

2013 ANNUAL RESULTS

Philippe CAPRON

2013 : A SUCCESSFUL STEP ON THE PATH TO TRANSFORMATION

- At the mid-point of the Group's Transformation, all financial objectives have been achieved
 - *Asset divestments*
 - *Deleveraging*
 - *Cost reductions*
- 2013 adjusted results were better than expected, despite a difficult environment
- 2014 will be the year of the return to growth
- Successes well received by the market

2013 : BETTER-THAN-EXPECTED ADJUSTED RESULTS

Key figures

In €M	2012 re-presented ⁽¹⁾	2013	Δ Constant FX
Revenue ⁽¹⁾	23,239	22,315	-2.2% ⁽²⁾
Adjusted operating cash flow	1,919	1,796	-4.7%
Adjusted operating income ⁽³⁾	798	922	+16.9%
Adjusted net income attrib. to owners of the Co.	58	223	
Net income attrib. to owners of the Co.	404	-135	
Net financial debt	10,822	8,177	

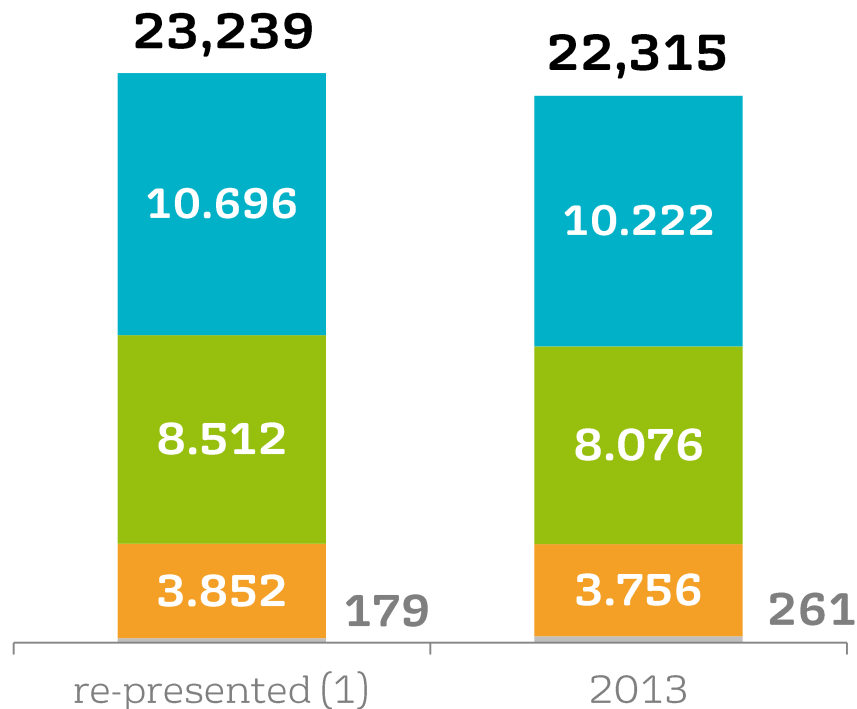
(1) 2012 re-presented for IFRS 5, 10 and 11

(2) -1.8% at constant scope and FX

(3) Including the share of adjusted net income of joint ventures and associates viewed as core Company activities (excluding Transdev, which is not viewed as a core Company activity)

REVENUE WAS RESILIENT

in €M

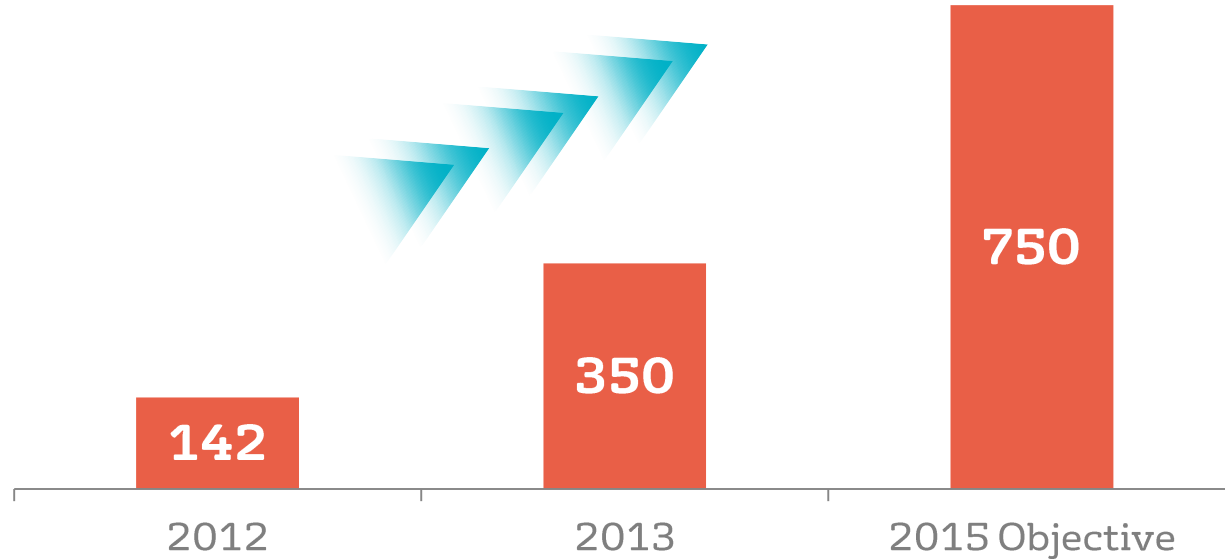


(1) 2012 re-presented for IFRS 5, 10 and 11

	Δ excl. FX and scope
Water	-2.2%
<i>o/w Operations</i>	<i>+0.6%</i>
<i>o/w Technologies & Networks</i>	<i>-7.5%</i>
Environmental Services	-1.5%
Energy Services	-1.1%
Autres	-4.2%
Veolia Group	1.8%

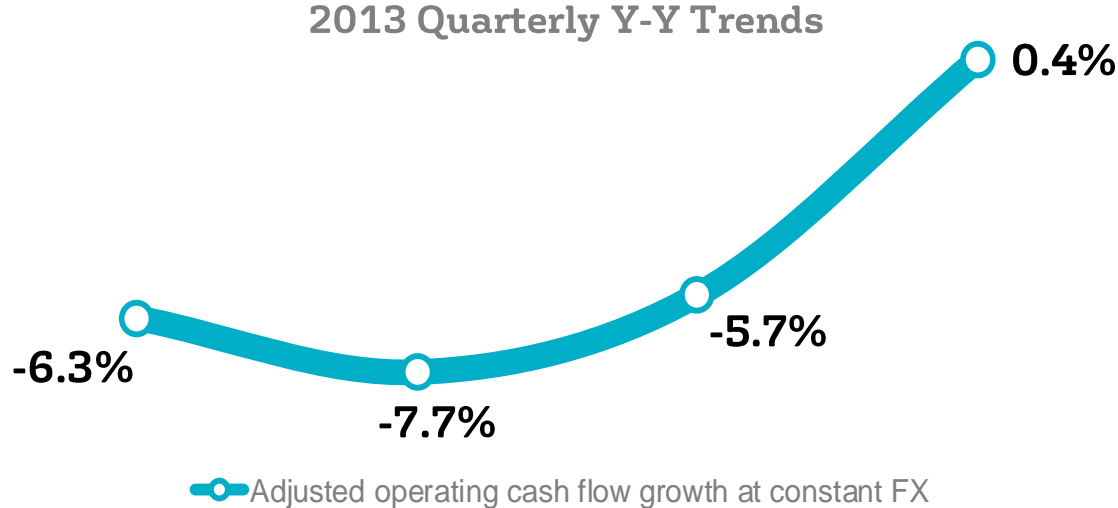
COST REDUCTIONS CONTINUING AT A CONSISTENT PACE

Gross cumulative savings compared to 2011 (€M)



CONSTANT TREND IMPROVEMENT IN RESULTS THROUGHOUT THE YEAR

Good resilience of results since Q2 and net improvement in the adjusted operating cash flow trend throughout the year



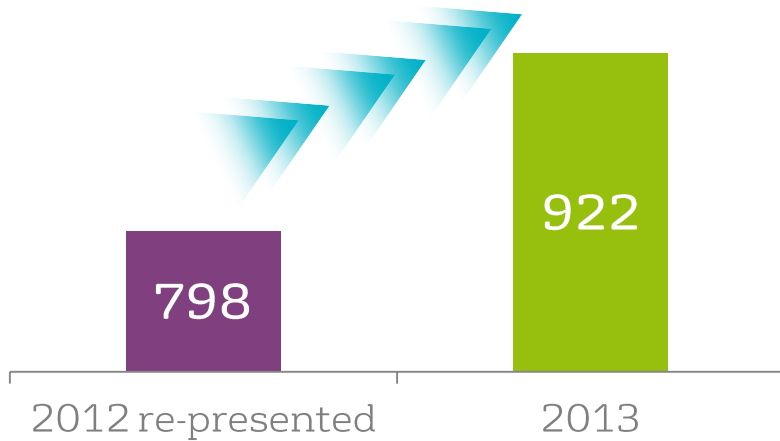
**AN ENCOURAGING
Q4:**
Adjusted operating
cash flow increased
2.5%⁽¹⁾ excluding
restructuring
charges

(1) At constant scope & FX

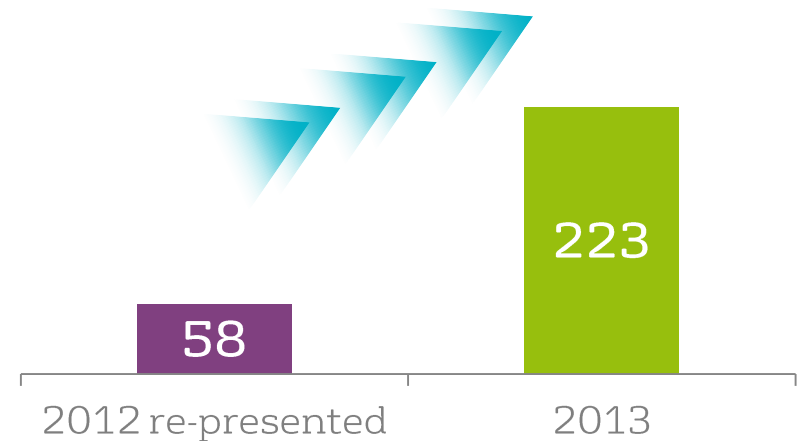
ADJUSTED RESULTS INCREASED SIGNIFICANTLY VS. 2012

Adjusted operating income (in €M)

+13.5% at constant scope and FX



Adjusted net income (in €M)



NET REDUCTION IN FINANCE COSTS

In €M	2012 Adjusted Re-presented	2013 Adjusted	REDUCTION IN FINANCE COSTS DUE TO DEBT REDUCTION
Adjusted operating income ⁽¹⁾	798	922	
Finance costs ⁽²⁾	-546	-451	
Income tax expense	-107	-142	
Non-controlling interests	-87	-106	
Adjusted net income attrib. to owners of the Co.	58	223	

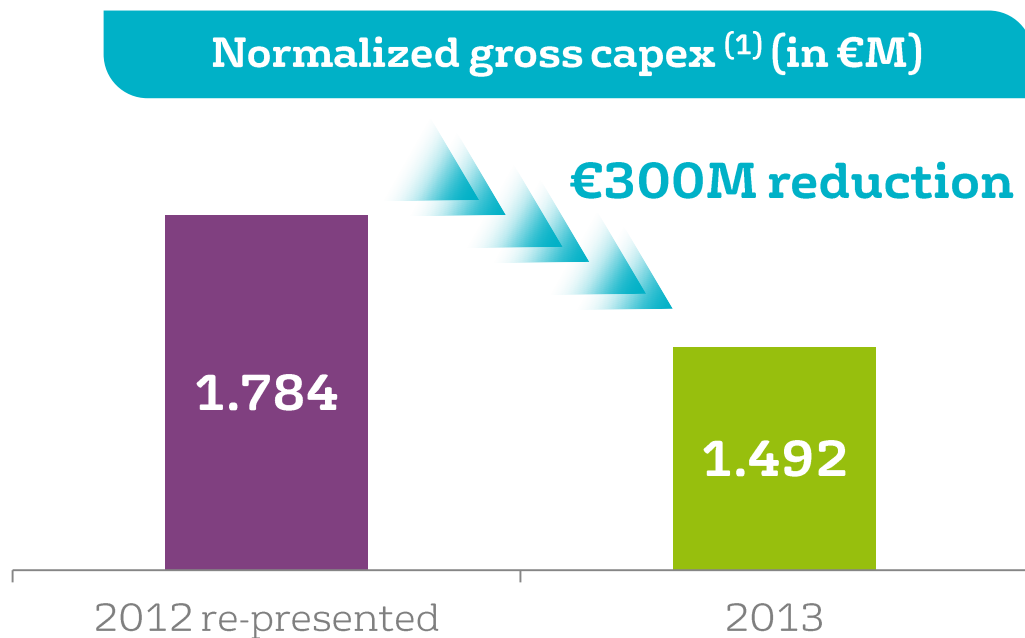
(1) Including the share of adjusted net income of joint ventures and associates viewed as core Company activities

(2) Including other financial revenue and expense

SIGNIFICANT NON-RECURRING ITEMS IMPACTED RESULTS

- Impairment of the value of Environmental Services in Germany: -€150M
- Restructuring of Water operations in France: -€97M
- SNCM: -€66M

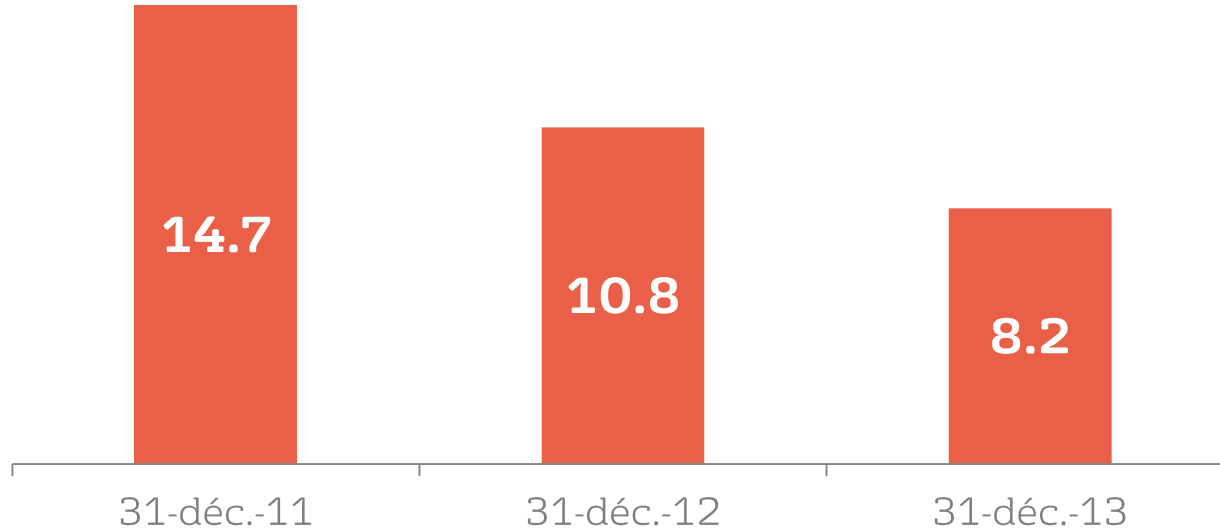
INCREASED SELECTIVITY OF INVESTMENTS



⁽¹⁾In 2012: re-presented to eliminate gross capex of divested entities (€332M) or of those in the process of divestment (Azaliya: €458M) and the Voda put in Water in Central Europe (€79M). In 2013, re-presented for the impact of the acquisition of the remaining stake in Proactiva (€246M)

DEBT REDUCTION AHEAD OF OUR OBJECTIVES

- Net financial debt of €8.2bn at December 31, 2013, down €2.6bn



2014: A RETURN TO GROWTH

- Revenue growth
 - *Growth platforms*
 - *New contracts*
- **Around 10% growth in adjusted operating cash flow**
- Significant growth in adjusted operating income
- Reduction in financial expense
- Significant growth in adjusted net income

CONTINUED FOCUS ON CAPEX MANAGEMENT
AND GROWING CASH GENERATION

THESE RESULTS CONFIRM OUR DIVIDEND POLICY...

- 2014 dividend of €0.70 per share, with option of payment in shares
- 2015 dividend: The Board of Directors has already decided to propose a minimum of €0.70 per share

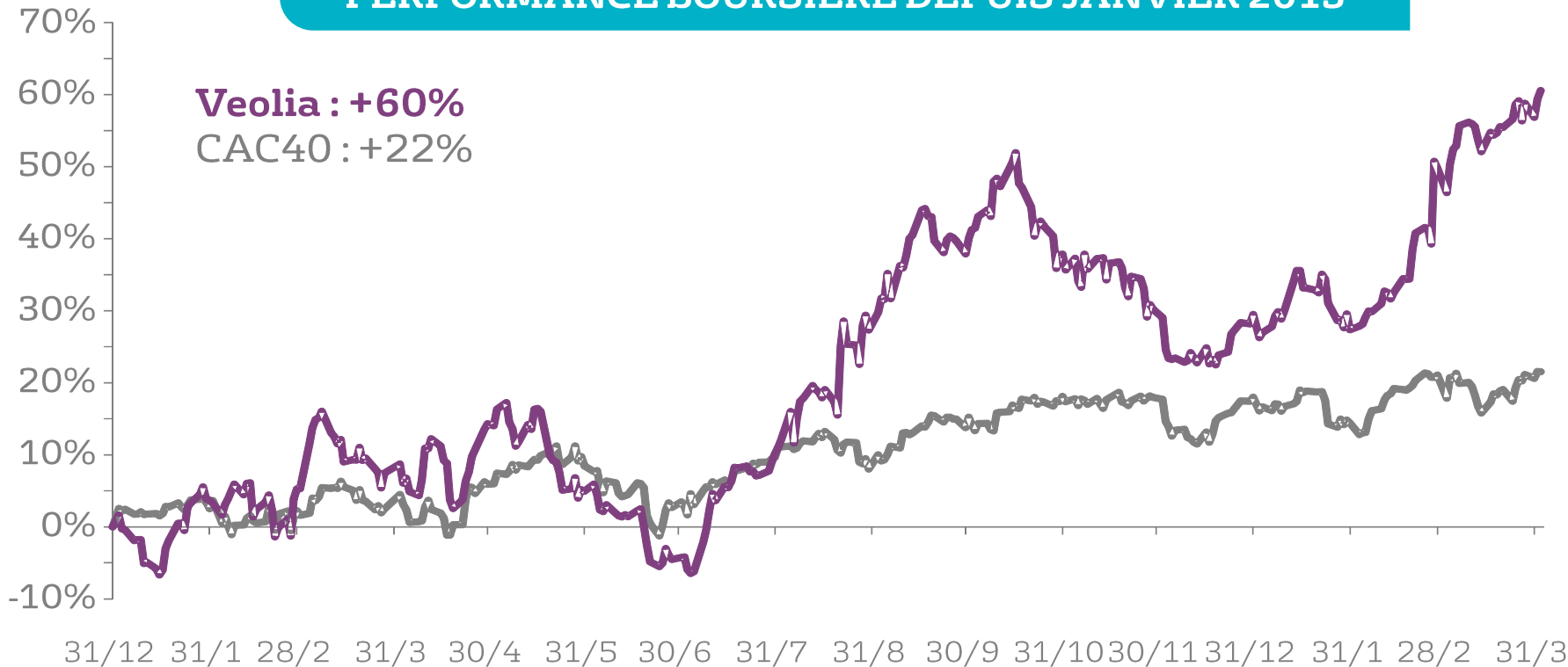
AS OF 2015, THE DIVIDEND WILL BE COVERED
BY NET INCOME AND PAID BY FREE CASH FLOW

....AND WERE WELL RECEIVED BY THE MARKET

PERFORMANCE BOUSIERE DEPUIS JANVIER 2013

Veolia : +60%

CAC40 : +22%



200,000

EMPLOYEES

TRAINING
DRIVES
OVERALL
PERFORMANCE

3,450,928

training hours/year delivered

76%

OF THE GROUP EMPLOYEES
HAVE ATTENDED AT LEAST
ONE TRAINING SESSION

TRAINING FOR ALL

87% of non-executives,
13% of executives

**QUALIFYING
COURSES,**

**and RECOGNIZED
DEGREES**

VEOLIA

trains **VEOLIA**



Kingston University

**Ecole Nationale
des Ponts et Chaussées**

**Imperial
College
of London**

Sciences Po Bordeaux
(IEP de province)

Polytechnique

ESCAE Casablanca

ESC Toulouse

Centrale

Audencia

ESSEC Babson College

EM Lyon

Université
de
Marne la Vallée

Université de Cergy Pontoise

Ecole

Sciences Po Paris

Université
de Versailles St Quentin

Centrale Nantes

Université de Rennes1

**University
of Pennsylvania**
The

Wharton School

l'E
Ecole
de

Université de Victoria

20 CAMPUSES IN 11 COUNTRIES

400 staff members

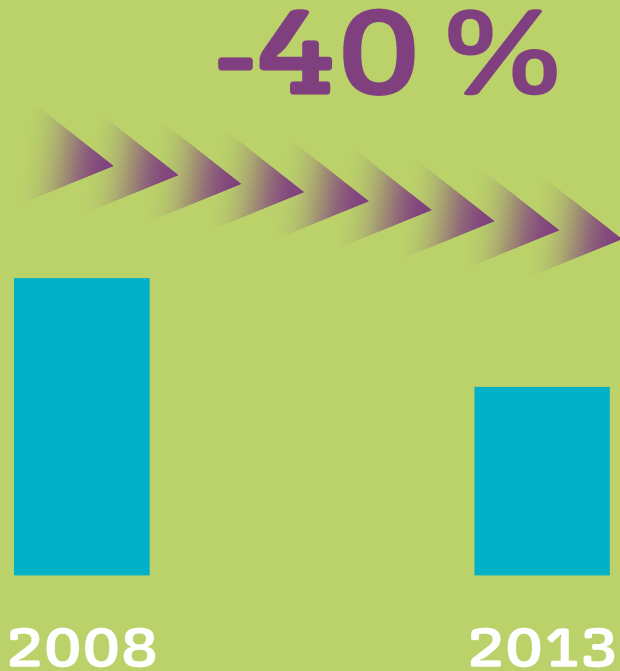
200 training rooms

100 technical platforms

600 Veolia contributors

2,500 courses available

THE FREQUENCY OF ACCIDENTS AT WORK



36% of training hours are dedicated to safety issues

- The Seoul Declaration on safety and health at work recognizing the fundamental human right to **a safe and healthy work** environment was signed on 1st of July 2013
- **An innovative and multicultural organization:**
The Center of excellence for safety and health at work.
15 worldwide specialists

**ADVISORY VOTE
ON THE ELEMENTS OF
COMPENSATION OF
MR ANTOINE FRÉROT,
CHAIRMAN & CEO**

13th resolution submitted to the
General Meeting on April 24th, 2014

ADVISORY VOTE ON THE ELEMENTS OF COMPENSATION DUE OR GRANTED FOR THE 2013 FINANCIAL YEAR AND THE 2014 COMPENSATION POLICY CONCERNING MR. ANTOINE FRÉROT, CHAIRMAN & CEO

Compensation components	Amounts	
2013-2014 Fixed compensation	€900,000	This fixed compensation has not changed since the fiscal year 2011
2013 Variable compensation (see details in section 15.1.1 of the Registration Document)	€887,127	The variable compensation is determined by the Board of Directors on the basis of the target bonus (capped at 125% of the fixed part, thus euros 1,125,000 in the event of his achieving 100% of the annual objectives) and with regard to the achievement of the quantitative (weighting:70%) and qualitative criteria (weighting:30%)
2014 Variable compensation (see details in section 15.1.1 of the Registration Document)		Without change regarding : <ul style="list-style-type: none"> • The amount of the target bonus, and the weighting of the quantitative (70%) and the qualitative criteria (30%) • The quantitative and qualitative criteria

<p>Put in place in 2014, a long-term Company share investment program and incentive compensation (called “<i>Management Incentive Plan</i>”)</p>		<p><i>A Management Incentive Plan</i> is planned to be put in place, for the Group’s 300 leading executives (including the CEO). This deferred compensation (4 years) is based on a co-investment program, with a personal investment of the executive in the form of company shares and leverage financed by the Group (in particular through the attribution, subject to performance, of options to purchase Company shares)</p>
<p>Termination compensation</p>	<p>No payment</p>	<p>Mr. Antoine Frérot may be entitled to compensation in the event of his termination as CEO applicable limited to situations of “forced departure in connection with a change of control or strategy”. In accordance with the AFEP-MEDEF Corporate Governance Code, the maximum amount of this termination compensation is equal to twice the amount of the total annual gross compensation</p>

<p>Directors' fees for 2013 and 2014</p>	<p>No allocation</p>	<p>Mr. Antoine Frérot waived his right to receive directors' fees</p>
<p>Attribution of stock options and/or performance shares</p>	<p>No attribution</p>	<p>Since being appointed as company CEO (November 27, 2009), Mr. Antoine Frérot has not received any stock options and/or performance shares</p>
<p>Group health and accident insurance schemes</p>		<p>Mr. Antoine Frérot benefits from the collective health and accident insurance scheme in force in the Company in the same conditions as those applicable to the employee category to which he is deemed comparable for determining his fringe benefits and other accessory components of his compensation</p>
<p>Benefits in kind</p>	<p>€ 2,030.28</p>	<p>Mr. Antoine Frérot has a company car</p>

Supplementary
pension plan

No
payment

Reminder: The defined benefits group pension plan covering the Executive Committee members (including the Rank 9 executives and Mr. Antoine Frérot as CEO) approved by the General Meeting of May 7, 2010 was terminated and replaced in mid-2013 by a defined benefits group pension plan open to all Rank 8 and higher executives (including Mr. Antoine Frérot as the Executive Corporate Officer)

A proposal is made to this General Meeting to approve a move from this group pension plan, replacing it with a defined contribution Group pension plan open to Executives of a Rank 8 and over (including Mr. Antoine Frérot as the CEO)

