
**AGREEMENT RELATIVE TO THE MERGER BY ABSORPTION
OF RIVOLAM BY SUEZ**

BETWEEN

SUEZ
THE ABSORBING COMPANY

AND

RIVOLAM
THE ABSORBED COMPANY

June 5, 2008

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BY AND BETWEEN THE UNDERSIGNED

- **SUEZ**, a French limited liability company (*société anonyme*) with share capital of €2,617,883,906, having its registered office at 16, rue de la Ville l'Evêque, 75008 Paris, registered in the Paris Trade Register under number 542 062 559, represented by Gérard Mestrallet, Chairman and Chief Executive Officer, duly authorized for the purposes herein by resolution of the board of directors dated June 4, 2008;

(hereinafter referred to as “**SUEZ**” or the “**Absorbing Company**”)

PARTY OF THE FIRST PART

AND

- **Rivolam**, a French limited liability company (*société anonyme*), with share capital of €5,736,882,100, having its registered office at 16 rue de la Ville l'Evêque, 75008 Paris, registered in the Paris Trade Register under number 430 440 586, represented by Mr. Pascal Plocque, Chairman and Chief Executive Officer, duly authorized for the purposes herein by resolution of the board of directors dated June 4, 2008;

(hereinafter referred to as “**Rivolam**” or the “**Absorbed Company**”)

PARTY OF THE SECOND PART

I — PRESENTATION OF THE COMPANIES — REASONS AND PURPOSES OF THE MERGER — FINANCIAL STATEMENTS USED TO ESTABLISH THE TERMS OF THE MERGER — VALUATION METHODS

1. PRESENTATION OF THE COMPANIES

1.1 Description of the Absorbing Company (SUEZ)

1.1.1 SUEZ, a French limited liability company (*société anonyme*) with a board of directors, resulting from the merger of Compagnie de SUEZ and Lyonnaise des Eaux in June 1997, was initially established on February 23, 1880; its term was extended in 1941 for 99 years and will expire on December 31, 2040, unless extended or wound up in advance. SUEZ and all its direct and indirect subsidiaries are hereinafter referred to as the “**SUEZ Group**”.

1.1.2 On the date of this agreement, SUEZ’s share capital amounts to €2,617,883,906. It is divided into 1,308,941,953 shares, fully paid-up, each with a par value of €2 and all of the same class. They are listed for trading on the Euronext Paris market (Compartment A), on the Euronext Brussels market, on the official list of the regulated market of the Luxembourg Stock Exchange, on the Swiss stock exchange (SWX Swiss Exchange), and are traded as American Depositary Shares.

1.1.3 SUEZ fiscal year ends on December 31 of each year.

The corporate purpose of SUEZ is to manage and develop the value of its current and future assets, in every country and by all means, particularly:

a) to obtain, purchase, lease and operate any concessions and businesses related to supplying cities with drinking or industrial water, the evacuation and purification of waste water, drying and waste treatment operations, irrigation, and the establishment of all water transport, protection and retaining structures;

b) to obtain, purchase, lease and operate all sales and service activities to local authorities and individuals in city planning and environmental management;

c) to analyze, establish and carry out any projects and public or private works on behalf of any local authorities and individuals; and to prepare and enter into any agreements and contracts relating to the execution of such projects and works;

d) to acquire any equity interests in the form of subscription, purchase, contribution, exchange or by any other means of shares, units, bonds and all other securities of companies currently existing or to be formed;

e) to obtain, purchase, assign, license and use any patents and patent licenses and all processes; and

f) generally to engage in any industrial, commercial, financial, personal and real property operations that may be related directly or indirectly to the corporate purpose or which could develop or promote the business of the company.

1.2 Presentation of the Absorbed Company (Rivolam)

1.2.1 Rivolam, a French limited liability company (*société anonyme*) with a board of directors, was established on April 20, 2000, for a period of 99 years to expire on April 20, 2099, unless extended or wound up early.

1.2.2 On the date of this agreement, the share capital of Rivolam amounts to €5,736,882,100, divided into 1,434,220,525 shares, fully paid-up, each with a par value of €4 and all of the same class.

1.2.3 Rivolam has not granted or issued securities or rights, either giving access to its capital or not, other than the 1,434,220,525 shares composing its share capital.

1.2.4 Rivolam’s fiscal year ends on December 31 of each year.

1.2.5 Rivolam’s corporate purpose, directly or indirectly, in all countries is:

a) to analyse and carry out all industrial, commercial, financial, personal property or real property projects;

b) to acquire and manage all types of securities;

c) the acquire equity investments or interests in any commercial, industrial, financial, personal or real property companies or businesses, whether French or foreign, through the creation of new companies, the contribution, subscription or purchase of securities or corporate rights, through merger, partnership or otherwise; and

d) generally to engage in any financial, commercial, industrial, personal or real property transactions related directly or indirectly to the corporate purpose.

1.3 Links between Rivolam and SUEZ

1.3.1 As of the date of this agreement, SUEZ holds 1,434,220,525 shares, representing the entire capital of Rivolam. Therefore, this merger is governed by Article L. 236-11 of the French Commercial Code.

1.3.2 SUEZ and Rivolam have no corporate officer in common as of the date of this agreement.

2. REASONS AND PURPOSES OF THE TRANSACTION

2.1 The merger that is the subject of this merger agreement (the “**Merger Agreement**”) is occurring in the broader context of the merger by absorption of SUEZ by Gaz de France (“**GDF**”). This merger transaction assumes the prior completion of the following:

- internal reclassification operations, through the transfer of equity investments and assets in order to combine within SUEZ Environnement (a French limited liability company (*société anonyme*) having its registered office located at 1, rue d’Astorg, 75008 Paris, registered under number 410 118 608 RCS Paris) and its direct or indirect subsidiaries (the “**SUEZ Environnement Group**”), the assets relating to its Environment division; and
- the contribution by SUEZ of 100% of its shares comprising the capital of SUEZ Environnement (the “**Environnement Business**”) to SUEZ Environnement Company (a French limited liability company (*société anonyme*) previously named “Houilval” having its registered office located at 1, rue d’Astorg, 75008 Paris, registered under number 433 466 570 RCS Paris), to be remunerated through the issuance of shares of SUEZ Environnement Company, followed by the distribution by SUEZ to its shareholders (other than SUEZ), in proportion to the rights they hold in SUEZ, of a portion of those new shares representing 65% of the shares composing the capital of SUEZ Environnement Company after the contribution; it is specified that the shares of SUEZ Environnement Company will be listed for trading on the Euronext Paris market and on the Euronext Brussels market after the completion of the merger between Suez and Gaz de France. It is currently planned that the SUEZ Environnement Company shares will be listed for trading on the Euronext Paris market and on the Euronext Brussels market on July 22, 2008.

The listing of the SUEZ Environnement Company’s shares for trading on the Euronext Paris market and on the Euronext Brussels market will give SUEZ Environnement Company a greater visibility, in line with the standing and expectations of the group, with direct access to the financial markets.

2.2 From a legal perspective, this reorganization will include the following operations, which will be completed concomitantly, in the order indicated below, at midnight on the day on which the shares of SUEZ Environnement Company are listed for trading on the Euronext Paris market as described in the Euronext Paris listing notice (the “**Completion Date**”), and the shares of SUEZ Environnement Company will be listed for trading on the Euronext Paris market and the Euronext Brussels market on the same day, at the opening of said markets:

- (i) SUEZ will proceed, in accordance with the conditions of this Merger Agreement, with the absorption of its wholly-owned subsidiary Rivolam, through a simplified merger resulting in the universal transfer (*transmission universelle*) to SUEZ of Rivolam’s assets and liabilities (consisting almost exclusively of shares of SUEZ Environnement) and the dissolution without liquidation of Rivolam (the “**Merger**”);
- (ii) Immediately after the completion of the Merger, SUEZ shall proceed with:
 - a contribution, governed by the legal regime of spinoffs, of 100% of the shares composing the capital of SUEZ Environnement to SUEZ Environnement Company (the “**Contribution**”); and
 - the allocation through the distribution of an issuance premium to its own shareholders — other than itself —, pro rated to their ownership interest in the capital of SUEZ, of a portion of new shares issued as remuneration for the Contribution representing 65% of the shares of SUEZ

Environnement Company composing the share capital of SUEZ Environnement Company, in the ratio of one (1) share of SUEZ Environnement Company for four (4) shares of SUEZ; the eligible parties for SUEZ Environnement Company shares will be (i) the SUEZ shareholders other than SUEZ itself whose dematerialized shares are registered in their name in an account at the close of the accounting day (*journée comptable*) preceding the Completion Date and (ii) for all SUEZ shareholders owners of materialized shares, the holders of the corresponding paper coupon (the “**Distribution**”). The Contribution and the Distribution are hereinafter collectively referred to as the “**Contribution-Distribution**”;

(iii) Immediately after the completion of the Contribution-Distribution, Gaz de France will absorb SUEZ by merger, and the shareholders of SUEZ will thus become shareholders of Gaz de France in the ratio of twenty-one (21) shares of Gaz de France for twenty-two (22) shares of SUEZ (the “**GDF SUEZ Merger**”).

2.2.2 The principle of the Merger and this Merger Agreement were approved by the boards of directors of SUEZ and Rivolam on June 4, 2008.

2.2.3 The principle of the Contribution-Distribution was approved by the boards of directors of SUEZ and SUEZ Environnement Company on June 4, 2008.

2.2.4 The principle of the GDF SUEZ Merger was approved by the boards of directors of SUEZ and Gaz de France on June 4, 2008.

2.3 In an order (*ordonnance*) issued on October 17, 2007, the Presiding Judge (*Président*) of the Commercial Court of Paris appointed Messrs. Dominique Ledouble and René Ricol as contribution auditors (*commissaires aux apports*) in order to prepare the report provided by Articles L. 236-11 and L. 225-147 of the French Commercial Code.

2.4 In accordance with Article L. 236-11 of the French Commercial Code, insofar as SUEZ will continually hold all shares composing the capital of Rivolam from a date prior to the date on which this merger agreement is filed with the clerk of court of the Commercial Court of Paris, there shall be no need for the Merger to be approved by the shareholders’ meeting of Rivolam nor for the preparation of a merger auditor’s report regarding the fairness of the exchange ratio and the relevance of the relative values of the two companies.

3. FINANCIAL STATEMENTS USED TO ESTABLISH THE TERMS OF THE MERGER

3.1 Rivolam’s financial statements

The terms of the Merger have been established on the basis of the Rivolam statutory financial statements as of December 31 2007 approved by Rivolam annual shareholders’ meeting of April 16, 2008 and provided under Appendix I-3.1

3.2 SUEZ’s financial statements

The terms of the Merger have been established on the basis of the SUEZ statutory financial statements as of December 31, 2007 approved by Suez annual shareholders’ meeting of May 6, 2008.

4. VALUATION METHOD

4.1 Pursuant to Regulation 2004-01 of May 4, 2004 of the Accounting Regulatory Committee (*Comité de la Réglementation Comptable*), pertaining to the accounting treatment of mergers and related transactions, since the Absorbing Company controls the Absorbed Company on the Completion Date, the assets and liabilities of the Absorbed Company are contributed at their net book value as of December 31, 2007, based on Rivolam’s balance sheet as of that date (“**Rivolam’s Balance Sheet**”).

II — DESCRIPTION AND VALUATION OF THE ASSETS AND LIABILITIES CONTRIBUTED — OWNERSHIP, ENJOYMENT DATE, AND EFFECTIVE DATE — DISSOLUTION OF THE ABSORBED COMPANY — GENERAL CONDITIONS OF THE MERGER

1. DESCRIPTION AND VALUATION OF THE ASSETS AND LIABILITIES CONTRIBUTED

1.1 Principle

The Absorbed Company shall contribute all assets and liabilities composing its holdings (*patrimoine*), with the results from profits and losses resulting from its operations carried out since January 1, 2008, until the Completion Date, to the Absorbing Company, which accepts them, in accordance with the conditions set forth herein. It is specified that the list of assets and liabilities contributed by the Absorbed Company as described in Sections II-1.2 and II-1.3 below is only indicative and not exhaustive: as the Merger entails a universal transfer of assets and liabilities (*transmission universelle de patrimoine*), all assets and liabilities (including off balance sheet commitments and the related securities) will be transferred to SUEZ as is on the Completion Date. In SUEZ's statutory financial statements, the accounting treatment for the assets contributed will be identical to the treatment of the gross values, amortization, depreciations and provisions related to those assets in the accounts of the Absorbed Company as of December 31, 2007.

1.2 Transferred Assets

For the purposes of this agreement, the term "asset" generally refers to all the assets of the Absorbed Company as of December 31, 2007, and as they may be modified, whether actively or passively, on the Completion Date.

The assets composing the holdings (*patrimoine*) of the Absorbed Company and transferred by the Absorbed Company include, but are not limited to, the following elements, for which the net book value assessed as of December 31, 2007 is provided below and detailed in Rivolam's Balance Sheet:

(in euros)	GROSS VALUE	AMORTIZATION, DEPRECIATION AND PROVISIONS	NET VALUE
Intangible assets	—	—	—
Tangible assets	—	—	—
Non current financial assets:			
— Other equity investments	6,169,189,425	—	6,169,189,425
— Loans	18	—	18
Current assets:			
— Other receivables	368,834,836	—	368,834,836
— Cash and cash equivalents	—	—	—
Total of the assets contributed as of 12/31/2007	6,538,024,279	—	6,538,024,279

1.3 Transferred liabilities

For the purposes of this agreement, the term "liability" generally refers to all the obligations and liabilities of the Absorbed Company as of December 31, 2007, and as they may be modified, reduced or increased on the Completion Date.

The Absorbing Company hereby assumes the responsibility and agrees to pay all the liabilities of the Absorbed Company, with no exceptions or reserves including, but not limited to, the following items for which the net book value assessed as of December 31, 2007 appears below and is detailed in Rivolam's Balance Sheet:

	(in euros)
Provisions for risks and charges	—
Debt:	
Financial borrowings and debt:	14
— Trade accounts payable	6,088
— Tax and payroll debt	2,429,487
Unrealized gains or losses/liabilities	—
Total assumed liabilities as of 12/31/2007	2,435,589

The Absorbing Company will be responsible for any other liabilities that may arise or that may have been omitted as well as for all taxes, expenses and costs of any kind, without any exceptions or reserves, which may be incurred by the Absorbed Company as a result of the Merger.

The Absorbing Company will assume the debts of the Absorbed Company in lieu and place of the Absorbed Company, and this substitution will not entail novation with regard to creditors. It is therefore expressly specified that the description of liabilities appearing above and the preceding provisions do not constitute recognition of debt to alleged creditors, who, on the contrary, shall be required to establish their rights and prove their claims.

Finally, it is specified that all of the Absorbed Company's off balance sheet commitments, if any, will be transferred to the Absorbing Company.

1.4 Determination of the net assets contributed

Therefore, the net assets contributed will consist in:

— the difference between the value of the total of the assets contributed, i.e.:	€6,538,024,279
— and the total amount of the assumed liabilities, i.e.:	€2,435,589
Which amounts to:	€6,535,588,690

1.5 Merger loss (Mali de fusion)

The total of the net assets contributed by Rivolam amounts to:	€6,535,588,960
And the net book value of the Rivolam shares in SUEZ's statutory financial statements as of December 31, 2007, is:	€7,250,546,642
The difference constitutes the merger loss, which amounts to:	€714,957,952

The amount of the merger loss shall be registered as intangible assets in the accounting books of SUEZ as of January 1, 2008.

2. OWNERSHIP, ENJOYMENT DATE AND EFFECTIVE DATE

- 2.1** The Absorbing Company shall own and take possession of the assets and rights contributed by the Absorbed Company, including those that may have been omitted, either in this agreement or in the financial accounts of the Absorbed Company, as of the Completion Date.
- 2.2** Pursuant to Article L. 236-4-2 of the French Commercial Code, this Merger will be effective retroactively as of January 1, 2008, for accounting and tax purposes.
- 2.3** Therefore, it is specified, in accordance with Article R. 236-1-4 of the Commercial Code, that the transactions carried out by the Absorbed Company from January 1, 2008 until the Completion Date shall automatically be considered, for accounting and tax purposes, as having been carried out on behalf of the Absorbing Company, which shall exclusively assume the incomes or losses on the operation of the transferred assets.

3. DISSOLUTION OF THE ABSORBED COMPANY

Due to the transfer of all its holdings to the Absorbing Company, the Absorbed Company shall be automatically dissolved on the Completion Date, solely as the result of the completion of the Merger in accordance with Section V below. There shall be no liquidation transaction of Rivolam resulting from the Merger.

4. GENERAL CONDITIONS OF THE MERGER

4.1 Regarding the Absorbing Company

- 4.1.1** The Absorbing Company shall acquire the assets contributed, whatever their nature as is on the Completion Date, without being able to exercise any action against the Absorbed Company for any reason whatsoever.
- 4.1.2** As from the Completion Date, the Absorbing Company shall be responsible for and pay all taxes, levies, premiums, contributions and other amounts due by the Absorbed Company, as well as any other costs whatsoever, whether they are ordinary or exceptional, that are associated or may be associated to the assets contributed and are inherent to their ownership or operation, without this substitution entailing novation with regard to creditors.
- 4.1.3** As from the Completion Date, the Absorbing Company will be legally subrogated in the rights and obligations under all treaties, agreements, contracts, conventions and all commitments whatsoever that may have been concluded by the Absorbed Company, and the Absorbed Company shall be personally responsible for the preparation, as the case may be, of any amendments that may be necessary.
- 4.1.4** In accordance with the provisions of Article L. 236-14 of the French Commercial Code, the creditors of the Absorbed Company and the Absorbing Company whose claim shall be prior to the publication of this Merger project, shall be entitled to lodge opposition against such project within thirty (30) calendar days from the last publication of this project, as provided by Article R. 236-2 of the French Commercial Code.
- 4.1.5** Any opposition raised by a creditor shall be filed with the Commercial Court of Paris, which may either reject it or order the repayment of the debt in question or the constitution of guarantees if the Absorbing Company offers to do so, and if such guarantees are deemed sufficient. If the debt in question is not paid back or if the deemed guarantees ordered are not granted, the Merger will be unenforceable against the opposing creditors. In accordance with legal provisions, the opposition raised by a creditor shall not result in preventing the transactions related to the Merger to continue.
- 4.1.6** As from the Completion Date, the Absorbing Company shall be purely and simply subrogated in the rights, remedies, mortgages, liens, guarantees and personal or real sureties of any kind that may be attached to the receivables included in the contributions.
- 4.1.7** The Absorbing Company shall be responsible for the payment of all the liabilities contributed by the Absorbed Company according to the terms and conditions under which they are or shall become payable, for the payment of all interests and loan repayment premiums and for the performance of all conditions of loan agreements and debt instruments that may exist, as the Absorbed Company would have been required to do so, unless the Absorbing Company obtains any agreements modifying these terms and conditions from the relevant creditors.
- 4.1.8** As from the Completion Date, the Absorbing Company shall have all powers, in lieu and in place of the Absorbed Company, and pertaining to the property, rights and liabilities contributed, as the case may be, to initiate or carry on any and all remedies, consent to any decisions, and receive or pay any sums due as a result of such actions, proceedings and decisions.
- 4.1.9** Lastly, the Absorbing Company shall carry out all formalities required in order to render the transfer of the various assets and liabilities contributed enforceable against third parties, with all powers being given to that effect to the bearer of a copy or an excerpt of this agreement.

4.2 Regarding the Absorbed Company

- 4.2.1** Until the Completion Date, the Absorbed Company will not, without the consent of the Absorbing Company, transfer, loan, pledge as collateral security or guarantee, or grant any other right over the assets contributed, or more generally dispose of them in any way whatsoever, but will continue to exercise all the prerogatives pertaining to the ownership of said assets contributed.
- 4.2.2** The Absorbed Company confers no guarantee other than those specifically listed in Section IV below, which is expressly recognized by the Absorbing Company.
- 4.2.3** The Absorbed Company shall, under the Absorbing Company's first request, and until the Completion Date, provide the Absorbing Company with all information that it may need, cooperate in the preparation of all complementary, reiterative or confirmatory instruments of this Merger Agreement, and provide any and all justifications and signatures that may subsequently be necessary to effect the legal transfer of the property and rights contributed.
- 4.2.4** The Absorbed Company agrees to remit and deliver to the Absorbing Company, immediately after the Completion Date, all the titles and documents whatsoever relating to the property and rights contributed, including accounting books, and other accounting documents and information. All powers shall be conferred to that effect.

III — CONSIDERATION FOR THE CONTRIBUTIONS

Pursuant to Article L. 236-3 II of the French Commercial Code, since the Absorbing Company holds all shares composing the share capital of the Absorbed Company, and will be holding such shares until the Completion Date, there will be no exchange of the shares of the Absorbed Company against the shares of the Absorbing Company, and the Absorbing Company shall not issue any shares (or, therefore, a merger premium) in consideration for the Absorbed Company's contributions.

Therefore, the parties agree that, as a result, there is no need to determine an exchange ratio.

IV — OTHER REPRESENTATIONS AND WARRANTIES

1. REPRESENTATIONS AND WARRANTIES OF THE ABSORBED COMPANY

1.1 Representations and warranties relating to the Absorbed Company:

The Absorbed Company hereby represents and warrants to the Absorbing Company that, on the date of this agreement and on the Completion Date:

- (a) the Absorbed Company is a limited liability company (*société anonyme*) legally organized in accordance with French law; and
- (b) the Absorbed Company has the legal capacity and requisite power to enter into this Merger Agreement, carry out the transactions described herein and, more generally, to fulfill the obligations resulting therefrom.

1.2 Representations and warranties relating to the assets contributed:

The Absorbed Company hereby represents and warrants to the Absorbing Company that, on the date of this agreement and on the Completion Date:

- (a) the Absorbed Company is the valid owner and has the free and exclusive usage of all the assets appearing in the financial statements for the fiscal year ended on December 31, 2007; and
- (b) the assets contributed under the Merger carry no seller lien, pledge, surety or encumbrances of any kinds, and are free of all restrictions.

2. REPRESENTATIONS AND WARRANTIES OF THE ABSORBING COMPANY

The Absorbing Company hereby represents and warrants to the Absorbed Company that, on the date of this agreement and on the Completion Date:

- (a) the Absorbing Company is a limited liability company (*société anonyme*) legally organized in accordance with French law; and
- (b) the Absorbing Company has the legal capacity and, subject to the approval of the transactions provided in the Merger Agreement by the extraordinary shareholders' meeting, the requisite power to enter into this Merger Agreement, carry out the transactions described herein, and more generally, fulfill the obligations resulting therefrom.

V — CONDITIONS PRECEDENT FOR THE MERGER

The Merger shall become final only if the following conditions precedent are fulfilled:

- (i) the fulfillment of all the conditions precedent contained in the merger agreement pertaining to the GDF SUEZ Merger (other than the completion of this Merger and the completion of the Contribution-Distribution);
- (ii) the fulfillment of all the conditions precedent included in the contribution agreement pertaining to the Contribution-Distribution (other than the completion of this Merger);
- (iii) the approval by the extraordinary shareholders' meeting of SUEZ of this agreement and of the Merger agreed to herein between the Absorbing Company and the Absorbed Company which will take effect retroactively for tax and accounting purposes as of January 1, 2008;

it being specified that the Merger will be completed on the Completion Date, immediately before the completion of the Contribution-Distribution and the GDF SUEZ Merger.

If all the aforementioned conditions precedent are not completed by December 31, 2008 at the latest, this agreement shall be considered null and void, without indemnity for either party, unless this period is extended or unless SUEZ and Rivolam, represented by their legal representatives or another person duly authorized for this purpose, have waived their right to invoke the unfulfilled condition(s) before such date.

The parties expressly agree that the fulfillment of the conditions precedent shall not be effective retroactively as of January 1, 2008, except for accounting and tax purposes as described in Article II-2.2 herein.

The fulfillment of these conditions precedent may be established by any appropriate means.

VI — TAX REGIME

1. GENERAL PROVISIONS

The Absorbed Company and the Absorbing Company will comply with all legal provisions in force on the Completion Date with respect to the declarations to be made for the payment of corporate income taxes and all other levies and taxes resulting from the completion of the Merger, within the framework outlined below.

2. CORPORATE INCOME TAX

2.1 As a result of the preceding provisions, the Absorbed Company and the Absorbing Company have decided to make the Merger effective retroactively for tax and accounting purposes as of January 1, 2008.

Consequently, the Absorbed Company's accounting and taxable income after January 1, 2008, will be included in the Absorbing Company's accounting and tax results respectively.

2.2 The Absorbing Company and the Absorbed Company are two legal entities subject to corporate income tax in France and represent that they intend to submit this Merger to the regime set out by Article 210A of the *Code Général des Impôts* (French General Tax Code, hereinafter the "GTC").

The Absorbing Company therefore expressly undertakes to comply with the following provisions, insofar as they are applicable, and particularly:

- (a) to add back to its liabilities the Absorbed Company's provisions the taxation of which would have been deferred and which do not become inapplicable because of the Merger, including, insofar as necessary, regulated provisions and the reserve where the provisions for foreign exchange variations have been recognized (Article 210 A-3.a. of the GTC);
- (b) to substitute itself for the Absorbed Company, if applicable, for the reintegration of the income the taxation of which would have been deferred at the level of the Absorbed Company (Article 210 A-3.b. of the GTC);
- (c) to compute the future capital gains realized upon disposal of non-amortizable fixed assets (including, if applicable, portfolio securities classified as fixed assets pursuant to Article 210 A-6 of the GTC) received in this Merger, by reference to the fiscal value of these assets in the books of the Absorbed Company on the effective date of the Merger (210 A-3.c of the GTC);
- (d) to add-back to its taxable income, in accordance with the methods set out by Article 210 A-3-d of the GTC, any capital gains realized, if any, upon the amortizable assets received as a result of this Merger;
- (e) to register in its balance sheet the items other than fixed assets at the value that these items had, from a tax perspective, in the Absorbed Company's books (210 A-3.e. of the GTC);
- (f) Insofar as all the contributed assets are recorded on the basis of their book value, to record on its balance sheet all the accounting entries of the Absorbed Company relating to the contributed items (original values, amortizations, provisions for depreciation) and continue to compute allocations to amortization and depreciation on the basis of the original values that the assets contributed had in the books of the Absorbed Company.

More generally, and as from the effective date of the Merger, the Absorbing Company will replace the Absorbed Company for the performance of all fiscal commitments or obligations pertaining to the assets contributed to it as a result of this Merger.

2.3 In addition, the Absorbing Company undertakes to comply with the following declaration commitments, insofar as they are applicable:

- to append to its income tax return for the year during which the Merger is completed and, insofar as necessary, the following fiscal years, a follow-up statement of the fiscal values mentioned in Article 54 *septies*-I of the GTC and in Article 38 *quindecies* of Appendix III to the GTC;
- to keep the register following capital gains on non-amortizable assets eligible for deferred taxes, as set out in Article 54 *septies*-II of the GTC.

2.4 Within 60 days following the completion of the Merger, the Absorbed Company will prepare a declaration of cessation of activities as provided for in Article 201 of the GTC, with the statement keeping track of the fiscal values mentioned in Article 54 *septies*-I of the GTC attached thereto.

3. VAT

- 3.1** The Absorbing Company and the Absorbed Company are both companies subject to the VAT in France. Therefore, pursuant to Article 257 *bis* of the GTC, the contribution of assets from the Absorbed Company to the Absorbing Company will not result in payment of the VAT.

The Absorbing Company and the Absorbed Company shall declare the total amount, excluding tax, of the assets contributed on the line “Other non-taxable transactions” in the VAT declaration subscribed for the period during which the Merger is completed.

- 3.2** In addition, the Absorbing Company will be deemed to maintain the legal existence of the Absorbed Company and therefore undertakes to comply with the obligations for which the Absorbed Company would have been liable had it continued operations.
- 3.3** It is expressly agreed that the Absorbing Company shall be purely and simply subrogated in the rights and obligations of the Absorbed Company. The Absorbed Company will therefore purely and simply transfer the VAT credit which it may have on the completion date of the Merger.

4. REGISTRATION FEES

The Merger is occurring between two legal entities that are subject to the corporate income tax and will therefore benefit from the provisions of Article 816 of the GTC.

As a consequence, this Merger shall be registered by payment of a lump sum duty of €500.

5. PROFESSIONAL TAX

Under the principle that professional tax is due for the entire year by the party exercising the taxable activities on January 1, the Absorbed Company shall remain liable for professional tax for the 2008 fiscal year. The change in the operator will be notified to the administration no later than on December 31 of the year during which the transaction is completed.

6. OTHER TAXES — LEVIES AND PRIOR TRANSACTIONS

The Absorbing Company shall be subrogated in the rights and obligations of the Absorbed Company for the declaration and payment of all levies, contributions or income taxes that may remain due by the Absorbed Company on the date of its dissolution.

More generally, as of the Completion Date, the Absorbing Company will be substituted for the Absorbed Company for the performance of all tax commitments and obligations relating to the assets transferred to it as a result of this Merger, particularly in application of the provisions of Article 210 B *bis* of the GTC.

**VII — POWERS — REMITTANCE OF DOCUMENTS — PUBLICATION — EXPENSES —
ELECTION OF DOMICILE — APPLICABLE LAW — JURISDICTION**

1. POWERS

Effective immediately, all powers are hereby expressly given to:

- the undersigned, in their official capacities, representing the companies which are parties to the Merger, with the option of acting together or separately, for the purpose, if applicable, of performing what is necessary by means of any additional or supplementary documents; and
- the bearers of originals or certified true excerpts of this agreement and of all documents acknowledging the completion of the Merger, in order to perform all formalities and make all declarations, notices, notifications, filings, registrations, publications and, more generally, to carry out all legal formalities that may be necessary.

2. REMITTANCE OF DOCUMENTS

On the Completion Date, the originals of the Absorbed Company's original bylaws and their amendments, as well as the accounting books, titles of ownership, certificates pertaining to securities, proofs of ownership of shares and all contracts, archives, papers and other documents pertaining to the assets and rights contributed, shall be delivered to the Absorbing Company.

3. PUBLICATION

This Merger Agreement shall be filed with the clerk of court of the Commercial Court of Paris.

4. EXPENSES

All expenses, taxes, fees and honoraria resulting from the Merger, as well as any subsequent costs, will be exclusively borne by the Absorbing Company.

5. ELECTION OF DOMICILE

For the performance of this agreement and the consequences thereof and for all notices and notifications, the representatives of the companies in question, in their official legal capacities, elect domicile at the respective registered offices of the companies they represent.

6. APPLICABLE LAW — JURISDICTION

This Merger Agreement is governed by French law.

Any dispute arising from the performance and/or interpretation of this Merger Agreement shall be submitted to the exclusive jurisdiction of the Commercial Court of Paris.

Paris

June 5, 2008

Prepared in eight originals, one for each party.

SUEZ
Represented by Mr. Gérard Mestrallet

Rivolam
Represented by Mr. Pascal Plocque

APPENDIX I-3.1

Statutory Financial Statements of Rivolam as of December 31, 2007

ACCOUNTING DEPARTMENT

RIVOLAM

**FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2007**

SVEZ



RIVOLAM

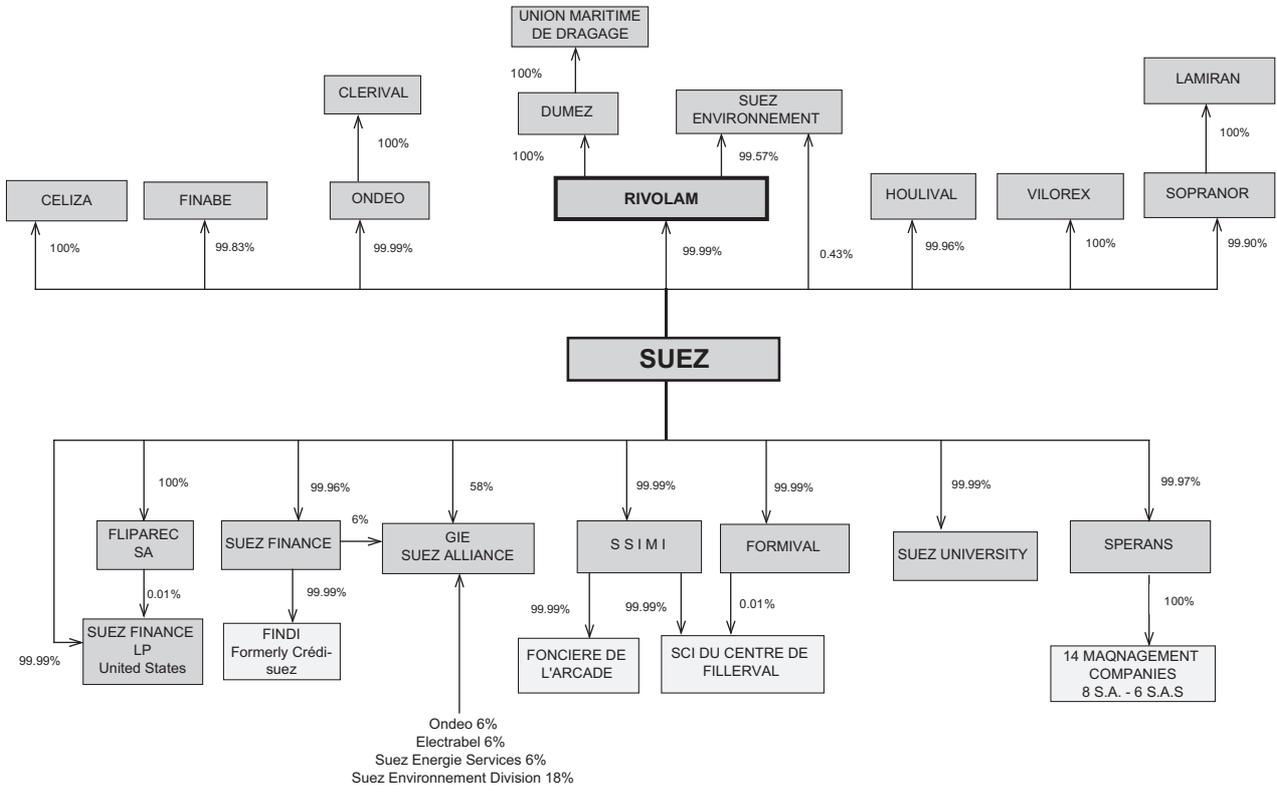
Annual statements as of 12/31/2007

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SUEZ **RIVOLAM**
Annual statements as of 12/31/2007

ORGANIZATION CHART OF SUEZ MAIN DIRECT TOOLS (France)
(excluding subsidiaries having their own operating activities)





RIVOLAM

Annual statements as of 12/31/2007

I. THE COMPANY

RIVOLAM was registered on April 20, 2000. Its share capital is €5,736,882,100 (1,434,220,525 shares of €4 each). It is 99.99% owned by SUEZ and has been consolidated into the SUEZ Group for tax purposes since January 1, 2001.

Its SIREN number is 430 440 586.

Its registered office is at 16, rue de la Ville l'Evêque, 75008 PARIS.

II. SIGNIFICANT EVENTS OF THE YEAR

SUEZ ENVIRONNEMENT paid a dividend of €438,252,000 on May 30.

DUMEZ paid a dividend of €3,016,000 on June 14.

RIVOLAM paid an interim dividend of €415,924,000 to SUEZ on September 10.

III. COMMENTS ON THE INCOME STATEMENT

The financial statements as of December 31, 2007, show net income of €445,416,000, broken down as follows:

	<u>2007</u>	<u>2006</u>
• Operating income	€ (98,000)	€ (85,000)
• Financial income	€459,247,000	€423,748,000
• Prov. for corp. income tax at 12/31/2007	<u>€(13,733,000)</u>	<u>€(11,330,000)</u>
• NET INCOME	€445,416,000	€412,333,000

In the absence of revenues, the **operating income** of €(98,000) reflects the following expenses:

	<u>2007</u>	<u>2006</u>
• Auditors' fees	€ (4,000)	€ (9,000)
• SUEZ services	€(28,000)	€(26,000)
• Costs of legal actions and litigation	€ 0	€ (2,000)
• Organic	€(29,000)	€(20,000)
• Provisioned fees	€ (2,000)	€ 5,000
• Legal publications	€ (2,000)	€ 0
• Annual Flat Rate Tax (IFA)	€(33,000)	€(33,000)

Interest income represents income from equity investments of €441,268,000 (dividends from SUEZ ENVIRONNEMENT and DUMEZ) and interest earned on the SUEZ FINANCE current account of €17,979,000.

Taxable income, less dividends subject to the parent/subsidiary regulations (*régime mère fille*), was €39,954,000, resulting in an income tax of €13,733,000; this amount will be paid to SUEZ as part of the tax consolidation process.

IV. COMMENTS ON THE BALANCE SHEET

ASSETS

Equity securities consist primarily of SUEZ ENVIRONNEMENT shares which totaled €6,104,196,000 following the €300,000,000 capital increase on June 30, 2005, and DUMEZ shares acquired on December 2, 2004 for €64,994,000, representing 100% of the company.

Other accounts receivable of €368,835,000 consisted primarily of the current account of SUEZ FINANCE. This account showed a negative balance of €365,368,000 at December 31, 2007, with accrued interest of €3,467,000.



RIVOLAM

Annual statements as of 12/31/2007

LIABILITIES

Shareholders' equity was €6,535,589,000, a €29,493,000 increase compared to 2006, corresponding to the net income for the fiscal year less the interim dividend paid to SUEZ.

€9,866,000 of net income for the fiscal year ended on December 31, 2006, was allocated to retained earnings and €20,617,000 to the legal reserve. The **change in shareholders' equity** corresponds to the €445,416,000 net income less the €415,924,000 interim dividend paid to SUEZ on September 10, 2007.

Accounts payable of €6,000 represent provisions for auditors' fees at December 31, 2007.

Tax and social liabilities represent the tax consolidation current account of €2,401,000 and a provision for the social solidarity contribution of €29,000.

V. IFRS RESTATEMENTS

IFRS shareholders' equity is €2,000 more than the shareholders' equity due to the recognition of a deferred tax asset on the social solidarity contribution.

SUEZ

RIVOLAM

Annual statements as of 12/31/2007

VI. FRENCH ACCOUNTING STANDARDS — IFRS RECONCILIATION

**HEADQUARTERS BALANCE SHEET LIABILITIES
CHANGES IN SHAREHOLDERS' EQUITY
AS OF DECEMBER 31, 2007**

THOUSANDS OF EUROS	Position at 12/31/200	Allocation of income	Income	Exchange tender offer (OPE)		Conversion of bonds	Share subscription option	Other changes	Position at 12/31/2007
				ELECTRABEL	SPRING				
SHARE	5,736,882			0	0	0	0	0	5,736,882
Number of shares	1,434,220,525			0	0	0		0	1,434,220,525
SHARE CAPITAL NOT CALLED	0							0	0
SHARE CAPITAL	5,736,882							0	5,736,882
PREMIUMS RELATED TO SHARE CAPITAL	718,541	0		0	0	0	0	0	718,541
— ISSUANCE PREMIUMS	10							0	10
— MERGER PREMIUMS	0							0	0
— CONTRIBUTION PREMIUMS	718,531							0	718,531
RESERVE	24,227	20,617		0	0	0	0	0	44,843
— LEGAL	24,227	20,617						0	44,843
— LONG TERM CAPITAL GAIN	0							0	0
— OTHER	0							0	0
RETAINED EARNINGS	(385,886)	391,716						(415,924) (2)	(410,093)
	412,333		445,416						445,416
NET INCOME	412,333	(412,333)	445,416					0	445,416
REGULATED PROVISIONS	0	0				0		0	0
— INVESTMENT	0							0	0
— DISPENSATORY DEPREC.	0							0	0
— OTHER	0							0	0
ITEMS RELATED TO SHAREHOLDERS' EQUITY & WATER	0							0	0
TOTAL COMPANY SHAREHOLDERS' EQUITY (SAP)	6,506,097 (1)	(0)	445,416	0	0	0	0	(415,924)	6,535,589
Audit/accounting statement	OK		OK						OK
ADJUSTMENT N-1									
TOTAL COMPANY SHAREHOLDERS' EQUITY (SAFIRE)	6,506,097 (1)	(0)	445,416	0	0	0	0	(415,924)	6,535,589
IAS 32-39 STANDARDS SECURITIES	0	0	0	0	0	0	0	0	0
CHANGE IN FAIR VALUE OF AFS SECURITIES	0	0						0	0
CFH COVERAGE RESERVE/SECURITY	0	0						0	0
IMPAIRMENT CARRIED FORWARD	0	0						0	0
INCOME FROM SALE OF SECURITIES CARRIED FORWARD	0	0						0	0
SECURITIES PURCHASE EXPENSES CARRIED FORWARD	0	0						0	0
NET INCOME	0	0	0					0	0
RESTATEMENT OF DEFERRED TAXES	7	0	2	0	0	0	0	0	9
DEFERRED TAXES CARRIED FORWARD	7	0						0	7
NET INCOME	0	0	2					0	2
MISC. RESTATEMENTS	0	0	0	0	0	0	0	0	0
MISC. RESTATEMENTS CARRIED FORWARD	0	0						0	0
MERGER PREMIUM	0							0	0
INCOME	0	0	0					0	0
TOTAL IFRS SHAREHOLDERS' EQUITY	6,506,104 (1)	(0)	445,418	0	0	0	0	(415,924)	6,535,598
Audit/accounting statements	OK		OK						OK



RIVOLAM

Annual statements as of 12/31/2007

INCOME STATEMENT (as a list)

<u>Headings</u>	<u>France</u>	<u>Exports</u>	<u>12/31/2007</u>	<u>12/31/2006</u>
Sales of merchandise				
Production of goods sold				
Production of services sold				
NET REVENUES				
Increase (decrease) in inventory				
Self-constructed assets				
Operating subsidies				
Reversals of depreciation & amortization and provisions, transfer of expenses				
Other income				1
OPERATING INCOME				1
Purchases of merchandise (including customs duties)				
Change in inventory (merchandise)				
Purchases of raw materials and other supplies (and customs duties)				
Change in inventory (raw materials and supplies)				
Other external purchases and expenses			36,024	32,129
Income taxes, duties and related payments			61,572	52,811
Salaries and compensation				
Social charges				
OPERATING PROVISIONS				
On fixed assets: depreciation and amortization				
On fixed assets: provisions				
On current assets: provisions				
For risks and contingencies: provisions				
Other expenses				
OPERATING EXPENSES			97,596	84,940
OPERATING INCOME			(97,596)	(84,939)
JOINT ACTIVITIES				
Income attributed or loss transferred				
Loss experienced or income transferred				
FINANCIAL INCOME				
Financial income from equity investments			441,267,796	411,243,713
Income from other securities and accounts receivable on fixed assets				
Other interest and related income			17,979,220	12,504,255
Reversal of provisions and transfers of expenses				
Foreign exchange gains				
Net income on sales of investment securities				
FINANCIAL INCOME			459,247,016	423,747,967
Financial allocations for depreciation & amortization and provisions				
Interest and related expenses				
Foreign exchange losses				
Net expenses on sales of investment securities				
FINANCIAL EXPENSES				
FINANCIAL INCOME			459,247,016	423,747,967
CURRENT INCOME BEFORE INCOME TAXES			459,149,420	423,663,028
Extraordinary income on operating activities				
Extraordinary income on capital transactions				
Reversal of provisions and transfer of expenses				
EXTRAORDINARY INCOME				
Extraordinary expenses on operating activities				
Extraordinary expenses on capital transactions				
Extraordinary depreciation & amortization and provisions				
EXTRAORDINARY EXPENSES				
EXTRAORDINARY INCOME/LOSS				
Employee profit sharing				
Income taxes			13,733,373	11,330,378
TOTAL INCOME			459,247,016	423,747,968
TOTAL EXPENSES			13,830,969	11,415,318
PROFIT OR LOSS			445,416,047	412,332,650

SUEZ

RIVOLAM

Annual statements as of 12/31/2007

DETAILS ON INCOME ITEMS

	<u>12/31/2007</u>	<u>12/31/2006</u>	<u>Variation</u>	<u>%</u>
FINANCIAL INCOME	<u>459,247,015.52</u>	<u>423,747,967.40</u>	<u>35,499,048.12</u>	<u>8.38</u>
Interest on the SUEZ FINANCE current account	17,979,219.97	12,504,254.64	5,474,965.33	43.78
Dividends from equity investments	<u>441,267,795.55</u>	<u>411,243,712.76</u>	<u>30,024,082.79</u>	<u>7.30</u>
OTHER	0.00	1.00	(1.00)	
Misc. income from continuing operations	<u>0.00</u>	<u>1.00</u>	<u>(1.00)</u>	ns
EXTRAORDINARY INCOME/LOSS	0.00	0.00	0.00	
Income from sales of uncons. shares	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	ns
TOTAL OF INCOME ITEMS	<u><u>459,247,015.52</u></u>	<u><u>423,747,968.40</u></u>	<u><u>35,499,048.12</u></u>	

SUEZ

RIVOLAM

Annual statements as of 12/31/2007

DETAIL OF EXPENSE ITEMS

	<u>12/31/2007</u>	<u>12/31/2006</u>	<u>Variation</u>	<u>%</u>
OTHER PURCHASES AND EXTERNAL EXPENSES	36,023.68	32,128.97	3,894.71	12.12
General subcontracting (maintenance of computer equipment)	0.00	0.00	0.00	ns
SUEZ service fees	27,567.80	26,312.00	1,255.80	4.77
Fees paid to auditors	3,695.64	9,077.64	(5,382.00)	(59.29)
Provisions for auditors' fees	2,392.00	-5,274.36	7,666.36	(145.35)
Expenses for legal actions and litigation	120.45	1,801.72	(1,681.27)	(93.31)
Legal publications	2,043.85	0.00	2,043.85	100.00
Audit fees	203.94	211.97	(8.03)	(3.79)
Extraordinary expenses	0.00	0.00	0.00	ns
Net book value of uncons. securities int.	0.00	0.00	0.00	ns
INCOME TAXES, DUTIES AND RELATED PAYMENTS	61,572.00	52,811.00	8,761.00	16.59
Business tax	55.00	54.00	1.00	1.85
Social solidarity contribution	28,767.00	20,007.00	8,760.00	43.78
Annual Flat Rate Tax (IFA)	32,750.00	32,750.00	0.00	0.00
Registration and stamp duties	0.00	0.00	0.00	ns
INCOME TAXES	13,733,373.00	11,330,378.00	2,402,995.00	21.21
Provision for income taxes	13,733,373.00	11,330,378.00	2,402,995.00	21.21
TOTAL EXPENSE ITEMS	13,830,968.68	11,415,317.97	2,415,650.71	21.16



RIVOLAM

Annual statements as of 12/31/2007

CALCULATION OF TAXABLE INCOME

RECONSOLIDATIONS	ACCOUNTING INCOME FOR THE FISCAL YEAR	445,416,047
Compensation for the work of the operator or affiliates of companies subject to income tax		
Joint compensation	— deductible portion write-back	
Non-deductible personal benefits (except depreciation, line below)		
Excess depreciation and other non-deductible depreciation		
Other expenses and excess charges		
Tax on companies' private cars		
Non-deductible provisions and expenses due and accrued		28,767
Fines and penalties		
Corporate income tax and annual flat rate tax		13,733,373
Share in income from a partnership or GIE		
Net long-term capital losses		
Taxable portion of realized capital gains	net short term capital gains	
during prior fiscal years	— capital gains subject to merger regulations	
Differences in liquidating values for UCITS		
Misc. reconsolidations	Excess interest Entrepise zones	
TOTAL RECONSOLIDATIONS		459,178,187
<hr/>		
DEDUCTIONS	ACCOUNTING LOSS FOR THE FISCAL YEAR	
Share of the losses of a partnership or GIE		
Non-deductible provisions and expenses due and accrued, formerly taxed and written back in income		20,007
Cap. gains	— taxed at 19% (or 16%: companies subject to Income Tax)	
net	— calculated on prior long term net capital losses	
long term	— on prior deficits deferred deprec.	
Share of net short term capital gains for the fiscal year when charge is deferred		
Tax for parent cos. and subsidiaries: net income shares,		
share of equity interests to be deducted	22,063,390	419,204,406
Deductions authorized for DOM-TOM investments		
Increase in depreciation & amortization		
Tax allowance on income	New businesses Entrepise zones	
Free Corsican zone	Free urban zone Business in difficulty	
Differences in liquidating values of OPCVM		
Misc. deductions, including receivable from the carry-back of the loss		
TOTAL DEDUCTIONS		419,224,413
<hr/>		
INCOME/LOSS	INCOME	LOSS
Taxable income before inclusion of reportable losses and depreciation & amortization deemed deferred	39,953,774	
Loss for the year carried back		
Depreciation deemed deferred generated for the fiscal year		
Prior losses charged to the year's income		
Depreciation deemed deferred charged at the end of the fiscal year		
TAXABLE INCOME		39,953,774



RIVOLAM

Annual statements as of 12/31/2007

LOSSES INCURRED FOR PAID LEAVES AND NON-DEDUCTIBLE PROVISIONS

ORDINARY LOSSES AND DEPRECIATION & AMORTIZATION DEEMED DEFERRED

<u>ORDINARY LOSSES</u>	<u>Closing date</u>	<u>Chargeable losses</u>	<u>Losses charged</u>	<u>Reportable losses</u>
N-5				
N-4				
N-3				
N-2				
N-1	—	—	—	—
TOTAL	—	—	—	—
Loss for the year (table 2058A, line XO) . . .	—	—	—	—
TOTAL of losses to be reported.	=	=	=	=

DEPRECIATION & AMORTIZATION DEEMED DEFERRED

Allocations for the year for depreciation & amortization deemed deferred	—	—
Depreciation deemed deferred for prior fiscal years		
Charges made at the end — on net long term capital gains		
of the fiscal year — on the fiscal year's income		
Depreciation & amortization deemed deferred, generated during the fiscal year		
Depreciation & amortization deemed deferred to be reported	=	=

LOSSES FOR PAID LEAVES, RELATED EXPENSES

Allocations for the year

Losses for paid leaves and related expenses (Art.39.1, par.1)	=
--	---

NON-DEDUCTIBLE PROVISIONS AND EXPENSES

Allocations for the year

Recoveries for the year

Losses for paid leaves and related expenses (Art.39.1, par.2)

PROVISIONS FOR RISKS AND CONTINGENCIES PROVISIONS FOR DEPRECIATION & AMORTIZATION EXPENSES DUE AND ACCRUED

Social solidarity contribution	<u>28,767</u>	<u>20,007</u>
TOTAL	<u>28,767</u>	<u>20,007</u>



RIVOLAM

Annual statements as of 12/31/2007

ASSETS

<u>Headings</u>	<u>Gross amount</u>	<u>Depreciation & amortization</u>	<u>12/31/2007</u>	<u>12/31/2006</u>
Capital subscribed not called up				
INTANGIBLE ASSETS				
Start-up costs				
Research and development costs				
Concessions, patents and similar rights . . .				
Goodwill				
Other intangible assets				
Advances, deposits on intan. assets				
TANGIBLE ASSETS				
Land				
Buildings				
Technical facilities, equipment, tools.				
Other tangible assets				
Assets under construction				
Advances and deposits				
FINANCIAL ASSETS				
Equity affiliates				
Other equity investments	6,169,189,425		6,169,189,425	6,169,189,425
Receivables related to equity investments				
Other illiquid securities				
Loans	18		18	18
Other financial assets				
FIXED ASSETS	<u>6,169,189,443</u>		<u>6,169,189,443</u>	<u>6,169,189,443</u>
INVENTORY AND WORK IN PROGRESS				
Raw materials supplies				
Work in progress — goods				
Work in progress — services				
Semi-finished and finished products				
Goods held for resale				
Advances and deposits paid on orders				
RECEIVABLES				
Trade accounts and notes receivable				
Other receivables	368,834,836		368,834,836	336,930,816
Capital subscribed and called up, not paid				
MISC				
Marketable investment securities (of which treasury shares:)				
Cash and equivalents				39
Regularization Accounts				
Prepaid expenses				
CURRENT ASSETS	<u>368,834,836</u>		<u>368,834,836</u>	<u>336,930,855</u>
Deferred expenses				
Bond repayment premiums				
Foreign exchange differences — asset				
GENERAL TOTAL	<u><u>6,538,024,279</u></u>		<u><u>6,538,024,279</u></u>	<u><u>6,506,120,298</u></u>



RIVOLAM

Annual statements as of 12/31/2007

LIABILITIES

<u>Headings</u>	<u>12/31/2007</u>	<u>12/31/2006</u>
Share or individual capital, of which paid: 5,736,882,100	5,736,882,100	5,736,882,100
Issue, merger and contribution premiums	718,540,811	718,540,811
Revaluation adjustments of which equity accounting difference:		
Legal reserve	44,843,190	24,226,557
Statutory or contractual reserves		
Regulated reserves (of which res. for exchange fluctuation)		
Other reserves (of which purchase of original artistic works)		
Carried forward	(410,093,458)	(385,885,524)
RESULT FOR THE FISCAL YEAR (profit or loss)	445,416,047	412,332,650
Investment subsidies		
Regulated provisions		
SHAREHOLDERS' EQUITY	6,535,588,690	6,506,096,595
Income from issue of equity securities		
Advances included		
OTHER SHAREHOLDERS' EQUITY		
Provisions for risks		
Provisions for contingencies		
PROVISIONS FOR RISKS AND CONTINGENCIES		
FINANCIAL DEBT		
Convertible bonds		
Other bonded debt		
Loans and debt with credit institutions	14	
Loans and debt with various lenders (of which loans giving investment rights)		
Advances and deposits received for orders in progress		
ACCOUNTS PAYABLE		
Trade accounts payables	6,088	3,696
Tax and social debts	28,767	20,007
MISCELLANEOUS DEBT		
Debt on fixed assets and related		
Other debts	2,400,721	
ACCRUALS		
Deferred income		
DEBT	2,435,589	23,703
Foreign exchange differences — liability		
GENERAL TOTAL	6,538,024,279	6,506,120,298
Income for the fiscal year in cents	445,416,046.84	
Balance sheet total in cents	6,538,024,278.97	



RIVOLAM

Annual statements as of 12/31/2007

DETAILS ON ASSETS

	<u>12/31/2007</u>	<u>12/31/2006</u>
FINANCIAL ASSETS	6,169,189,442.73	6,169,189,442.73
Equity securities	6,169,189,425.21	6,169,189,425.21
Loan	<u>17.52</u>	<u>17.52</u>
OTHER RECEIVABLES	368,834,836.24	336,930,816.27
SUEZ FINANCE current account	365,367,951.35	333,123,312.71
Interest accrued on the SUEZ FINANCE current account	3,466,884.89	2,680,603.56
Tax consolidation	<u>0.0</u>	<u>1,126,900.00</u>
CASH AND EQUIVALENTS	0.0	38.72
Banque Calyon	<u>0.0</u>	<u>38.72</u>
TOTAL ASSETS ENTRIES	<u>6,538,024,278.97</u>	<u>6,506,120,297.72</u>



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DETAILS ON LIABILITIES

	<u>12/31/2007</u>	<u>12/31/2006</u>
SHAREHOLDERS' EQUITY	6,535,588,689.67	6,506,096,595.08
Capital	5,736,882,100.00	5,736,882,100.00
Issuance premiums	10,000.00	10,000.00
Contribution premiums	718,530,811.00	718,530,811.00
Retained earnings	(410,093,457.86)	(385,885,523.52)
Legal reserve	44,843,189.69	24,226,557.17
Income for the year	<u>445,416,046.84</u>	<u>412,332,650.43</u>
FINANCIAL DEBT	13.66	0.00
Banque Calyon	<u>13.66</u>	<u>0.00</u>
ACCOUNTS PAYABLE	34,854.64	23,702.64
Supplier bills not received	6,087.64	3,695.64
Tax and social liabilities — Organic	<u>28,767.00</u>	<u>20,007.00</u>
MISCELLANEOUS DEBT	2,400,721.00	0.00
Supplier — purchases of fixed assets	0.00	0.00
Tax consolidation current account	<u>2,400,721.00</u>	<u>0.00</u>
TOTAL LIABILITY AND CAPITAL ENTRIES	<u>6,538,024,278.97</u>	<u>6,506,120,297.72</u>

CHANGES IN THE PORTFOLIO (Financial assets — Equity investments)

HEADINGS	NUMBER OF SHARES		VALUE ON BALANCE SHEET				PROVISIONS		NET AMOUNT	
	12/31/06	12/31/07	%	Acq. date	12/31/06	Pur. Sale	Loan repay. Loan Reclas.	12/31/07		12/31/06
SUEZ Environnement	417,382,531	417,382,531	99.43	12/31/02	6,104,195,900.21	0	0.00	0.00	0.00	6,104,195,900.21
Cap. increase 6/30/05	0	0								
Dunez	3,016,138	3,016,138	100.0	12/2/04	64,993,525.00					64,993,525.00
SUEZ purchase	-	-								
TOTAL					6,169,189,425.21	0.00	0.00	0.00	0.00	6,169,189,425.21

CHANGES IN THE PORTFOLIO (loans of securities)

HEADINGS	NUMBER OF SHARES		VALUE ON BALANCE SHEET				PROVISIONS		NET AMOUNT
	12/31/06	12/31/07	12/31/06	Increase	Decrease	12/31/07	12/31/06	12/31/07	
Callige	3	3	17.52			17.52			17.52
TOTAL						17.52			17.52



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NOTES



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The balance sheet before allocations for the fiscal year ended December 31, 2007, totals €6,538,024,278.97, and the income statement for the fiscal year, presented in list form, shows total income of €459,247,015.52, generating a profit of €445,416,046.84.

The fiscal year covered a twelve month period, from January 1, 2007, through December 31, 2007.

The notes (and tables) below are an integral part of the annual financial statements.



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Annual statements as of 12/31/2007

<u>NOTES TO THE BALANCE SHEET AND INCOME STATEMENT</u>	<u>Information provided</u>	<u>Information not provided</u>
I — ACCOUNTING PRINCIPLES AND METHODS	X	
Valuation methods		
Calculation of depreciation & amortization and provisions		
Changes in methods		
Dispensations		
Additional information to provide a fair presentation		
II — ADDITIONAL INFORMATION REGARDING THE BALANCE SHEET AND INCOME STATEMENT		
Statement of fixed assets	X	
Statement of depreciation & amortization		X
Statement of provisions		X
Statement of maturities of accounts receivable and debts	X	
Information on various balance sheet entries		X
Start-up costs		X
Revenue accruals		X
Expenses due and accrued		X
Unearned income and deferred expenses		x
Deferred assets		X
Composition of share capital and changes in shareholder's equity	X	
Allocation of income subject to approval of the Annual Meeting	X	
Breakdown of net revenues		x
Breakdown of income taxes		x
Results of the last five years	X	
III — FINANCIAL COMMITMENTS AND OTHER		
Leases		x
Financial commitments and other information		x
Events subsequent to the statement closing date		x
Debts guaranteed by collateral		X
Occurrences of dispensatory tax valuations		X
Increases and decreases in future tax liabilities		x
Management compensation		X
Breakdown of average staffing levels		x
Identity of parent companies consolidating the company's statements	X	
List of subsidiaries and equity investments	X	



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ACCOUNTING PRINCIPLES AND METHODS

(Commercial Code — Articles L. 123-13 and L. 123-17 — Decree 83-1020 of November 29, 1983 — Article 7, 21, 24 beginning, 24-1Ø 24-2Ø and 24-3Ø).

Generally accepted accounting conventions were used in application of the principle of conservatism, using these basic assumptions:

- Going concern
- Consistency of accounting methods
- Accrual basis of accounting

and in conformity with the general rules for the preparation and presentation of annual financial statements.

The basic method used for the valuation of the accounting data is the historical cost method.

The principal methods used are as follows:

a) Equity investments, other illiquid securities, loans, marketable securities:

The gross value consists of the purchase price excluding associated expenses. When the fair value is lower than the gross value, an impairment provision is made for the amount of the difference.

The impairment provision for equity investment securities is recorded under extraordinary expenses.

b) Accounts receivable:

Accounts receivable are valued at their face value. An impairment provision is made when the fair value is lower than the book value.

There was no change in accounting principles during the fiscal year.



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Annual statements as of 12/31/2007

ALLOCATION OF INCOME SUBMITTED FOR APPROVAL TO THE ANNUAL GENERAL SHAREHOLDERS' MEETING

<u>1 — Beginning</u>	<u>Amount</u>
Previous retained earnings	-410,093,457.86
Income for the year	445,416,046.84
of which operating income after taxes:	
Withdrawal from reserves	
TOTAL	<u>35,322,588.98</u>
<u>2 — Allocations</u>	<u>Amount</u>
Legal reserve	
Special long-term capital gains reserve	
Other reserves	
Dividends	
Other distributions:	
Retained earnings	<u>35,322,588.98</u>
TOTAL	<u>35,322,588.98</u>



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Annual statements as of 12/31/2007

FIXED ASSETS

<u>Headings</u>	<u>Beginning of yr.</u>	<u>Revaluation</u>	<u>Acquisit., cont'ns</u>
ORGANIZATION & RESEARCH AND DEVELOPMENT EXPENSES			
OTHER INTANGIBLE ASSET ITEMS			
Buildings on own land			
Buildings on land owned by third parties			
General buildings, installations, furnishings			
Technical facilities, equipment and industrial tools			
General facilities, installations, furnishings			
Transportation equipment			
Office materials, computers, furniture			
Reusable packaging materials and other			
Fixed assets in progress			
Advances and deposits			
TANGIBLE FIXED ASSETS			
Investments in equity affiliates			
Other investments	6,169,189,425		
Other illiquid securities			
Loans and other financial assets			1
FINANCIAL ASSETS	6,169,189,443		
GENERAL TOTAL	6,169,189,443		

<u>Headings</u>	<u>Transfer</u>	<u>Sale</u>	<u>End of yr.</u>	<u>Original value</u>
ORGANIZATION, RESEARCH AND DEVELOPMENT EXPENSES				
OTHER INTANGIBLE ASSET ITEMS				
Buildings on own land				
Buildings on land owned by third parties				
General buildings, installations, furnishings				
Techn. facilities, equipment, industrial tools				
General facilities, various installations				
Transportation equipment				
Office materials, computers, furniture				
Reusable packaging materials and other				
Fixed assets in progress				
Advances and deposits				
TANGIBLE FIXED ASSETS				
Investments in equity affiliates				
Other investments			6,169,189,425	
Other illiquid securities				
Loans and other financial assets				1
FINANCIAL ASSETS			6,169,189,443	
GENERAL TOTAL			6,169,189,443	



RIVOLAM

Annual statements as of 12/31/2007

ACCOUNTS RECEIVABLE AND DEBTS

<u>STATEMENT OF ACCOUNTS RECEIVABLE</u>	<u>Gross amount</u>	<u>Up to 1 yr.</u>	<u>1 yr. & over</u>	
Accounts receivable associated with equity investments				
Loans	18	18		
Other financial assets				
Bad or disputed debt				
Other customer receivables				
Receivables representing loaned securities				
Personnel and related items				
Social Security and other social entities				
State, other authorities: income taxes				
State, other authorities: value added tax				
State, other authorities: other taxes and related payments				
State, other authorities: misc. receivables				
Group and affiliates	368,834,836	368,834,836		
Misc. debtors				
Prepaid expenses				
GENERAL TOTAL	<u>368,834,854</u>	<u>368,834,854</u>		
Amount of loans granted during the year	18			
Amount of repayments received during the year				
Loans and advances granted to affiliates				
 <u>STATEMENT OF DEBTS</u>	 <u>Gross amount</u>	 <u>Up to 1 yr.</u>	 <u>1 to 5 yrs.</u>	 <u>Over 5 yrs.</u>
Convertible bonds				
Other bond borrowings				
Loans and debts with orig. mat. up to 1 yr.	14	14		
Loans and debts with orig. mat. over 1 yr.				
Misc. financial loans and debts				
Suppliers and related items	6,088	6,088		
Personnel and related items				
Social Security and other social entities	28,767	28,767		
State: income tax				
State: value added tax				
State: guaranteed bonds				
State: other taxes, duties and related items				
Debts on fixed assets and related items				
Group and affiliates	2,400,721	2,400,721		
Other debts				
Debts pertaining to borrowed securities				
Deferred income				
GENERAL TOTAL	<u>2,435,589</u>	<u>2,435,589</u>		
Borrowings made during the year				
Loans repaid during the year				
Loans, debts entered into with affiliates				



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Annual statements as of 12/31/2007

COMPOSITION OF SHARE CAPITAL

Classes of shares	Number of shares			Face value
	at closing date	issued during the year	repaid during the year	
Common shares	1,434,220,525			4
Redeemed shares				
Shares with priority dividends without voting rights . . .				
Preference shares				
Company units				
Non-voting preference shares				

CHANGES IN SHAREHOLDERS' EQUITY

Position at the beginning of the year	Balance	
Shareholders' equity before distributions of prior year's earnings		6,506,096,595
Distributions of prior year's earnings		
Shareholders' equity after distribution of prior year's earnings		6,506,096,595
<i>Changes during the year</i>	<i>Reductions</i>	<i>Increases</i>
Changes in share capital		
Changes in premiums related to capital		
Changes in reserves		
Changes in investment subsidies		
Changes in regulated provisions		
Other changes	415,923,952	445,416,047
BALANCE		
<i>Position at the end of the year</i>		<i>Balance</i>
Shareholders' equity after allocation		6,535,588,690



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Annual statements as of 12/31/2007

RESULTS OF THE LAST FIVE FISCAL YEARS

Closing date Length of the fiscal year (months)	12/31/2007 12	12/31/2006 12	12/31/2005 12	12/31/2004 12	12/31/2003 12
CAPITAL AT YEAR-END					
Share capital	5,736,882,100	5,736,882,100	5,736,882,100	5,736,882,100	5,736,882,100
Number of shares					
— common	1,434,220,525	1,434,220,525	1,434,220,525	1,434,220,525	1,434,220,525
— with preferential dividend					
Maximum number of shares to be issued					
— by conversion of bonds					
— by subscription rights					
OPERATIONS AND EARNINGS					
Revenues excluding tax					
Earnings before income tax, equity investments, depreciation & amortization and provisions					
Income taxes	13,733,373	11,330,378	12,692,798	3,651,035	
Employee profit sharing					
Depreciation & amortization and provisions					
Net income	445,416,047	412,332,650	477,820,956	6,899,270	42,184
Distributed income	415,923,952	401,580,747	444,608,363		
EARNINGS PER SHARE					
Earnings after income tax, equity investments, before depreciation & amortization and provisions	0	0	0		
Earnings after income tax, equity investments, depreciation & amortization and provisions	0	0	0		
Dividend declared	0	0	0		
PERSONNEL					
Average number of employees					
Payroll					
Amounts paid for employee benefits (Social Security, social projects, etc.)					



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IDENTITY OF PARENT COMPANIES CONSOLIDATING THE COMPANY'S STATEMENTS

<u>Company name — headquarters</u>	<u>Form</u>	<u>Amount of capital</u>	<u>% owned</u>
SUEZ 16, rue de la Ville l'Evêque 75008 PARIS	SA	2,614,087,044	100.00%



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Annual statements as of 12/31/2007

SUBSIDIARIES AND EQUITY INVESTMENTS

Company name:	SA	SUEZ ENVIRONNEMENT	<i>SIRET no.</i>	<i>% owned</i>
Address:	18	Square Edouard VII	410118608	99.43
	<u>7500</u>	PARI	_____	_____
			<i>SIRET no.</i>	<i>% owned</i>
Company name:	SA	DUMEZ	722022456	100
Address:	16	rue de la ville l'Evêque		
	<u>7500</u>	PARI	_____	_____
			<i>SIRET no.</i>	<i>% owned</i>
Company name:				
Address:				
			<i>SIRET no.</i>	<i>% owned</i>
Company name:				
Address:				
			<i>SIRET no.</i>	<i>% owned</i>
Company name:				
Address:				
			<i>SIRET no.</i>	<i>% owned</i>
Company name:				
Address:				
			<i>SIRET no.</i>	<i>% owned</i>
Company name:				
Address:				
			<i>SIRET no.</i>	<i>% owned</i>
Company name:				
Address:				
			<i>SIRET no.</i>	<i>% owned</i>
Company name:				
Address:				
			<i>SIRET no.</i>	<i>% owned</i>
Company name:				
Address:				
			<i>SIRET no.</i>	<i>% owned</i>
Company name:				
Address:				
			<i>SIRET no.</i>	<i>% owned</i>

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