

Press release SUEZ - Electrabel

Brussels, 6 October 2006

When the project of the merger between Suez and Gaz de France was announced and presented to the Belgian government on 9 March this year, the latter expressed its favourable opinion on the project. The government reaffirmed its commitment to improve the functioning of the Belgian power generation market. In this framework, the Belgian government also expressed a wish to see additional measures added to the agreement made in autumn 2005 (the "Pax Electrica" agreement).

The government's aim is to have an increase in the number of generators, so as to have at least two others in addition to the Group.

In this framework, SUEZ and Electrabel, made the following undertakings, in the perspective of the merger SUEZ - Gaz de France :

- The Group agrees to conclude with SPE an agreement to increase the share of SPE in the output of Doel 3 & 4 and Tihange 2 & 3 by 250 MW, under the terms of the existing joint ownership agreement between Electrabel and SPE. The Group also agrees to make a long-term sales contracts with SPE for 285 MW. These agreements will be made under economical conditions that are overall competitive and balanced. In addition, SPE's share of 100 MW in the output of Chooz B will be swapped for 100 MW from Doel 3 & 4 and Tihange 2 & 3; By doing so, the Group's nuclear capacity in France will amount to 1200 MW.
- In coherence with the commitment of the Group and in the framework of the government's objectives, the Group will continue to examine the possibility of swapping assets with other operators, on the basis of a balanced, negotiated deal during the 1st semester of 2007. This perspective fits in the Group's strategy, and will help to accelerate its expansion in Europe, without compromising its total generating capacity – 58 000 MW today -, and its profitability in the longer term.
- Following what can be observed on other European markets, the Group commits itself not to increase power prices to Belgian residential customers, unless exceptional circumstances, for the period needed for the realization of the above mentioned measures. The Group will contribute to the security of supply of the country by means of an investment plan. Furthermore, the Group will develop long term contract proposals for big industrial customers.
- Following the intervention of the government in the recent evolution of the energy costs for households, the Group confirms its former agreement in principle to make a one-off contribution of € 100 million.
- The government confirms the importance of having a stable relationship with the sector via appropriate consultation mechanisms and therefore to guarantee general stability of the regulatory framework applying to the Group.

- Measures will be examined which will give the Belgian state reinforced control over the nuclear provisions and with priority for them being assigned to investments in Belgium, without questioning the existing regime concerning rights and obligations of the nuclear operator. A legal structure will be put in place, associating the Belgian State and Synatom, in order to take over the current role of the 'Comité de suivi'.

After the signature of the agreement, Gérard Mestrallet, SUEZ Chairman and CEO , and Jean-Pierre Hansen, CEO of Electrabel have declared : “ *Historically, the organisation of the electricity sector in Belgium is based on collaboration between authorities – federal, regional and municipal – and our Group, and this model of private/public partnership has proven to be efficient. More general, it is proper to our business and to the philosophy of our Group, to work together with public authorities, in a perspective of long-term integration in the different countries we are investing in.*

So, these commitments which we have taken vis-à-vis the state, have to be situated in this context. They will allow the new Group, created following the merger of SUEZ and Gaz de France, to consolidate its presence in the centre of its market, the Benelux and France, while developing its presence on the European chessboard.”

*Electrabel disposes of 29 000 MW generation capacity in Europe, of which 5 159 MW nuclear in Belgium.

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Ce communiqué de presse est également disponible en français.*