



GROUPE BRUXELLES LAMBERT

(incorporated in Belgium in accordance with the Laws of the Kingdom of Belgium)

€400,800,000 BONDS DUE 21 SEPTEMBER 2015

EXCHANGEABLE FOR EXISTING ORDINARY SHARES OF

SUEZ ENVIRONNEMENT COMPANY

Joint Lead Managers

BNP Paribas Fortis

Deutsche Bank

Morgan Stanley & Co International

€400,800,000 BONDS DUE 21 SEPTEMBER 2015
EXCHANGEABLE FOR EXISTING ORDINARY SHARES OF
SUEZ ENVIRONNEMENT COMPANY

The date of this Offering Circular (the “Offering Circular”) is 31 October 2012.

The Offering Circular has been prepared in connection with the €400,800,000 exchangeable bonds due 21 September 2015 e (the “Bonds”) of Groupe Bruxelles Lambert (the “Issuer”), exchangeable for existing ordinary shares (the “Shares”) of Suez Environnement Company (“Suez Environnement”).

The Bonds are issued at 100% of their principal amount and will bear interest at a rate equal to 0.125% per annum, payable annually in arrear on each Interest Payment Date.

Application has been made to the Luxembourg Stock Exchange for trading of the Bonds on the Luxembourg Stock Exchange’s Euro MTF Market (the “Euro MTF Market”). References in this Offering Circular to the Bonds being “listed” (and all related references) shall mean that the Bonds have been admitted to trading on the Euro MTF Market.

The Shares of Suez Environnement are listed and admitted to trading on on the Eurolist by Euronext Paris.

The Bonds are in dematerialised form in accordance with Articles 468 et seq. of the Belgian Company Code. The Bonds will be represented by a book entry in the records of the clearing system operated by the National Bank of Belgium (the “NBB”) or any successor thereto (the “NBBSsystem”). The Bonds can be held by their holders through the participants in the NBB System, including Euroclear and Clearstream, Luxembourg and through other financial intermediaries which in turn hold the Bonds through Euroclear, Clearstream, Luxembourg or other participants in the NBB System. Possession of the Bonds will pass by account transfer. Bondholders are entitled to claim directly against the Issuer any payment which the Issuer has failed to make in accordance with Condition 10 (Payments), to exercise their rights against the Trustee, and to exercise their voting rights and other associative rights (as defined for the purposes of Article 474 of the Belgian Company Code) against the Issuer upon submission of an affidavit drawn up by the NBB, Euroclear or any other participant duly licensed in the Kingdom of Belgium to keep dematerialised securities accounts showing their position in the Bonds (or the position held by the financial institution through which their Bonds are held with the NBB, Euroclear or such other participant, in which case an affidavit drawn up by that financial institution will also be required).

The Bonds may not be exchanged for bonds in bearer form.

The Bonds have a denomination of € 100,000, and can only be settled through the NBB system in nominal amounts equal to that denomination or integral multiples thereof.

The Bonds were initially represented by a temporary global bond (the “**Temporary Global Bond**”), without interest coupons, which was deposited on the Closing Date with a common depository for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”). Interests in the Temporary Global Bond were exchangeable for interests in a permanent global bond (the “**Permanent Global Bond**” and, together with the Temporary Global Bond, the “**Global Bonds**”), without interest coupons, on 21 September 2012, upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Bond will be exchangeable for definitive Bonds only in certain limited circumstances.

This Offering Circular is a prospectus for the purposes of the admission to trading of the Bonds on the Euro MTF Market in accordance with the rules and regulations of the Luxembourg Stock Exchange. The Euro MTF Market is not a “regulated market” for the purpose of Article 36 of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC. This document does not constitute a prospectus for the purposes of Article 3 of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC.

This Offering Circular is to be read in conjunction with all documents that are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference”). This Offering Circular should be read and construed on the basis that such documents are incorporated and form part of the Offering Circular. This Offering Circular may only be used for the purposes for which it has been published.

Neither the Joint Lead Managers (as defined in the section entitled “Subscription and Sale”, below) nor the Trustee have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the offering of the Bonds. Neither the Joint Lead Managers nor the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the offering of the Bonds or their distribution.

No person is or has been authorised by the Issuer, the Joint Lead Managers or the Trustee to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the offering of the Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Joint Lead Managers or the Trustee.

Investing in the Bonds involves risks. See “Risk Factors” for a discussion of certain factors that should be carefully considered in connection with an investment in the Bonds.

Neither this Offering Circular nor any other information supplied in connection with the offering of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Joint Lead Managers or the Trustee that any recipient of this Offering Circular or any other information supplied in connection with the offering of the Bonds should purchase, subscribe for or invest in any Bonds or the Shares or exercise any rights conferred by the Bonds or the Shares. Each investor contemplating purchasing any Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular nor any other information supplied in connection with the offering of the Bonds constitutes an offer or invitation by or on behalf of the Issuer, the Joint Lead Managers or the Trustee to any person to subscribe for or to purchase any Bonds. No advice is given in respect of the taxation treatment of investors in connection with any investment in the Bonds and each investor is advised to consult its own professional advisers.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of the Bonds shall in any circumstances imply that the information contained herein concerning the Issuer and/or Suez Environnement is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Bonds is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Lead Managers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or Suez Environnement during the life of the Bonds or to advise any investor in the Bonds of any information coming to their attention.

The Bonds have not been or 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 within the United States. The Bonds were offered and sold outside the United States in reliance on Regulation S (“Regulation S”) under the Securities Act and were not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy the Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer, the Joint Lead Managers and the Trustee do not represent that this Offering Circular may be lawfully distributed, or that the Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Joint Lead Managers or the Trustee that is intended to permit a public offering of the Bonds or the distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Bonds. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Bonds in, the United States and the European Economic Area (including the United Kingdom), see “Subscription and Sale”.

Advisers named in this Offering Circular have acted pursuant to the terms of their respective engagements, have not authorised or caused the issue of, and take no responsibility for, this Offering Circular and do not make, and should not be taken to have verified, any statement or information in this Offering Circular unless expressly stated otherwise.

A. CONTENTS

A.	CONTENTS.....	5
B.	DOCUMENTS INCORPORATED BY REFERENCE	6
C.	IMPORTANT INFORMATION AND CAUTIONARY STATEMENTS.....	8
D.	SUMMARY OF THE OFFERING	10
E.	RISK FACTORS	16
F.	TERMS AND CONDITIONS OF THE BONDS	20
G.	USE OF PROCEEDS	62
H.	SELECTED CONSOLIDATED HISTORICAL FINANCIAL INFORMATION	63
I.	GENERAL INFORMATION ABOUT THE ISSUER.....	65
J.	GENERAL INFORMATION ABOUT SUEZ ENVIRONNEMENT	70
K.	CLEARING	78
L.	TAXATION IN BELGIUM	79
M.	SUBSCRIPTION AND SALE	83
N.	GENERAL INFORMATION.....	85

B. DOCUMENTS INCORPORATED BY REFERENCE

The consolidated financial statements of the Issuer for the years ended 31 December 2010 and 31 December 2011 (together with the audit report of the statutory auditor on the same consolidated financial statements) and the condensed consolidated interim financial statements of the Issuer for the six month period ended 30 June 2012 (together with the review report of the statutory auditor on the condensed consolidated interim financial statements of the Issuer for the six month period ended 30 June 2012) are incorporated by reference in this Offering Circular, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained herein 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 Offering Circular.

Copies of the documents incorporated by reference are available, free of charge, at the registered office of the Issuer, on the Issuer's website (<http://www.gbl.be>) and at the specified offices of the Paying and Exchange Agent (as defined below).

All of the documents incorporated in this Offering Circular by reference have been filed with the Luxembourg Stock Exchange and are also published on the Luxembourg Stock Exchange's internet site www.bourse.lu. This Offering Circular is available on the Luxembourg Stock Exchange's internet site www.bourse.lu

The table below sets out the relevant page references for the audited consolidated financial statements for the financial year ended 2010 and 2011, respectively as set out in the Issuer's annual reports for the corresponding years and the consolidated financial statements for the six months ended 30 June 2012 as set out in the Issuer's interim statement. Information contained in the documents incorporated by reference other than the information listed below is for information purposes only, and does not form part of this Offering Circular

Audited consolidated annual financial statements of the Issuer for the financial year 2010

	Annual Report 2010
Consolidated balance sheet.....	Page 58
Consolidated statement of comprehensive income.....	Page 59
Consolidated statement of changes in shareholders' equity.....	Page 60
Consolidated cash flow statement.....	Page 61
Accounting policies.....	Page 62
Consolidation scope, associated companies and changes in the group structure....	Page 66
Notes.....	Page 68
Statutory Auditor's report.....	Page 86

Audited consolidated annual financial statements of the Issuer for the financial year 2011

Annual Report 2011

Consolidated balance sheet.....	Page 68
Consolidated statement of comprehensive income.....	Page 69
Consolidated statement of changes in shareholders' equity.....	Page 70
Consolidated cash flow statement.....	Page 71
Accounting policies.....	Page 72
Consolidation scope, associated companies and changes in the group structure....	Page 80
Notes.....	Page 83
Statutory Auditor's report.....	Page 116

Interim financial statements of the Issuer for the six months ended 30 June 2012

**Half yearly report on
30 June 2012**

Consolidated balance sheet.....	Page 7
Consolidated statement of comprehensive income.....	Page 6
Consolidated statement of changes in shareholders' equity.....	Page 8
Consolidated cash flow statement.....	Page 9
Notes.....	Page 10
Statutory Auditor's report.....	Page 19

C. IMPORTANT INFORMATION AND CAUTIONARY STATEMENTS

Potential investors in the Bonds are expressly advised that an investment in the Bonds entails risks and that they should therefore carefully review the entire contents of this Offering Circular, particularly the section entitled “Risk Factors”.

Investors are authorised to use this Offering Circular solely for the purpose of considering the purchase of the Bonds.

In accordance with the Rules and Regulations of the Luxembourg Stock Exchange, the Issuer accepts responsibility for the information contained in this Offering Circular and confirms that, having taken all reasonable care to ensure that such is the case, to the best of its knowledge, the information set forth in this Offering Circular is in accordance with the facts and contains no omissions likely to affect its import.

The Issuer has not authorised the making or provision of any representation or information regarding the Issuer or the Bonds other than as contained in this Offering Circular or as approved for such purpose by the Issuer and, if given or made, any such representation or information should not be relied upon as having been authorised by the Issuer, BNP Paribas Fortis, Deutsche Bank and Morgan Stanley (the “Joint Lead Managers”).

This Offering Circular is not 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 Lead Managers that any recipient of this Offering Circular should purchase any of the Bonds. Each investor contemplating purchasing Bonds should make its own independent investigation of the financial condition and affairs of and its own appraisal of the creditworthiness of, the Issuer.

Neither the delivery of this Offering Circular nor the offer, sale or delivery of any Bond shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Offering Circular, or that any information contained herein is correct at any time subsequent to the date hereof.

The Issuer

References to the “Issuer” refer to Groupe Bruxelles Lambert and references to the “Group” refer to the Issuer and its subsidiaries.

Restrictions

This Offering Circular does not constitute an offer of, or an invitation to subscribe for or purchase, any Bonds. The distribution of this Offering Circular and the offer, sale and delivery of Bonds and the Shares to be delivered in exchange of the Bonds in certain jurisdictions may be restricted by law.

Persons into whose possession this Offering Circular comes are required by the Issuer to inform themselves about and to observe any such restrictions.

Forward-looking Statements

This Offering Circular includes forward-looking statements. All statements in this Offering Circular that do not relate to historical facts and events are “forward-looking statements”. In some cases, you can identify forward-looking statements by terminology such as “may”, “will”, “should”, “could”, “would”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “continue”, “goal”, “intention”, “objective”, “aim”, “strategy”, “budget”, “proposed”, “schedule” or the negative of such terms or other similar expressions. By their nature, forward-looking statements are subject to inherent risks and uncertainties,

both general and specific, and the predictions, forecasts, projections and other forward-looking statements contained in this Offering Circular could be materially different from what actually occurs in the future.

Although the Issuer believes that its expectations with respect to forward-looking statements are based on reasonable assumptions within the bounds of its knowledge of its business and operations at the date of this Offering Circular, prospective investors are cautioned that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. Some of these factors are discussed under “Risk Factors” and elsewhere in this Offering Circular.

Without prejudice to the Issuer’s obligations under law in relation to disclosure and ongoing information, the Issuer does not undertake any obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Offering Circular might not occur.

Currencies

In this Offering Circular, references to “euro”, “€” or “EUR” are references to the euro, the single currency of the participating member states in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time.

Rounding

Certain amounts that appear in this Offering Circular have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be arithmetic aggregations of the figures that precede them.

Available Information

Documents and information disclosed in accordance with applicable laws (including “inside information” as and when required by law) are available at the registered office of the Issuer and/or on the Issuer’s website on the section addressed to investor relations (at www.gbl.be). None of such documents and information or any other information contained on the website of the Issuer or any other website form part of the Offering Circular, except as expressly incorporated by reference herein.

A copy of this Offering Circular, the constitutive documents of the Issuer, and the documents incorporated by reference in this Offering Circular, the Trust Deed (as defined below) and the Agency Agreement (as defined below) are available free of charge as long as the Bonds are outstanding at the specified office of the Paying and Exchange Agent (as defined below).

D. SUMMARY OF THE OFFERING

Issuer:	Groupe Bruxelles Lambert, a Belgian limited liability company (“GBL” or the “Issuer”)
Securities:	Bonds exchangeable for ordinary shares of Suez Environnement (the “Bonds”)
Initial Exchange Property:	<p>The Exchange Property will initially comprise approximately 35 million existing ordinary shares (the “Shares”) of Suez Environnement (the “Company”), which represent approximately 6.9% of the ordinary shares of the Company</p> <p>The Shares (ISIN code: FR0010613471, Bloomberg SEV FP, Reuters SEVI.PA) are listed on the regulated market of NYSE Euronext in Paris (“Euronext Paris”)</p> <p>The Exchange Property will be subject to adjustments as provided in the Terms and Conditions of the Bonds</p>
Status of the Bonds:	The Bonds constitute direct, unconditional, unsubordinated and (subject to the negative pledge) unsecured obligations of the Issuer, and rank and will rank pari passu with all other unsecured and unsubordinated obligations of the Issuer, present or future (other than in respect of statutorily preferred creditors)
Security:	The Issuer will not grant any kind of Security over the Shares
Issuer Rating:	None
Principal Amount:	€400,800,000
Issue Date:	21 September 2012
Maturity Date:	21 September 2015 (3 years)
Issue Price:	100% of par
Redemption Price:	100% of par
Coupon:	0.125% per annum, payable annually in arrear on 21 September (or if it is not a TARGET business day, the following TARGET business day) of each year, commencing 21 September 2013
Reference Share Price:	€ 9.5418 (VWAP of the Shares on the regulated market of NYSE Euronext in Paris (“Euronext Paris”) between opening of trading on date of launch and pricing)
Exchange Premium:	20% above the Reference Share Price
Initial Exchange Price:	€ 11.45
Denomination:	€ 100,000

Exchange Period:	<p>At any time from 23 July 2013 until the date which is expected to fall 40 trading days prior to the Maturity Date (i.e. 27 July 2015) or, in the case of an earlier redemption, the date falling 10 days prior to the relevant early redemption date</p> <p>Exchange Rights shall also be exercisable for certain prescribed periods (i) if an Offer is made in respect of the predominant equity share capital comprised in the Exchange Property or (ii) if the Bonds become due and payable following the occurrence of an Event of Default. If an Offer is made in respect of the predominant equity share capital comprised in the Exchange Property prior to the start of the Exchange Period, Exchange Rights may be exercised from and including the first day on which such Offer is open for acceptance until and including the date falling eight days prior to the final date for acceptance of such Offer and the Issuer will be deemed to have exercised its Cash Election (and the Cash Alternative Calculation Period will be deemed to begin on the second trading day after the relevant Exchange Date).</p>
Negative Pledge:	Yes – as per the 4% bond due 2017 of the Issuer
Events of Default:	Yes – as per the 4% bond due 2017 of the Issuer, save that (i) the threshold for cross-acceleration is default, in the aggregate, of an amount of at least €100,000,000 and (ii) Trustee certification of material prejudice will be required for certain events
Repurchase by the Issuer:	The Issuer may at its option, repurchase, all or part of the outstanding Bonds, at any time, without limitation as to price or quantity, either on-or off-market or by means of public tender or exchange offers
Issuer call:	<p>The Issuer may redeem all, but not some only, of the Bonds for the time being outstanding at their Principal Amount, together with interest (if any) accrued to the date fixed for redemption:</p> <ul style="list-style-type: none"> (i) at any time from 21 March 2014 (the date falling 18 months after Issue Date) provided that the value of the pro rata share of the Exchange Property in respect of a Bond on each of not less than 20 trading days in any period of 30 consecutive trading days ending not earlier than the 7th calendar day prior to the date on which the Optional Redemption Notice is given to the Bondholders, shall have exceeded 125 % of the Principal Amount of a Bond on each such trading day or (ii) in the event of a Tender or Exchange Offer for the underlying Shares, where the offer consideration consists wholly of cash <p>in each case, subject to not less than 30 and not more than 60 days' prior notice</p>
Clean-up Call:	The Issuer may redeem all, but not some only, of the Bonds at their Principal Amount, plus interest (if any) accrued to the date fixed for redemption at any time if 85% or more of the Bonds have been redeemed, exchanged, or purchased and cancelled
Exchange Right:	Unless previously redeemed or purchased and cancelled, and subject as provided in "Cash Alternative Election" below, each Bond will be exchangeable at the option of the Bondholder during the Exchange Period for a pro rata share of the Exchange Property. The number of Shares deliverable will be aggregated per Bondholder and rounded down to the nearest full Share and there will be no compensation for fractions of Shares

**Share Settlement
Option on
Redemption:**

The Issuer may, by giving notice (“Share Settlement Option Notice”) on or after the day immediately following the last day of the Exchange Period and not later than the date which is expected to be 32 trading days prior to the Maturity Date, elect to satisfy its obligation to redeem the Bonds by:

(i) delivering on the Settlement Date a proportion between 1% and 100% (as specified in the election notice) of the pro rata share of the Exchange Property in respect of a Bond and paying the Cash Settlement Amount, or

(ii) delivering on the Settlement Date the Equivalent Number of Equity Shares and paying the Redemption Shortfall Amount,

together in each case with accrued interest up to the Maturity Date.

If the Issuer elects to deliver the Equivalent Number of Equity Shares and pay the Redemption Shortfall Amount, the Share Settlement Option Notice shall specify the minimum and maximum number of, and the type of, Equity Shares so deliverable. In the event that the predominant equity share capital remains the Shares, such minimum number (the “Minimum Number”) shall not be less than 35 million Shares and such maximum number (the “Maximum Number”) shall not be more than 38.5 million Shares

“Averaging Period” means the period of 20 trading days ending on and including the Valuation Date, provided that, if, on the date the Share Settlement Option Notice is given, a day falling in the Averaging Period is due to be a trading day but such day subsequently is not a trading day, the Averaging Period shall not, as a result, be extended, and shall begin on the date which was, as of the date of the Share Settlement Option Notice, expected to be the first trading day in the Averaging Period and end on the Valuation Date (or the date on which the Valuation Date is deemed to fall) as aforesaid. The last day for the Issuer to give a Share Settlement Notice is two trading days prior to the start of the Averaging Period.

“Cash Settlement Amount” means, in respect of any Bond, an amount in cash equal to the amount (if any) by which the principal amount of such Bond exceeds 99.5 per cent. of the arithmetic average of the value of the specified proportion of the pro rata share of the Exchange Property in respect of such Bond on each of the trading days in the Averaging Period

“Equivalent Number of Equity Shares” means, in respect of any Bond, the number of Equity Shares determined by dividing the principal amount of the relevant Bond by the arithmetic average of the Volume Weighted Average Price of an Equity Share of the same type or series as the predominant equity share capital on each of the trading days in the Averaging Period, or, if higher, the Minimum Number attributable to a Bond, or, if lower the Maximum Number attributable to a Bond.

“Redemption Shortfall Amount” means, in respect of any Bond, the amount (if any) by which the principal amount of such Bond exceeds the product of the Equivalent Number of Equity Shares and 99.5 per cent. of the arithmetic average of the Volume Weighted Average Price on each of the trading days in the Averaging Period of an Equity Share of the same type or series as the predominant equity share capital

“Settlement Date” means, in the case of a delivery of Exchange Property or Equivalent Number of Equity Shares following exercise of the Share Settlement Option, the date falling 10 trading days following the Valuation Date

“Valuation Date” means the date falling 10 trading days prior to the Maturity Date

Cash Alternative Election: Upon delivery of an Exchange Notice, the Issuer may elect to pay the Cash Alternative Amount (defined below) instead of delivering all or some of the relevant pro rata share of the Exchange Property. The Issuer may exercise its option (the “Cash Election”) to pay the Cash Alternative Amount by giving written notice of its election by no later than the date falling seven trading days following the date of such exchange (the “Cash Election Exercise Date”)

Cash Alternative Amount: “Cash Alternative Amount” means a sum in cash in euro equal to the average of the Volume Weighted Average Price on each Trading Day in the Cash Alternative Calculation Period of the relevant pro rata share of the Exchange Property (or, in the case of a partial exercise of the Cash Election, the relevant portion of such pro rata share) which, had the Cash Election not been exercised, would otherwise fall to be delivered to Bondholders upon exercise of their Exchange Rights

“Cash Alternative Calculation Period” means the period of 15 consecutive trading days commencing on the second trading day after the Cash Election Exercise Date

Dividend Entitlement: No dividend entitlement prior to exercise of Exchange Rights

Adjustments to Exchange Property: The Bonds will contain customary provisions for the adjustment of the Exchange Property in the event of the occurrence of certain dilutive events including, inter alia, share sub-divisions, consolidations and redenominations, rights issues, bonus issues, reorganizations and capital distributions

Dividend Protection: Bondholders will be protected against dividends or distributions, in cash or in shares, above the levels set out below (determined on a gross basis) which are paid in respect of the same financial year as follows:

Financial year ending on:	Dividend per share:
• 31 st December 2012	€0.65
• 31 st December 2013	€0.65
• 31 st December 2014	€0.65

For the avoidance of doubt, there will be no retroactive adjustment in respect of any dividends or distributions the record dates of which fall after the Maturity Date

Dividends above this level will lead to an adjustment of the Exchange Property, based on standard exchangeable bond market practice

Where a Dividend in cash is announced which is to be, or may at the election of a Shareholder be, satisfied by the issue or delivery of Shares or other property or assets, or where a capitalization of profits or reserves is announced which is to be, or may at the election of a Shareholder be, satisfied by the payment of cash, then the Dividend or capitalization in question shall be treated as a cash Dividend for the purpose of calculating the above Dividend Protection threshold (irrespective of the actual election made by the Issuer)

Tender or Exchange Offer Premium Compensation:	<p>The Issuer shall have absolute discretion to accept or reject any Tender or Exchange Offer for the relevant securities comprised in the Exchange Property (“Relevant Securities”), provided that the Issuer will not accept such Offer (a) prior to the date falling seven days prior to the final acceptance date in respect thereof, or (b) unless the value of the consideration offered for the Relevant Securities pursuant to the Offer or, where there is any alternative consideration, unless the value of the consideration accepted by the Issuer, is equal to or greater than the value of such Relevant Securities</p> <p>If the Issuer accepts any Tender or Exchange Offer for Relevant Securities or if the Relevant Securities are subject to compulsory acquisition as a result of such Tender or Exchange Offer then, with effect from the settlement of such offer, the Exchange Property will consist, in whole or in part, of the consideration received for the Relevant Securities acquired under the Tender or Exchange Offer</p> <p>In the event of a Tender or Exchange Offer in respect of Equity Shares comprised in the Exchange Property, the tender or exchange offer consideration for which consists wholly or partly of cash, a market standard premium compensation amount will be payable to Bondholders upon exercise of their Exchange Rights. Such amounts will be payable whether or not a cash election is made by the Issuer</p>
Bondholder Put on occurrence of Major Restructuring Event:	As per the 4% bond due 2017 issued by the Issuer
Tax call / Gross-up:	None
Ownership of the Exchange Property:	The Issuer is under no obligation to hold any Exchange Property and may sell or otherwise dispose of the Exchange Property at any time
Taxes Upon Exchange:	The Issuer will, upon exercise of Exchange Rights by a Bondholder, pay any stamp, registration or other similar taxes or duties payable in Belgium and the jurisdiction in which any Exchange Property is situated, subject, in the case of French “taxe sur les transactions financières”, to a maximum of the rate which is in force on the Issue Date (provided that such maximum shall not apply to Exchange Property or Equity Shares delivered as a result of the exercise of the Share Settlement Option on Redemption)
Use of Proceeds:	Diversification of sources of funding and general corporate purposes
Form:	Dematerialized form under the Belgian Company Code
Governing Law :	English Law
Listing of the Bonds:	Application has been made for the Bonds to be admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange no later than October 31, 2012
Listing of the Shares:	Euronext Paris
Clearing of the Bonds:	X/N System (including via the bridge with Euroclear S.A./N.V. / Clearstream Banking société anonyme (Luxembourg)) ISIN: BE6242865424, Common Code: 082870873
Lock-up:	From pricing and for a period of 45 calendar days after the Settlement Date, for the Issuer subject to customary exceptions

Selling Restrictions: Distribution via Reg S (Category 1) only with no Rule 144A offering and no sales to U.S. persons. No offers or sales into the US, Canada, Australia or Japan. Standard restrictions apply elsewhere, including the UK. The Bond offering is an offer to institutional investors only. X - investors only.

Joint Lead Managers: BNP Paribas Fortis, Deutsche Bank, Morgan Stanley

Trustee: The Law Debenture Trust Corporation plc

**Paying Agent,
Calculation Agent,
Exchange Agent
and Domiciliary
Agent:** BNP Paribas Securities Services

E. RISK FACTORS

Investing in the Bonds involves a high degree of risk. Investors should consider carefully the following risk factors, together with the other information contained in this Offering Circular, before making any investment decision concerning the Bonds. If any of the risks set out below were to occur, the Issuer's business, future prospects, financial condition and/or results of operation could be negatively affected and this may have an effect on the trading price or value of the Bonds and the Shares.

The Issuer believes that the factors set out below represent the principal risks inherent in investing in the Bonds. All of the factors are contingencies which may or may not occur. The Issuer is not in a position to express a view on the likelihood of any such contingency occurring. One or more of the risks described below could affect the Issuer simultaneously. Additional risks or uncertainties not presently known to it or that it currently may consider immaterial or that may not specifically relate to the Issuer or the Issuer's business may also have a negative effect on its business, future prospects, financial condition and results of operations and thus affect the trading price or value of the Bonds and the Shares.

1 Risks relating to the Issuer's business

The main risk factors and uncertainties facing the Issuer are disclosed in the "Risk management and internal control" section of the Issuer's Annual Report for the year ended 31 December 2011 (pages 143 to 146), which is incorporated herein by reference.

2 Risk relating to Suez Environnement

Included in this Offering Circular is certain publicly available information relating to Suez Environnement. The Issuer was not involved in the preparation of such information and has not verified the accuracy of such information. Suez Environnement has not participated in the preparation of this Offering Circular or in establishing the terms of the Bonds. Consequently, there can be no assurance that all events occurring prior to the date hereof (including events that would affect the accuracy or completeness of the Pargesa Information) that would affect the trading price of the Suez Environnement Shares (and therefore the price of the Bonds) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of, or failure to disclose, material future events concerning Suez Environnement and/or the Suez Environnement Shares could affect the trading price of the Suez Environnement Shares deliverable upon exchange of Bonds and therefore the trading price of the Bonds.

3 Risks relating to the Bonds

There is no established trading market for the Bonds and one may not develop.

The Bonds will be new securities for which there currently is no established trading market. The Bonds have not been and will not be registered under the Securities Act and will be subject to selling restrictions.

Application has been made to the Luxembourg Stock Exchange to admit the Bonds to trading on the Euro MTF Market. However, there can be no assurance regarding the future development of a market for the Bonds, the ability of holders of the Bonds to sell their Bonds or the price at which such holders may be able to sell their Bonds. If a market for the Bonds were to develop, the Bonds could trade at a price that may be lower than the initial offering price depending on many factors, including prevailing interest rates, the Issuer's results and the market for similar securities. Therefore, there can be no assurance as to the liquidity of any trading market for the Bonds or that an active market for the Bonds will develop. In addition, the Issuer's application for admission to trading may not be approved or, if approved, may not be maintained.

The Bonds are structurally subordinated to the secured obligations of the Issuer.

The Bonds constitute direct, general, unconditional and, subject to Condition 2 (Negative Pledge) of the Terms and Conditions, unsecured obligations of the Issuer which will at all times rank pari passu among themselves and at least pari passu with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are of general application.

Upon a winding-up of the Issuer or if insolvency proceedings are brought in relation to the Issuer, the Bonds will be effectively subordinated to all of the Issuer's other secured indebtedness, to the extent of the value of the collateral securing such indebtedness. For more information concerning the ranking of the Bonds, see Condition 1 of the Terms and Conditions of the Bonds.

The Bonds are complex debt securities that may not be a suitable investment for all investors.

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Offering Circular; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio; (iii) understand thoroughly the terms of the Bonds and be familiar with the behavior of financial markets in which they participate; and (iv) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks. Investors must also ensure that they have adequate financial resources to bear the risks inherent in the subscription or acquisition of Bonds.

The Issuer may not have the ability to repay the Bonds.

The Issuer may not be able to repay the Bonds at their maturity. The Issuer may also be required to repay all or part of the Bonds in the event of a default. If the Bondholders were to ask the Issuer to repay their Bonds following an event of default, the Issuer cannot be certain that it will be able to pay the required amount in full. The Issuer's ability to repay the Bonds will depend on its financial condition (including its cash position resulting from its ability to receive income and dividends from its subsidiaries) at the time of the requested repayment, and may be limited by law, by the terms of its indebtedness and by the agreements that it may have entered into on or before such date, which may replace, supplement or amend its existing or future indebtedness. The Issuer's failure to repay the Bonds may result in an event of default under the terms of other outstanding indebtedness.

The Bonds may be redeemed prior to maturity.

The Terms and Conditions of the Bonds provide that the Bonds are redeemable at the Issuer's option in certain limited circumstances and accordingly the Issuer may choose to redeem the outstanding Bonds. The Bonds can also be redeemed at the option of Bondholders following certain events as further described in the Terms and Conditions of the Bonds.

In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security bearing an effective interest rate as high as that which existed on the Bonds prior to redemption.

The Terms and Conditions of the Bonds may be modified or waived in certain circumstances without the consent of Bondholders.

The Trust Deed contains provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Trustee may, under certain circumstances more fully described in the Trust Deed, without the consent of the Bondholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, if in its opinion the interests of the Bondholders will not be materially prejudiced thereby, modify the provisions of the Trust Deed or the Conditions, waive or authorize, on such terms and conditions (if any) as shall seem expedient to it, any breach or proposed breach by the Issuer of the Trust Deed or the Terms and Conditions or determine that an event of default shall not be treated as such provided that, in the case of such waiver or authorization, the Trustee shall not do so in contravention of an express direction given by an Extraordinary Resolution.

The Trust Deed, the Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, except that Condition 1 (the dematerialized form of the Bonds) and Condition 14 shall be governed by, and construed in accordance with, Belgian law. No assurance can be given as to the impact of any possible judicial decision or change to English or Belgian law or, the application or interpretation of English or Belgian Law after the date of this Offering Circular.

There is a limited period for, and there are costs associated with, the exercise of Exchange Right.

A Bondholder will, subject as more fully described herein under “Terms and Conditions of the Bonds”, have the right to convert his or her Bonds into Shares. Exchange Rights may be exercised, subject as provided herein, during the Exchange Period. If the Exchange Rights are not exercised by Bondholders during this period, the Bonds will be redeemed at their principal amount on the Maturity Date, together with unpaid accrued interest, unless the Bonds are previously purchased and cancelled or redeemed in accordance with the Terms and Conditions.

Bondholders have limited anti-dilution protection.

The price at which the Bonds may be converted into Shares (Exchange Property) will be adjusted in certain events, such as when there is a Sub-division, Consolidation or Redenomination of the Shares, Relevant Events or rights issue, but only in the situations and only to the extent provided under “Terms and Conditions of the Bonds. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Shares. Any such event, including an event in respect of which no adjustment is made may adversely affect the value of the Shares and, therefore, adversely affect the value of the Bonds.

The market value of the Bonds will depend on numerous factors, including in particular the risk of fluctuation in the price of the Shares.

The market price of the Bonds is expected to be affected by fluctuations in the market price of the Shares, and it is impossible to predict whether the price of the Shares will rise or fall. Trading prices of the Shares will be influenced by, among other things, the financial position of Suez Environnement, its results of operations and political, economic, financial and other factors. Any decline in the market price of the Shares may have an adverse effect on the market price of the Bonds. In addition, because there will be a delay between when Exchange Rights are exercised and when Shares are delivered, the value of the Shares to be delivered may decline between the date on which Exchange Rights are exercised and the date on which such Shares are delivered.

The volatility of the Shares, an increase of the applicable interest rate, any real or perceived changes in the credit risk or an increase in dividend payments may also adversely affect the market value of the Bonds.

Payments are made in accordance with the procedures of the clearing systems.

Payments of principal, interest and other sums due under the Bonds will be made in accordance with the rules of the X/N Clearing System through Euroclear, Clearstream, Luxembourg and other participants in the X/N Clearing System recorded in the X/N Clearing System as holding interests in the Bonds. Any payment so made will constitute good discharge for the Issuer.

Certain Bondholders may be exposed to exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Bonds in EUR. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in another currency or currency unit. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency of the Bonds 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 a specified currency would decrease (i) the investor's currency-equivalent yield on the Bonds, (ii) the investor's currency equivalent value of the principal payable on the Bonds and (iii) the investor's currency equivalent market value of the Bonds. 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.

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 Bonds are legal investments for it, (ii) the Bonds can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the Bonds.

Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

Transfer of the Bonds will be restricted, which may adversely affect the value of the Bonds.

The Bonds have not been registered under the U.S. Securities Act or any other securities laws. The Bonds may not be offered to purchasers in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws, or pursuant to an effective registration statement. The Bonds will contain provisions that will restrict the Bonds from being offered, sold or otherwise transferred except pursuant to the exemptions available pursuant to Rule 144A and Regulation S, or other exceptions, under the U.S. Securities Act. It is the obligation of any investor to ensure that any offers and sales of the Bonds within the United States and other countries comply with applicable securities laws.

Bondholders have no shareholder rights before conversion.

An investor in Bonds will not be a shareholder of Suez Environnement. No Bondholder will have any voting rights, any right to receive dividends or other distributions or any other rights with respect to any Shares until such time, if any, as he or she converts his or her Bond.

F. TERMS AND CONDITIONS OF THE BONDS

The following, subject to completion and amendment, are the terms and conditions of the Bonds substantially as they will appear in the trust deed constituting the Bonds.

The issue of the EUR 400,800,000 0.125 per cent. Exchangeable Bonds due 2015 (the “Bonds”) of Groupe Bruxelles Lambert (the “Issuer”) was authorized by a resolution of the Board of Directors of the Issuer passed on 29 June 2012. The Bonds are constituted by a trust deed (as modified and/or restated from time to time in accordance with its terms) (the “Trust Deed”) dated 21 September 2012 and made between the Issuer and The Law Debenture Trust Corporation p.l.c. (the “Trustee”, which term shall, where the context so permits, include all other persons or companies acting as trustee or trustees thereof) as trustee for the Bondholders. The Issuer has entered into a paying and exchange agency agreement (the “Agency Agreement”) with the Trustee, BNP Paribas Securities, Brussels Branch as principal paying and exchange agent, domiciliary agent and calculation agent and the other paying and exchange agents named therein. The domiciliary agent, the principal paying and exchange agent, the other paying and exchange agents and the calculation agent for the time being are referred to below, respectively, as the “Domiciliary Agent”, the “Principal Paying and Exchange Agent”, the “Paying and Exchange Agents” (which expression shall include the Principal Paying and Exchange Agent) and the “Calculation Agent”. The statements in these terms and conditions of the Bonds (the “Conditions”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the forms of the Bonds. Copies of the Trust Deed and the Agency Agreement are available for inspection by Bondholders by prior appointment during its normal business hours at the registered office of the Trustee being at the Closing Date (as defined below) at Fifth Floor, 100 Wood Street, London EC2V 7EX and at the specified office(s) of the Paying and Exchange Agents. The Bondholders are entitled to the benefit of the Trust Deed and are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

1 Form, Denomination, Title and Status Form, Denomination and Title

Form, Denomination and Title

The Bonds are in dematerialised form in accordance with Article 468 of the Belgian Code of Companies. The Bonds will be represented by book entry in the records of the clearing system operated by the National Bank of Belgium (the “NBB”) or any successor thereto (the “NBB System”). The Bonds can be held by their holders through participants in the NBB System, including Euroclear and Clearstream, Luxembourg and through other financial intermediaries which in turn hold the Bonds through Euroclear and Clearstream, Luxembourg, or other participants in the NBB System. The Bonds are accepted for clearance through the NBB System, and are accordingly subject to the applicable Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the NBB System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition being referred to herein as the “NBB System Regulations”). Title to the Bonds passes by account transfer. The holder (as defined below) of any Bond will not be entitled to exchange the Bonds into definitive bonds in bearer form.

Bonds may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the NBB System.

Bondholders are entitled to exercise the rights they have, including exercising Exchange Rights (as defined below), voting rights, making requests, giving consents, directing the Trustee to take action under these Conditions and the Trust Deed and other associative rights (as defined for the purposes of Article 474 of the Belgian Company Code) upon submission of an affidavit drawn up by the NBB, Euroclear, Clearstream, Luxembourg or any other participant duly licensed in Belgium to keep dematerialized securities accounts showing such holder's position in the Bonds (or the position held by the financial institution through which such holder's Bonds are held with the NBB, Euroclear, Clearstream, Luxembourg or such other participant, in which case an affidavit drawn up by that financial institution will also be required).

If at any time the Bonds are transferred to another clearing system, not operated or not exclusively operated by the NBB, these provisions shall apply *mutatis mutandis* to such successor clearing system and successor

The Bonds are in principal amounts of EUR 100,000 each (the “Authorized Denomination”).

Status

The Bonds constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 2) unsecured obligations of the Issuer and rank and will at all times rank *par passu*, without any preference among themselves, and equally with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future (other than in respect of statutorily preferred creditors).

2 Negative Pledge

So long as any Bond remains outstanding, the Issuer will not, and will procure that none of its Principal Subsidiaries will, create or have outstanding any mortgage, lien (*privilège*) (other than a lien arising by operation of law), pledge, charge or any other form of security interest (*sûreté réelle*) upon or with respect to the whole or any part of their respective business, undertakings, assets or revenues, present or future, to secure any present or future Indebtedness of the Issuer or any Principal Subsidiary or any guarantee or indemnity of the Issuer or any Principal Subsidiary in respect of, any present or future Indebtedness unless, at the same time or prior thereto, the benefit of such mortgage, lien, pledge, charge or other security interest shall be extended forthwith equally and rateably to the Bonds.

The restrictions set out in this Condition 2 shall not apply in respect of security interests granted by a Principal Subsidiary prior to its acquisition by the Issuer (or a company of the Issuer’s group) in respect of Indebtedness of the Principal Subsidiary existing at the time of such acquisition.

For the purposes of this Condition 2:

“Indebtedness” means any present and future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock or other transferable debt securities (including, without limitation, *titres de créance négociables sur le marché des capitaux/schuldinstrumenten die op de kapitaalmarkt verhandelbaar zijn* in the sense of Article 2, 31°, b) of the Belgian law of 2 August 2002 on the supervision of the financial sector and on the financial services) which at the time of issue, are capable of being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market. For the avoidance of doubt, such Indebtedness does not include indebtedness for borrowed money arising under loan or credit facility agreements.

“Principal Subsidiaries” means (a) Belgian Securities B.V., Brussels Securities, GBL Treasury Center, Sagerpar, Ergon Capital Partners III, GBL Overseas Finance N.V., GBL Verwaltung GmbH, GBL Verwaltung S.A., GBL Energy Sarl, GBL Investments Limited, EVE SA, Evong SA, Publihold SA, EVU SA, Urbe Group SA, Benito Artis SL and at any time, any company which is a Holding Company and in respect of which, at the relevant time, the Issuer beneficially owns, directly or indirectly, at least 75 per cent. of the outstanding voting shares or other voting securities; or (b) any existing or future subsidiary under the exclusive control (in the sense of Art. 8 of the Belgian Company Code) of the Issuer which is (or becomes immediately upon the transfer) a Holding Company, to which is transferred all or substantially all

the assets and undertakings of a subsidiary of the Issuer which immediately prior to such transfer is a Principal Subsidiary under (a) above.

3 Definitions

For the purpose of these Conditions, the following words and phrases shall have the following meanings:

“**Additional Exchange Property**” has the meaning provided in Condition 5(b)(ii);

“**Adjusted Net Assets**” has the meaning provided in Condition 9(c);

“**Agency Agreement**” means the paying and exchange agency agreement entered into by the Issuer with the Trustee and BNP Paribas Securities, Brussels Branch;

“**Authorised Officers**” means any director of the Issuer or any other person or persons appointed by the Issuer as an Authorised Officer, such appointment to be notified in writing to the Trustee and signed by any two directors of the Issuer;

“**Averaging Period**” has the meaning provided in Condition 9(g);

“**Bonds**” means EUR 400,800,000 0.125 per cent. Exchangeable Bonds due 2015 issued by the Issuer;

“**Bondholder**” and “**holder**” means, in respect of any Bond, the holder from time to time of a Bond as determined by reference to the records of the relevant clearing systems or financial intermediaries and the affidavits referred to in Condition 1(a) (*Form, Denomination and Title*) subject, in the case of any exercise or performance by the Trustee of any right, power, trust, authority, duty or discretion under or in relation to the Trust Deed or these Conditions, to Condition 14(d)(ii);

“**Business day**” means, in relation to any place, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments generally in such place;

“**Calculation Agent**” means BNP Paribas Securities, Brussels Branch or any other calculation agent named therein;

“**Capital Distribution**” means:

- (a) any Dividend which is not, or is not treated as, a Cash Dividend; or
- (b) in relation to Suez Environnement Shares comprised in the Exchange Property, any Cash Dividend (the “Relevant Suez Environnement Dividend”) paid in respect of any fiscal year of Suez Environnement (the “Relevant Fiscal Year”) if and to the extent that the sum of:
 - (i) the Fair Market Value of the Relevant Suez Environnement Dividend per Suez Environnement Share; and
 - (ii) the aggregate of the Fair Market Value per Suez Environnement Share of any other Cash Dividend in respect of a Suez Environnement Share paid in respect of such Relevant Fiscal Year (disregarding for such purpose any amount previously determined to be a Capital Distribution in respect of such Relevant Fiscal Year and, accordingly, having resulted in an adjustment to the Exchange Property),

such sum being the “Current Year’s Suez Environnement Dividends”, exceeds the Suez Environnement Reference Amount relating to the Relevant Fiscal Year, and in such case the amount of the relevant Capital Distribution shall be the amount by which the Current Year’s Suez Environnement Dividends exceeds the Suez Environnement Reference Amount relating to the Relevant Fiscal Year provided that, if there is no Suez Environnement Reference Amount for the Relevant Fiscal Year, the relevant Capital Distribution shall be an amount equal to the Current Year’s Suez Environnement Dividends, or

- (c) in relation to any Equity Share Capital (other than Suez Environnement Shares) comprised in the Exchange Property, any Cash Dividend (the “Relevant Equity Share Dividend”) paid in respect of any fiscal year of the issuer of such Equity Share Capital (the “Relevant Financial Period”) if and to the extent that the sum of:
- (i) the Fair Market Value of the Relevant Equity Share Dividend per share; and
 - (ii) the Fair Market Value of any other Cash Dividend per share paid in respect of such Relevant Financial Period (disregarding for such purpose any amount previously determined to be a Capital Distribution and, accordingly, having resulted in an adjustment to the Exchange Property),
 - (iii) such sum being the “Current Year’s Equity Share Dividends”, exceeds the Equity Share Reference Amount relating to the Relevant Financial Period, and in such case the amount of the relevant Capital Distribution shall be the amount by which the Current Year’s Equity Share Dividends exceeds the Equity Share Reference Amount relating to the Relevant Financial Period;

“**Cash Alternative Amount**” has the meaning provided in Condition 5(c);

“**Cash Dividend**” means (i) any Dividend which is to be paid in cash (in whatever currency), but other than falling within paragraph (b) of the definition of “Spin-Off” and (ii) any Dividend determined to be or treated as a Cash Dividend pursuant to paragraph (a) or (b) of the definition of “Dividend”;

“**Cash Election**” has the meaning provided in Condition 5(c);

“**Cash Election Exercise Date**” has the meaning provided in Condition 5(c)

“**Cash Settlement Amount**” has the meaning provided in Condition 9(g);

“**Clearstream, Luxembourg**” means Clearstream Banking, *société anonyme* or its successor from time to time;

“**Closing Date**” means 21 September 2012;

“**Conditions**” means the terms and conditions of the Bonds;

“**Dividend**” means any dividend or distribution (including a Spin-Off), whether of cash, assets or other property, and whenever paid or made and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to shareholders upon or in connection with a reduction of capital, a reduction in the par value or nominal value of any Equity Share Capital comprised in the Exchange Property or otherwise (and for these purposes a distribution of assets includes, without limitation, an issue of shares or other securities credited as fully or partly paid up) provided that:

- (a) where a Dividend in cash is announced which is to be, or may at the election of a holder or holders of Relevant Securities be, satisfied by the issue or delivery of Relevant Securities or other property or assets, or where a capitalisation of profits or reserves is announced which is to be, or may at the election of a holder or holders of Relevant Securities be, satisfied by the payment of cash, then the Dividend or capitalisation in question shall be treated as a Cash Dividend of an amount equal to the Fair Market Value of such cash amount;
- (b) where there shall be any issue of Relevant Securities by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) where such issue is or is expressed to be in lieu of a Dividend (whether or not a cash dividend equivalent or amount is announced or would otherwise be payable to holders of the Relevant Securities, whether at their election or otherwise), the capitalisation in question shall be treated as a Cash Dividend of an

amount equal to the Fair Market Value of such Relevant Securities as at the Effective Date in respect of the relevant capitalisation or, if later, the date on which the number of Relevant Securities to be issued is determined;

- (c) any issue of Relevant Securities falling within Condition 6(b)(i) or 6(b)(iii)(A) shall be disregarded;
- (d) any offer by a Relevant Company of Relevant Securities or other securities or options, warrants or rights to subscribe or purchase further Relevant Securities (or any of them) or other securities falling within Condition 6(b)(ii) shall be disregarded;
- (e) a repurchase or redemption of Equity Shares by or on behalf of a Relevant Company shall be disregarded;
- (f) where a Dividend is paid to holders of any Equity Shares pursuant to any plan implemented by the issuer of such Equity Shares for the purpose of enabling holders of the Equity Shares to elect, or which may require such holders, to receive Dividends in respect of such Equity Shares held by them from a person other than or in addition to the Issuer of such Equity Shares, such Dividend shall for the purposes of these Conditions be treated as a Dividend paid to holders of the Equity Shares by the issuer of such Equity Shares, and the foregoing provisions of this definition and the provisions of these Conditions shall be construed accordingly; and
- (g) a Dividend that is a Spin-Off shall be deemed to be a Non-Cash Dividend,

and any such determination shall be made on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit.

“**Domiciliary Agent**” means BNP Paribas Securities, Brussels Branch or other domiciliary agent named therein;

“**Effective Date**” means the first date on which the Suez Environnement Shares or, as the case may be, the relevant Equity Share Capital, are traded ex-the relevant Dividend or capitalisation on the Relevant Exchange or, in the case of a Spin-Off, on the first date on which the Suez Environnement Shares or, as the case may be, the relevant Equity Share Capital are traded ex-the relevant Spin-Off on the Relevant Exchange;

“**Eligible Equity Shares**” means shares in the Equity Share Capital of a company or entity incorporated or established under the laws of an OECD member state and which are listed or traded on a recognised national or international stock exchange provided that the average daily trading volume of any such class of shares in the period of five Trading Days ending on the Trading Day prior to the Offer Consideration Date is not less than Euro 10 million;

“**Equity Share Capital**” means, in relation to any entity, its issued share capital (or equivalent) excluding any part of that capital (or equivalent) that, with respect to dividends and capital does not, carry any right to participate beyond a specific amount in a distribution, and “Equity Share” shall be construed accordingly;

“**Equity Share Reference Amount**” means, in relation to any Relevant Equity Share Dividend, a sum equal to 7 per cent. of the average of the Volume Weighted Average Price of the relevant Equity Share Capital on the 20 consecutive Trading Days ending on the Trading Day immediately preceding the Effective Date relating to such Relevant Equity Share Dividend, provided that if on any such Trading Day the Volume Weighted Average Price shall have been based on a price cum-Dividend or cum-any other entitlement, the Volume Weighted Average Price of such relevant Equity Share Capital on such dealing day shall be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or other entitlement per share as at the Effective Date relating to such Dividend or entitlement.

“**Equivalent Amount**” has the meaning provided in Condition 5(b)(iii)(a);

“**Euroclear**” means Euroclear Bank S.A./N.V. or its successor from time to time;

“**Euroclear France**” means the central depository or clearing system of Euronext Paris or its successor from time to time;

“**EUR**” or “**euro**” or “**€**” means the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended;

“**Exchange Date**” has the meaning provided in Condition 5(b)(i);

“**Exchange Notice**” has the meaning provided in Condition 5(b)(i);

“**Exchange Period**” has the meaning provided in Condition 5(a)(iv);

“**Exchange Property**” has the meaning provided in Condition 6(a);

“**Exchange Property Compensation Amount**” has the meaning provided in Condition 9(g);

“**Exchange Right**” has the meaning provided in Condition 5(a)(i);

“**Extraordinary Resolution**” means a resolution passed at a meeting duly convened and held in accordance with this Trust Deed by a majority of at least 75 per cent of the votes cast;

“**Fair Market Value**” means, with respect to any property on any date, the fair market value of that property as determined by an Independent Financial Adviser; provided that (i) the fair market value of a Cash Dividend paid or to be paid per Suez Environnement Share or other Equity Share shall be the amount of such Cash Dividend per Suez Environnement Share or other Equity Share; (ii) where shares, options, warrants or other securities or rights are publicly traded on a stock exchange or securities market of adequate liquidity (as determined by such Independent Financial Adviser) the fair market value of such shares, options, warrants or other securities or rights shall equal the arithmetic mean of the daily Volume Weighted Average Price of such shares, options, warrants or other securities or rights during the period of 5 Trading Days on the relevant stock exchange or securities market commencing on such date (or, if later on the first such Trading Day such shares, options, warrants or other rights are publicly traded) or such shorter period as such shares, options, warrants or other securities or rights are publicly traded; (iii) where Spin-Off Securities, shares, options, warrants or other securities or rights are not publicly traded on a stock exchange or securities market of adequate liquidity (as aforesaid) the fair market value thereof shall be determined by such Independent Financial Adviser on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including volatility, prevailing interest rates and the terms of such shares, options, warrants or other securities or rights and (iv) in each case converted into the currency in which the Suez Environnement Shares are traded on the Relevant Exchange (in the case of Suez Environnement Shares) or the principal stock exchange or securities market on which such Equity Shares (if other than Suez Environnement Shares) are then listed or quoted or dealt in (if expressed in a currency other than such currency) at the Screen Rate on such date (or, in the case of (ii), at the average of the Screen Rate on each Trading Day in the relevant period). In addition, in the case of subparagraph (i) above, the fair market value shall be determined on a gross basis and disregarding any withholding or deduction required to be made on account of tax, and disregarding any associated tax credit;

“**Final Acceptance Date**” means, in respect of any Offer, the final date for acceptance of such Offer which, if such Offer is extended prior to becoming unconditional, shall be the final date for acceptance of the extended Offer (but, if such Offer is or becomes unconditional, disregarding any additional or further period during which such Offer is open for acceptance);

“**Final Date**” means, in relation to any Offer, the date the Offer becomes or is declared unconditional in all respects;

“**Final Maturity Date**” means 21 September 2015;

“**Holding Company**” means a company whose principal activities are: (a) investing, reinvesting, owning, holding, managing or trading in shareholdings in other companies and/or in any securities, or proposing to do so; and/or (b) engaging in treasury management activities;

“**Indebtedness**” has the meaning provided in Condition 2;

“**Independent Financial Adviser**” means a financial institution of international repute appointed at its own expense by the Issuer and approved in writing by the Trustee (such approval not to be unreasonably withheld or delayed) or, if the Issuer fails to make such appointment and such failure continues for a reasonable period (as determined by the Trustee in its sole discretion) and the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against the costs, fees and expenses of such adviser and otherwise in connection with such appointment, appointed by the Trustee following notification to the Issuer;

“**Interest Payment Date**” has the meaning provided in Condition 4(a);

“**Interest Period**” has the meaning provided in Condition 4(a);

“**Issuer**” means Groupe Bruxelles Lambert;

“**Major Restructuring Event**” has the meaning provided in Condition 9(c);

“**Major Restructuring Notice**” has the meaning provided in Condition 9(c);

“**Maximum Number**” has the meaning provided in Condition 9(c);

“**Minimum Number**” has the meaning provided in Condition 9(c);

“**Non-Cash Dividend**” means any Dividend which is not a Cash Dividend;

“**Offer**” means an offer to the holders of any Relevant Securities comprising Exchange Property, whether expressed as a legal offer, an invitation to treat or in any other way (*offre publique*) (or equivalent in another jurisdiction), in circumstances where such offer is available to all holders of the applicable Relevant Securities (or all or substantially all such holders other than any holder to whom such offer may not be extended pursuant to applicable securities or other laws or who is, or is connected with, or is deemed to be acting in concert with, the person making such offer or to whom, by reason of the laws of any territory or requirements of any recognised regulatory body or any stock exchange in any territory, it is determined not to make such an offer);

“**Offer Consideration**” has the meaning provided in Condition 7(b);

“**Offer Consideration Date**” means, in relation to any Offer (or compulsory acquisition), the date upon which the Offer Consideration is made available to the holders of the Relevant Securities;

“**Offered Cash Amount**” means the cash amount in euro (or, where applicable, converted into euro at the applicable Screen Rate, on the Final Date) comprising the whole or part of the Offer Consideration for one Relevant Security in the Offer (other than cash paid in respect of fractional entitlements to the Offered Property) provided that if the Offered Property comprises securities or property other than Eligible Equity Shares, such securities or property will be deemed, for the purpose of this definition to form part of the Offered Cash Amount in an amount equal to their Fair Market Value at the close of business on the Final Date;

“**Offered Property**” means the Offer Consideration for one Relevant Security in the Offer excluding the Offered Cash Amount;

“**Offered Property Value**” means the Fair Market Value of the Offered Property at the close of business on the Final Date. In the case of an Offer the Offer Consideration in respect of which is entirely in cash (including such securities or property which fall within the definition of “Offered Cash Amount”) the Offered Property Value shall be zero.

“**Paying and Exchange Agent**” means BNP Paribas Securities, Brussels Branch or any other paying and exchange agent named therein;

“**Predominant Equity Share Capital**” means, if at any time there is more than one type or series of Equity Share Capital comprised in the Exchange Property, such type or series of Equity Share Capital which in the determination of an Independent Financial Adviser represents the largest proportion or weighting by value in the Exchange Property at such time;

“**Predominant Exchange Security**” means, if at any time there is more than one type or series of Relevant Securities in the Exchange Property, such type or series of Relevant Securities which in the determination of an Independent Financial Adviser represents the largest proportion or weighting by value in the Exchange Property at such time;

“**Principal Subsidiary**” has the meaning provided in Condition 2;

“**pro rata share**” means, for each Bond at any time, a fraction of the Exchange Property the numerator of which shall be the principal amount of such Bond and the denominator of which shall be the aggregate principal amount of all the Bonds (including the Bond to which the *pro rata* share relates) which are outstanding at such time (excluding for this purpose the principal amount of any Bonds in respect of which Exchange Rights have been exercised by a Bondholder but the Exchange Property or the relevant Cash Alternative Amount, as the case may be, has not yet been delivered or paid to or as directed by the relevant Bondholder and excluding from the Exchange Property such *pro rata* share of the Exchange Property in relation to such Bonds);

“**Put Exercise Notice**” has the meaning provided in Condition 9(c);

“**Put Exercise Period**” means the period commencing upon the occurrence of a Major Restructuring Event or the decision by the competent body of the Issuer or the relevant Principal Subsidiary to proceed with a Major Restructuring Event, whichever is earlier, and ending 45 calendar days following the date on which a Major Restructuring Notice is given to the Bondholders as required by Condition 9(c);

“**Put Redemption Amount**” has the meaning provided in Condition 9(c);

“**Realisation Proceeds**” means the proceeds of sale (after the deduction of costs and expenses of such sale) of the relevant Exchange Property (in the case of Condition 5(b)(ii)) or the relevant dividends or other income or distributions or rights attaching thereto (in the case of Condition 5(b)(iii)(b)) which is carried out by an independent broker or investment bank of international repute selected by the Issuer and approved by the Trustee, on an arm’s length basis (converted if necessary into euro at the Screen Rate on the date of receipt of such proceeds);

“**Redemption Settlement Shares**” has the meaning provided in Condition 9(g);

“**Redemption Shortfall Amount**” has the meaning provided in Condition 9(g);

“**Registered Securities**” has the meaning provided in Condition 5(b)(ii);

“**Registration Date**” in respect of any Registered Securities means the date on which the relevant Bondholder is registered as the holder of such Registered Securities;

“**Regulation S**” has the meaning provided in Condition 5(b)(i);

“**Relevant Bond**” has the meaning provided in Condition 4(c)(iii);

“Relevant Company” means Suez Environnement and any corporation or company derived from or resulting or surviving from the merger, consolidation, amalgamation, reconstruction or acquisition of Suez Environnement with, into or by such other corporation or company, and any other entity, all or part of the share capital of which is, or all or some of the securities of which are, at the relevant time included in the Exchange Property;

“Relevant Date” means, in respect of any Bond, whichever is the later of:

- (a) the date on which payment in respect of it first becomes due; and
- (b) if any amount of the money payable is improperly withheld or refused on such date, the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days following the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 19 that such payment will be made, provided that such payment is in fact made as provided in these Conditions;

“Relevant Event” has the meaning provided in Condition 6(b)(iii);

“Relevant Exchange” means (i) in the case of the Suez Environnement Shares, the regulated market of NYSE Euronext Paris (“Euronext Paris”) or, if the Suez Environnement Shares are no longer admitted to trading on Euronext Paris, the principal stock exchange or securities market on which the Suez Environnement Shares are then listed, admitted to trading or quoted or accepted for dealing or (ii) in the case of any other Equity Shares or Relevant Securities, the principal stock exchange or securities market on which such Equity Shares or Relevant Securities are then listed, admitted to trading or quoted or dealt in;

“Relevant Securities” means any securities of any Relevant Company which at the relevant time are included in the Exchange Property;

“Rights Issue” has the meaning provided in Condition 6(b)(ii);

“Screen Rate” means, on any day, and, in respect of the conversion of one currency into another currency, the rate of exchange between such currencies appearing on or derived from the relevant Bloomberg page as at or about 12 noon (Brussels time) on that day, or, if that page is not available or that rate of exchange does not appear on that page at that time on that day, the rate of exchange between such currencies appearing on such other screen or information service, or determined in such other manner, as the Issuer shall determine, with the approval of the Trustee;

“Securities” means shares or other securities (including without limitation any options, warrants, convertible bonds, evidence of indebtedness or rights to subscribe or purchase shares or other securities);

“Settlement Date” means (i) in the case of the exercise of Exchange Rights (other than where a Cash Election is made) the date falling 10 Trading Days after the relevant Exchange Date and (ii) in the case of a delivery of Exchange Property or Redemption Settlement Shares upon redemption following exercise of the Share Settlement Option, the date falling 10 Trading Days after the Valuation Date (as defined in Condition 9(g));

“Share Settlement Notice” has the meaning provided in Condition 9(g);

“Share Settlement Option” has the meaning provided in Condition 9(g);

“Share Settlement Option Notice” has the meaning provided in Condition 9(g);

“Specified Date” means, in relation to any Offer, seven days prior to the Final Acceptance Date;

“Specified Proportion” has the meaning provided in Condition 9(g);

“**Spin-Off**” means:

- (a) a distribution of Spin-Off Securities by Suez Environnement to holders of Suez Environnement Shares as a class or, as the case may be, by any Relevant Company to the holders of its Equity Share Capital as a class; or
- (b) any issue, transfer or delivery of any property or assets (including cash or shares or securities of or in or issued or allotted by any entity) by any entity (other than Suez Environnement or, as the case may be, the Relevant Company) to holders of Suez Environnement Shares as a class or, as the case may be, by any Relevant Company to the holders of its Equity Share Capital as a class;

“**Spin-Off Securities**” means Equity Share Capital of an entity other than Suez Environnement, or as the case may be, the Relevant Company or options, warrants or other rights to subscribe for or purchase Equity Share Capital of an entity other than Suez Environnement, or as the case may be, the Relevant Company;

“**Stamp Taxes**” has the meaning provided in Condition 5(b)(i);

“**Sub-division, Consolidation or Redenomination**” has the meaning provided in Condition 6(b)(i);

“**Suez Environnement**” means Suez Environnement Company;

“**Suez Environnement Shares**” means fully paid ordinary shares of €4.00 nominal value each in the capital of Suez Environnement and all other (if any) shares or stock resulting from any subdivision, consolidation or reclassification of those shares which, as between themselves, have no preference in respect of dividends or amounts payable in the event of any voluntary or involuntary liquidation or winding-up of Suez Environnement;

“**Suez Environnement Reference Amount**” means, in relation to any Relevant Suez Environnement Dividend in respect of any Relevant Fiscal Year, the amount per Suez Environnement Share corresponding to the Relevant Fiscal Year set out below (as may be adjusted as provided below):

	Amount (EUR)
In respect of the Relevant Fiscal Year:	
2012	0.65
2013	0.65
2014	0.65

“**TARGET Business Day**” means a day on which the TARGET System is open;

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System, or any successor thereto;

“**Trading Day**” means (i) in respect of Suez Environnement Shares, a day (other than a Saturday or Sunday) on which the Relevant Exchange is open for business and (ii) in respect of any other Relevant Securities or any Spin-Off Securities or other securities or options, warrants or other rights, a day (other than a Saturday or Sunday) on which the stock exchange or other securities market on which such Relevant Securities or Spin-Off Securities or other securities or options, warrants or other rights are principally traded is open for business (in each case other than a day on which the Relevant Exchange or relevant stock exchange or other securities market is scheduled to or does close prior to its regular closing time), provided that, for the purposes of determining the Cash Alternative Calculation Period or any date on which payment of any amount or delivery of any Exchange Property is to be made, “Trading Day” will be the Trading Day applicable to the Predominant Exchange Security;

“**Trust Deed**” means a trust deed (as modified and/or restated from time to time in accordance with its terms) (the “Trust Deed”) dated 21 September 2012 and made between the Issuer and the Trustee;

“**Trustee**” means The Law Debenture Trust Corporation p.l.c. and, where the context so permits, include all other persons or companies acting as trustee or trustees thereof) as trustee for the Bondholders;

“**Value**” of the Exchange Property on any day means the aggregate of:

- (i) the value of publicly traded securities included in the Exchange Property, which shall be deemed to be the Volume Weighted Average Price of such securities on such day, provided that if such day is not a day on which the Relevant Exchange (in the case of Suez Environnement Shares) or the principal exchange or securities market on which such securities (if other than Suez Environnement Shares) are then listed, quoted or dealt in is open for business or, if there is no such Volume Weighted Average Price, then the value of such publicly traded securities shall be the Volume Weighted Average Price on the immediately preceding such day, converted (if necessary) into euro at the Screen Rate on such day; and
- (ii) the value of all other assets (other than cash) and of publicly traded securities for which a value cannot be determined pursuant to (i) above included in the Exchange Property, which shall be deemed to be the value on such day (converted (if necessary) into euro as aforesaid) as certified by an Independent Financial Adviser; and
- (iii) the value of cash shall be deemed to be the amount thereof (converted (if necessary) into euro as aforesaid),

provided that (A) if on any day any such publicly traded securities are quoted on the Relevant Exchange or, as the case may be, such stock exchange or other securities market as aforesaid cum any dividend or other entitlement, or any assets or publicly traded securities the value of which is to be determined pursuant to (ii) above have the benefit of, or are entitled to, or carry the right to, any dividend or other entitlement, in any such case which a Bondholder would not be entitled to pursuant to these Conditions on exercising Exchange Rights on the relevant Exchange Date or (in the case of Condition 9(g)) on the last day permitted pursuant to these Conditions, then the value of any such assets or publicly traded securities on such day shall be reduced by an amount equal to the gross amount of any such dividend or other cash entitlement or, as the case may be, the value (as determined by an Independent Financial Adviser) of any entitlement or dividend where that is other than cash and (B) if on any day any such publicly traded securities are quoted on the Relevant Exchange or, as the case may be, such stock exchange or other securities market as aforesaid ex any dividend or other entitlement, or any assets or publicly traded securities the value of which is to be determined pursuant to (ii) above do not have the benefit of, or are not entitled to, or do not carry the right to, any dividend or other entitlement, in any such case which a Bondholder would be entitled to pursuant to these Conditions on exercising Exchange Rights on the last day permitted pursuant to these Conditions, then the value of any such assets or publicly traded securities on such day shall be increased by an amount equal to the gross amount of any such dividend or other cash entitlement or, as the case may be, the value (as determined by an Independent Financial Adviser) of any entitlement or dividend where that is other than cash, less the amount (if any) in respect of any such dividend, entitlement or, as the case may be, value to which the Bondholder is otherwise entitled pursuant to any other provision of these Conditions;

“**Volume Weighted Average Price**” means, in respect of any Trading Day:

- (i) in the case of Suez Environnement Shares, the volume weighted average price of a Suez Environnement Share published by or derived from Bloomberg page VAP in respect of such Trading Day; and

- (ii) in the case of any other Relevant Security, Spin-Off Securities, shares, options, warrants or other rights, the volume weighted average price published by or derived from Bloomberg page VAP in respect of such Trading Day or, if not so published or derivable in respect of such Trading Day, the volume weighted average price as obtained or derived from such stock exchange or other securities market on which such Relevant Security, Spin-Off Securities, shares, options, warrants or other rights is principally traded on that Trading Day

or, in any such case, such other source as shall be determined to be appropriate by an Independent Financial Adviser on such Trading Day, provided that if on any such Trading Day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Suez Environnement Share or, as the case may be, any other Relevant Security Spin-Off Security, share, option, warrant or other right in respect of such Trading Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined; and

“**X/N Clearing System**” means the clearing system operated by NBB.

For the purposes of the definition of Capital Distribution, “Fair Market Value” (subject as provided in paragraph (a) of the definition of “Dividend” and in the definition of “Fair Market Value”) shall be determined as the Effective Date in respect of the relevant Dividend.

In making any calculation of a Capital Distribution, such adjustments (if any) shall be made, including in respect of the Suez Environnement Reference Amount or, as the case may be, the Equity Share Reference Amount, as an Independent Financial Adviser may consider appropriate to reflect any Sub-division, Consolidation or Redenomination of the Suez Environnement Shares or any other Equity Share Capital or any change in the number of Suez Environnement Shares or shares comprising the relevant Equity Share Capital, as the case may be, in issue in any fiscal year, or any change in the fiscal year of Suez Environnement or, as the case may be, any Relevant Company, or any adjustment to the Exchange Property;

References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

4 Interest

(a) *Interest Rate*

The Bonds bear interest from (and including) the Closing Date at the rate of 0.125 per cent. per annum of the principal amount thereof and payable annually in arrear on 21 September in each year (each an “Interest Payment Date”).

The period beginning on (and including) the Closing 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 is called an “Interest Period”.

The amount of interest payable in respect of any Interest Period shall be calculated on the basis of the number of days in the relevant Interest Period divided by 365 (or, in the case of a leap year, 366).

The amount of interest payable in respect of any Bond in respect of any period which is shorter than an Interest Period shall be calculated on the basis of the number of days in the relevant period from (and including) the first day of such period to (but excluding) the last day of such period divided by the number of days from (and including) the immediately preceding Interest Payment Date (or, if none, the Closing Date) to (but excluding) the next Interest Payment Date.

(b) Accrual of Interest

Each Bond will cease to bear interest (i) where the Exchange Right shall have been exercised in respect thereof, from, and including, the Interest Payment Date immediately preceding the relevant Exchange Date or, if none, the Closing Date (subject in any such case as provided in Condition 4(c)) or (ii) where such Bond is redeemed or repaid pursuant to Condition 9 or Condition 12, from, and including, the due date for redemption or repayment unless payment of the full amount due is improperly withheld or refused, or, following any election by the Issuer to exercise the Share Settlement Option, the Issuer fails duly to perform its obligations to deliver the relevant Exchange Property or Redemption Settlement Shares and make payment of the Cash Settlement Amount or Redemption Shortfall Amount (if any) in accordance with Condition 9(g), in which event such Bond shall continue to bear interest at the rate specified in Condition 4(a) (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder and (b) the day seven days after the Trustee or the Principal Paying and Exchange Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is any subsequent default in payment) or, as the case may be, until such delivery of the relevant Exchange Property or Redemption Settlement Shares and payment of the Cash Settlement Amount or Redemption Shortfall Amount (if any) shall have been made in accordance with Condition 9(g)), but provided that, if the Share Settlement Option has been exercised, no interest will accrue for the period from and including the Final Maturity Date to but excluding the Settlement Date (but, for the avoidance of doubt, shall accrue for the period from and including the Settlement Date until such delivery of the relevant Exchange Property or Redemption Settlement Shares and payment of the Cash Settlement Amount or Redemption Shortfall Amount (if any) shall have been made in accordance with Condition 9(g)).

(c) Interest upon Exchange prior to Early Redemption

If:

- (i) any notice requiring the redemption of any Bonds is given pursuant to Condition 9(b) on or after (or within 15 days before) the record date or other due date for the establishment of entitlement in respect of any dividend, distribution or interest payable in respect of the Suez Environnement Shares (or other Equity Share Capital comprising on such date more than one-quarter by Value of the Exchange Property);
- (ii) such notice specifies a date for redemption falling on or before (or within 14 days after) the Interest Payment Date next following such record date; and
- (iii) the Exchange Date in respect of any Bond which is the subject of any such notice (a "Relevant Bond") falls after such record date or other due date for the establishment of entitlement to such dividend, distribution or interest and on or before the Interest Payment Date next following such record date or other due date for the establishment of entitlement to such dividend, distribution or interest,

then interest shall accrue on each Relevant Bond from, and including, the preceding Interest Payment Date (or, if the relevant Exchange Date falls on or before the first Interest Payment Date, from, and including, the Closing Date) to, but excluding, the relevant Exchange Date.

Any such interest shall be paid by the Issuer not later than 14 days after the relevant Exchange Date by transfer to a euro account maintained by the holder with a bank in a city in which banks have access to the TARGET System in accordance with instructions given by the relevant Bondholder in the relevant Exchange Notice.

5 Exchange Right

(a) Exchange Period, Exchange Rights and Cash Election

- (i) Subject to the right of the Issuer to make a Cash Election, each Bondholder shall have the right to have all or any of its Bonds redeemed at any time during the Exchange Period referred to below by exchange of each such Bond for a *pro rata* share of the Exchange Property as at the relevant Exchange Date. Such redemption of a Bond in exchange for a *pro rata* share of the Exchange Property (or, as the case may be, for payment of the Cash Alternative Amount) is referred to herein as an “exchange” and the right of a Bondholder to require an exchange is herein referred to as the “Exchange Right”. Upon exercise of Exchange Rights, the Issuer shall (subject to the right of the Issuer to make a Cash Election) deliver or procure the delivery of the relevant *pro rata* share of the Exchange Property as provided in this Condition.
- (ii) Subject to applicable law and as provided in Condition 5(a)(iii) and save as provided in these Conditions, the Exchange Right relating to any Bond may be exercised by the holder thereof, at any time on and after 23 July 2013 up to the close of business (at the place where the relevant Exchange Notice is delivered) on the date which is, on such date, expected to be 40 Trading Days prior to the Final Maturity Date (i.e. 27 July 2015) or if such Bond is to be redeemed pursuant to Condition 9(b) prior to the Final Maturity Date, then up to (and including) the close of business (at the place aforesaid) on the date which falls 10 days prior to the date fixed for redemption thereof, unless there shall be a default in making payment (or, where the Share Settlement Option has been exercised, in the Issuer satisfying its obligations upon redemption of such Bond) in respect of such Bond on such date fixed for redemption, in which event the Exchange Right shall extend (the “Extension Period”) up to (and including) the close of business (at the place aforesaid) on the date on which the full amount of the monies or Exchange Property deliverable upon such redemption becomes available for payment or delivery and notice of such availability has been duly given in accordance with Condition 17 or, if earlier, the Final Maturity Date, provided that, in each case, if such final date for the exercise of Exchange Rights is not a business day at the place aforesaid, then the period for exercise of Exchange Rights by Bondholders shall end on the immediately preceding business day at the place aforesaid.

Exchange Rights may not be exercised in respect of a Bond where the holder shall have exercised its right to redemption pursuant to Condition 9(c) unless there is default by the Issuer in redeeming the relevant Bond. In such circumstance Exchange Rights in respect of such Bond shall extend for the Extension Period in the manner, *mutatis mutandis*, prescribed in this Condition 5(a)(ii).

- (iii) If the Trustee shall give notice to the Issuer declaring the Bonds to be immediately due and repayable pursuant to Condition 12, notice of such fact shall forthwith be given by the Issuer to the Bondholders in accordance with Condition 17 and each Bondholder shall (whether or not the Exchange Right attaching to its Bond is then otherwise exercisable) be entitled, at any time after the date on which the Bonds become so due and repayable (the “Due Date”) until the date being the last day of the period of two weeks after the Due Date (but not thereafter), to elect (by delivering in accordance with the provisions of this Condition 5 a duly signed and completed Exchange Notice, to the specified office of any Paying and Exchange Agent) in lieu of having his Bond repaid, to exercise the Exchange Right in respect of such Bond as at the Due Date (and references to the Exchange Date shall be construed as being the Due Date). Subject as provided in this Condition 5, Exchange Rights shall lapse in the event that the Trustee shall give notice to the Issuer that the Bonds are immediately due and repayable.

- (iv) The period during which Bondholders shall be entitled to exercise Exchange Rights pursuant to these Conditions is referred to as the “Exchange Period”.
- (v) If an Offer is made in respect of the Predominant Equity Share Capital comprised in the Exchange Property prior to the start of the Exchange Period, Exchange Rights may also be exercised from and including the first day on which such Offer is open for acceptance until and including the date falling eight days prior to the Final Acceptance Date. If a Bondholder exercises Exchange Rights in such period, the Issuer will be deemed to have exercised its Cash Election in full in respect of the relevant exercise of Exchange Rights (and the Cash Alternative Calculation Period will be deemed to begin on the second Trading Day after the relevant Exchange Date and the definition of “Cash Alternative Calculation Period” will be construed accordingly).
- (vi) Other than where a Cash Election is made by the Issuer, upon a due exercise of Exchange Rights the relevant Bondholder shall be entitled to receive a *pro rata* share of the Exchange Property in respect of each Bond the subject of such exercise, calculated as at the relevant Exchange Date.
- (vii) No fraction of a Relevant Security or any other property comprised in the Exchange Property which is not divisible shall be delivered on exercise of the Exchange Rights and the Issuer shall not be under any obligation to make any payment to Bondholders in respect of any such fraction and any such fraction will be rounded down to the nearest whole multiple of a Relevant Security or unit of any such other property.

If more than one Bond is to be exchanged by a Bondholder pursuant to any one Exchange Notice, the Exchange Property to be delivered and any sum payable to that Bondholder (including, where applicable, any Cash Alternative Amount) shall be calculated on the basis of the aggregate principal amount of such Bonds.

(b) *Procedure for exercise of Exchange Rights*

- (i) Exchange Rights may be exercised by a Bondholder during the Exchange Period by delivering a duly completed and signed notice of exchange (an “Exchange Notice”) in the form (for the time being current) obtainable from any Paying and Exchange Agent to the specified office of any Paying and Exchange Agent, during its normal business hours.

Exchange Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Paying and Exchange Agent to whom the relevant Exchange Notice is delivered is located.

If such delivery is made after the end of normal business hours or on a day which is not a business day in the place at the specified office of the relevant Paying and Exchange Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following such business day.

An Exchange Notice, once delivered, shall be irrevocable.

Any determination as to whether any Exchange Notice has been duly completed and properly delivered shall be made by the relevant Paying and Exchange Agent and shall, save in the case of manifest error, be conclusive and binding on the Issuer, the Trustee, the Paying and Exchange Agents and the relevant Bondholder.

A Bondholder exercising Exchange Rights will be required to certify in the relevant Exchange Notice (a “U.S. Certification”) that such exchange is being made outside of the United States (as such term is defined in Regulation S (“Regulation S”) under the United States Securities Act of 1933).

Exchange Rights may only be exercised in respect of an Authorised Denomination.

The exchange date in respect of a Bond (the “Exchange Date”) in respect of which the Exchange Right shall have been exercised by a Bondholder will be the Brussels business day immediately following the date of the delivery of the Exchange Notice as provided in this Condition 5(b). The Issuer will pay any stamp, registration, documentary, transfer or other similar taxes or duties (including penalties) arising on the transfer or delivery of any Exchange Property to or to the order of a Bondholder pursuant to the exercise of Exchange Rights (“Stamp Taxes”) which are payable or imposed in Belgium and the jurisdiction in which the relevant Exchange Property is situated (and for this purpose any securities in registered form comprising Exchange Property shall be deemed to be situated in the jurisdiction in which the register (or in the case of more than one register, the principal register) on which title to and transfers of such securities are recorded or maintained) is located) assessed, in the case of the French “*taxe sur les transactions financières*”, at a rate which shall not exceed that in force on the Closing Date (other than in relation to Exchange Property and/or Redemption Settlement Shares delivered as a result of the exercise by the Issuer of the Share Settlement Option, when no such limit on the rate of the French “*taxe sur les transactions financières*” shall apply). Subject to the above, a Bondholder exercising Exchange Rights must pay directly to the relevant authorities any other taxes and capital, stamp, issue, registration, documentary, transfer or other duties (including penalties) arising in any jurisdiction not mentioned above on exchange and/or on the transfer, delivery or other disposition of Exchange Property arising on exercise of Exchange Rights.

The Trustee shall not be responsible for determining whether any Stamp Taxes are payable or the amount thereof and it shall not be responsible or liable for any failure by the Issuer to pay such Stamp Taxes.

If the Issuer shall fail to pay any Stamp Taxes for which it is responsible as provided above, the relevant holder who is liable for the payment of such Stamp Taxes shall be entitled to tender and pay the same and the Issuer, as a separate and independent stipulation, covenants to reimburse each such Bondholder in respect of the payment of such Stamp Taxes and any penalties payable in respect thereof.

Each Bondholder must pay all, if any, taxes imposed on it and arising by reference to any disposal or deemed disposal of a Bond or interest therein in connection with the exercise of Exchange Rights by it.

- (ii) Other than where a Cash Election is made by the Issuer, the Issuer shall as soon as practicable, and in any event not later than the Settlement Date:
 - (1) in respect of Suez Environnement Shares and other Relevant Securities issued by a Relevant Company incorporated in France which are for the time being traded through Euroclear France comprising the relevant *pro rata* share of the Exchange Property, effect delivery of such Suez Environnement Shares or such other Relevant Securities as aforesaid through Euroclear France (or its successor) to the person designated for the purpose in the relevant Exchange Notice;
 - (2) procure that Relevant Securities (other than Suez Environnement Shares and other Relevant Securities issued by a Relevant Company incorporated in France which are for the time being traded through Euroclear France) comprising the relevant *pro rata* share of the Exchange Property to be delivered on exercise of Exchange Rights are transferred into such name as the Bondholder shall direct pursuant to the Exchange Notice and shall procure that forms of transfer and certificates (if certificates for the Relevant Securities are then generally being issued) together with all other documents

of title and evidence of ownership and all other documents necessary to transfer or evidence the transfer of such Relevant Securities will be despatched by mail, and free of charge (but uninsured and at the risk of the person entitled thereto), to such address, subject to applicable securities laws, as the Bondholder may request (as specified in the relevant Exchange Notice); and

- (3) procure that such documents of title and evidence of ownership of any other Exchange Property to be delivered on exercise of Exchange Rights shall be despatched and that payment of any part of the Exchange Property comprising cash to be delivered on exercise of Exchange Rights (converted if necessary into euro at the Screen Rate on the relevant Exchange Date) shall be made, in each case in accordance with directions given by the relevant Bondholder in the Exchange Notice.

Notwithstanding the above, in the event that the Issuer delivers a certificate to the Trustee signed by two Authorised Officers to the effect that Euroclear France (or, where the Exchange Property is comprised of Relevant Securities other than Suez Environnement Shares or other Relevant Securities issued by a Relevant Company incorporated in France which are for the time being traded through Euroclear France and certificates for such Relevant Securities are not then generally being issued, the clearing system through which the transfer of such Relevant Securities is required to be effected) has been closed for a continuous period of two or more days (excluding Saturdays and Sundays and save by reason of holidays, statutory or otherwise) in the period from (and including) the Exchange Date to (but excluding) the Settlement Date, then the Issuer will notify the relevant Bondholder in accordance with Condition 17 or at the address of the Bondholder specified in the relevant Exchange Notice (as the Issuer may determine) and the date for such delivery shall be the later of the period above and the earliest practicable date on which the relevant Exchange Property may be delivered or transferred to the relevant Bondholder by or through Euroclear France or, as the case may be, the relevant clearing system.

The Issuer shall not be responsible or liable to any person for any delay in the delivery of any property comprising Exchange Property following exercise of Exchange Rights arising as a result of a failure by the relevant Bondholder to supply all information and details as required by the relevant Exchange Notice.

Notwithstanding the above, if, after the relevant Exchange Date, the Exchange Property has changed in whole or in part as a result of an Offer or as a result of the compulsory acquisition of any Relevant Securities, in each case as provided in Condition 7, then the Issuer will notify the relevant Bondholder at the address of the Bondholder specified in the relevant Exchange Notice (unless the Issuer has given notice of such change to Bondholders generally in accordance with Condition 17) and the time for such delivery shall be the longer of such period set out above and the day falling 10 Brussels business days after the Offer Consideration Date or, as the case may be, the day falling 10 Brussels business days following the date on which the consideration pursuant to such compulsory acquisition is received by the Issuer.

If, at any time when the transfer or delivery of any Exchange Property (other than cash) to a Bondholder is required in accordance with these Conditions, such transfer or delivery would, as certified to the Trustee by two Authorised Officers of the Issuer, be unlawful under the laws of any applicable jurisdiction or contrary to any official declaration, order, directive or regulation in any applicable jurisdiction, the Issuer will notify the relevant Bondholder at the address of the Bondholder specified in the relevant Exchange Notice (unless the Issuer has given notice of such fact to Bondholders generally in accordance with Condition 17) and the Issuer will make a cash payment to the relevant Bondholder equal to the aggregate of the

Realisation Proceeds in respect of the relevant Exchange Property in lieu of the delivery of such Exchange Property to such Bondholder. The Issuer will pay any such amount to the relevant Bondholder not later than 10 TARGET Business Days after the relevant Settlement Date.

Without prejudice to Condition 5(c), if:

- (A) the Exchange Date in respect of any Bond shall be on or after the date of any public announcement affecting the composition of any part of the Exchange Property (other than Suez Environnement Shares or other securities in registered form (“Registered Securities”) in circumstances where the relevant entitlement is determined by reference to a record date in respect thereof), but before the date on which such change is effective; or
- (B) the Exchange Date in respect of any Bond shall be on or after the record date or other due date for the establishment of the relevant entitlement in respect of any Rights Issue or any Subdivision, Consolidation or Redenomination or Relevant Event in respect of any Registered Securities comprising Exchange Property but before the date on which adjustment of the Exchange Property becomes effective; or
- (C) the Exchange Date in respect of any Bond shall be on or before the record date or other due date for the establishment of the relevant entitlement in respect of any Rights Issue or any Subdivision, Consolidation or Redenomination or Relevant Event in respect of any Registered Securities comprising Exchange Property in circumstances where the Registration Date in respect of such Registered Securities is after such record date or other due date for the establishment of the relevant entitlement and the relevant Bondholder would not otherwise receive the relevant entitlement but the Issuer has received or is entitled to receive such entitlement,

then in each case, the relevant Bondholder, (other than where a Cash Election applies to the relevant exercise of Exchange Rights, in which case the provisions of Condition 5(c)(ii) shall apply) shall be entitled to receive, in respect of the exercise of the relevant Exchange Rights, such *pro rata* amount or, as the case may be, further *pro rata* amount of the Exchange Property (“Additional Exchange Property”) as would have been receivable had the relevant Exchange Date occurred immediately after the date on which such change in the composition of the Exchange Property became effective or, as the case may be, had the relevant Registration Date in respect of such Registered Securities been immediately before such record date.

- (iii) Unless a Cash Election is made by the Issuer, the relevant Bondholder (or the person designated in the relevant Exchange Notice) will be the owner of the *pro rata* share of the Exchange Property to be delivered upon exchange with effect from (and including) the relevant Exchange Date and will be entitled to all rights, distributions or payments in respect of such Exchange Property from (and including) the relevant Exchange Date and, in respect of any Additional Exchange Property, will be entitled to all rights, distributions or payments in respect of such Additional Exchange Property from (and including) the Exchange Date for the Exchange Property previously delivered pursuant to such exchange.

Subject as provided herein, Exchange Property delivered on exercise of Exchange Rights shall not include any dividends or other income thereon or other distributions or rights in respect thereof, declared, paid or made by reference to a record date or other due date for the establishment of the relevant entitlement falling prior to the relevant Exchange Date.

Exchange Property (and, where appropriate, any Additional Exchange Property) delivered or transferred or to be delivered or transferred upon exchange shall rank for and be entitled to all dividends, interest and other income, payments and distributions and rights thereon or in respect thereof declared, paid, made or granted by reference to a record date or other due date for the establishment of entitlement falling on or after the relevant Exchange Date.

If the record date or other due date for the establishment of the relevant entitlement for or in respect of any dividend, interest or other income, payment or distribution or rights on or in respect of such Exchange Property falls on or after the Exchange Date but before the relevant Settlement Date (or any other date from which the relevant Bondholder is treated as the owner of, or entitled to all rights and entitlement to, such Exchange Property) with the effect that the relevant Bondholder is not entitled to such dividend, interest or other income, payment or distribution of rights, the Issuer will (unless it is able to confer on or deliver to the relevant Bondholder an entitlement to receive such dividend, interest or other income, payment or distribution or rights or unless and to the extent that the same is taken into account for the purposes of Condition 5(b)(ii) relating to entitlement to Additional Exchange Property):

- (a) (in the case of dividends, interest or other income, payment or distributions or rights to be paid or made in cash) pay, or procure the payment to, the exchanging Bondholder in lieu of such dividend, interest or other income or distribution or rights, an amount equal thereto, converted if necessary into euro at the Screen Rate on the date of receipt thereof by the Issuer (the “Equivalent Amount”). The Issuer will pay the Equivalent Amount, or procure that it is paid, to the relevant Bondholder by not later than 10 TARGET Business Days after payment is made of the dividend, interest or other income, payment or distribution or rights; and
- (b) (in the case of dividends, or other income or distributions or rights to be satisfied or made otherwise than in cash) deliver, or procure the delivery of, the same to the relevant Bondholder not later than 10 TARGET Business Days after the receipt by the Issuer of such dividend or other income or distribution or rights. If, at any time when the delivery of any such dividend or other income or distribution or rights is required, delivery would, as certified to the Trustee by two Authorised Officers of the Issuer, be unlawful under the laws of any applicable jurisdiction or contrary to any official declaration, order, directive or regulation in any applicable jurisdiction, the Issuer, will make a cash payment equal to the aggregate Realisation Proceeds of such dividend or other income or distribution or rights, converted, if necessary into euro at the Screen Rate on the date of receipt by the Issuer of the Realisation Proceeds. The Issuer, will pay any such amount to the relevant Bondholders not later than 10 TARGET Business Days after the receipt by the Issuer of such dividend or other income or distribution or rights.

For the purposes of this Condition 5(b), if there is an option to receive the relevant entitlement in the form of a cash amount or otherwise than in cash, the entitlement shall be treated as being paid or made in cash, and accordingly the provision of (a) above shall apply.

- (iv) Upon exercise of Exchange Rights, a Bondholder shall, in the relevant Exchange Notice, specify a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System to which any cash amount payable on or in respect of the exercise of Exchange Rights by that Bondholder shall be credited and the Issuer shall pay such sum to the relevant Bondholder in accordance with any such directions.

(c) *Cash Alternative Election*

- (i) Upon the delivery of an Exchange Notice by a Bondholder, the Issuer may make an election (a “Cash Election”) by giving notice to the relevant Bondholders by not later than the date (the “Cash Election Exercise Date”) falling seven Trading Days following the relevant Exchange Date, to the address (or, if a fax number or email address is provided in the relevant Exchange Notice, that fax number or email address) specified for that purpose in the relevant Exchange Notice, with a copy to the Principal Paying and Exchange Agent, to satisfy the exercise of the Exchange Right in respect of the relevant Bonds in whole or in part by making payment to the relevant Bondholder of the Cash Alternative Amount in respect of such Bonds, together with any other amounts payable by the Issuer to such Bondholder pursuant to these Conditions in respect of, or relating to, the relevant exercise of Exchange Rights, including any interest payable pursuant to Condition 4(c) and, in the case of a Cash Election made in part, by delivering such proportion of the *pro rata* share of the Exchange Property as corresponds to the proportion of the relevant Bond(s) in respect of which the Cash Election is not made. Such notice by the Issuer shall, if the Cash Election is made in part, specify the proportion of the relevant Bond(s) in respect of which the Cash Election is made and shall specify, in each case, the number and type of the Relevant Securities comprised in the relevant *pro rata* share of the Exchange Property (or in the relevant proportion thereof).

A Cash Election shall be irrevocable.

The Issuer will pay the Cash Alternative Amount, together with any other amount as aforesaid, by not later than five TARGET Business Days following the last day of the Cash Alternative Calculation Period (the “Cash Alternative Payment Date”) by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System in accordance with instructions contained in the relevant Exchange Notice.

“Cash Alternative Amount” in respect of any Bonds, means a sum in euro equal to the average of the Value (converted if necessary into euro at the Screen Rate on the Trading Day prior to the relevant Cash Alternative Payment Date) on each Trading Day in the Cash Alternative Calculation Period of the relevant *pro rata* share of the Exchange Property (or, in the case of a Cash Election made in part, the relevant proportion thereof) which, had a Cash Election not been made, would otherwise fall to be delivered to such Bondholder upon exercise of Exchange Rights in respect of the relevant Bonds.

“Cash Alternative Calculation Period” means the period of 15 consecutive Trading Days commencing on the second Trading Day after the Cash Election Exercise Date.

- (ii) If a Bondholder would otherwise have been entitled to receive, in respect of the exercise of Exchange Rights, any Additional Exchange Property pursuant to Condition 5(b)(ii) in circumstances where a Cash Election is made in respect of the relevant exercise of Exchange Rights, the Issuer shall, in lieu of delivering such Additional Exchange Property, pay to the relevant Bondholder an amount (the “Further Amount”) equal to the Value of such Additional Exchange Property as at the date on which the relevant change in the composition of the Exchange Property is or would be effective (the “Change Date”), and such Further Amount shall be paid by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System in accordance with instructions contained in the relevant Exchange Notice by not later than the latest of (a) the date falling five Trading Days after the Change Date (or if that is not a TARGET Business Day, the next following TARGET Business Day) and (b) the relevant Cash Alternative Payment Date, in accordance with the instructions given by the relevant Bondholder in the relevant Exchange Notice.

6 The Exchange Property

(a) *Initial Exchange Property*

The “Exchange Property” shall initially comprise Suez Environnement Shares and shall include:

- (i) all Relevant Securities and other property and assets (including any cash amounts) arising out of or derived or resulting therefrom; and
- (ii) such other property as may be deemed or required to comprise all or part of the Exchange Property pursuant to these Conditions,

but excluding any such property as may or may be deemed to have ceased to form part of the Exchange Property and excluding any Cash Dividend (and any Dividend treated as a Cash Dividend) other than to the extent comprising a Capital Distribution.

On the exercise of Exchange Rights, Bondholders will initially be entitled to receive 8,733 Suez Environnement Shares for each EUR 100,000 principal amount of Bonds (equivalent to an initial exchange price of EUR 11.45 per Suez Environnement Share) subject to adjustment pursuant to these Conditions.

All Exchange Property transferred or delivered upon exercise of Exchange Rights shall be transferred or delivered with full title guarantee and free from any and all security interests or other adverse interests.

Except in the circumstances provided in these Conditions, dividends and other income and other benefits, rights and entitlements derived from the Exchange Property shall not comprise part of the Exchange Property.

(b) *Adjustments to the Exchange Property*

- (i) Sub-division, Consolidation or Redenomination

If any Relevant Securities comprising the Exchange Property shall be sub-divided or consolidated, re-classified or re-denominated or in any other manner have their par value changed (“Sub-division, Consolidation or Redenomination”) then the securities resulting from such Sub-division, Consolidation or Redenomination, so far as attributable to the Exchange Property, shall be included in the Exchange Property.

- (ii) Rights Issues

If further Relevant Securities or other securities, or options, warrants or rights to subscribe or purchase further Relevant Securities (or any of them) or other securities, shall be offered by way of rights (other than by way of non-negotiable “*délai de priorité*”) to holders of Relevant Securities (or any of them) (a “Rights Issue”), then the Issuer shall notify the Trustee and (provided that it is possible to sell such rights under applicable law and/or the terms of the Rights Issue), by not later than the latest day for accepting or taking up any such rights (the “Election Date”), the Issuer may elect either:

- (A) to procure on an arm’s length basis in good faith, the sale by an independent broker or investment bank selected by the Issuer and approved by the Trustee of sufficient rights to enable the whole of the balance of such rights to be taken up and procure the application of the proceeds of sale, after the deduction of the costs and expenses of such sale, in the taking up of such rights (with any excess proceeds of sale being added to and forming part of the Exchange Property); or

- (B) to add to the Exchange Property such number of Suez Environnement Shares or other securities or options, warrants or rights as would have been subscribed or purchased if sufficient rights had been sold on an arm's length basis in good faith to enable (after the deduction of the costs and expenses of such sale) the whole of the balance of such rights to be taken up together with an amount equal to what would have been any such excess proceeds of sale as aforesaid.

In the absence of any such election being notified to Bondholders in accordance with Condition 17 by not later than the Election Date, paragraph (B) shall apply.

If such rights may not be sold under applicable law and/or the terms of the Rights Issue as aforesaid, the Issuer shall (i) *firstly*, use any part of the Exchange Property comprising cash to take up such rights and (ii) if and to the extent required thereafter, *secondly*, on an arm's length basis, sell sufficient Relevant Securities (if sufficient Relevant Securities are at that time comprised in the Exchange Property) to enable (after the deduction of the costs and expenses of such sale) the whole of the balance of such rights to be taken up, with, in any such case, any excess proceeds of sale being added to and forming part of the Exchange Property.

Any Relevant Securities or other securities or options, warrants or rights taken up pursuant to this paragraph and any excess proceeds of sale as aforesaid shall be added to and form part of the Exchange Property. Pending application of the provisions of this paragraph, such rights shall (unless such rights may not be transferred under applicable law and/or the terms of the Rights Issue) form part of the Exchange Property.

(iii) Bonus Issues, Capital Distributions, Reorganisations and Payments

If any of the following events occurs (each a "Relevant Event"):

- (A) Relevant Securities or other securities are issued credited as fully paid to holders of Relevant Securities comprised in the Exchange Property by way of capitalisation of profits or reserves or otherwise by virtue of being holders of Relevant Securities (other than (1) in lieu of the whole or any part of a Dividend in cash which such holders would or could otherwise have received; (2) where the holders of the Relevant Securities may elect to receive a Dividend in cash in lieu of such Relevant Securities; or (3) where any such Relevant Securities are or are expressed to be issued in lieu of a Dividend (whether or not a cash dividend equivalent or amount is announced or would otherwise be payable to holders of Relevant Securities, whether at their election or otherwise)); or
- (B) any Capital Distribution is paid or made in respect of any Suez Environnement Shares or Equity Share Capital comprised in the Exchange Property; or
- (C) subject to Condition 6(g)(B), a Relevant Company (or any person on behalf of or at the direction or request of a Relevant Company) purchases or redeems any Relevant Securities comprised in the Exchange Property; or
- (D) pursuant to any scheme of arrangement, reorganisation, amalgamation, reconstruction, merger, demerger or any like or similar event of any company or companies (whether or not involving liquidation or dissolution), any further Relevant Securities or other securities, property or assets (including cash) are issued, distributed or otherwise made available to holders of Relevant Securities or other securities comprised in the Exchange Property, or

(E) any cash amount is paid or distributed in whatever manner (including by way of payment of interest, distribution, dividend, repayment of principal or capital or redemption monies) or any securities or other property is distributed, issued, transferred or delivered in whatever manner, in each case in respect of any Relevant Securities or other property or assets (in each case, other than Suez Environnement Shares or Equity Share Capital) comprised in the Exchange Property,

then the further Relevant Securities, securities or other property or assets (including cash amounts) received in relation to the Relevant Event, so far as attributable to the Exchange Property or, as the case may be, the relevant Capital Distribution in respect of the Suez Environnement Shares or Equity Share Capital comprised in the Exchange Property, shall be included as part of the Exchange Property from the date of such receipt (and, if applicable, applied in accordance with Condition 6(e)).

(c) *Notice of Change in Exchange Property*

The Issuer shall give notice to the Trustee and to the Bondholders in accordance with Condition 17 and to the Principal Paying and Exchange Agent and the Luxembourg Stock Exchange (so long as the Bonds are listed on the Luxembourg Stock Exchange) of any change in composition of the Exchange Property as soon as reasonably practicable following such change, and, at the same time, shall give such details as the Trustee may require of the Exchange Property to which the holder of EUR 100,000 principal amount of Bonds would be entitled upon exercise of the Exchange Right in respect of such Bond following such change.

(d) *Release from the Exchange Property*

Upon delivery of Exchange Property to the relevant Bondholder and/or payment of the Cash Alternative Amount or upon redemption of the Bonds or upon any purchase and cancellation of the Bonds, as the case may be, the *pro rata* share of the Exchange Property or the relevant part thereof attributable to each relevant Bond shall cease to be part of the Exchange Property and the Exchange Property shall be reduced accordingly.

(e) *Purchase of Relevant Securities etc.*

If at any time Relevant Securities are comprised in the Exchange Property and, pursuant to these Conditions, any cash amount or securities or other property is comprised in or is to be added to and form part of the Exchange Property (other than (i) any additional Relevant Securities of a class already comprised in the Exchange Property or (ii) as is included in the Offer Consideration and taken into account in determining the Offered Cash Amount under Condition 7(d)) before the Exchange Rights lapse, then such cash amount shall be applied, and such securities or other property shall be sold, by the Issuer and the proceeds of such sale (net of any costs and expenses incurred in connection with such sale) shall be applied, by the Issuer as soon as reasonably practicable and to the extent possible in purchasing additional Relevant Securities of the class then comprised in the Exchange Property (and where at the relevant time the Exchange Property comprises more than one class of Relevant Securities, in purchasing, on a *pro rata* basis, further Relevant Securities of each such class), provided that the average daily trading volume of such Relevant Securities in the period of five Trading Days ending on the Trading Day prior to the relevant change in composition of the Exchange Property is not less than Euro 10 million. Any such additional Relevant Securities shall be added to and form part of the Exchange Property.

(f) *Voting Rights etc.*

Bondholders and the Trustee shall have no voting rights in respect of the Suez Environnement Shares or any other part of the Exchange Property prior to their delivery or transfer to the relevant Bondholder (or as it may direct).

In exercising any voting rights attaching to the Suez Environnement Shares and other Relevant Securities that it may have or making any such election to which it may be entitled, the Issuer is not obliged to take account of the interests of the Bondholders and it is therefore possible that the Issuer may act in a manner which is contrary to the best interests of the Bondholders.

(g) *Maintenance of Exchange Property*

Exchange Rights are not exercisable in respect of any specific Suez Environnement Shares or other property comprising Exchange Property from time to time and no Suez Environnement Shares or other Exchange Property has been or will be charged or otherwise placed in custody or set aside to secure or satisfy the Issuer's obligations in respect of the Exchange Rights. At any time the Issuer may or may not be the owner of the whole or any part of Suez Environnement Shares or other property comprising Exchange Property from time to time and the Issuer is not under any obligation to hold any Suez Environnement Shares and/or other Exchange Property and may sell or otherwise dispose of the same at any time. The composition of the Exchange Property may also change as a result of the operation of the Conditions.

The arrangements described herein do not amount to any security interest in favour of Bondholders to secure the debt obligations of the Bonds or to secure performance of the Exchange Rights thereunder.

Accordingly, in the event that the Issuer at any time holds any Suez Environnement Shares or other property comprising Exchange Property from time to time and is or becomes insolvent, bankrupt or in liquidation, such Exchange Property will form part of the assets of the Issuer available on a pari passu basis to all unsecured creditors of such person.

(A) *Ownership of Exchange Property*: At any particular time, the Issuer may or may not hold or be the beneficial owner of sufficient Exchange Property required to be delivered on exercise of Exchange Rights or otherwise pursuant to these Conditions in respect of all outstanding Bonds. However, these Conditions shall be read and construed as though at all times the Issuer were the holder and beneficial owner of sufficient Exchange Property as is required to be delivered on exercise of Exchange Rights or otherwise pursuant to these Conditions in respect of all outstanding Bonds. Accordingly, for the purposes of determining whether and to what extent any adjustment should be made to the Exchange Property at any time, for the purposes of these Conditions, the Issuer shall be deemed to be entitled to receive such further or other Suez Environnement Shares, Relevant Securities, securities, property or assets including cash and/or consideration on the date the Issuer would have been entitled to receive the same, and be entitled to make any relevant elections in respect thereof or relating thereto, as it would have been entitled to receive and/or make had it at all relevant times been the holder and beneficial owner of sufficient Exchange Property to satisfy the exercise of Exchange Rights or otherwise required to be delivered pursuant to these Conditions in respect of all outstanding Bonds, and references in these Conditions to the Exchange Property being adjusted shall be construed accordingly. In particular (and without limitation):

(i) *Offers*: for the purposes of Condition 7, if the Issuer at the relevant time is not the holder of any Relevant Securities it shall be entitled by notice to the Bondholders to elect to be treated as accepting (including as to any alternative consideration) as if it owned the Relevant Securities the subject of such Offer and subject to the provisions of Condition 7. If the Issuer does not give notice of such election on or prior to the Final Date, then it shall be treated for the purpose of these Conditions as if it had accepted the relevant Offer and, where there is alternative consideration, as if it had accepted the consideration having the highest value, and the provisions of these Conditions shall apply accordingly; and

(ii) *Time or date of receipt*: any reference in these Conditions to the time or date of receipt by the Issuer of any property or assets shall be construed as a reference to the time at, or date on, which the Issuer would otherwise have received or would have first been entitled to receive the same had it been the holder of sufficient Exchange Property for which the Bonds may at the relevant time be exchanged.

(B) *Purchase or Redemption of Relevant Securities*: Condition 6(b)(iii)(C) shall be disregarded unless thereafter the total outstanding Relevant Securities are less than the number required to be comprised in the Exchange Property, in which case to the extent of such shortfall, the Issuer shall be treated as if it were the holder and beneficial owner of such Relevant Securities and the provisions of Condition 6(b)(iii)(C) shall apply accordingly in respect of the number of Relevant Securities representing such shortfall.

(h) *Other Adjustments to the Exchange Property*

If the Issuer determines that an adjustment should be made to the Exchange Property as a result of one or more events or circumstances not referred to in Condition 6(b)(i), 6(b)(ii) or 6(b)(iii) (even if the relevant event is or circumstances are specifically excluded from the operation of Condition 6(b)(i), 6(b)(ii) or 6(b)(iii)), the Issuer shall, at its own expense and acting reasonably, request an Independent Financial Adviser, acting as an expert, to determine as soon as practicable what adjustment (if any) to the Exchange Property is fair and reasonable to take account thereof and the date on which such adjustment should take effect and upon such determination the Issuer shall procure that such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that an adjustment shall only be made pursuant to this Condition 6(h) if such Independent Financial Adviser is so requested to make such determination in writing not more than 21 days after the occurrence of the relevant event or circumstance and provided that such adjustment shall result in an increase to the Exchange Property.

7 General Offers

(a) *Acceptance of Offers*

In the event of an Offer for any Relevant Securities comprised in the Exchange Property, the Issuer shall have absolute discretion to accept such Offer (and as to any alternative consideration) or reject such Offer, provided that the Issuer will not accept such Offer (a) prior to the Specified Date in respect thereof or (b) unless the value of the consideration offered for such Relevant Securities pursuant to the Offer or, where there is any alternative consideration, unless the value of the consideration accepted by the Issuer, is equal to or greater than the value of such Relevant Securities.

For the avoidance of doubt, (i) the Issuer may announce its intention to accept any Offer prior to the Specified Date, and (ii) if there is more than one simultaneous Offer, the Issuer may accept any such Offer (including the Offer which includes the lowest consideration) or none of such Offers.

The value of such Relevant Securities and the value of any consideration will be determined by an Independent Financial Adviser by reference to market values, where applicable, and such other considerations as the Independent Financial Adviser shall consider appropriate.

The Issuer will not accept any Offer in respect of such part of the Exchange Property which would (disregarding for this purpose any Cash Election) be deliverable to those Bondholders who have exercised Exchange Rights in respect of Bonds where the relevant Exchange Date falls prior to the commencement of any Suspension Period.

Save as otherwise provided in this Condition 7(a), the Issuer shall at all times be entitled at its discretion, in relation to any shares or other securities owned or controlled by it or in respect of

which it is entitled to exercise voting rights (whether or not such shares or securities comprise Exchange Property), to vote on, exercise its rights in respect of, or otherwise participate in (or in any such case refrain from doing so), any scheme of arrangement, reorganisation, amalgamation, merger, demerger or reconstruction of any company or companies or other entity or entities (whether or not involving liquidation or dissolution) as it thinks fit.

The Issuer shall give notice to the Trustee and the Bondholders in accordance with Condition 17 upon becoming aware of the existence of any Offer.

(b) *Adjustment to Exchange Property*

If the Issuer accepts such Offer and the Offer becomes unconditional in all respects (or if all the Relevant Securities not tendered in relation to the relevant Offer are subject to compulsory acquisition) then, with effect from the Offer Consideration Date, the Relevant Securities the subject of such Offer or compulsory acquisition shall be deemed no longer to form part of the Exchange Property and shall be deemed to be replaced by the consideration in respect of the Relevant Securities subject to the Offer or pursuant to such compulsory acquisition or, if there is alternative consideration, such consideration as the Issuer may elect for the purposes of these Conditions, and if the Issuer shall fail to make such election by not later than five Brussels business days prior to the Final Date in respect of the relevant Offer, that consideration as shall be determined by an Independent Financial Adviser to have the greatest value (the “Offer Consideration”).

(c) *Suspension of Exchange Rights*

The Exchange Rights shall be suspended during the period from and including (i) the Specified Date until the relevant Offer is withdrawn or the relevant Offer lapses or the Final Acceptance Date or, if earlier, until the Final Date or (ii) in relation to any applicable scheme referred to in this Condition, the date any vote is cast and approved by the required majority to (but excluding) the date the same is approved or rejected by any relevant judicial or other authority or otherwise is or becomes or is declared to be effective or the like.

If the Issuer accepts the relevant Offer and the Offer is or becomes unconditional in all respects, Exchange Rights will also be suspended during the period from the Final Acceptance Date, or if earlier, the Final Date until the Offer Consideration Date.

The period during which Exchange Rights are suspended is referred to as the “Suspension Period”.

Notice of any such Suspension Period (including the commencement and termination thereof) will be given by the Issuer to the Trustee, the Principal Paying and Exchange Agent and to the Bondholders in accordance with Condition 17.

If Exchange Rights are exercised such that the relevant Exchange Date would otherwise fall in the Suspension Period, such exercise shall be null and void.

(d) *Premium Compensation Amount*

If the Offer Consideration in relation to an Offer for Equity Shares comprised in the Exchange Property consists wholly or partly of cash (including such securities or property which fall within the definition of “Offered Cash Amount”) such cash or such other property shall be added to and form part of the Exchange Property and if the Exchange Date in respect of any Bond falls after the Offer Consideration Date in respect of such Offer, then the relevant Bondholder shall be entitled to receive, in addition to the relevant *pro rata* share of the Exchange Property pursuant to Condition 5 (or, as appropriate, any Cash Alternative Amount), an amount (the “Premium Compensation Amount”) in respect of each EUR 100,000 principal amount of Bonds surrendered for exchange calculated in accordance with the following formula:

$$PC = K^2 * (\text{Principal} - IP) * (T/C) * (CB/(CB+CS))$$

Where:

PC	=	Premium Compensation Amount per Bond
K	=	the lesser of (a) IP/MP and (b) MP/IP
Principal	=	EUR 100,000
IP	=	EUR 83,334.4978
CB	=	the Offered Cash Amount
CS	=	the Offered Property Value
MP	=	the Value of the <i>pro rata</i> share of the Exchange Property in respect of a Bond in the principal amount of EUR 100,000 on the Final Acceptance Date
C	=	1095 days, being the number of days from (but excluding) the Closing Date to (and including) the Final Maturity Date
T	=	the number of days from (but excluding) the Final Acceptance Date to (and including) the Final Maturity Date (which shall be zero if the Final Acceptance Date occurs after such date)

The provisions of this Condition 7 shall apply *mutatis mutandis* to any subsequent Offer, with the result that such Bondholder may become entitled to receive more than one Premium Compensation Amount.

8 Undertakings

(a) The Issuer undertakes to use all reasonable endeavours to obtain, by not later than 31 October 2012, and maintain the listing of the Bonds on the Luxembourg Stock Exchange's Euro MTF market. If the Issuer is unable to obtain such listing by such date or to maintain such listing, the Issuer undertakes to use all reasonable endeavours to obtain and maintain a listing for the Bonds on such other stock exchange as the Issuer may from time to time determine and as may be approved by the Trustee. The Issuer will forthwith give notice to the Bondholders in accordance with Condition 17 of the listing or delisting of the Bonds by any of such stock exchanges.

(b) The Issuer undertakes to obtain and/or maintain all applicable consents and approvals which are required for the performance of its obligations under the Bonds and the Trust Deed.

(c) If a payment calculated by reference to the Realisation Proceeds is to be made pursuant to these Conditions, the Issuer shall procure that the relevant sale is made as soon as reasonably practicable and in any event in such time to enable the relevant payment to be made by the time specified in these Conditions.

(d) If the appointment of an Independent Financial Adviser is required by these Conditions or if these Conditions relate to any matter to be determined by an Independent Financial Adviser, the Issuer shall procure that the relevant appointment is made promptly and, in any event, in time to enable the proper operation of the relevant provisions of these Conditions.

9 Redemption and Purchase

(a) *Final Redemption*

Unless previously exchanged, redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Final Maturity Date.

The Bonds may only be redeemed at the option of the Issuer prior to the Final Maturity Date in accordance with Condition 9(b).

(b) *Redemption at the Option of the Issuer*

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at their principal amount, together with accrued interest to the relevant date fixed for redemption:

- (i) at any time on or after 21 March 2014, provided that the Value of the *pro rata* share of the Exchange Property attributable to each EUR 100,000 principal amount of Bonds on each of not less than 20 Trading Days in any period of 30 consecutive Trading Days ending not earlier than the seventh day prior to the date on which the relevant notice of redemption is given by the Issuer to the Bondholders shall have exceeded EUR 125,000; or
- (ii) at any time if, prior to the date on which the relevant notice of redemption is given, Exchange Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions effected in respect of 85 per cent. or more in principal amount of the Bonds originally issued; or
- (iii) in the event of an Offer relating to the Predominant Equity Share Capital where the Offer Consideration consists wholly of cash, at any time on or after a date falling 5 Brussels business days after the Offer Consideration Date.

In order to exercise such option the Issuer shall give not less than 30 nor more than 60 days' notice (an "Optional Redemption Notice") to the Bondholders in accordance with Condition 17 specifying the date for redemption (the "Optional Redemption Date").

Any Optional Redemption Notice shall be irrevocable.

On the Optional Redemption Date, the Issuer shall redeem the Bonds at their principal amount, together with accrued interest to the relevant Optional Redemption Date.

Any Optional Redemption Notice shall specify (i) the Optional Redemption Date, (ii) the last day on which Exchange Rights may be exercised by a Bondholder and (iii) the Value of the *pro rata* share of the Exchange Property attributable to each EUR 100,000 principal amount of the Bonds as at the most recent practicable date prior to the giving of the relevant Optional Redemption Notice (converted, if necessary, into euro at the Screen Rate as at such date).

(c) *Redemption at the Option of the Bondholders*

In the event that a Major Restructuring Event occurs, then the holder of each Bond will have the right to require the Issuer to redeem the Bond on the Put Date at its principal amount, together with any accrued interest in respect of such Bond to the Put Date. To exercise such right, the holder of the relevant Bond must deliver at any time during the Put Exercise Period a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of any Paying and Exchange Agent (the "Put Exercise Notice"), to the specified office of any Paying and Exchange Agent. The "Put Date" shall be the fifteenth TARGET Business Day after the last day of the Put Exercise Period.

Payment in respect of any such Bonds shall be made by transfer to a euro account maintained with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the Put Exercise Notice.

A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds that are the subject of Put Exercise Notices delivered as aforesaid on the Put Date.

For the purpose of this Condition 9(c):

- (i) Major Restructuring Event means one (or more) of the following events:
 - (A) any distribution of dividend by the Issuer; or
 - (B) any transfer or sale of any kind of asset owned by the Issuer or any Principal Subsidiary; or
 - (C) any reorganisation or restructuring of the Issuer or any Principal Subsidiary however described and whether consisting of one single transaction or a series of related transactions; or
 - (D) any combination of the foregoing;

which results in or will result in either more than 50 per cent. of the Adjusted Net Assets of the Issuer being directly or indirectly distributed to or otherwise made available to or for the benefit of the shareholders as a class or the Adjusted Net Assets of the Issuer falling below EUR 4 billion; and

- (ii) “**Adjusted Net Assets**” of the Issuer shall be obtained by adding the group's net cash position to its investments constituting financial assets valued according to the following principles:
 - (A) the share price for listed companies;
 - (B) the group share of shareholders' equity for unlisted companies consolidated using the equity method; and
 - (C) the book value for unlisted companies neither consolidated nor equity accounted.

For the purposes of this definition, Adjusted Net Assets shall refer to the last "Adjusted Net Assets" published by the Issuer before the occurrence of or the decision of the competent body of the Issuer or the relevant Principal Subsidiary to proceed with a Major Restructuring Event. The Issuer shall ensure the relevant figures are audited by its auditor. If the Issuer fails to publish the audited figures of the Adjusted Net Assets, any Bondholder shall have the right to request the calculation and audit of the Adjusted Net Assets based on the situation before the occurrence of or the decision regarding the Major Restructuring Event.

Within 10 Brussels business days following the occurrence of a Major Restructuring Event or the decision of the competent body of the Issuer or the relevant Principal Subsidiary to proceed with a Major Restructuring Event, whichever is earlier, the Issuer shall give notice thereof to the Bondholders in accordance with Condition 17 (a “Major Restructuring Notice”). The Major Restructuring Notice shall contain a statement informing the Bondholders of their entitlement to exercise their right to require redemption of their Bonds pursuant to Condition 9(c) or to exercise Exchange Rights.

The Major Restructuring Notice shall also specify:

- (i) to the fullest extent permitted by law, all information material to the Bondholders concerning the Major Restructuring Event;
- (ii) the last day of the Put Exercise Period;

- (iii) the Put Date; and
- (iv) the Put Redemption Amount.

The Trustee shall not be required to monitor or take any steps to ascertain whether a Major Restructuring Event or any event which could lead to a Major Restructuring Event has occurred or may occur and will not be responsible or liable to the Bondholders or any other person for any loss arising from any failure to do so.

(d) *Multiple Notices*

If more than one notice of redemption is given pursuant to this Condition 9, the first of such notices to be given shall prevail.

(e) *Purchase*

The Issuer or any of its subsidiaries may at any time purchase Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer or any of its subsidiaries, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Conditions 12 and 14.

(f) *Cancellation*

Bonds purchased by the Issuer or any of its subsidiaries may be held, re-issued (in the case of the Issuer) or sold or cancelled. All Bonds redeemed or exchanged will be cancelled and may not be re-issued or resold.

(g) *Share Settlement Option*

Notwithstanding any provisions of this Condition 9, the Issuer may elect to satisfy its obligation to redeem Bonds pursuant to Condition 9(a) by exercising its option (the “Share Settlement Option”) with respect to all of the Bonds to be redeemed on the Final Maturity Date, provided that the Predominant Equity Share Capital comprised in the Exchange Property is listed or traded on a recognised national or international stock exchange as at the date of the relevant Share Settlement Option Notice.

To exercise its Share Settlement Option, the Issuer shall give a notice to such effect (the “Share Settlement Option Notice”) to the Trustee and to the Bondholders in accordance with Condition 17. Such Share Settlement Option Notice may be given on or after the day immediately following the last day of the Exchange Period (being the date falling one day after the date which is, on such date, expected to be 40 Trading Days prior to the Final Maturity Date) and not later than the date which is, on such date, expected to be 32 Trading Days prior to the Final Maturity Date, specifying if the Issuer intends to (i) deliver the Specified Proportion (as defined below) of the *pro rata* share of the Exchange Property in respect of a Bond and pay the Cash Settlement Amount or (ii) deliver Redemption Settlement Shares and pay the Redemption Shortfall Amount (if any) as provided below, together, in each case, with interest accrued up to the Final Maturity Date or as otherwise prescribed by these Conditions.

The Share Settlement Option Notice shall also (i) if the Issuer elects to deliver the Specified Proportion of the *pro rata* share of the Exchange Property in respect of a Bond and pay the Cash Settlement Amount, specify the number and type of the Relevant Securities comprised in the Specified Proportion of the *pro rata* share of the Exchange Property in respect of a Bond and (ii) if the Issuer elects to deliver Redemption Settlement Shares and pay the Redemption Shortfall Amount, specify the minimum number (the “Minimum Number”) and maximum number (the “Maximum Number”) of, and the type of, Equity Shares so deliverable in respect of a Bond;

PROVIDED THAT if the Predominant Equity Share Capital comprised in the Exchange Property is, on the date of the Share Settlement Option Notice, the Suez Environnement Share, the product of the Minimum Number and the number of Bonds to be redeemed on the Final Maturity Date shall not be less than 35,000,000 and the product of the Maximum Number and the number of Bonds to be redeemed on the Final Maturity Date shall not be more than 38,500,000.

Where the Issuer shall have exercised the Share Settlement Option, the Issuer shall, in lieu of redeeming the Bonds in cash, effect redemption in respect of each Bond either by:

- (i) delivering to or as directed by the relevant Bondholder a proportion (the “Specified Proportion”) between 1 per cent. and 100 per cent. of the *pro rata* share of the Exchange Property in respect of such Bond on the date of (or as described in) the Share Settlement Option Notice;
- (ii) making payment of an amount in cash equal to the amount (if any) by which the principal amount of such Bond exceeds the arithmetic average of 99.5 per cent. of the Value of the Specified Proportion of the *pro rata* share of the Exchange Property in respect of such Bond on each of the Trading Days in the Averaging Period (such amount being the “Cash Settlement Amount”); and
- (iii) making or procuring payment to the relevant Bondholder in cash of any accrued and unpaid interest in respect of such Bond up to the Final Maturity Date,

or, if so specified by the Issuer in the relevant Share Settlement Option Notice, by:

- (iv) delivering to or as otherwise directed by the relevant Bondholder such number of Equity Shares of the same type or series as the Predominant Equity Share Capital as is equal to the Equivalent Number of Equity Shares (the “Redemption Settlement Shares”);
- (v) making payment of an amount in cash equal to the Redemption Shortfall Amount; and
- (vi) making or procuring payment to the relevant Bondholder in cash of any accrued and unpaid interest in respect of such Bond up to the Final Maturity Date.
- (vii) In each case the Calculation Agent shall determine the Cash Settlement Amount or the Redemption Settlement Shares (and, if applicable, the Redemption Shortfall Amount) to be delivered and will notify the Issuer no later than 1500 (Brussels Time) on the Brussels business day following the last day of the Averaging Period.

“**Averaging Period**” means the period of 20 Trading Days ending on and including the Valuation Date, provided that, if, on the date the Share Settlement Option Notice is given, a day falling in the Averaging Period is due to be a Trading Day but such day subsequently is not a Trading Day, the Averaging Period shall not, as a result, be extended, and shall begin on the date which was, as of the date of the Share Settlement Notice, expected to be the first Trading Day in the Averaging Period, end on the Valuation Date (or the date on which the Valuation Date is deemed to fall) as aforesaid.

“**Equivalent Number of Equity Shares**” means, in respect of any Bond, the number of Equity Shares determined by dividing the principal amount of the relevant Bond by the arithmetic average of the Volume Weighted Average Price on each Trading Day in the Averaging Period of an Equity Share of the same type or series as the Predominant Equity Share Capital, or, if lower, the Maximum Number or, if higher, the Minimum Number.

“**Redemption Shortfall Amount**” means, in respect of any Bond, the amount (if any) by which the principal amount of such Bond exceeds the product of the Equivalent Number of Equity Shares and 99.5 per cent. of the arithmetic average of the Volume Weighted Average Price on each of the

Trading Days in the Averaging Period of an Equity Share of the same type or series as the Predominant Equity Share Capital.

“**Valuation Date**” means the date falling 10 Trading Days prior to the Final Maturity Date (or if such date is not, on the date the Share Settlement Option Notice is given, due to be a Trading Day, the immediately preceding day which is due to be a Trading Day).

For the purposes of the definitions of “**Equivalent Number of Equity Shares**” and “Redemption Shortfall Amount”, if on any Trading Day in the Averaging Period the Volume Weighted Average Price of an Equity Share of the same type or series as the Predominant Equity Share Capital shall have been based on a price cum-Dividend or cum-any other entitlement, in any such case where a Bondholder would not be entitled to the relevant Dividend or entitlement upon delivery of the Equivalent Number of Equity Shares pursuant to these Conditions and where the Issuer has received or is entitled to receive such Dividend or entitlement, then the Volume Weighted Average Price on such Trading Day shall be deemed to be reduced by an amount equal to the Fair Market Value of any such Dividend or other entitlement per Equity Share on the Effective Date relating to such Dividend or entitlement or, if such Effective Date falls after the Valuation Date, on the Valuation Date (and provided that, for these purposes, paragraph (ii) of the definition of “Fair Market Value” shall be construed such that the Fair Market Value of publicly traded shares, options, warrants or other securities or rights comprised in a Dividend or other entitlement shall be equal to the Volume Weighted Average Price of such shares, options, warrants or other securities or rights on the Effective Date relating to such Dividend or other entitlement or, if such Effective Date falls after the Valuation Date, on the Valuation Date).

If the Issuer does not deliver a relevant Share Settlement Notice in the manner and by the time set out in this Condition 9(g) the relevant Bonds shall be redeemed for cash in accordance with the provisions of Condition 9(a) and payment in respect thereof shall be made in accordance with Condition 10.

If the Issuer elects to exercise the Share Settlement Option with respect to Bonds, the following provisions shall apply:

- (i) In order to obtain delivery of the relevant Exchange Property upon redemption, the relevant Bondholder must deliver a duly completed notice, containing a U.S. certification, substantially in form set out in the Agency Agreement (the “Share Settlement Notice”) a copy of which may be obtained from the specified office of any Paying and Exchange Agent to the specified office of any Paying and Exchange Agent at least 10 Trading Days prior to the Final Maturity Date (the “Notice Cut-off Date”). If such delivery is made on a day which is a business day in the relevant place of delivery but is not a Trading Day or is made after the end of normal business hours at the specified office of the relevant Paying and Exchange Agent, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following business day in such place which is a Trading Day.
- (ii) Subject as provided herein, the relevant Exchange Property and (if any) the Cash Settlement Amount will be delivered and/or paid in accordance with the instructions given in the Share Settlement Notice on the Settlement Date, provided that the Share Settlement Notice is delivered not later than the Notice Cut-off Date.
- (iii) If the Share Settlement Notice is not delivered to a Paying and Exchange Agent on or before the Notice Cut-off Date or the Share Settlement Notice does not contain a U.S. Certification, then (1) on the Settlement Date the relevant Exchange Property will be delivered to a person (the “Relevant Person”) selected by the Issuer and (2) on the Settlement Date the Cash Settlement Amount (if any) will be paid to the Trustee or as the Trustee may direct. The Issuer shall procure that all of such Exchange Property shall be sold by or on behalf of the

Relevant Person as soon as practicable based on advice from a reputable financial institution, investment or commercial bank or broker selected by the Issuer and approved by the Trustee and (subject to any necessary consents being obtained and to the deduction by or on behalf of the Relevant Person of any amount payable in respect of its liability to taxation and the payment of any capital, stamp, issue or registration and transfer taxes and duties (if any) and any fees or costs reasonably incurred by or on behalf of the Relevant Person in connection with the allotment and sale thereof) the net proceeds of sale paid to the Trustee. The net proceeds of such sale, converted if necessary into euro by the Relevant Person, shall be paid to the Trustee or as the Trustee may direct, together with all Cash Settlement Amounts (if any) and shall be held by or on behalf of the Trustee and distributed rateably to the holders of the relevant Bonds in accordance with Condition 10 (or in such other manner and at such time as the Trustee shall determine and notify to the Bondholders in accordance with Condition 17). The amount of such net proceeds of sale and all Cash Settlement Amounts (if any) payable to a holder pursuant to this sub-paragraph (iii) shall be treated for all purposes as the full amount due from the Issuer in respect of the relevant Bonds.

- (iv) The Trustee shall have no liability whatsoever to the Issuer any Bondholders or any other person in respect of any sale of any Exchange Property, whether for the timing of any such sale or the price at which any Exchange Property are sold, or any inability to sell any Exchange Property or the rate of exchange at which any amount is converted into euro.
- (v) A Share Settlement Notice shall be irrevocable. Failure properly to complete and deliver a Share Settlement Notice may result in such notice being treated as null and void and the Issuer shall be entitled to effect settlement in accordance with sub-paragraph (iii) above. Any determination as to whether such notice has been properly completed and delivered as provided in these Conditions shall be made by the Principal Paying and Exchange Agent in its sole and absolute discretion and shall be conclusive and binding on the relevant Bondholders.
- (vi) No fraction of a Relevant Security or any other property comprised in the Exchange Property which is not divisible shall be delivered upon redemption of the Bonds in accordance with this Condition 9(g) and the Issuer shall not be under any obligation to make any payment to Bondholders in respect of any such fractions and any such fraction will be rounded down to the nearest whole multiple of a Relevant Security or unit of any such other property.

If more than one Bond is to be exchanged by a Bondholder pursuant to any one Share Settlement Notice, the Exchange Property to be delivered and any sum payable to that Bondholder shall be calculated on the basis of the aggregate principal amount of such Bonds.

- (vii) As soon as practicable, and in any event not later than the Settlement Date, the Issuer shall:
 - (1) in respect of Suez Environnement Shares and other Relevant Securities issued by a Relevant Company incorporated in France which are for the time being traded through Euroclear France comprising the relevant *pro rata* share of the Exchange Property, effect delivery of such Suez Environnement Shares through Euroclear France (or its successor) to the person designated for the purpose in the relevant Share Settlement Notice;
 - (2) procure that Relevant Securities (other than Suez Environnement Shares and other Relevant Securities issued by a Relevant Company incorporated in France which are for the time being traded through Euroclear France) comprising the relevant *pro rata* share of the Exchange Property to be delivered on exercise of the Share Settlement Option are transferred into such name as the Bondholder shall direct pursuant to the Share Settlement Notice and shall procure that forms of transfer and certificates (if

certificates for the Relevant Securities are then generally being issued) together with all other documents of title and evidence of ownership and all other documents necessary to transfer or evidence the transfer of such Relevant Securities will be despatched by mail, and free of charge (but uninsured and at the risk of the person entitled thereto) to such address, subject to applicable securities laws, as the Bondholder may request (as specified in the relevant Share Settlement Notice); and

- (3) procure that such documents of title and evidence of ownership of any other Exchange Property to be delivered on exercise of the Share Settlement Option shall be despatched and the payment of any part of the Exchange Property comprising cash to be delivered on exercise of the Share Settlement Option (converted if necessary into euro at the Screen Rate on the relevant Valuation Date) shall be made, in each case, in accordance with directions given by the relevant Bondholder in the Share Settlement Notice.

Notwithstanding the above, in the event that the Issuer delivers a certificate to the Trustee signed by two Authorised Officers of the Issuer to the effect that Euroclear France (or, where the Exchange Property comprises of Relevant Securities other than Suez Environnement Shares and other Relevant Securities issued by a Relevant Company incorporated in France which are for the time being traded through Euroclear France and certificates for such Relevant Securities are not then generally being issued, the clearing system through which the transfer of such Relevant Securities is required to be effected) has been closed for a continuous period of two or more days (excluding Saturdays and Sundays and save by reason of holidays, statutory or otherwise) in the period from (and including) the Valuation Date to (but excluding) the Settlement Date, then the date for such delivery shall be the later of the period above and the earliest practicable date on which the relevant Exchange Property may be delivered by or through Euroclear France or, as the case may be, the relevant clearing system.

The Issuer shall not be responsible or liable to any person for any delay in the delivery of any property comprising Exchange Property arising as a result of a failure by the relevant Bondholder to supply all information and details as required by the relevant Share Settlement Notice.

Notwithstanding the above, if, after the Valuation Date, the Exchange Property has changed in whole or in part as a result of an Offer or compulsory acquisition as provided in Condition 7, then the time for such delivery shall be the longer of such period set out above and the day falling 10 Brussels business days after the date on which the consideration is received by the Issuer under the terms of the Offer or, as the case may be, the day falling 10 Brussels business days following the date on which the consideration pursuant to such compulsory acquisition is received by the Issuer.

If, at any time when the transfer or delivery of any Exchange Property (other than cash) to a Bondholder is required, such transfer or delivery would, as certified to the Trustee by two Authorised Officers of the Issuer, be unlawful under the laws of any applicable jurisdiction or contrary to any official declaration, order, directive or regulation in any applicable jurisdiction, the Issuer will make a cash payment to the relevant Bondholder equal to the Exchange Property Compensation Amount. The Issuer will pay any such amount to the relevant Bondholders not later than 10 TARGET Business Days after the relevant Settlement Date.

“Exchange Property Compensation Amount” means, an amount equal to the principal amount of such Bonds in respect of which Exchange Property can not be transferred or delivered pursuant to this Condition 9(g), together with accrued interest thereon (if any), less any amount already paid or to be paid to the relevant Bondholder in respect of such Bonds pursuant to this Condition 9(g).

If:

- (A) the Valuation Date in respect of any Bond shall be on or after the date of any public announcement affecting the composition of any part of the Exchange Property (other than Suez Environnement Shares or other Registered Securities) in circumstances where the relevant entitlement is determined by reference to a record date in respect thereof), but before the date on which such change is effective; or
- (B) the Valuation Date in respect of any Bond shall be on or after the record date or other due date for the establishment of the relevant entitlement in respect of any Rights Issue or any Subdivision, Consolidation or Redenomination or Relevant Event in respect of any Registered Securities comprising Exchange Property but before the date on which adjustment of the Exchange Property becomes effective; or
- (C) the Valuation Date in respect of any Bond shall be on or before the record date or other due date for the establishment of the relevant entitlement in respect of any Rights Issue or any Subdivision, Consolidation or Redenomination or Relevant Event in respect of any Registered Securities comprising Exchange Property in circumstances where the Registration Date in respect of such Registered Securities is after such record date or other due date for the establishment of the relevant entitlement, in circumstances where the relevant Bondholder would not otherwise receive the relevant entitlement and the Issuer has received or is entitled to receive such entitlement,

then the relevant Bondholder shall be entitled to receive, in respect of the exercise of the Share Settlement Option, such Additional Exchange Property as would have been receivable had the relevant Valuation Date occurred immediately after the date on which such change in the composition of the Exchange Property became effective or, as the case may be, had the relevant Registration Date in respect of such Registered Securities been immediately before such record date, unless such Additional Exchange Property relates to a Dividend or entitlement which has already been taken account of in determining the Redemption Settlement Shares deliverable to, and/or the Redemption Shortfall Amount payable to, the relevant Bondholder.

- (viii) the provisions of Condition 5(b)(iii) shall apply *mutatis mutandis* to this Condition 9(g) (but disregarding references in Condition 5(b)(iii) to “Cash Election”), provided that references in Condition 5(b)(iii) to the “Exchange Date” will be deemed to be references to the Valuation Date and references to the delivery of Exchange Property upon exercise of Exchange Rights shall be deemed to be to the delivery of Exchange Property upon redemption.
- (ix) For the purposes of the above provisions, references to “Exchange Property”, shall, where the context so requires, be deemed to include references to the Redemption Settlement Shares and references to the “Cash Settlement Amount” shall, where the context so requires, be deemed to include references to the Redemption Shortfall Amount.

10 Payments

(a) *Payment*

Without prejudice to Article 474 of the Belgian Code of Companies, payment of principal in respect of the Bonds, payment of accrued interest payable on a redemption of the Bonds and payment of any interest due on an Interest Payment Date in respect of the Bonds will be made through the Principal Paying and Exchange Agent and the NBB System in accordance with the NBB System Regulations. The payment obligations of the Issuer under the Bonds will be discharged by payment to the NBB in respect of each amount so paid.

Payment of all other amounts will be made as provided in these Conditions.

(b) *Method of Payment*

Each payment referred to in Condition 10(a) will be made in euro by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

(c) *Agents*

The names of the initial Paying and Exchange Agents and Domiciliary Agent and their initial specified offices are set out below. The Issuer reserves the right under the Agency Agreement at any time, with the prior written approval of the Trustee, to remove any Paying and Exchange Agent and the Domiciliary Agent, and to appoint other or further Paying and Exchange Agents or an additional Domiciliary Agent, provided that it will at all times (A) maintain Paying and Exchange Agents having specified offices in (i) a European city, (ii) any place required by the rules of any relevant stock exchange if and for so long as the Bonds are listed or admitted to trading on any stock exchange or admitted to listing by any other relevant authority for which the rules require the appointment of a Paying and Exchange Agent in any particular place and (iii) in a European Union member state (if any) that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive and (B) maintain a Domiciliary Agent and the Domiciliary Agent will at all times be a participant in the X/N Clearing System. Notice of any such removal or appointment and of any change in the specified office of any Paying and Exchange Agent or the Domiciliary Agent will be given as soon as practicable to Bondholders in accordance with Condition 17.

As at the Closing Date, the initial Principal Paying and Exchange Agent and Domiciliary Agent is BNP Paribas Securities Services, Brussels Branch, whose specified office is at Boulevard Louis Schmidt 2, 1040 Brussels, Belgium.

(d) *Payments subject to fiscal laws*

All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to Condition 11. No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(e) *Payments on TARGET Business Days*

If any date for payment in respect of the Bonds is not a TARGET Business Day, the holder shall not be entitled to payment until the next following TARGET Business Day, nor to any interest or other sum in respect of such postponed payment. For the purpose of calculating the interest amount payable under the Bonds, the Interest Payment Date shall not be adjusted.

11 Taxation

All payments made by or on behalf of the Issuer in respect of the Bonds will be made subject to and after deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the Kingdom of Belgium or any political subdivision or any authority thereof or therein having power to tax required to be made by law. The Issuer will not be required to pay any additional or further amounts in respect of any such deduction or withholding.

12 Events of Default

If any of the following events (each an “Event of Default”) occurs and is continuing, then the Trustee at its discretion may and, if so requested in writing by holders of at least one quarter in principal amount of the outstanding Bonds and/or if so directed by an Extraordinary Resolution, shall (subject, in each case, to the Trustee having been secured and/or indemnified and/or pre-funded to its satisfaction) give written notice to the Issuer declaring the Bonds to be immediately due and payable, whereupon they shall become immediately due and payable at the Relevant Amount:

- (i) the Issuer fails to pay any principal of or interest or any other amount due in respect of the Bonds when due and such failure continues for a period of seven days in the case of principal and 14 days in the case of interest or any other amount; or
- (ii) the Issuer fails to comply with its obligations under the Bonds in relation to the exercise of Exchange Rights and such default continues for a period of 14 days; or
- (iii) if the Issuer fails to perform or observe any of its other obligations under these Conditions or the Trust Deed and (except in the case where the failure is, in the opinion of the Trustee, incapable of remedy, when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 20 Brussels business days following notification to the Issuer by the Trustee; or
- (iv) (i) any other present or future indebtedness for or in respect of moneys borrowed or raised of the Issuer or any Principal Subsidiary becomes due and payable prior to its stated maturity, by reason of an event of default (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or within five Brussels business days of becoming due if a longer grace period is not applicable or (iii) the Issuer or any Principal Subsidiary fails to pay when due or, as the case may be, within any applicable grace period or within five Brussels business days if a longer grace period is not applicable, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds EUR 100,000,000 (or its equivalent in any other currency or currencies), whether individually or in aggregate; or
- (v) (i) the Issuer or any Principal Subsidiary becomes insolvent or bankrupt or is unable to pay its debts as they fall due provided that, without prejudice to the foregoing, in the case of a filing for involuntary bankruptcy, liquidation or reorganisation by a creditor against the Issuer or any Principal Subsidiary, such filing will only result in an Event of Default if such filing is not dismissed within 60 days, or (ii) an insolvency administrator (including a curateur/curator and a mandataire de justice/gerechtsmandataris or médiateur d'entreprise/ ondernemingsbemiddelaar under the Belgian law of 31 January 2009 on the continuity of enterprises), or a liquidator of the Issuer or any Principal Subsidiary is appointed (or application for any such appointment is made), other than in the context of a solvent liquidation or reorganisation of any Principal Subsidiary, or (iii) the Issuer or any Principal Subsidiary takes any action for a readjustment or deferral of any of its obligations or makes

- a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness given by it; or
- (vi) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any Principal Subsidiary, other than a solvent liquidation or reorganisation of any Principal Subsidiary; or
 - (vii) a distress, attachment, execution or other process is levied or enforced upon or against all or any material part of the property of the Issuer or any Principal Subsidiary unless it is removed, discharged or paid out within 60 days or in the event that possession is taken of the whole or any substantial part of the assets of the Issuer or any Principal Subsidiary; or
 - (viii) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Principal Subsidiary in respect of all or any material part of the property or assets of the Issuer or any Principal Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person), unless the amount secured by any such security interest which is the subject of the enforcement does not exceed in aggregate EUR100,000,000 (or its equivalent in any other currency or currencies), provided that such steps taken to enforce any such security interests shall not be discharged or withdrawn within 60 calendar days; or
 - (ix) any event occurs which under the laws of the jurisdiction of incorporation of the Issuer has an analogous effect to any of the events referred to in Conditions 12(iv) to 12(viii); or
 - (x) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Bonds,
 - (xi) provided that in the case of Condition 12(iii) and Condition 12(x) and, in relation to a Principal Subsidiary only, Conditions 12(v), 12(vi), 12(vii), 12(viii) and 12(ix) the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Bondholders.
 - (xii) “Relevant Amount” means, in respect of each EUR 100,000 principal amount of Bonds, an amount in cash equal to such principal amount, together with accrued interest thereon, save that if the relevant Event of Default occurs as a result of or in connection with a failure by the Issuer to comply with any of its obligations in relation to the exercise of Exchange Rights, it means an amount in cash equal to the higher of:
 - (xiii) the Value of the pro rata share of the Exchange Property and any other amounts which would have been payable and/or deliverable on exchange in respect of such Bond had the date of such declaration of the relevant Event of Default been the Exchange Date; and
 - (xiv) such principal amount, together with accrued but unpaid interest.
 - (xv) References in these Conditions and the Trust Deed to the principal amount of the Bonds shall, other than in Condition 3 and unless the context otherwise requires, include the Relevant Amount.

13 Prescription

Claims in respect of the principal amount or interest on Bonds will become void unless made within 10 years (in the case of the principal amount) and five years (in the case of interest) from the appropriate Relevant Date in respect thereof. Claims in respect of any other amounts payable in respect of the Bonds will become void unless made within ten years following the due date for a payment thereof.

14 Meetings of Bondholders, Modification and Waiver, Entitlement of Trustee, Substitution, Change and Indemnification of Trustee

(a) Meetings of Bondholders

All meetings of Bondholders will be held in accordance with the provisions of Article 568 sq. of the Belgian Company Code with respect to meetings of Bondholders; provided however that the Issuer shall, at its own expense, promptly convene a meeting of Bondholders upon demand of the Trustee, and the Trustee shall so demand upon the request in writing of Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Bonds. Subject to the quorum and majority requirements set out in Article 574 of the Belgian Company Code, and if required thereunder subject to validation by the court of appeal of Brussels, the meeting of Bondholders shall be entitled to exercise the powers set out in Article 568 of the Belgian Company Code and to modify or waive any provision of these Conditions, provided however that the following matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders at which one or more persons holding or representing not less than one half or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Bonds form a quorum: (i) proposal to change any date fixed for payment of principal or interest in respect of the Bonds, to reduce the amount of principal or interest payable on any date in respect of the Bonds or to alter the method of calculating the amount of any payment in respect of the Bonds on redemption or maturity or the date for any such payment; (ii) proposal to effect the exchange, conversion or substitution of the Bonds for, or the conversion of the Bonds into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed (other than as permitted under the Trust Deed); (iii) proposal to change the currency in which amounts due in respect of the Bonds are payable; or (iv) proposal to change the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution. Resolutions duly passed in accordance with these provisions shall be binding on all Bondholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

Convening notices for meetings of Bondholders shall be made in accordance with Article 570 of the Belgian Company Code, which at the Closing Date required an announcement to be published not less than fifteen days prior to the meeting in the Belgian Official Gazette (*Moniteur Belge/Belgisch Staatsblad*) and in a newspaper of national distribution in Belgium.

The Trust Deed provides that, if authorised by the Issuer, a resolution in writing signed by or on behalf of holders of not less than 75 per cent. of the aggregate principal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the Bondholders through the relevant clearing system(s). Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) Modification and Waiver

The Trustee may agree, without the consent of the Bondholders, to (i) any modification of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions which in the Trustee's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification (except as mentioned in the Trust Deed) to the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement supplemental to the Agency Agreement, the Bonds or these Conditions, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, any trust deed supplemental to the Trust Deed, the Agency Agreement, any agreement

supplemental to the Agency Agreement, the Bonds or these Conditions which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders. The Trustee may, without the consent of the Bondholders, determine any Event of Default or a Potential Event of Default (as defined in the Trust Deed) should not be treated as such, provided that in the opinion of the Trustee, the interests of Bondholders will not be materially prejudiced thereby. Any such modification, authorisation, waiver or determination shall be binding on the Bondholders, and, if the Trustee so requires, shall be notified to the Bondholders promptly in accordance with Condition 17.

(c) *Substitution*

The Trustee may, without the consent of the Bondholders, agree to the substitution in place of the Issuer (or any previous substitute or substitutes under this Condition) as the principal debtor under the Bonds and the Trust Deed of any subsidiary of the Issuer subject to (a) the Bonds being unconditionally and irrevocably guaranteed by the Issuer, and (b) the Bonds continuing to be exchangeable for the Exchange Property as provided in these Conditions *mutatis mutandis* as provided in these Conditions, provided that in any such case, (x) the Trustee is satisfied that the interests of the Bondholders will not be materially prejudiced by the substitution, and (y) certain other conditions set out in the Trust Deed are complied with. In the case of such a substitution the Trustee may agree, without the consent of the Bondholders, to a change of the law governing the Bonds and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Bondholders. Any such substitution shall be binding on the Bondholders and shall be notified promptly to the Bondholders in accordance with Condition 17.

(d) *Entitlement of the Trustee*

In connection with the exercise or performance by it of any right, power, trust, authority, duty or discretion under or in relation to the Trust Deed or these Conditions (including, without limitation, any modification, waiver, authorisation or determination referred to in Conditions 14(b) and (c)), the Trustee shall:

- (i) deem and treat each person shown in the records of (i) the NBB System or (ii) Euroclear, Clearstream, Luxembourg or any other clearing system that is a direct participant in the NBB System, as the holder of a particular principal amount of the Bonds as a Bondholder; and
- (ii) have regard to the interests of the Bondholders as a class and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Bondholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

15 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings or other action against the Issuer as it may think fit to enforce the provisions of the Trust Deed and the Bonds, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed or the Bonds unless (i) it shall have been so directed by an Extraordinary Resolution of the Bondholders or so requested in writing by the holders of at least one-quarter in principal amount of the Bonds then outstanding, and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Bondholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

16 The Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including relieving it from taking proceedings unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit. The Trustee may rely without liability to Bondholders on a report, confirmation or certificate or any advice of any accountants, financial advisers or investment bank, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice where the Issuer procures delivery of the same pursuant to its obligation to do so under any provision of these Conditions or the Trust Deed.

17 Notices

All notices regarding the Bonds will be valid if published through the electronic communication system of Bloomberg and (so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of that Stock Exchange so require) published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) and (in respect of a notice convening a meeting) made in accordance with Article 570 of the Belgian Company Code. For so long as the Bonds are held by or on behalf of the NBB System, notices to Bondholders may also be delivered to the NBB System for onward communication to Bondholders in substitution for such publication (provided that (i) so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of that Stock Exchange so require they are also published on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper having general circulation in Luxembourg (which is expected to be *the Luxemburger Wort*) and (ii) any notice convening a meeting is made in accordance with Article 570 of the Belgian Company Code). Any such notice shall be deemed to have been given to Bondholders on the calendar day after the date on which the said notice was given to the NBB System.

The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any other stock exchange or other relevant authority on which the Bonds are for the time being listed and, in the case of a convening notice for a meeting of Bondholders, in accordance with Article 570 of the Belgian Company Code. Any such notice shall be deemed to have been given on the date of such publication or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve.

18 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

19 Governing Law and Jurisdiction

(a) Governing law

The Trust Deed, the Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, save that Condition 14(a) and any matter relating to the dematerialised form of the Bonds shall be governed by, and construed in accordance with, Belgian law.

(b) *Jurisdiction*

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or the Bonds (“Proceedings”) may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and has waived any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of the Trustee and each of the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) *Agent for Service of Process*

The Issuer irrevocably appoints Hackwood Secretaries Limited as its authorised agent in England to receive service of process in any Proceedings in England. If for any reason such agent shall cease to be such agent for service of process, the Issuer shall forthwith appoint a new agent for service of process in England and notify the Bondholders of such appointment. Nothing herein or in the Trust Deed shall affect the right to serve process in any other manner permitted by law.

G. USE OF PROCEEDS

The gross proceeds from the sale of the Bonds will amount to EUR 400,800,000. The net proceeds from the sale of the Bonds would be approximately EUR 397,000,000.

The net proceeds from the issue of the Bonds will be used by the Issuer to diversify its funding sources, strengthen its balance sheet liquidity, general corporate and working capital purposes as well as to fund potential acquisitions that may arise in the future.

H. SELECTED CONSOLIDATED HISTORICAL FINANCIAL INFORMATION

1 Yearly figures of the Issuer established in compliance with the IFRS

in EUR million	2011					2010	
	Cash earnings	Mark to market and other non-cash	Operating (associated consolidated) private equity	companies or private	Eliminations, capital gains, impairments and reversals	Consolidated	Consolidated
Net earnings from consolidated associated and operating companies	-	-	255.70	-	-	255.70	260.30
Net dividends on investments	566.50	45.40	-	-	(111.60)	500.30	450.70
Interest income and expenses	(27)	(2.30)	(0.90)	-	-	(30.20)	(14.60)
Other financial income and expenses	6.40	(20)	-	-	-	(13.60)	(9.80)
Other operating income and expenses	(23.60)	(4.90)	(4.60)	-	-	(33.10)	(27.90)
Earnings on disposals, impairments and reversals from non-current assets	-	-	34.20	-	(639)	(604.80)	(18.80)
Taxes	-	0.70	-	-	-	0.70	0.90
IFRS Consolidated result for the period	522.30	18.90	284.40	-	(750.60)	75.00	640.80
Basic earnings per share(EUR)						0.48	4.13
Diluted earnings per share(EUR)						0.54	4.14
Number of basic shares						155,258,843	155,223,385
Number of diluted shares						157,431,914	158,721,241

2 Half yearly figures of the Issuer established in compliance with the IFRS

in EUR million	2012 (6m)					2011 (6m)	
Group's share	Cash earnings	Mark market to and other non-cash	Operating (associated consolidated) private equity	companies or and	Eliminations, capital gains, impairments and reversals	Consolidated	Consolidated
Net earnings from consolidated associated and	-	-	89.10	-	-	89.10	119.70

operating companies						
Net dividends on investments	309.40	-	-	(94.50)	214.90	278
Interest income and expenses	(13.10)	(0.60)	(0.90)	-	(14.60)	(9.70)
Other financial income and expenses	20.10	(18.30)	-	-	1.80	11.40
Other operating income and expenses	(8.10)	(1.20)	(2.40)	-	(11.70)	(14.40)
Earnings on disposals, impairments and reversals from non-current assets	-	-	(16.80)	448.60	431.80	30.50
Taxes	-	0.20	-	-	0.20	0.20

IFRS Consolidated result for the period	308.30	(19.90)	69.00	354.10	711.50	415.70
Basic earnings per share(EUR)					4.58	2.68
Diluted earnings per share(EUR)					4.55	2.68

Number of basic shares					155,260,857	155,258,843
Number of diluted shares					157,047,733	158,288,363

I. GENERAL INFORMATION ABOUT THE ISSUER

1 General information about the Issuer

(a) *History*

The Issuer was founded as the result of the merger in April 2001 between GBL S.A. and Electrafina, in which GBL S.A. held more than an 80% stake.

Over the years, Electrafina had become the “energy branch” of the group, holding the interests in the oil and electricity industries. Later, it also invested in media. GBL S.A. on the other hand held direct interests in fields such as financial services, real estate and trade. As the differences between the assets of the parent company and the subsidiary became less pronounced over the years, they were brought together into a single entity.

This merger also fit in with the group’s strategy of keeping its assets internationally positioned in a context of concentration and increasing competition, which resulted in the divestment of the financial services and the sale of interests that had become marginal.

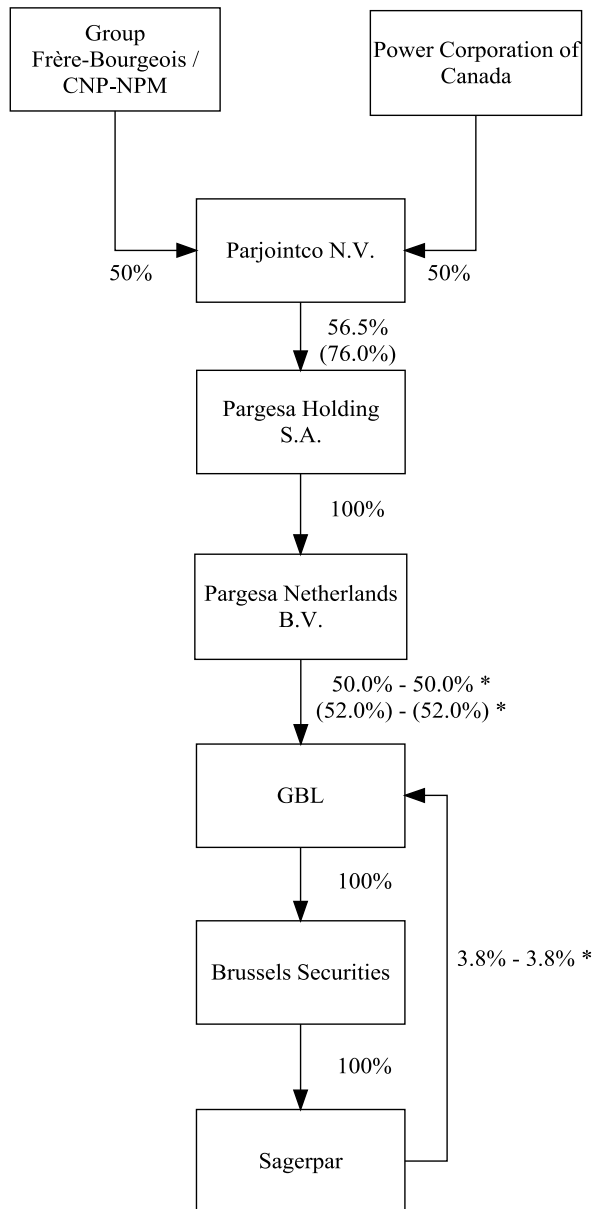
Since then, the group’s portfolio has been focused on a limited number of industrial companies that are leader on their markets in which GBL gradually consolidated its interest and in which it plays the role of long-term professional shareholder (see section 3 hereafter).

(b) *Shareholders*

The Issuer’s shareholding is characterised by the presence of a controlling shareholder, Pargesa Holding S.A. (via its wholly-owned subsidiary, Pargesa Netherlands B.V.). Pargesa Holding S.A., incorporated under Swiss law, is itself controlled by Parjointco N.V., which is incorporated under the laws of the Netherlands and whose capital is owned 50-50 by Frère-Bourgeois/CNP-NPM group and Power Corporation of Canada group, under an agreement concluded by the two groups in 1990.

That agreement aims to establish and maintain parity between Power Corporation of Canada group and Frère-Bourgeois/ CNP-NPM group in Pargesa Holding S.A., GBL and their respective designated subsidiaries. Each group has agreed not to acquire, hold or sell interests in these companies, either directly or indirectly, except with the agreement of the other party, and has granted the other group a right of pre-emption, subject to certain restrictions, on shares in Pargesa Holding S.A. and GBL in the event of the disposal of such shares during a five-year period following expiry of the agreement.

This agreement was prolonged in 1996 and will expire in 2014 if not renewed.



() voting rights
 * Updated on 6 March 2012

(c) *Name*

Groupe Bruxelles Lambert / Groep Brussel Lambert – in abbreviated form "GBL". The French and Dutch registered names may be used together or separately.

(d) *Registered Office*

24, avenue Marnix – 1000 Brussels – Belgium.

The registered office may be transferred to any other address in Belgium on a decision by the Board of Directors.

(e) *Legal form, incorporation and statutory publications*

The Issuer was incorporated on 4 January 1902 as a limited liability company under Belgian law, by deed executed by Edouard Van Halteren, Notary in Brussels, published in the Appendices to the *Moniteur Belge* of 10 January 1902, reference number 176. The Articles of Association have been amended on a number of occasions, most recently by a deed enacted on 12 April 2011 published in the Appendices to the *Moniteur Belge* of 25 May 2011, reference numbers 2011-05-25/0078414 and 2011-05-25/0078415, 14 June 2011 (amending extract), reference numbers 2011-06-14/0087618 and 2011-06-14/0087619 and 19 October 2011 (transitional provisions), reference numbers 2011-10-19/0157685 and 2011-10-19/0157686.

(f) *Legislation governing its activities*

The Issuer is governed by existing and future laws and regulations applicable to Belgian limited liability companies and by its Articles of Association.

(g) *Term*

The Issuer is incorporated for an unlimited period.

(h) *Documents available to the public*

(i) Shareholders' access to information and website

With the aim of facilitating shareholders' access to information, GBL has set up a website (<http://www.gbl.be>).

This site, which is updated regularly, contains the information required under the Belgian Royal Decree of 14 November 2007 concerning the obligations of issuers of financial instruments accepted for trading on a regulated market.

It presents the GBL accounts, annual reports and all press releases put out by the Issuer, as well as all useful and necessary information on General Meetings and on shareholders' participation in such meetings, in particular the conditions laid down by the Articles of Association concerning the convening of General Meetings (Ordinary and Extraordinary) of shareholders.

The results of votes as well as the minutes of General Meetings are also published on the site.

(ii) Availability of company documents for public consultation

The Issuer's Articles of Association may be consulted at the Registry of the Brussels Commercial Court, at the Issuer's registered office and on its website (<http://www.gbl.be>).

The annual accounts are deposited with the National Bank of Belgium and may be consulted on the website. Resolutions relating to the appointment and removal of members of the Issuer's executive bodies are published in the Appendices to the *Moniteur belge*.

Financial announcements relating to the Issuer are published in the financial press and daily newspapers. Other documents available for public inspection may be consulted at the Issuer's registered office.

The Issuer's annual report is sent each year to registered shareholders and to any person requesting a copy; it is available free of charge at the registered office.

The annual reports for the last three financial years and all the documents referred to in this section may be consulted on the Issuer's website.

2 General information about the capital of the Issuer

(a) Issued capital

On 31 December 2011, the fully paid-up share capital amounted to EUR 653,136,356.46. It is represented by 161,358,287 shares without nominal value.

(b) Convertible debt

The Issuer does not have any convertible or exchangeable debt securities into its own shares or debt securities with warrant attached.

3 Information concerning the Issuer's activity

The Issuer's primary objective is to create value for its shareholders.

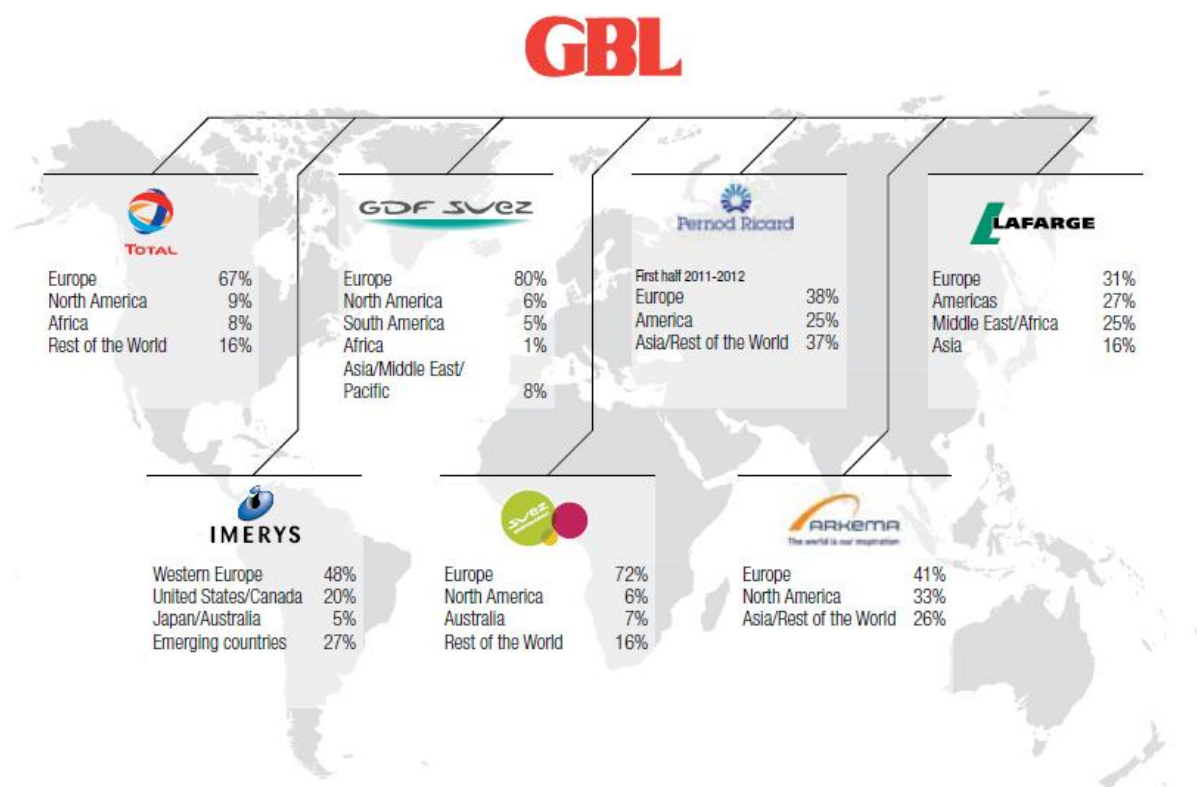
The Issuer strives to develop a portfolio of investments focusing on a small number of industrial companies that are leader on their markets, in which it can play its role as a long-term professional shareholder. This portfolio currently includes Total, GDF Suez, Pernod Ricard, Lafarge, Imerys, Suez Environnement and Arkema, in addition to a few smaller investments in listed and unlisted companies (private equity).

This portfolio is meant to evolve over time depending on the companies' development and market opportunities. GBL invests and disinvests according to its objectives of value creation and of maintaining a solid financial structure.

The Issuer's dividend policy seeks to achieve a sound balance between providing an attractive cash yield to shareholders and achieving sustained growth in its share price.

The Issuer's investments at 30 June 2012 are the following: Total, GDF SUEZ, Pernod Ricard, Lafarge, Imerys, Suez Environnement and other investments.

Geographical breakdown of turnover



For more information, please refer to the Issuer's 2011 annual report – pages 21 to 66.

4 Information concerning the recent development and prospects of the Issuer

During the second half of 2012, the Issuer expects to receive interim dividends or balances on dividends, essentially from Total, GDF SUEZ and Pernod Ricard, to be approved by their respective management bodies according to their dividend policy.

The consolidated result will also take into account the evolution of net contributions from operating companies (associated and consolidated, i.e. Lafarge, Imerys and the private equity division), which are themselves dependent on economic developments and the valuation of their assets. The adjustments to the fair value of financial instruments and any impairments/reversals on the portfolio will also be included in the consolidated result.

J. GENERAL INFORMATION ABOUT SUEZ ENVIRONNEMENT

1 Information concerning the Shares

(a) Voting right

Each Share entitles the holder to one voting right.

(b) Dividend

The dividend is the portion of the company's distributable reserves which the General Meeting moves to distribute to shareholders after examining and approving the financial statements for the past financial year. This amount is suggested by the Board of Directors.

Since its initial public offering on 22 July 2008, Suez Environnement has distributed three dividends:

- In 2009: €0.65 per Share;
- In 2010: €0.65 per Share;
- In 2011: €0.65 per Share.

More information on the performance of the Shares can be found on <http://www.suez-environnement.com/finance/shares/share-price/stock-exchange>.

(c) Taxation

The attention is drawn to the fact that this presentation is a summary of the currently applicable tax system. It is given as general information and is not intended to constitute a complete analysis of all the tax consequences that could apply to a shareholder.

The following provisions present the main tax consequences applicable to individual or legal entities that hold securities in their private assets and do not carry out stock market operations on a regular basis.

“Taxation of shares in France” means “Individual shareholders who are tax residents in France”.

Aside from a share-savings plan, shareholders have a choice between two dividend tax systems:

- The general regime consisting of the application of the progressive income tax scale in the category of revenue from movable assets,
- The Optional withholding tax at source (PFL) regime at a rate of 21%.

(i) The general regime

This general system applies unless the flat-rate withholding tax option is chosen.

In accordance with the provisions in article 158 sections 3-2 to 5 of the French tax code (Code Général des Impôts), the dividends benefit, firstly, from an annual uncapped allowance of 40% on the total distributed income (hereinafter referred to as “the 40% Reduction”), and secondly, from a fixed annual allowance, applicable after the 40% reduction. The allowance is €3,050 for couples who are married or in a civil partnership (or PACS in France) paying joint tax, and €1,525 for single taxpayers, widows, divorcees or those married and taxed separately (“Fixed Annual Allowance”).

However, in respect of income earned in 2011, the taxpayer will no longer benefit from the 50% tax credit on dividends received (limited to €115 for a single person, widower, widow, divorced or separately taxed married person, and limited to €230 for a married couple or civil solidarity pact partners who are taxed jointly).

The tax credit is allowed against the income tax due for the year in which dividends are received. If the amount exceeds the tax due, the excess is refunded subject to being at least equal to €8.

In addition, the gross amount of dividends received (before applying any rebates), is subject to the five social security contributions due in respect of unearned income, the total standing at 13.5%:

- CSG social security tax at a rate of 8.2%, of which 5.8% is deductible from the overall taxable income for the year of its payment;
- CRDS social security debt contribution at a rate of 0.5 %;
- the social levy of 3.4% plus the additional contribution at a rate of 0.3% and the 1.1% contribution to finance the earned income supplement or RSA (Revenu de Solidarité Active).

(ii) **Optional flat-rate withholding tax system or PFL (Prélèvement Forfaitaire Libérateur)**

If this option is exercised, at the latest, on cashing in the dividends, shareholders can opt for the flat-rate withholding tax (PFL) and be subject to withholding tax at a rate of 21% on the gross amount of dividends received on or after 1 October 2011 (19% until 30 September 2011).

In addition, dividends subject to the flat-rate withholding tax (PFL) are subject to the five social security contributions, amounting to 13.5% for income received on or after 1 October 2011 (the CSG is therefore not deductible from taxable income).

This means that the overall tax rate if the option to the flat-rate withholding tax is exercised stands at 34.5% of the gross amount of dividends.

(d) *Arrangements for the transfer of the shares*

Not applicable.

(e) *Listing of the Shares*

The Shares are listed on the Eurolist of NYSE Euronext Paris.

2 General information about Suez Environnement and its capital

(a) *Legal name*

The legal name is Suez Environnement Company.

(b) *Registered office, legal form and corporation applicable legislation*

Suez Environnement's registered address is Tour CB21, 16 Place de l'Iris, 92040 Paris La Défense cedex, France.

The Board of Directors' meeting of 27 October 2010 decided to transfer the registered address from 1 Rue d'Astorg, 75008 Paris to Tour CB21, 16 Place de l'Iris, 92040 Paris La Défense cedex. The Combined Ordinary and Extraordinary Shareholders' Meeting of 19 May 2011 ratified the head office transfer.

Suez Environnement is a French Société Anonyme (public limited company) with a Board of Directors, and is governed by the provisions of Book II of the French Commercial Code applicable to commercial companies and all legal provisions applicable to commercial companies. It is governed by current and future legal and regulatory provisions and its bylaws.

(c) *Suez Environnement date of incorporation and term*

Suez Environnement was incorporated on 9 November 2000 for a term of 99 years. Except in the event of early dissolution or extension, Suez Environnement will cease to exist on 9 November 2099.

(d) *Documents available to the public*

Corporate documents relating to Suez Environnement are made available to shareholders in accordance with current legislation and may be consulted on Suez Environnement’s website at the following address: www.suez-environnement.com, as well as at Suez Environnement corporate headquarters, Tour CB21 – 16, place de l’Iris – 92040 Paris – La Défense Cedex, France, under applicable legal and regulatory conditions.

Reference Documents filed with the AMF for 2009, 2010 and 2011, the interim financial reports, and quarterly financial information may be consulted on the Suez Environnement website at www.suez-environnement.com under “finance, regulatory information”.

In addition, the regulatory information set out in Article 222-7 of the AMF Regulations, including the annual document summarizing certain information made public by Suez Environnement in accordance with Articles L. 451-1-1 of the French Monetary and Financial Code, can be consulted on the Suez Environnement website at the following address: www.suez-environnement.com/finance/regulatory-information.

(e) *Breakdown of share capital as at 31 December 2011*

As of 31 December 2011, Suez Environnement total share capital was €2,040,935,316. It consisted of 510,233,829 shares with a nominal value of €4 each, representing 510,233,829 voting rights.

As of 31 December 2011, the number of shares without voting rights (shares held by Suez Environnement under the share purchase) totaled 3,294,721 shares, hence a total number of exercisable voting rights of 506,939,108.

The voting rights of the Suez Environnement major shareholders are no different from those of other shareholders.

(f) *Authorised capital*

The delegations and authorizations to issue shares and other securities approved by Suez Environnement Combined Ordinary and Extraordinary Shareholders’ Meeting of 24 May 2012 are the following:

Authorizations/delegations of authority	Validity period	Authorized ceiling
1. Capital increase by issuing ordinary shares and/or marketable securities conferring entitlement, immediately or in the future, to Suez Environnement shares, while retaining preferential subscription rights (PSR) (Resolution 17)	26 months as of 24 May 2012	€408 million

Authorizations/delegations of authority	Validity period	Authorized ceiling
2. Capital increase by issuing ordinary shares and/or marketable securities conferring entitlement, immediately or in the future, to Suez Environnement shares, with removal of preferential subscription rights (Resolution 18)	26 months as of 24 May 2012	€306 million
3. Issue, in accordance with Article L.411-2 II of the French Monetary and financial Code, of shares and marketable securities conferring access to share capital, with removal of preferential subscription rights (Resolution 20)	26 months as of 24 May 2012	€306 million
4. Increase in the amount of the issues, with retention or removal of preferential subscription rights (Resolution 21)	26 months as of 24 May 2012	€408 millions
5. In the event of an issue of ordinary shares and/or marketable securities conferring entitlement, immediately or in the future, to shares, with removal of preferential subscription rights, increasing these shares with a view to setting the issue price within the limit of 10% of the Suez Environnement capital (Resolution 19)	26 months as of 24 May 2012	€204 million
6. Capital increase with a view to payment of contributions in kind consisting of equity securities or marketable securities conferring entitlement to the share capital (Resolution 22)	26 months as of 24 May 2012	€204 million
7. Capital increase by incorporating additional paid-in capital, reserves, profits or any other amount for which capitalization is authorized (Resolution 23)	26 months as of 24 May 2012	€408 million
8. Capital increase for payment of contributions of securities performed in the context of a public exchange offer (Resolution 24)	26 months as of 24 May 2012	€306 million
9. Issue of mixed securities representing debt (Resolution 25)	26 months as of 24 May 2012	€3 billion
10. Capital increase by issuing shares or marketable securities conferring access to share capital, restricted to members of the savings plan with removal of their preferential subscription rights (Resolution 26)	26 months as of 24 May 2012	€40 million ⁽²⁾
11. Authorization to trade in its own shares on the stock exchange (Resolution 14)	26 months as of 24 May 2012	Up to 10% of capital
12. Authorization to reduce share capital by cancelling treasury shares (Resolution 16)	26 months as of 24 May 2012	10% of the share capital per 24-month period

Authorizations/delegations of authority	Validity period	Authorized ceiling
13. Authorization to allocate bonus shares to employees of the Suez Environnement or group companies, as well as to corporate officers (Resolution 28)	38 months as of 24 May 2012	Maximum holding: 1.5% of share capital
14. Increase in the share capital, with suppression of preferential subscription rights, in favor of any entity whose sole purpose is to facilitate access to the share capital of Suez Environnement by foreign employees of the group (Resolution 27)	26 months as of 24 May 2012	Nominal amount €12 million ⁽²⁾

(g) *Non equity-instruments*

None.

3 Suez Environnement principal activities

With total revenues of €14.8 billion and some 80,410 employees as of 31 December 2011, the Suez Environnement group is a major player in the global environmental market (water and waste). The group is active in each stage of the water and waste cycles and therefore has thorough expertise in this area. It operates both on behalf of public authorities and private sector players.

The group's water-related activities specifically include:

- catchment, treatment and distribution of drinking water;
- maintenance of networks and operation of plant;
- customer management;
- collection and treatment of municipal and industrial wastewater;
- design, building, occasional financing and operation of drinking water production and wastewater treatment plants, as well as desalination and water treatment plants for reuse purposes;
- studies, master plans, modeling of underground water tables and hydraulic flows and general contracting for water management infrastructure projects; and
- biological and energy recovery of treated sewage sludge;

The group's activities in the waste sector notably include:

- waste collection (household waste, waste from local authorities and industrial waste; non-hazardous and hazardous waste, excluding waste that may be contaminated by radioactive residues from nuclear activities) and urban cleaning services;
- pretreatment of such waste;
- sorting, recycling, and material, biological or energy recovery of recoverable portions;
- disposal, by incineration and landfilling, of residual portions;
- integrated management of industrial sites (industrial sanitation, pollution clean-up and remediation of polluted sites or soil); and
- sludge treatment and recovery.

The group engages in its activities through public and private customers, under various types of contracts:

- in the water sector, the Group primarily enters into public service delegation contracts (leases or concessions) and public contracts, as well as service, operation and maintenance contracts and building and engineering contracts;
- in the waste sector, the Group enters into service or management contracts (delegated and non-delegated, integrated and nonintegrated), operation and maintenance contracts and design, building and operation contracts.

In 2011, 49.7% of the group's consolidated revenues were earned in the water segment and 50.3% in the waste segment.

The group is organized according to three main segments: Water Europe, Waste Europe and International (Degrémont and activities outside Western Europe), which are divided into nine business units. Another segment, known as "Other," covers only corporate functions.

4 Outlook for 2012

In the context of a difficult and uncertain economic climate in Europe since the beginning of the year, Suez Environnement has made it a priority to protect its profitability and to maintain a sound balance sheet. For the financial year 2012 Suez Environnement anticipates:

- operating targets:
 - stability of its revenue,
 - stability of its EBITDA,
 - free cash flow in 2012 equal to or greater than that of 2011;
- a solid balance sheet:
 - net investments reduced to €1.2 billion,
 - Net Debt/EBITDA ratio maintained at around 3 times;
- dividend policy:
 - dividend per share greater or equal to €0.65 for 2012

5 Financial information on Suez Environnement

(a) Summary of income statement

<i>In €m</i>	FY 2010	FY 2011
REVENUE	13,869	14,830
Depreciation, amortization & provisions	(1,027)	(1,179)
CURRENT OPERATING INCOME	1,025	1,039
INCOME FROM OPERATING ACTIVITIES	1,221	1,092
Financial result	(414)	(405)
Associates	31	37
Income tax	(119)	(174)
Minority interest	(155)	(227)
NET RESULT GROUP SHARE	565	323

(b) Summary of cash-flow statement

<i>In €m</i>	FY 2010	FY 2011
Gross cash flow before financial loss and income tax	1,977	2,130
Income tax paid (excl. income tax paid on disposals)	(356)	(163)
Change in operating working capital	269	(65)
CASH FLOW FROM OPERATING ACTIVITIES	1,890	1,902
Net tangible and intangible investments	(1,346)	(1,410)
Financial investments	(587)	(260) ⁽¹⁾
Disposals	632	157 ⁽²⁾
Other investment flows	(14)	(49)
CASH FLOW FROM INVESTMENT ACTIVITIES	(1,315)	(1,561)
Dividends paid	(457)	(281)
Balance of reimbursement of debt / new debt	(2,131)	664
Interests paid on financial activities	(368)	(333)
Capital increase	4	25
Other cash flows	1,475 ⁽³⁾	222
CASH FLOW FROM FINANCIAL ACTIVITIES	(1,477)	297
Impact of currency, accounting practices and other	17	30
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD	2,712	1,827
Total cash flow for the period	(885)	667
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	1,827	2,494

(1) O/w 2m€ of cash acquired and other

(2) O/w 101m€ of cash sold and other

(3) O/w 750m€ of hybrid emission

(c) *Key figures for the half year 2012*

<i>In millions of euros</i>	June 30, 2012	June 30, 2011
Revenues	7,323	7,376
EBITDA	1,133	1,233
EBITDA margin	15.5%	16.7%
Net income Group share	40	221
Free cash flow ⁽¹⁾	498	324
Net debt	7,878	7,449 ⁽²⁾
	<i>at June 30, 2012</i>	<i>at December 31, 2011 ⁽²⁾</i>

(1) *before disposals and development capital expenditures.*

(2) *2011 data restated following the change in the definition of net financial debt; see Chapter 5, Note 7.3; the net financial debt figure published in the Reference Document for 2011 was €7,557 million.*

K. CLEARING

The Bonds have been accepted for clearance through the NBB System under the ISIN number BE6242865424 and Common Code 082870873, and are accordingly subject to the NBB System Regulations.

The number of Bonds in circulation at any time is registered in the register of registered securities of the Issuer in the name of the NBB.

Access to the NBB System is available through those of its NBB System participants whose membership extends to securities such as the Bonds. NBB System participants include certain banks, stockbrokers (beursvennootschappen / sociétés de bourse), and Euroclear and Clearstream, Luxembourg. Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear and Clearstream, Luxembourg and investors can hold their Bonds within securities accounts in Euroclear and Clearstream, Luxembourg.

Transfers of interests in the Bonds are effected between NBB System participants in accordance with the rules and operating procedures of the NBB System. Transfers between investors are effected in accordance with the respective rules and operating procedures of the NBB System participants through which they hold their Bonds.

The Domiciliary Agent will perform the obligations of domiciliary agent set out in the clearing services agreement entered into by the NBB, the Issuer and the Domiciliary Agent.

The Issuer and the Domiciliary Agent will not have any responsibility for the proper performance by the NBB System or its NBB System participants of their obligations under their respective rules and operating procedures.

L. TAXATION IN BELGIUM

The following is a general description of certain Belgian tax considerations relating to the Bonds. It does not purport to be a complete analysis of all tax considerations relating thereto. Prospective purchasers should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Belgium of acquiring, holding and disposing of Bonds and receiving payments of interest, principal and/or other amounts there under.

This summary is based upon the law as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date.

For the purpose of this summary, a Belgian resident is (i) an individual subject to Belgian personal income tax (i.e. an individual who has his domicile in Belgium or has his seat of wealth in Belgium, or a person assimilated to a Belgian resident), (ii) a company subject to Belgian corporate income tax (i.e. a company that has its registered office, its main establishment, its administrative seat or its seat of management in Belgium); or (iii) a legal entity subject to Belgian legal entities tax (i.e. an entity other than a company subject to corporate income tax having its registered office, its main establishment, its administrative seat or its seat of management in Belgium).

A non-resident is a person that is not a Belgian resident.

Belgian Withholding Tax on the Bonds

The interest component of payments on the Bonds made by or on behalf of the Issuer is as a rule subject to Belgian withholding tax at a rate of 21 per cent. For Belgian resident individuals, an additional levy of 4 per cent. may apply to the interest on the Bonds.

For Belgian income tax purposes, interest includes (i) periodic interest income, (ii) amounts paid by the issuer in excess of the issue price (upon full or partial redemption, whether or not at maturity, or upon purchase by the Issuer), and (iii) if the Bonds qualify as fixed income securities pursuant to Article 2, §1, 8 of the Belgian Income Tax Code 1992 ("**ITC 1992**"), in case of a sale of the Bonds to any third party, excluding the Issuer, the pro rata of accrued interest corresponding to the detention period.

NBB System

The holding of the Bonds in the NBB System (also known as the X/N clearing system) permits most types of investors (the "**Eligible Investors**", see below) to collect interest on their Bonds free of Belgian withholding tax, and to trade their Bonds on a gross basis.

Participants in the NBB System must keep the Bonds they hold for the account of Eligible Investors on an exempt securities account (an "**X-account**"), and those they hold for the account of "non-Eligible Investors" on "N-accounts". Payments of interest made through X-accounts will be made free of Belgian withholding tax; payments of interest made through N-accounts are subject to a withholding tax of 21 per cent., which the NBB deducts from the interest payment and pays over to the tax authorities.

Transfers of Bonds between an X-account and an N-account give rise to certain adjustment payments on account of withholding tax:

A transfer from an N-account to an X-account gives rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date. A transfer from an X-account to an N-account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date. Transfers of Bonds between two X-accounts do not give rise to any adjustment on account of withholding tax. Transfers of Bonds between two N-accounts give rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax

on the accrued fraction of interest calculated from the last interest payment date up to the transfer date, and to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the same interest amount. These adjustment mechanics are such that parties trading the Bonds on the secondary market, irrespective of whether they are Eligible or non-Eligible Investors, are in a position to quote prices on a gross basis. Currently the main categories of Eligible Investors are as follows:

- Belgian resident corporate investors;
- corporate investors who are non-residents of Belgium, whether they have a permanent establishment in Belgium or not;
- individuals who are non-residents of Belgium, unless their holding of the Bonds is connected to a permanent establishment they have in Belgium; and
- non incorporated foreign collective investment schemes (such as fonds de placement / beleggingsfondsen) whose units are not publicly offered or marketed in Belgium.

(The above categories summarise the detailed definitions contained in Article 4 of the Belgian royal decree of 26 May 1994, to which investors should refer for a precise description of the relevant eligibility rules.)

The main categories of non-Eligible Investors are as follows:

- Belgian resident individuals;
- Belgian OFPs (organisation for the financing of pensions);
- Belgian non profit organisations; and
- non incorporated Belgian collective investment schemes (fonds de placement / beleggingsfondsen) and similar foreign funds whose units are publicly offered or marketed in Belgium.

When opening an X-account for the holding of Bonds or other Bonds held in the NBB System, an Eligible Investor will be required to certify its eligible status on a standard form approved by the Belgian Minister of Finance and send it to the financial institution where this account is kept. This statement need not be periodically reissued (although Eligible Investors must update their certification should their eligible status change). Different identification requirements apply to investors who are non-residents of Belgium and keep their Bonds on a securities account through Euroclear or Clearstream, Luxembourg.

Interest, Capital Gains and Income Tax

Belgian resident individuals

For individuals who are Belgian residents for tax purposes, who are holding the Bonds as a private investment, and who opt to submit the interest on the Bonds, in addition to the withholding tax of 21 per cent., to an additional levy of 4 per cent. withheld at source, the taxes withheld fully discharge them from their personal income tax liability with respect to these interest payments. This means that they do not have to declare the interest obtained on the Bonds in their personal income tax return.

For individuals who are Belgian residents for tax purposes, who are holding the Bonds as a private investment, and who do not opt to submit the interest on the Bonds, in addition to the withholding tax of 21 per cent., to an additional levy of 4 per cent. withheld at source, the taxes withheld do not fully discharge them from their personal income tax liability with respect to these interest payments. In such case, the interest amount on the Bonds will be communicated to a special contact centre operated by the competent service of the Belgian tax administration who may exchange certain information to the Belgian tax authorities, and the individual will need to declare the interest amount in its personal income tax return. The interest amount so declared will normally be taxed at the interest withholding tax rate of 21 per cent. plus local surcharges (however, the Belgian federal government has approved a draft bill which, if adapted,

would result in an exemption from these surcharges) or at the progressive personal income tax rates plus local surcharges taking into account the taxpayer's other declared income (whichever is lower).

If the gross amount of all interest and dividend income declared and/or communicated to the contact centre, exceeds EUR 20,020 on a yearly basis (threshold applicable for assessment year 2013, income year 2012), the interest declared on the Bonds exceeding this threshold will be subject to an additional levy of 4 per cent. in the personal income tax declaration. Certain specific categories of interest and dividends are exempt and not taken into consideration in order to calculate whether the threshold is exceeded. Some other categories of interest and dividends are exempt, but are taken into consideration in order to calculate whether the threshold is exceeded.

If the interest payment is declared, the withholding tax retained and, if applicable, the additional levy of 4 per cent., may be credited.

Capital gains realised on the sale of the Bonds are in principle tax exempt, unless the capital gains are realised outside the scope of the management of one's private estate or unless the capital gains qualify as interest (as defined in the section "Belgian Withholding Tax"). Capital losses realised upon the disposal of the Bonds held as non-professional investment are in principle not tax deductible.

Other tax rules apply to Belgian resident individuals who do not hold the Bonds as a private investment.

Belgian resident companies

Interest attributed or paid to corporations Bondholders who are Belgian residents for tax purposes, i.e. who are subject to the Belgian Corporate Income Tax (impôt des sociétés / vennootschapsbelasting), as well as capital gains realised upon the sale of the Bonds are taxable at the ordinary corporate income tax rate of in principle 33.99 per cent. Capital losses realised upon the sale of the Bonds are in principle tax deductible.

Belgian legal entities

Belgian legal entities subject to the Belgian legal entities tax (impôt des personnes morales / rechtspersonenbelasting) which do not qualify as Eligible Investors (as defined in the section "Belgian Withholding Tax") are subject to a withholding tax of 21 per cent. on interest payments. The withholding tax constitutes the final taxation.

Belgian legal entities which qualify as Eligible Investors (as defined in the section "Belgian Withholding Tax") and which consequently have received gross interest income are required to pay the withholding tax themselves.

Capital gains realised on the sale of the Bonds are in principle tax exempt, unless the capital gains qualify as interest (as defined in the section "Belgian Withholding Tax"). Capital losses are in principle not tax deductible.

Organisations for financing pensions

Interest derived by Bondholders on the Bonds and capital gains realised on the Bonds will be exempt from Belgian Corporate Income Tax. Subject to certain conditions, any Belgian withholding tax levied on the interest will be fully creditable against any corporate income tax due and any excess amount will in principle be refundable.

Belgian non-residents

Bondholders who are not residents of Belgium for Belgian tax purposes and who are not holding the Bonds through their permanent establishment in Belgium and do not invest the Bonds in the course of their Belgian professional activity, will not become liable for any Belgian tax on income or capital gains by reason only of the acquisition or disposal of the Bonds provided that they qualify as Eligible Investors and that they hold their Bonds in an X-Account.

If the Bonds are not entered into an X-account by the Eligible Investor, withholding tax on the interest is in principle applicable at the current rate of 21 per cent., possibly reduced pursuant to a tax treaty, on the gross amount of the interest.

Tax on stock exchange transactions

A stock exchange tax (Taxe sur les opérations de bourse / Taks op de beursverrichtingen) will be levied on the purchase and sale in Belgium of the Bonds on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.09 per cent. with a maximum amount of EUR 650 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

However, the tax referred to above will not be payable by exempt persons acting for their own account, including investors who are Belgian non-residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors, as defined in Article 126/1,2° of the Code of various duties and taxes (Code des droits et taxes divers / Wetboek diverse rechten en taksen).

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC (the "Directive") on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State. However, for a transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to apply a withholding system in relation to such payments, deducting tax at a rate of 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

M. SUBSCRIPTION AND SALE

Pursuant to a subscription agreement dated 7 September 2012 (the “**Subscription Agreement**”) the Joint Lead Managers have agreed with the Issuer to subscribe for the aggregate principal amount of Bonds as set out in the Subscription Agreement.

The Issuer has agreed to pay to the Joint Lead Managers a combined management and placement fee and to reimburse the Joint Lead Managers for certain of its expenses incurred in connection with the management of the issue of the Bonds.

The Issuer had agreed to indemnify the Joint Lead Managers in respect of certain matters pursuant to the Subscription Agreement. The Subscription Agreement contains provisions entitling the Joint Lead Managers to terminate the Subscription Agreement in certain circumstances prior to the payment of the net subscription monies in respect of the Bonds to the Issuer.

The Issuer has agreed that during the period commencing on the date of the Subscription Agreement and ending 45 days after 21 September 2012 (both dates inclusive) it will not, and will procure that none of its subsidiaries will, without the prior written consent of the Joint Lead Managers (i) directly or indirectly, issue, offer, pledge, sell, contract to issue or sell, issue or sell any option or contract to purchase, purchase any option or contract to issue or sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of, directly or indirectly, any Suez Environnement Shares or Relevant Securities or any securities convertible into or exercisable or exchangeable for Suez Environnement Shares or Relevant Securities or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of Suez Environnement Shares or Relevant Securities, whether any such swap or transaction described in paragraph (i) or (ii) above is to be settled by delivery of Suez Environnement Shares or Relevant Securities or such other securities, in cash or otherwise. The foregoing sentence shall not apply to (a) the issue of the Bonds or (b) any Suez Environnement Shares delivered pursuant to the exchange of the Bonds. For the purposes of this clause, “Relevant Securities” shall include any participation certificates and any depositary or other receipt, instrument, rights or entitlement representing Suez Environnement Shares.

The Bonds were issued and sold in minimum denominations of € 100,000 and integral multiples of 100,000. The initial offering of the Bonds is targeted at professional investors only.

General

No action has been taken by the Issuer or any of the Joint Lead Managers that would, or is intended to, permit a public offer of the Bonds or any offering or publicity material relating to the Bonds in any country or jurisdiction where any such action for that purpose is required.

United States

The Bonds and the Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Joint Lead Manager represents that it has not offered and sold the Bonds, and agrees that it will not offer or sell any Bonds constituting part of its allotment within the United States or to U.S. persons except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, neither it, its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds or the delivery of the Suez Environnement Shares to be delivered on exchange of the Bonds.

Terms used in this paragraph have the meanings given to them by Regulation S.

United Kingdom

Each Joint Lead Manager represents, warrants and agrees that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

N. GENERAL INFORMATION

Authority

On 29 June 2012, the board of directors of the Issuer approved the issue of the Bonds. In accordance with Belgian company law and the provisions of the Issuer's Articles of Association, the board of directors has the authority to issue convertible bonds.

Information from third parties

Where information in this Offering Circular has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain, to its reasonable knowledge, from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading in any material respect.

Absence of material adverse change

Except as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Issuer and no material adverse change in the prospects of the Issuer since 30 June 2012.

Absence of litigation

Except as the litigation described hereafter, the Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Offering Circular which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer.

Early 2004, minority shareholders in Rhodia initiated proceedings against the Issuer and two of its Directors before the Paris Commercial Court, calling into question their responsibility as Directors of Rhodia. At the same time, a criminal justice procedure was started against X. On 27 January 2006, the Court of Paris decided to suspend the civil procedure until a decision is made in the criminal justice procedure. Since then, this lawsuit has practically not evolved: it is still adjourned pending the outcome of the criminal proceedings

Independent Auditors

The statutory auditor of the Issuer is Deloitte Bedrijfsrevisoren/Reviseurs d'Entreprises BV o.v.v.e. CVBA / SC s.f.d. SCRL, represented by Michel Denayer, Berkenlaan 8b, B – 1831 Diegem.

Clearing

The Bonds have been accepted for clearance through the clearing system of the National Bank of Belgium, as well as through Euroclear and Clearstream, Luxembourg systems with as Common Code 082870873. The International Securities Identification Number (ISIN) for the Bonds is BE6242865424.

The address of the National Bank of Belgium is 14 Boulevard de Berlaimont, 1000 Brussels, Belgium. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

Available documentation

For so long as the Bonds are outstanding, copies of the following documents will be available free of charge during normal business hours at the offices of the Paying and Exchange Agent:

- the Articles of Association of the Issuer;
- the Agency Agreement and the Trust Deed ;

- the consolidated financial statements of the Issuer for the years ended 31 December 2010 and 31 December 2011 (together with the audit report of the statutory auditor on the same consolidated financial statements);
- this Offering Circular;
- the latest annual report published by the Issuer for the financial year ending on 31 December 2011; and
- the condensed consolidated interim financial statements of the Issuer for the six month period ended 30 June 2012 (together with the review report of the statutory auditor on the condensed consolidated interim financial statements of the Issuer for the six month period ended 30 June 2012).

THE ISSUER

Groupe Bruxelles Lambert

Avenue Marnix 24

1000 Brussels

Belgium

JOINT LEAD MANAGERS

BNP Paribas Fortis	Deutsche Bank, London Branch	Morgan Stanley & Co International plc.
Montagne du Parc 3	Winchester House	25 Cabot Square
1000 Brussels	1 Great Winchester Street	Canary Wharf
Belgium	London EC2N 2DB	London E14 4QA
	United Kingdom	United Kingdom

LISTING AGENT, PAYING AND EXCHANGE AGENT AND DOMICILIARY AGENT

BNP Paribas Securities Services - Brussels Branch

Boulevard Louis Schmidt 2

1040 Brussels

Belgium

TRUSTEE

The Law Debenture Trust Corporation p.l.c. Fifth Floor

100 Wood Street

London EC2V 7EX

United Kingdom

LEGAL ADVISERS

To the Issuer as to English law:

Linklaters LLP

One Silk Street

London EC2Y 8HQ

United Kingdom

To the Issuer as to Belgian law:

Linklaters LLP

Rue Bréderode 13

1000 Brussels

Belgium

To the Joint Lead Managers and the Trustee as to English law:

Allen & Overy LLP

One Bishops Square

London E1 6AD

United Kingdom

To the Joint Lead Managers as to Belgian law:

Allen & Overy LLP

Tervurenlaan 268/A

1150 Brussels

Belgium

AUDITOR TO THE ISSUER

Deloitte SCRL

Berkenlaan 8b,

1813 Diegem

Belgium