted from rate increases obtained especially in New Jersey and Delaware. The volumes were stable over the quarter. The Group is expanding its waste activities in North America and won a contract in Canada to operate a sorting and composting facility in Edmonton (€4 million, 5 years).
- **Degrémont, on the other hand, is experiencing an organic downturn of -16.2% (-€45 million).** This abnormally high variation over the quarter, which does not reflect the annual trend, stems from the end of some contracts in 2013, especially the one in Mapocho, in Chile, as well as others in the Middle East, which were only partially compensated for by the positive activity of Degrémont France (Achères contract). Expanding activity with industrial customers continues thanks to contracts signed in Brazil with Petrobras and Tractebel Energia. Degrémont's backlog for construction-related activity reaches €0.9 billion at the end of March 2014, which is stable compared to the end of December 2013.

FORTHCOMING COMMUNICATIONS

- 22 May 2014: Annual Shareholders' Meeting
- 29 May 2014: Dividend payment of €0.65 per share⁵
- 30 July 2014: Publication of 2014 half year results (conference call)

⁵ Subject to the approval of the Annual Shareholder's Meeting of 22 May 2014

APPENDICES

REVENUE BY GEOGRAPHY

<i>In €m</i>	Q1 2013	Q1 2014	% in Q1 2014	Δ 14/13 Incl. FX
FRANCE	1,250	1,245	37.1%	-0.4%
Spain	346	394	11.8%	+13.9%
UK	214	216	6.4%	+0.9%
Others Europe	617	610	18.2%	-1.1%
EUROPE (excluding France)	1,177	1,220	36.4%	+3.7%
North America	182	176	5.2%	-3.3%
South America	228	200	6.0%	-12.3%
Oceania	265	232	6.9%	-12.5%
Asia	95	77	2.3%	-18.9%
Others International	226	203	6.1%	-10.2%
INTERNATIONAL (excluding Europe)	996	888	26.5%	-10.8%
TOTAL	3,423	3,353	100%	-2.1%

IFRS 10&11 AND CHANGE IN DEFINITION

REVISED Q1 2013 FIGURES

	Indicators Q1 2013	Impacts IFRS 10 & 11	Change in definition	Revised indicators Q1 2013
Revenues	3,497	-74	-	3,423
o/w Water Europe	1,041	+9	-	1,050
o/w Waste Europe	1,583	-20	-	1,563
o/w International	870	-62	-	808
o/w Others	2	-	-	2
EBITDA	570	-13	+7	564
Debt net	7,616	-39		7,577
Debt net/ EBITDA	3.1x			3.1x

Additional information on the application of the standards IFRS 10 & 11 on the Net Debt

The Group has applied the standards IFRS 10 – Consolidated financial statements and IFRS 11 – Joint Arrangements from 1 January 2014. In adopting these new standards, the Group reassessed its control over its subsidiaries, which included evaluating the impact of eliminating the proportionate consolidation method. On 1 January 2014, the impact of the application of these two standards is -€9 million on Net Debt that can be broken down into -€64.7 million on "**Borrowings** (gross amounts)" ("*Emprunts*") (as defined in Note 12.2.1 to the audited consolidated financial statements at 31 December 2013), -€8.9 million on other elements that are included in "Net Debt" and +€14.6 million on Net Cash ("*Trésorerie Active*") (as defined in Note 12.3.1 to the audited consolidated financial statements at 31 December 2013).

Press release dated 25 April 2014

**SUEZ ENVIRONNEMENT LAUNCHES SHARING 2014,
ITS SECOND WORLDWIDE SHAREHOLDING PLAN RESERVED FOR GROUP EMPLOYEES**

SUEZ ENVIRONNEMENT offers its employees in France and around the world a chance to subscribe to SHARING, its second shareholding plan reserved for employees.

SHARING 2014 is aimed at the Group's more than 76,000 employees in 22 countries: Belgium, Brazil, Chile, China, the Czech Republic, Finland, France, Germany, Hong Kong, India, Italy, Luxembourg, Macao, Morocco, the Netherlands, Poland, Slovakia, Spain, Sweden, Switzerland, the United Kingdom and the United States.

This second share subscription offer forms part of the Group's policy to increase employee shareholding. It strengthens the relationship between SUEZ ENVIRONNEMENT and its employees by offering them the possibility of being more closely involved in the Group's growth and performance.

For Jean-Louis Chaussade, Chief Executive Officer of SUEZ ENVIRONNEMENT: *"We wanted this SHARING 2014 offer, in keeping with that of 2011, to be attractive and available to as many employees as possible. It demonstrates our desire to associate our employees even more closely with SUEZ ENVIRONNEMENT's performance and our confidence in our economic and industrial growth."*

The terms and conditions of this offer are described below.

About SUEZ ENVIRONNEMENT

Natural resources are not infinite. Every day, SUEZ ENVIRONNEMENT (Paris: SEV, Brussels: SEVB) and its subsidiaries deal with the challenge of protecting resources by providing innovative solutions to industries and to millions of people. SUEZ ENVIRONNEMENT supplies drinking water to 92 million people, provides wastewater treatment services for 65 million people and collects the waste produced by nearly 52 million people. SUEZ ENVIRONNEMENT has 79,219 employees, and with its presence on five continents, is a world leader exclusively dedicated to water and waste management services. SUEZ ENVIRONNEMENT generated total revenues of EUR 14.6 billion in 2013.

Issuer

SUEZ ENVIRONNEMENT COMPANY
Euronext Paris – Eurolist Compartment A
ISIN code for ordinary shares: FR0010613471
Share admitted to the Deferred Settlement System (SRD)

SHARING 2014 options:

As part of SHARING 2014, SUEZ ENVIRONNEMENT offers its employees two options:

- A "Classic" plan, which includes a discount and employer contribution in which the subscriber is exposed to movements in the share price. In France, employees will benefit from an employer contribution as part of the company savings plan. Outside France, the employer's contribution takes the form of a bonus share allocation. The UK plan is different, in the form of a Share Incentive Plan (SIP);

A "Multiple" plan (via an intermediate exchange contract with a structuring bank) under which the subscriber receives, at maturity, at least the amount of his/her personal contribution to which is added a guaranteed return or a multiple of the performance of SUEZ ENVIRONNEMENT shares, whichever is higher. In the United States, China and Sweden, the Multiple plan has been adapted to local laws and implemented as an alternative mechanism, called share appreciation rights.

The shares will be subscribed by the beneficiaries either directly, or via a company mutual fund depending on the country of residence.

In all these plans (excluding the SIP), the subscription price will be 80% of the average opening price of SUEZ ENVIRONNEMENT shares on the NYSE Euronext Paris market during the 20 trading days preceding

the date the subscription price is set by the Board of Directors or by the Chief Executive Officer delegated to do so.

Securities offered

The maximum amount of shares subscribed under Resolution 26 of 14 May 2012 and Resolution 8 of 23 May 2013 (or any Resolutions superseding them, in particular Resolutions 27 and 28 submitted for voting to the General Meeting of 22 May 2014) is set at 10 million shares, on the understanding that a ceiling of 1.8 million shares applies to the Classic plan (including the SIP) and a ceiling of 8.2 million shares applies to the Multiple plan. Under each plan, all subscriptions are honoured up to the amount of the average subscription to the plan concerned. Subscriptions above this average will be allocated proportionately.

The resulting shares will confer entitlement on 1 January 2014 (or, for shares allocated as employer's contributions internationally, on 1 January preceding the year in which they are delivered).

Subscription conditions

The beneficiaries of this shareholder offering are the employees of the Company and of member companies of the SUEZ ENVIRONNEMENT Group International Savings Plan whose head offices are in one of the 22 countries listed above.

This includes employees, corporate officers meeting the terms and conditions of Article L.3332-2 of the French Labour Code, provided they have been in service for at least three months on the final day of the subscription period, which is 27 June 2014 (excluding SIP) as well as retirees who have kept their holding in the SUEZ ENVIRONNEMENT Group Savings Plan.

The legal individual investment limit is 25% of gross annual pay for the Classic plan and 2.5% for the Multiple plan (excluding bank contributions). Subscribers to the offering must hold the shares they subscribed directly, or their mutual fund units, until 21 July 2019 inclusive, unless released early.

Unitholders of mutual funds will exercise their voting rights at General Meetings of SUEZ ENVIRONNEMENT through the boards of directors of the mutual funds.

Indicative timeline for the SHARING 2014 offering

Lock-in period: 28 April to 16 May 2014.

Subscription price set on: 23 June 2014

Subscription/withdrawal period: 24 to 27 June 2014

Settlement/delivery of shares: 21 July 2014

These dates are indicative only and may change.

Listing

The SUEZ ENVIRONNEMENT COMPANY new shares are scheduled for admittance to trading on the Euronext Paris market (ISIN code: FR0010613471 - SEV) on 21 July 2014. These new shares will be similar to existing shares.

Hedging operations

The introduction of leveraged options may cause the structuring bank, as a counterpart to the trade, to generate hedging agreements prior to setting up the SHARING 2014 offering, from the date of the publication of this press release and throughout the duration of the operation.

Specific for international

This press release does not constitute an offer of sale or solicitation for the subscription of SUEZ ENVIRONNEMENT shares. The SHARING 2014 offering reserved for employees will be set up only in countries where such an offer has been registered with the competent local authorities and/or following the approval of a prospectus by the competent local authorities, or in consideration of an exemption from the obligation to prepare a prospectus or to register an offer. In general, the offer will be made only in countries where all the registration and/or notification procedures required have been completed and the authorisations obtained. This press release is not intended for, and therefore copies of it may not be sent to, countries in

which such a prospectus has not been approved or such an exemption would not be approved or in which all registration and/or notification procedures required have not yet been completed or authorisations have not been obtained.

The securities described in this document have not been and will not be registered in the United States with the Securities and Exchange Commission and may not be offered in the United States except as part of transactions that do not require registration under the United States Securities Act of 1933.

Additional Information

All necessary information about SUEZ ENVIRONNEMENT is available from the Company's website (www.suez-environnement.com).

All necessary information about SHARING 2014, for beneficiaries, is available in the subscription pack sent to shareholders and on the Company website. They can also request it from their contact indicated in the leaflet in the subscription pack sent to them.

Beneficiaries subscribing to shares through a mutual fund should read the key features document for investors (KFDIs) and the regulations for each mutual fund for full information.

This press release constitutes a communication as required by the AMF in accordance with Article 14 of Instruction No. 2005-11 of 13 December 2005.

On 2 May 2014, Groupe Bruxelles Lambert (a company controlled by Parjointco N.V., which is itself jointly and indirectly controlled by the Desmarais and Frère families) declared being into possession of 22,834,301 shares of the Issuer, thereby crossing downwards the legal threshold of 5 per cent. of ownership of share capital and voting rights of the Issuer, from 7.20 per cent. and 7.22 per cent. of the share capital and voting rights (respectively) to 4.48 per cent. of the share capital and voting rights of the Issuer.

Press release dated 16 May 2014

**SUEZ ENVIRONNEMENT SIGNS AN AGREEMENT
FOR THE SALE OF ITS INDIRECT INTEREST IN COMPANHIA DE ELECTRICIDADE DE
MACAU (CEM)**

Today SUEZ ENVIRONNEMENT along with its partner *NWS Holdings Limited*, through their equally-owned joint venture Sino-French Holdings (Hong Kong) Limited, entered into a share purchase agreement to sell 90% of their indirect stake in Companhia de Electricidade de Macau (“CEM”) to Nam Kwong Development (H.K.) Limited, a wholly-owned subsidiary of Nam Kwong (Group) Company Limited (“Nam Kwong”). The transaction is subject to some conditions precedent, including amongst others customary approvals. The aggregate transaction consideration is 612 million US dollars for Sino-French Holdings (Hong Kong) Limited.

CEM is an integrated utility company with an exclusive concession to transmit, distribute and sell high, medium and low voltage electricity in Macau. The concession contract has been extended in 2010 for a period of 15 years.

SUEZ ENVIRONNEMENT will remain active in Macau in its two core businesses, water and waste management, through Macao Water Company and SITA Waste Services, where it generated €70 million of managed revenues. The Group also keeps on actively developing its activities in Hong Kong and mainland China through its subsidiaries Sino-French Holdings (Hong Kong) Limited, SITA Waste Services and Degrémont. Indeed, the Group serves 15 million people through 33 joint ventures in approximately twenty Chinese cities. In 2013, the managed revenues generated by SUEZ ENVIRONNEMENT in Greater China reached €1.4 billion.

With this transaction, SUEZ ENVIRONNEMENT pursues its long term strategy to focus on its core environmental activities in water and waste management. It will allow the Group to seize new development opportunities, notably in China, while keeping a balanced portfolio in terms of businesses and geographies.

Press release dated 21 May 2014

**SUEZ ENVIRONNEMENT, VIA ITS SUBSIDIARY SITA BLANCA,
WINS THE CONTRACT TO MANAGE CASABLANCA URBAN WASTE MANAGEMENT
SERVICES**

The Urban Municipality of Casablanca has awarded a 7-year contract to SUEZ ENVIRONNEMENT, through its subsidiary SITA Blanca, to manage the urban waste management services, for a total of more than 187 million euros. This project marks a new stage in the relationship of trust established between the Group and Moroccan local authorities. After 15 years of managing drinking water distribution, sanitation and electricity services for more than 3 million people in Casablanca, the Group was recently awarded the contract to rehabilitate and operate the new landfill site at Meknes. Today, Casablanca is reaffirming its trust in SUEZ ENVIRONNEMENT to manage the urban waste management services.

A highly-symbolic major contract

The economic and commercial capital, Casablanca is guided by the desire of the Moroccan sovereign to make the city a center of influence committed to sustainable development. This international city is home for 5 million of Morocco's population of 30 million, producing 2,600 tons of household waste per day.

Since 2004, SITA has managed the waste management services in Casablanca for 5 districts, including the historic city center. Today, following an international tender, the Urban Municipality of Casablanca is entrusting SITA with waste collection and waste management in 4 prefectures (Casablanca Anfa, Al Fida Mers Sultan, Moulay Rachid and Ben M'sick), representing 9 districts and the municipality of Mechouar. The contract covers 1.5 million inhabitants, who produce 485,085 tons of waste each year.

"This contract renewal is a strong sign of Casablanca's confidence in SITA. It is a testament to our professionalism, our ongoing efforts to improve over the last ten years, and the quality of the new solutions we offer. We are proud to be able to continue to serve the residents of Casablanca for another seven years," says François PYREK, SITA CEO in Morocco.

A service that combines innovation, performance and adaptability

SITA's service takes into consideration demographic growth, events in the territory of the Urban Municipality of Casablanca, including the work related to new tram lines, as well as the specific features of the old medina with its narrow, paved streets, in order to implement suitable collection resources and plans.

For this new delegated management contract for urban waste management in Casablanca, SITA Blanca will invest nearly 21 million euros and implement modern collection and waste management technologies that bring together logistical efficiency, a reduced environmental impact, and improved service quality, safety and ergonomics.

As such, SITA Blanca will invest in a fleet of 109 collection trucks and 28 cleaning vehicles that comply with the latest Euro V safety and environmental standards. The new trucks will be equipped with a GPS system and information tools deployed to track the service and the equipment.

By systematizing Voluntary Recycling Stations, which last longer than the plastic containers currently used, SITA Blanca will significantly increase the capacity for the containerization of collected waste. Buried stations will be installed for household waste and Green Points (mini-waste collection centers) created for green and inert waste products.

For waste management purposes, more modern, attractive wastepaper containers that are easily accessible to users will be deployed. In addition, the residents of Casablanca will see electrically-assisted tricycles on certain streets, which will improve the working conditions for manual sweeping teams.

SITA Blanca has a six-month transition period to implement a new organisational structure and install new equipment.

The contract also includes a social component proposed by SITA Blanca *"that is both internal through the hiring and training of 2,200 employees, but also external through the inclusion of rag-and-bone and scrap waste workers in our collection organization,"* explains François Pyrek.

"For more than 15"years, SUEZ ENVIRONNEMENT has been assisting the Moroccan authorities in water and waste management. Supported by our local ties and the professionalism of our teams, we are delighted to be a part of this new step in the modernization of services for the citizens of Casablanca," concludes Marie-Ange Debon, Deputy Chief Executive Officer in charge of the International Division of SUEZ ENVIRONNEMENT.

Press release dated 22 May 2014

**SHAREHOLDERS' MEETING OF 22 MAY 2014:
ALL RESOLUTIONS ADOPTED**

All resolutions put to the SUEZ ENVIRONNEMENT Shareholders' Meeting, which took place on 22 May 2014 under the chairmanship of Gérard Mestrallet, were adopted by a large majority.

65% of shareholders took part in the Shareholders' Meeting and, among them, almost 3300 used "Votaccess", the internet voting tool.

Jean-Louis Chaussade, Chief Executive Officer of SUEZ ENVIRONNEMENT, presented the performance and highlights of 2013 to shareholders and the activities of each of the Board of Directors' four Committees were presented by their Chairs.

The Shareholders' Meeting approved the distribution of a €0.65 per share cash dividend. The ex-dividend date is May 26, 2014, with a payment date on May 29, 2014.

The appointment of Mrs. Ines Kolmsee as director and the renewal as director of Penelope Chalmers Small, Gilles Benoist, Alain Chaigneau, Guillaume Pepy and Jérôme Tolot were also approved by the Shareholders' Meeting, as were amendments to the bylaws, setting out procedures for the appointment of directors representing employees.

Shareholders gave a favourable opinion on the components of compensation due or awarded to Jean-Louis Chaussade, Chief Executive Officer, for the financial year 2013.

Finally, the Shareholders' Meeting renewed all financial authorizations granted to the Board of Directors.

In addition, the Board of Directors acknowledged the resignation as director of Amaury de Sèze after the Shareholders' Meeting.

The webcast of the Shareholders' Meeting, presentations and the results of the voting on resolutions can be found on SUEZ ENVIRONNEMENT's website (www.suez-environnement.com).

TAXATION

The following is a general description of certain withholding tax considerations relating to the holding of the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.

EU Savings Directive

On 3 June 2003, the Council of the European Union adopted Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**). Pursuant to the Savings Directive, Member States are required to provide to the tax authorities of other Member States, *inter alia*, details of payments of certain interest or similar income paid or secured by a person established in a Member State to, or for the benefit of, an individual resident in another Member State or certain limited types of entities established in another Member State (the **Disclosure of Information Method**).

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. The Savings Directive will also apply a "look through approach" to certain payments where an individual resident in a Member State is regarded as the beneficial owner of that payment for the purposes of the Savings Directive. This approach may apply to payments made to or by, or secured for or by, persons, entities or legal arrangements (including trusts), where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The rate of such withholding tax equals 35 per cent. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of the Disclosure of Information Method.

The transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the **OECD Model Agreement**) with respect to interest payments within the meaning of the Savings Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate mentioned above and (ii) the date on which the Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Savings Directive.

A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

France

Savings Directive

The Savings Directive was implemented into French law under Article 242 *ter* of the *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Withholding tax

The following is an overview of certain withholding tax considerations in France that may be relevant to Noteholders who do not concurrently hold shares of the Issuer and who are not otherwise affiliated with the Issuer within the meaning of Article 39-12 of the French Code général des Impôts.

Following the introduction of the French *loi de finances rectificative pour 2009 n°3* (n° 2009-1674 dated 30 December 2009) (the **Law**), payments of interest and other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a **Non-Cooperative State**). If such payments under the Notes are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State (the **Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent., subject to the more favourable provisions of an applicable double tax treaty, if any.

Notwithstanding the foregoing, the Law provides that neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor the Deductibility Exclusion will apply in respect of the Notes if the Issuer can prove that the principal purpose and effect of the issue of the Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to the *Bulletin Officiel des Finances Publiques - Impôts* BOI-INT-DG-20-50-20140211, BOI-RPPM-RCM-30-10-20-40-20140211 and BOI-ANX-000364-20120912, the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes, if the Notes are:

- (i) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (ii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Consequently, payments of interest and other revenues made by the Issuer under the Notes will be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

In addition, interest and other revenues paid by the Issuer on the Notes will not be subject to the Deductibility Exclusion, and hence will not be subject to the withholding tax set out in Article 119 *bis* of the French *Code général des impôts* solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Payments to French resident individuals

Pursuant to Article 125 A of the French *Code général des impôts*, subject to certain limited exceptions, interest and similar income received by individuals fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest and similar income paid to individuals fiscally domiciled (*domiciliés fiscalement*) in France.

SUBSCRIPTION AND SALE

Subscription Agreement

Deutsche Bank AG, London Branch, J.P. Morgan Securities plc, Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, NATIXIS, Société Générale, UniCredit Bank AG (the **Joint Bookrunners**) have, pursuant to a Subscription Agreement dated 16 June 2014 (the **Subscription Agreement**), jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to procure subscribers for, failing which to subscribe for the Notes at an issue price equal to 99.326 per cent. of the principal amount of the Notes, less any applicable commission. In addition, the Issuer will pay certain costs incurred by it and the Joint Bookrunners in connection with the issue of the Notes.

The Joint Bookrunners are entitled to terminate the Subscription Agreement in certain circumstances prior to the issue of the Notes. The Issuer has agreed to indemnify the Joint Bookrunners against certain liabilities in connection with the offer and sale of the Notes.

Selling Restrictions

United States

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or with any securities regulatory authority of any state or other jurisdiction of the U.S., and may not be offered or sold within the United States, or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act (**Regulation S**) or pursuant to an exemption from the registration requirements of the Securities Act and in compliance with any applicable state securities laws. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Joint Bookrunner has agreed that it has not offered or sold, and will not offer or sell, the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of the Notes as determined, and certified to the Issuer by the Joint Bookrunners, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor or dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in compliance with Regulation S and U.S. tax law.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Joint Bookrunners reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States or to any U.S. person. Distribution of this Prospectus by any non-U.S. person outside the United States or to any other person within the United States, other than those persons, if any, retained to advise such non-U.S. person with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer or any of its contents to any such U.S. person or other person within the United States, other than those persons, if any, retained to advise such non-U.S. person, is prohibited.

United Kingdom

Each Joint Bookrunner has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

France

Each Joint Bookrunner has represented and agreed that (in connection with the initial distribution of the Notes only) it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

Republic of Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) pursuant to Italian securities legislation and, accordingly, each Joint Bookrunner has represented and agreed that it has not offered, sold or distributed, and will not offer, sell or distribute any Notes or any copy of this Prospectus or any other offer document in the Republic of Italy (**Italy**) except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the **Consolidated Financial Services Act**) and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the **CONSOB Regulation**), all as amended; or
- (b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Consolidated Financial Services Act and Article 34-ter of the CONSOB Regulation.

Moreover, and subject to the foregoing, any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Consolidated Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the **Banking Act**), CONSOB Regulation No. 16190 of 29 October 2007, all as amended;
- (ii) in compliance with Article 129 of the Banking Act and the implementing guidelines, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; and
- (iii) in compliance with any securities, tax, exchange control and any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time, inter alia, by CONSOB or the Bank of Italy.

Any investor purchasing the Notes in this offering is solely responsible for ensuring that any offer or resale of the Notes it purchases in this offering occurs in compliance with applicable laws and regulations.

Article 100-bis of the Consolidated Financial Services Act affects the transferability of the Notes in Italy to the extent that any placing of the Notes is made solely with qualified investors and such Notes are then systematically resold to non-qualified investors on the secondary market at any time in the 12 months following such placing. Where this occurs, if a prospectus compliant with the Prospectus Directive has not been published, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under the Consolidated Financial Services Act applies.

General

No action has been taken in any jurisdiction that would permit an offer to the public of any of the Notes. Neither the Issuer nor any of the Joint Bookrunners represents that the Notes may at any time lawfully be

resold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such resale.

Each Joint Bookrunner has agreed that it will (to the best of its knowledge and belief after making reasonable enquiries) comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers the Notes or has in its possession or distributes this Prospectus or any other offering material relating to the Notes and obtain any consent, approval or permission required for the purchase, offer or sale of the Notes under the laws and regulations in force in any jurisdiction in which it makes such purchase, offer or sale and none of the Issuer or any Joint Bookrunner shall have responsibility therefor.

Certain of the Joint Bookrunners have, directly or indirectly through affiliates, provided investment and commercial banking, financial advisory and other services to the Issuer and its affiliates from time to time, for which they have received monetary compensation. Certain of the Joint Bookrunners may from time to time also enter into swap and other derivative transactions with the Issuer and its affiliates. In addition, certain of the Joint Bookrunners and their affiliates may in the future engage in investment banking, commercial banking, financial or other advisory transactions with the Issuer or its affiliates.

GENERAL INFORMATION

(1) Application has been made to the AMF to approve this document as a prospectus and this Prospectus has received visa n° 14-299 from the AMF on 17 June 2014. Application has been made for the Notes to be listed and admitted to trading on Euronext Paris.

(2) The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in the Republic of France in connection with the issue of the Notes.

The issue of the Notes has been authorised by the resolution of the *Conseil d'administration* of the Issuer made on 22 May 2014, delegating its powers to issue up to €500,000,000 (subject to certain conditions) of undated lowest ranking subordinated obligations (*obligations subordonnées de dernier rang*) to the *Directeur Général* and a decision of the Chief Executive Officer (*Directeur Général*) of the Issuer dated 16 June 2014.

(3) Except as disclosed on pages 44 to 58 of this Prospectus, there has been (i) no material adverse change in the prospects of the Issuer or the Group since 31 December 2013 and (ii) no significant change in the financial or trading position of the Issuer or the Group since 31 December 2013.

(4) Except as disclosed on pages 25 and 26 of this Prospectus, there has been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period of 12 months immediately preceding the date of this Prospectus which have had in the recent past a significant effect on the Issuer's or the Group's financial position or profitability.

(5) The Notes have been accepted for clearance through Euroclear France (acting as central depository), Euroclear and Clearstream, Luxembourg. The International Securities Identification Number (ISIN) for the Notes is FR0011993500. The Common Code for the Notes is 107970487.

The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France. The address of Euroclear is Euroclear Bank SA/NV, 1 boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 avenue JF Kennedy, L-1855 Luxembourg.

(6) Mazars and Ernst & Young et Autres have rendered an audit report on the consolidated financial statements of the Issuer for the financial years ended 31 December 2013 and 31 December 2012.

The principal statutory auditors of the Issuer are Mazars and Ernst & Young et Autres. Mazars and Ernst & Young et Autres are members of the professional body *compagnie des commissaires aux comptes de Versailles*.

(7) The estimated costs for the admission to trading of the Notes are €22,500 (including AMF fees).

(8) The yield in respect of the Notes until the First Call Date is 3.125 per cent. *per annum*.

(9) As far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue.

(10) At the date of this Prospectus, as far as the Issuer is aware, there are no conflicts of interest material to the issue or offer of the Notes between the duties of the members of the Board of Directors (*Conseil d'administration*) and their private interests and/or their other duties.

PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

To the best of the Issuer's knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import and the Issuer accepts responsibility accordingly.

In the statutory auditors' report on the consolidated financial statements for the fiscal year ended 31 December 2013, which is reproduced on pages 297 and 298 of the 2013 Reference Document, the statutory auditors make an observation without qualifying their opinion.

In the statutory auditors' report on the consolidated financial statements for the fiscal year ended 31 December 2012, which is reproduced on pages 318 and 319 of the 2012 Reference Document, the statutory auditors make one observation without qualifying their opinion.

SUEZ ENVIRONNEMENT COMPANY

Tour CB21

16, place de l'Iris

92040 Paris-La Défense Cedex

France

Duly represented on 17 June 2014 by:

Mr. Olivier Jacquier

Directeur Financier Adjoint

authorised signatory, pursuant to the resolution of the Board of Directors (*Conseil d'administration*) of the Issuer dated 22 May 2014 and a decision of the Chief Executive Officer (*Directeur Général*) of the Issuer dated 16 June 2014



Autorité des marchés financiers

In accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (the **AMF**), in particular Articles 211-1 to 216-1, the AMF has granted to this Prospectus the visa no. 14-299 on 17 June 2014. This document was prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L.621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply any approval of the opportunity of the operation or authentication of the accounting and financial data set out in it.

Issuer

Suez Environnement Company
Registered Office
Tour CB21
16, place de l'Iris
92040 Paris-La Défense Cedex
France

Joint Bookrunners and Joint Structuring Advisers to the Issuer

Deutsche Bank AG, London Branch

Winchester House
1, Great Winchester Street
London EC2N 2DB
United Kingdom

J.P. Morgan Securities plc

25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Joint Bookrunners

Barclays Bank PLC

5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

BNP Paribas

10 Harewood Avenue
London NW1 6AA
United Kingdom

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Commerzbank Aktiengesellschaft

Kaiserstrasse 16 (Kaiserplatz)
60311 Frankfurt Am Main
Federal Republic of Germany

NATIXIS

30, avenue Pierre Mendès France
75013 Paris
France

Société Générale

29, boulevard Haussmann
75009 Paris
France

UniCredit Bank AG

Arabellastrasse 12
D-81925 Munich
Germany

Fiscal Agent, Principal Paying Agent and Calculation Agent

BNP Paribas Securities Services

Les Grands Moulins de Pantin

9, rue du Débarcadère

93500 Pantin

France

Auditors

Mazars

Tour Exaltis

61 rue Henri Régault

92075 La Défense Cedex

France

Ernst & Young et Autres

1/2 place des Saisons

92400 Courbevoie

Paris-La Défense 1

France

Legal Advisers

To the Issuer

As to French law

White & Case LLP

19, place Vendôme

75008 Paris

France

To the Joint Bookrunners

As to French law

Allen & Overy LLP

52, avenue Hoche

75008 Paris

France