Paris, May 29, 2006

Press release

20th edition of the Initiatives and Innovation Trophies: Gérard Mestrallet honors the 2006 winners

On Monday, May 29, Gérard Mestrallet, SUEZ Chairman and C.E.O., presented the 2006 Initiatives-Innovation Grand Prize Awards. The awards, made this year as the Group celebrated 20 years of Initiatives and Innovation Trophies, recognize projects and experiences of teams presented by various Group subsidiaries and activities. The projects brought technical, commercial, managerial or synergy improvements among Group entities. During these 20 years, over 400 projects have been selected.

This year, SUEZ personnel entered 134 projects, 36 of which were honored.

A Jury Grand Prize Award was attributed to Degrémont for Microcoagulation: new horizons for ultrafiltration.

2006 Grand Prize Awards were made for the following innovations:

- In the Commercial category
  - *Loan contract: helping industrial customers migrate, by Tractebel Energia – Brazil*
  - *Energy packages: segmenting the market to offer personalised solutions, by Electrabel – Belgium*

- In the Technical category
  - *Repairing valve seats on site, by ENDEL – France*
  - *Microcoagulation: new horizons for ultrafiltration, by Degrémont – France*

- In the Management category
  - *Water conservation in Johannesburg, Operation Gcin'amanzi, by SUEZ Environment – South Africa*
  - *Overview and performance of contracts, by SUEZ Environment – France*

- In the Cross-business category
  - *Synergies between business lines: fiscal consolidation between two Canadian companies, by SES/SEI – Canada*
  - *SUEZ legal portal, by SUEZ – Belgium*

- In the Sustainable Development category
  - *Sustainable Energy Masterplan: industrial and tertiary sites the target, by Electrabel – Belgium*

- In the Finance category
  - *Transfer of actions: an innovative legal mechanism, by SUEZ – France*
  - *Innovative financing model in the Middle East, by SEI MEA – Dubai*

- **In the Optimax category**
  - *Regional supply chain management, by United Water – USA*

The Initiatives and Innovation Trophies, initially reserved to SUEZ researchers, were established in 1985. Since 1989, however, they have been open to all SUEZ personnel, and are awarded for the Group's most innovative projects. All projects that improve the quality of SUEZ offerings, invent new services, open new markets, meet future challenges, or differentiate the Group from its competition – in a word, that ensure sustainable development – qualify.

SUEZ, an international industrial and services Group, designs sustainable and innovative solutions in the management of public utilities as a partner of public authorities, businesses and individuals. The Group aims to answer essential needs in electricity, natural gas, energy services, water and waste management. SUEZ is listed on the Brussels, Luxembourg, Paris, New York and Zurich stock exchanges and is represented in the major international indices: CAC 40, BEL 20, DJ STOXX 50, DJ EURO STOXX 50, Euronext 100, FTSE Eurotop 100, MSCI Europe and ASPI Eurozone. The Group employs 157,650 people worldwide and achieved revenues of ¤41.5 billion in 2005, 89% of which were generated in Europe and in North America.

Disclaimer

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

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This release is also available on the Internet: **http://www.suez.com**

RESEARCH AND DEVELOPMENT, PATENTS, LICENCES, INNOVATION POLICY

The aim of the SUEZ innovation strategy is to make the services that are best adapted to their current and future needs available to each of its customers.

In 2005, three goals underpinned this strategy:

- satisfying an increasingly strict and demanding need in terms of sustainable development thanks to its presence in both the energy and environment sectors;
- developing new services for municipal and industrial customers with targeted offers;
- improving productivity, especially through increased sharing of advances between entities, heavy use of information and communications technologies, and advances in the simulation field.

The Group's innovation policy is based on a systematic approach to stimulating and promoting innovative initiatives and projects in technical, commercial, and managerial areas. As a result of this approach, a program was launched to capture and store CO_2.

In the technical area, SUEZ relies on Research and Development (R&D), to which it allocated EUR 84.8 million in 2005 and thanks to which it registered 13 patents during the same period.

Licensing policy is the responsibility of each entity.

Research and Development activities are carried out mainly in the technical centers:

- **Laborelec** (160 persons) is based near Brussels and specializes in activities related to the production, distribution and use of electricity and related forms of energy and sustainable development.

  It is on the cutting edge in energy quality control and knowledge of energy production processes and installations, including renewable energies (more specifically, from biomass). Equipment behavior monitoring, especially the vibratory control of rotating machines, is a strong point, as is knowledge of materials behavior (especially gas turbines). Laborelec has developed and applied specialized services for industry based essentially on energy efficiency.

  Its expertise can be seen in four product lines:

  - "electric and metrological systems;"
  - "technology for sustainable procedures;"
  - "electrical engineering materials and equipment;"
  - "materials and sound and vibratory control technology."

  A cross-disciplinary specialty, "automation and information systems," bridges these four product lines.

  For certain sensitive activities, Laborelec's professionalism and impartiality are guaranteed by ISO 17025 and ISO 9001 certifications.

- **Elyo Cylergie** (15 persons) is based near Lyon and specializes in energy-related activities. Special emphasis is placed on energy efficiency, limiting environmental impacts, health and well-being, and monitoring performance commitments.

  To this end, Elyo Cylergie has specialized in four primary areas:

  - energy efficiency;

- equipment maintenance and reliability;
- environment, health, and well-being;
- metrology and result indicators.

- **CIRSEE** (120 researchers and experts) is based in the Paris region and specializes in the fields of drinking water, waste water, and waste. Its research is concentrated in four areas of expertise:

  - "drinking water quality;"
  - "organic effluents;"
  - "analytical expertise," where analytical tools necessary for the evaluation of potential risks are installed;
  - " Business line IT."

  In the field of waste, CIRSEE also relies on the Waste Research and Analysis Department based in Gargenville, which specializes in the study of solid waste.

  CIRSEE works closely with:

  - the Technical Counting Center of Lyonnaise des Eaux France in Lyon (AXEO);
  - the research laboratories of the AGBAR Group in the areas of water and sanitation;
  - R+i Alliance, as part of an alliance to combine human and financial resources between Northumbrian Water, Lyonnaise des Eaux France, AGBAR, United Water, and SUEZ Environment.

- **CERDEG** (approximately 40 persons) is based in the Paris Region, and Denard (5 persons) is based in the United States. These two centers specialize in designing new products and processes in the treatment of waste water, drinking water, and sea water (desalination).

  Cerdeg's research is concentrated in four areas:

  - drinking water, reuse, desalination, and membrane product lines;
  - sludge products and procedures;
  - biological reactors and product lines;
  - physico-chemical products and separation.

  Finally, a fifth cross-discipline area is devoted to odors and improving the quality of life.

- **ONDEO IS** (12 persons) is a European network devoted to the industrial market; it specializes in its primary market of delivering industrial water to various sectors (oil and energy, pharmaceuticals, microelectronics, agro-foods, etc.).