



## Joint Press Release

Paris, 28 February 2005

### **SUEZ Group chairs SHEM Board and bolsters its position as a key player on the French electricity market**

The Board of Société Hydro-Electrique du Midi (SHEM) which met February 23, 2005 ratified the acquisition of a 40% stake in SHEM by Electrabel France and the appointment of 3 Board members of SUEZ Group: Guy Nossent (SUEZ' Corporate Vice President), Philippe Lermusieau (Chairman and CEO Electrabel France) and Jean-Baptiste Séjourné (COO Electrabel France). Philippe Lermusieau will chair the Board. This new step bolsters SUEZ position as a key player on the French electricity market and strengthens the Group objective to acquire 10% of the French electricity market in the future.

By way of reminder, on 6 November 2002 Electrabel signed a partnership agreement with Société Nationale des Chemins de fer Français (SNCF), which at that time held 99.6% of SHEM. Electrabel also signed a commercial agreement with SHEM at the same time.

Under the partnership agreement, SNCF has an option to sell 80% of SHEM: the first tranche (40%) was sold January 20, 2005, and confirmed by the resetting of SHEM Board, while the second 40% tranche will be sold in 2007.

Under the commercial arrangement, since 1 May 2003 Electrabel has been buying and selling the total annual output of SHEM's power stations, while also directing SHEM's operations in line with market needs.

SHEM operates 49 hydropower units in the Pyrénées and Massif Central regions of France, with a total installed capacity of 773 MW (peak and hyper-peak generation).

According to the CEO of Electrabel and the COO of SUEZ Jean-Pierre Hansen, "This transaction bolsters our position as a key player on the liberalised energy market in France, complementing our participation in Compagnie Nationale du Rhône (2,937 MW of baseload hydropower capacity) and our nuclear generation activities (1,100 MW at Chooz and Tricastin). Electrabel's membership of the SUEZ group was a key factor in this project's success. It also clearly dovetails with our strategy."

*SUEZ is a key player on the energy market in France. The combining of the strong positions of its various subsidiaries in France (particularly Electrabel, Distrigaz, Elyo, Lyonnaise des Eaux and Sita) grants the Group with unique assets to take full advantage of the market liberalisation and develop itself on a progressive and profitable way.*

*The Group has a unique electric generation park on this market - competitive, flexible and diversified – of 6 520 MW, i.e. 7% of the french electricity generation and 32% of the French hydraulic generation capacities. The Group is entitled of : 3 710 MW hydraulic generation capacity with the 19 dams operated on the Rhône by the Compagnie Nationale du Rhône (CNR) and the 49 dams of the Société Hydro Electrique du Midi (SHEM) ; 1 110 MW of nuclear power, with the output reserved in Chooz B and Tricastin plants ; 1 700 MW of cogeneration plants (Elyo).*

*The Group is also active selling natural gas via Distrigaz all over the french market.*

**SUEZ** ([www.suez.com](http://www.suez.com)) is a worldwide industrial and services Group, active in sustainable development, providing companies, municipalities, and individuals innovative solutions in Energy and the Environment. SUEZ is listed on the Euronext Paris, Euronext Brussels, Luxembourg, Zurich and New York Stock Exchanges and supports Paris as the site for the 2012 Olympic Games.

### **Electrabel, a European supplier of all-in, tailor-made energy solutions**

Electrabel is one of Europe's front-ranking energy companies and leader in the Benelux. It seizes the opportunity of the electricity and natural gas market deregulation to achieve sustainable growth in Europe while keeping to strict criteria of profitability.

The company develops its range of energy products and services by exploiting the synergies between electricity and natural gas. It offers a tailor-made solution for each customer, characterised by quality and close support, acting through marketing subsidiaries and partnerships with local operators.

The company manages a diversified range of generating facilities totalling more than 28,500 MW, and carries out trading on all the energy markets. In Belgium it operates the electricity and natural gas networks on behalf of distribution system operators.

Electrabel is a subsidiary of SUEZ, an international industrial and services group that is active in energy and the environment.

#### Disclaimer

This press release contains certain forward-looking statements, particularly with respect to future events, trends, plans or objectives. These statements are based on management's current views and assumptions and involve a number of risks and uncertainties which may lead to a significant difference between actual results and those suggested either explicitly or implicitly in these statements (or suggested by past results). Additional information about these risks and uncertainties appears in documents filed by SUEZ with the U.S. Securities and Exchange Commission and the Autorité des Marchés Financiers (French securities regulator). The present forward-looking statements are made as of the date of the present release, with no undertaking by SUEZ to update or revise them, whether in connection with new information, future events, or any other factor.

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