VEOLIA ENVIRONNEMENT

(Established as a société anonyme in the Republic of France)

EURO 16,000,000,000
EURO MEDIUM TERM NOTE PROGRAMME

This supplement (the "**Supplement**") is supplemental to and must be read in conjunction with the base prospectus dated 29 September 2015 (the "**Base Prospectus**"), which was granted visa n°15-508 on 29 September 2015 by the *Autorité des marchés financiers* (the "**AMF**"), prepared by Veolia Environnement ("**Veolia Environnement**" or the "**Issuer**") with respect to its Euro 16,000,000,000 Euro Medium-Term Note Programme (the "**Programme**"). Unless otherwise defined, terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement has been prepared pursuant to article 16.1 of the Directive 2003/71/EC of 4 November 2003 (as amended) on the prospectus to be published when securities are offered to the public or admitted to trading (the "**Prospectus Directive**") and article 212-25 of the AMF's General Regulations for the purposes of incorporating information as set out in this Supplement. The impacted sections of the Base Prospectus are "Résumé (French Summary)", "Summary" and "Recent Developments".

Application has been made for approval of this Supplement to the AMF in France in its capacity as competent authority pursuant to article 212-2 of its General Regulations (*Règlement Général*) which implements the Prospectus Directive.

Copies of this Supplement are available for viewing on the website of the AMF (www.amf-france.org), on the Issuer's website (www.finance.veolia.com) and copies of such documents may be obtained, during normal business hours, free of charge from the registered office of Veolia Environnement, 36-38 avenue Kléber, 75116 Paris, France and at the specified offices of the Fiscal Agent and each of the Paying Agents.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Base Prospectus.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into this Supplement and (b) any statement in, or incorporated by reference in the Base Prospectus, the statements referred to in (a) above will prevail.

To the extent applicable, and provided that the conditions of Article 212-25 I of the AMF's General Regulations are fulfilled, investors who have already agreed to purchase or subscribe for Notes to be issued under the Programme before this Supplement is published, have the right, according to Article 212-25 II of the AMF's General Regulations, to withdraw their acceptances by no later than 16 November 2015.

AUTORITÉ DES MARCHÉS FINANCIERS

In accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the general regulations (*réglement général*) of the *Autorité des marchés financiers* (AMF), in particular articles 212-31 to 212-33, the AMF has granted to this Supplement its visa n°15-581 on 12 November 2015. This document may be used for the purposes of a financial transaction only if it is completed by final terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with article L.621-8-1-I of the French *code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and understandable, and whether the information it contains is consistent". It does not imply that the AMF has verified the accounting and financial data set out herein. This visa has been granted subject to the publication of final terms in accordance with article 212-32 of the AMF's general regulations, setting out the terms and conditions of the securities to be issued.

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RESUME DU PROGRAMME

The section headed "RESUME (FRENCH SUMMARY)" of the Base Prospectus is modified as follows:

1. On page 10 and 120 of the Base Prospectus, the item headed "*B.13 Evénements récents*" is deleted in its entirety and replaced with the following:

<table>
<tr>
<td>B.13</td>
<td>Evénements récents</td>
<td>
(i) Le Groupe a annoncé depuis le début de l'année le gain des contrats significatifs suivants :

L'attribution du contrat de gestion de distribution de l'eau potable de la Métropole Européenne de Lille. Ce contrat est d'une durée de huit ans et le chiffre d'affaires cumulé estimé est d'environ 450 millions d'euros ;
Un contrat auprès de l'entreprise chinoise LiuGuo Chemical d'une valeur de 60 millions d'euros qui complète un précédent contrat d'une valeur estimée de 30 millions d'euros remporté en 2012 pour l'exploitation pendant 20 ans d'une installation de traitement d'eaux usées ;
Le gain du contrat auprès de Mayo Renewable Power pour l'exploitation d'une centrale biomasse en Irlande. Ce contrat est d'une durée de quinze ans et le chiffre d'affaires cumulé estimé est d'environ 450 millions d'euros ;
Le renouvellement par l'autorité en charge de l'eau et de l'assainissement de la ville de La Nouvelle - Orléans du contrat portant sur l'exploitation, la maintenance et la gestion des deux usines de dépollution des eaux usées de la ville. Ce contrat est d'une durée de dix ans et le chiffre d'affaires cumulé estimé est d'environ 122 millions de dollars.
L'attribution par le SIAPP (Syndicat Interdépartemental d'Assainissement de l'Agglomération Parisienne) au groupement d'entreprises comprenant OTV (filiale de Veolia), Stereau, Bouygues Travaux publics, Razel-BEC et HB Architectes associés du contrat pour la transformation de l'usine de prétraitement des eaux usées de Clichy. Ce projet aura une durée de 96 mois, et représente un montant estimé d'environ de 79,2 millions d'euros pour OTV.

(ii) Le 30 mars 2015, Veolia a finalisé l'accord signé le 9 juillet 2014 avec des fonds gérés par Oaktree Capital Management L.P, un leader parmi les sociétés d'investissement internationales, pour la cession de ses activités de gestion de l'eau, des déchets et de l'énergie en Israël.
(iii) Le 7 avril 2015, Veolia Eau – Compagnie Générale des Eaux a racheté la participation de la Banque Européenne pour la Reconstruction et le Développement (BERD) dans Veolia Central & Eastern Europe (soit 8,36% du capital de Veolia Central & Eastern Europe, regroupant les activités Eau du Groupe en Europe Centrale et Orientale) pour un prix de 85,9 millions d'euros. Suite à cette opération, le pourcentage de détention du Groupe dans Veolia Central & Eastern Europe s'établit à 100%.
</td>
</tr>
</table>

		(iv) Début avril 2015, Veolia Environnement a procédé à l'échange d'une partie de ses obligations de maturité 2019, 2021 et 2022 pour un montant de 515 millions d'euros, contre une nouvelle souche de maturité janvier 2028 pour un montant de 500 millions d'euros au taux de 1,59%. Cette opération d'échange permet au Groupe de lisser son échéancier et d'allonger la maturité moyenne de sa dette brute de 6,7 à 7 ans, tout en réduisant son coût de financement. (v) Veolia Environnement a publié le 7 mai 2015 un communiqué de presse sur ses résultats au 31 mars 2015. (vi) Après l'annonce le 6 mai 2015 de la signature du protocole d'accord pour l'achat d'Altergis, groupe français spécialisé dans l'efficacité énergétique, l'acquisition définitive a eu lieu le 26 juin 2015 pour un prix de 21 millions d'euros. Spécialisé dans la mise en œuvre des énergies et des fluides, Altergis a réalisé en 2014 un chiffre d'affaires de près de 70 millions d'euros et emploie 400 personnes sur le territoire français. (vii) Le 3 août 2015, Veolia Environnement a mis à la disposition du public et déposé auprès de l'Autorité des marchés financiers son rapport financier semestriel au 30 juin 2015. (viii) Le 3 septembre 2015, Veolia Environnement a annoncé l'acquisition de la société néerlandaise AKG Kunststof Groep, un leader européen du recyclage et de la fabrication de polypropylène. (ix) Le 18 septembre 2015, Veolia Environnement a annoncé le lancement d'une nouvelle opération d'actionnariat des salariés du Groupe. Cette opération, proposée à environ 120 000 salariés du Groupe dans 20 pays, vise à associer les collaborateurs au développement et à la performance du Groupe. Le règlement-livraison des actions nouvelles à émettre devrait intervenir le 17 décembre 2015. (x) Le 1er octobre 2015, Veolia Environnement a annoncé que sa filiale Nova Veolia lance ses sociétés spécialisées pour développer des services innovants et conquérir de nouveaux marchés. (xi) Le 6 octobre 2015, Veolia Environnement a annoncé avoir été choisi par Belge Eco Energy (BEE) en tant qu'opérateur de la future centrale biomasse de Gand. (xii) Le 22 octobre 2015, Veolia Environnement a annoncé avoir remporté, par l'intermédiaire de ses filiales Veolia Water Technologies et Veolia North America, des contrats auprès du groupe gazier et pétrolier Antero Resources pour concevoir, construire et exploiter une usine de recyclage et de traitement d'eaux industrielles. (xiii) Le 4 novembre 2015, Veolia Environnement a annoncé avoir remporté, par l'intermédiaire de sa filiale Veolia Japan, deux contrats d'exploitation de deux centrales biomasses au Japon. (xiv) Le 5 novembre 2015, Veolia Environnement a publié un communiqué de presse sur ses résultats au 30 septembre 2015. (xv) Le 6 novembre 2015, Veolia Environnement a annoncé la signature d'un nouveau crédit syndiqué multidevises pour un montant de 3 milliards d'euros en remplacement des lignes de liquidité mises en place

		en 2011. (xvi) Le 10 novembre 2015, Veolia Environnement a annoncé la signature par Veolia Water Solutions & Technologies et Kazyna Capital Management d'un protocole d'accord portant sur la mise en œuvre conjointe d'une usine de dessalement d'eau de mer au Kazakhstan. A l'exception des évènements listés ci-dessus aux paragraphes (i) à (xvi) et des évolutions dans quelques-unes des procédures judiciaires significatives auxquelles l'Emetteur ou ses filiales sont parties, l'Emetteur estime qu'aucun évènement récent ayant une incidence sur l'évaluation de sa solvabilité n'est intervenu depuis la publication du Document de Référence 2014.

SUMMARY OF THE PROGRAM

The section headed "SUMMARY" of the Base Prospectus is modified as follows:

1. On page 24 and 135 of the Base Prospectus, the item headed "*B.13 Recent events*" is deleted in its entirety and replaced with the following:

B.13	**Recent events**	(i) Since the beginning of the year, the Group has announced the award of the following major contracts: • The award of the contract for water supply in the Métropole Européenne de Lille (MEL). The cumulative revenue for this eight-year contract is estimated at around €450 million; • A contract with the Chinese company LiuGuo Chemical worth €60 million, supplementing a previous contract for an estimated €30 million secured in 2012 to operate a wastewater treatment facility for a period of 20 years; • The award of a contract from Mayo Renewable Power to operate a biomass powerplant in Ireland. The contract has a term of 15 years and cumulative revenue is estimated at around €450 million; • Renewal by the authority in charge of water and wastewater treatment for the city of New Orleans of the contract covering the operation, maintenance and management of both of the city's wastewater treatment plants. The contract has a term of 10 years and cumulative revenue is estimated at $122 million. • The contract awarded by the SIAAP (Syndicat Interdépartemental d'Assainissement de l'Agglomération Parisienne (Greater Paris Sanitation Authority) to a consortium of companies including OTV (a Veolia subsidiary), Stereau, Bouygues Travaux publics, Razel-BEC and HB Architectes to upgrade the Clichy wastewater pretreatment plant. The project will last 96 months and is worth a total of around €79.2 million for OTV. (ii) On March 30, 2015, Veolia closed the sale of water, waste and energy activities in Israel in association with the agreement signed on July 9, 2014 with funds managed by Oaktree Capital Management L.P., a leader among global investment managers. (iii) On April 7, 2015, Veolia Eau – Compagnie Générale des Eaux purchased the stake held by the European Bank for Reconstruction and Development (EBRD) in Veolia Central & Eastern Europe (i.e. 8.36% of the share capital of Veolia Central & Eastern Europe, combining the Group's Water activities in Central and Eastern Europe) for €85.9 million. As a result of the transaction, the Group now fully wholly owns Veolia Central & Eastern Europe. (iv) In early April 2015, Veolia Environnement proceeded with a bond exchange of a portion of the bonds maturing in 2019, 2021 and 2022 in the amount of €515 million while concurrently issuing a new bond maturing

		in January 2028 for €500 million with a 1.59% coupon. This transaction has enabled the Group to smooth out its debt profile and increase the average maturity of its gross debt (from 6.7 to 7.0 years) while reducing the associated financing costs. (v) On May 7, 2015, Veolia Environnement published a press release regarding key figures for the quarter ended March 31, 2015. (vi) Following the announcement on May 6, 2015 that Veolia had signed a memorandum of understanding to acquire Altergis, a French group specializing in energy efficiency, the acquisition was completed on June 26, 2015 for €21 million. Specialising in the implementation of energy and fluid services, Altergis reported revenue in 2014 of nearly €70 million and employs 400 people in France. (vii) On August 3, 2015, Veolia Environnement published its financial report for the half-year ended June 30, 2015 and filed it with the French Financial Markets Authority (AMF). (viii) On September 3, 2015, Veolia Environnement announced the acquisition of Dutch company AKG Kunststoef Groep, a European leader in the field of recycling and compounding of polypropylene. (ix) On September 18, 2015, Veolia Environnement announced the launch of a new shareholding plan for the Group's employees. This transaction, which is offered to approximately 120,000 Group employees in 20 countries, aims to associate employees with the Group's development and performance. The settlement-delivery of the new shares to be issued should take place on December 17, 2015. (x) On October 1, 2015, Veolia Environnement announced the launch of specialist companies to develop innovative services and acquire new markets through its wholly owned subsidiary Nova Veolia. (xi) On October 6, 2015, Veolia Environnement announced that it has been selected by Belgian Eco Energy (BEE) to operate the future Ghent biomass power plant. (xii) On October 22, 2015, Veolia Environnement announced that it has won contracts from Antero Resources to design, build and operate a treatment complex to treat and recycle flowback and produced water through its subsidiaries Veolia Water Technologies and Veolia North America. (xiii) On November 4, 2015, Veolia Environnement announced that it has won two contracts to operate biomass power plants through its subsidiary Veolia Japan. (xiv) On November 5, 2015, Veolia Environnement published a press release regarding key figures for the quarter ended September 30, 2015. (xv) On November 6, 2015, Veolia Environnement announced that it has signed a multicurrency revolving credit facility of €3 billion. This multicurrency revolving credit facility refinances the Group's main syndicated back-up facilities which were signed in 2011. (xvi) On November 10, 2015, Veolia Environnement announced that Veolia Water Solutions & Technologies and Kazyna Capital Management

		signed a memorandum of understanding to jointly implement a seawater desalination plant in Kazakhstan. Except the events listed above in paragraphs (i) to (xvi) and developments in some of the most significant litigation involving the Company or its subsidiaries, there have been no recent events which the Issuer considers materially relevant to the evaluation of its solvency since the publication of the 2014 Registration Document.

PERSONS RESPONSIBLE FOR THE SUPPLEMENT

The Issuer, having taken all reasonable measures to ensure that such is the case, confirms that the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and that it contains no omission which could affect its import.

The auditors' report with respect to the financial statements as of and for the year ended 31 December 2013, incorporated by reference in this Supplement can be found on pages 392 to 393 of the 2013 Registration Document. Such report contains the following emphasis of matter paragraph:

"*Without qualifying the opinion expressed above, we draw your attention to Note 1.1.4 - Changes in accounting method - of the condensed interim consolidated financial statements which sets out the effects of the application of the standards IFRS 10, IFRS 11, IFRS 12, IAS 28 Revised and IAS 19 Revised*."

Veolia Environnement
36-38 avenue Kléber
75116 Paris
duly represented by Antoine Frérot, Chairman and CEO
on 12 November 2015

RECENT DEVELOPMENTS

The "Recent Developments" section of the Base Prospectus on page 150 is supplemented by the following paragraphs and press releases, available on the Issuer's website (www.finance.veolia.com):

VEOLIA

Press release

Paris, October 1, 2015

Nova Veolia launches specialist companies to develop innovative services and acquire new markets

A 100% subsidiary of Veolia, Nova Veolia develops innovative services with high digital content through its specialist companies. Leveraging Veolia's know-how and expertise, these new services are developed around uses advanced by public and private customers. Growth drivers, complementary to water and waste management services, and crucial for the acquisition of new markets.

A key aspect of the strategy adopted for Veolia's Water business in France, the creation of Nova Veolia makes it possible to develop services with high digital content. Within specialist companies, Veolia's know-how is enriched with additional expertise to create new businesses for all types of customers, and which, above and beyond the area of water, also target all private and industrial customer markets.

An incubator of new business, Nova Veolia invests in start-ups and forms partnerships with avant-garde companies in the areas of digital technology, smart cities, energy savings, customer relations and even financial services.

Building on its lead position in the area of water, its knowledge of customers, subscribers and its operational sales network deeply embedded in the national territory, and its experience in managing information flows, Nova Veolia rethinks this expertise to provide customers with services that equate better with their expectations. In an economy subject to ongoing tension, specialist companies need to establish additional resources for their customers and help to modernize and improve the supervision of their actions.

These services include: optimizing planning and supervision of technical services provided in rounds (maintenance and emergency services), mass invoicing and recovery operations that have been simplified, sped up and computerized, smart payment, sharing and exchanging expertise about the water cycle through an unprecedented collaborative forum, a mobile app for consumers to improve how they manage their water and energy consumption and eventually to control their connected house, a multi-channel customer service able to handle calls 24/24 and launch targeted telephone campaigns, or even benchmarking production and water treatment plants at the international level.

"This rollout of specialized companies is truly a forward-looking approach," explains Alain Franchi, Chief Executive Officer Water Solutions for Veolia in France. *"We are driving change in our businesses because the market has changed. It is the customers who invent uses and no longer companies that impose their standards.*

that is forcing them to find a solution leading to greater simplicity and flexibility in a context of increasingly scarce financial resources. With Nova Veolia, we hope to be in a position to create a new way of being the market leader."

After having launched Fluks Aqua, a knowledge aggregator bringing together the largest international community of operators in the water cycle and making it possible to search for information and answers to users' everyday questions – currently 1,000 – will shortly be opened to the market. Within this context, Nova Veolia is launching Majikan, the first turnkey planning and optimized supervision service for multi-business field operations designed for infrastructure owners and/or managers.

This will be followed by Payboost, an efficient and innovative mass invoicing and payment service (rent, service charges, water bills, etc.). M2Ocity, a renowned telecommunications operator specializing in the Internet of smart and connected objects, with an installed stock of 1.5 million connected objects is also joining Nova Veolia. This subsidiary plans to develop new services outside the water business but still in the vanguard, in particular for transportation and data collection.

All these growth drivers are indicative of Nova Veolia's goals.

...

Nova Veolia is a 100%-owned subsidiary of Veolia Water France, dedicated to the development of innovative services with a high digital content. An incubator of new business, Nova Veolia develops and markets, through specialized companies, services developed around high value added expertise and know-how. Nova Veolia's innovative offer targets the new needs of public and private companies, whether or not they operate in the area of water.

www.nova.veolia.com

Veolia group is the global leader in optimized resource management. With over 179,000 employees* worldwide, the Group designs and provides water, waste and energy management solutions that contribute to the sustainable development of communities and industries. Through its three complementary business activities, Veolia helps to develop access to resources, preserve available resources, and to replenish them.

In 2014, the Veolia group supplied 96 million people with drinking water and 60 million people with wastewater service, produced 52 million megawatt hours of energy and converted 31 million metric tons of waste into new materials and energy. Veolia Environnement (listed on Paris Euronext: VIE) recorded consolidated revenue of €24.4 billion* in 2014.

www.veolia.com

(*) 2014 pro-forma figures, including Dalkia International (100%) and excluding Dalkia France.

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Press release

Paris, October 6, 2015

Europe – Biomass

Bee chooses Veolia to operate the future Ghent biomass power plant

Able to produce 215 MW of electricity, the new biomass power plant owned by the electricity and gas company Belgian Eco Energy (Bee) will be one of the largest in Europe. Veolia will be responsible for its operation for 15 years with revenues of around 150 million euros.

The future power plant owned by the electricity and gas company Belgian Eco Energy (Bee) will have the tremendous potential to produce 215 MW of electricity from wood chip. Compared with a coal-fired power plant, this 100% biomass project will avoid CO_2 emissions equivalent to heating the homes of Ghent's 240,000 residents. Veolia has been contracted for its operation with revenues of around 150 million euros.

"*With Veolia, we are confident of having a world-renowned partner able to commit to a results guarantee because of the experience they have acquired with similar projects,*" says Michael Corten, CEO of Bee.

Construction of the plant, scheduled to start in the first quarter of 2016, will take three years and create more than 1,000 jobs in the region. The electricity generated will be sold to industrial concerns and fed into the grid.

Veolia will work with Bee right from the beginning of this construction phase in order to ensure the best operability of the facility and then take charge, under the best possible conditions, of the power plant it will operate for the first 15 years after it is commissioned.

The future biomass power plant at the international Port of Ghent will help Belgium contribute to achieving the European Union's 2020 targets, in particular greenhouse gas emission reductions, as this plant will avoid the emission of 450,000 metric tons of CO_2 each year compared with an equivalent natural gas-fired plant.

By providing 2% of Belgium's total electricity production, the plant will also contribute to increasing the share of renewable energy in the country's energy mix together with improving its energy efficiency by introducing the most efficient technology.

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Created in 2010, **Bee** is a Belgian company that provides companies with renewable energy from its own generating plants and its local network for the production of renewable energy: biomass, cogeneration, and solar and wind power. In 2016, Bee will undertake the construction of one of the world's largest biomass plants in the Port of Ghent: Bee Power Gent SA.
www.bee.eu

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In 2014, the Veolia group supplied 96 million people with drinking water and 60 million people with wastewater service, produced 52 million megawatt hours of energy and converted 31 million metric tons of waste into new materials and energy. Veolia Environnement (listed on Paris Euronext: VIE) recorded consolidated revenue of €24.4 billion* in 2014.
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VEOLIA

Press release

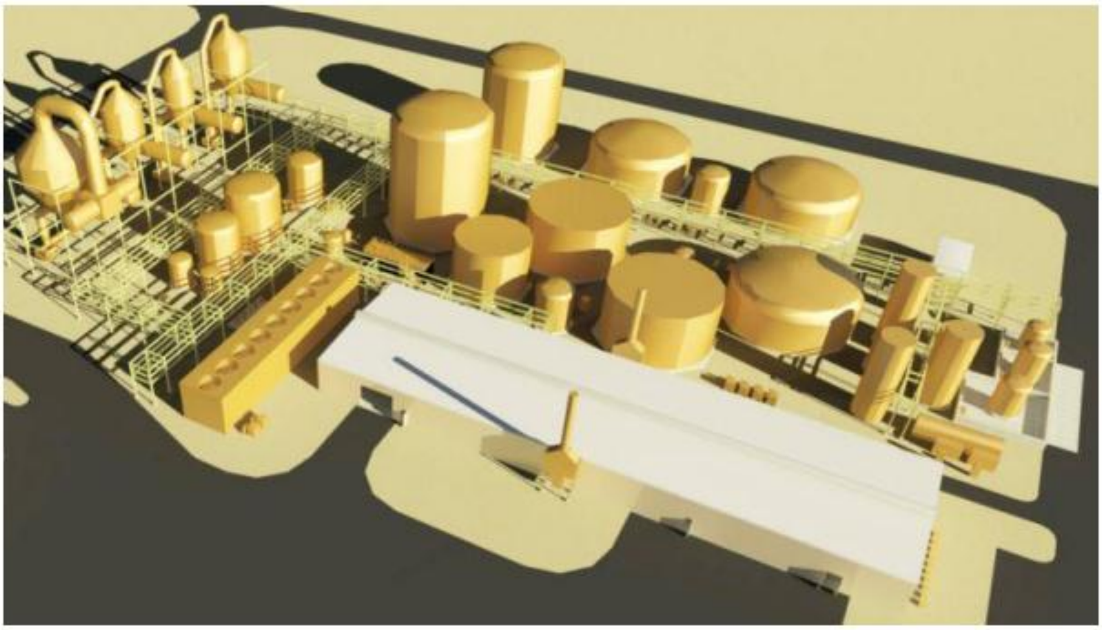
Paris, October 22, 2015

United States – Oil & Gas

Veolia wins contracts with oil & gas operator Antero Resources

Antero Resources, a producer of oil & natural gas in the Marcellus and Utica Shale plays, has selected Veolia, through its subsidiaries Veolia Water Technologies and Veolia North America, to design, build and operate an ultra-modern \$275 million treatment complex in Appalachia, to treat and recycle 9,500 m³ a day of flowback and produced water.

This project represents renewed success for Veolia in the oil & gas market. Specializing in shale oil & gas, Antero Resources, based in Denver, Colorado, has awarded Veolia a contract to design and build the water treatment and recycling plant, as well as a separate 10-year operating agreement to operate and manage the plant which is located in Doddridge, County West Virginia.



Planned to enter service at the end of 2017, the future plant will eventually treat and recycle 60,000 barrels of produced water a day, that is, around 9,500 m³/day. It will use exclusive Veolia technology, including AnoxKaldnes™ MBBR (Moving Bed Biofilm Reactor), Actiflo® clarification and the CoLD™ Process, which are particularly innovative in the area of water treatment for reuse. The choice of energy-efficient processes that will produce high-quality water for reuse in a centralized system shows that Antero is leading the way in responsible water management in the Marcellus shale region.

Recycling the produced water from shale oil & gas production will enable Antero to make substantial savings, estimated at around $150,000 per well, as well as reduce risk and cost associated with long-distance hauling of water for deep-well injection.

Antero will own the treatment assets and ancillary facilities to be constructed by Veolia over the next two years, after which Veolia will operate the systems under a separate 10-year agreement that includes a performance guarantee for high uptime availability, an extended mechanical life and the capability to handle a wide range of flowback and produced water characteristics while meeting West Virginia's surface water discharge standards.

"Covering the entire water cycle, our unique expertise is particularly suited to the oil & gas industry's needs," says Antoine Frérot, Chairman and Chief Executive Officer of Veolia. *"The ability to treat and recycle produced water is a crucial aspect of oil & gas exploration & production. It also represents significant progress in terms of reducing environmental risks."*

The oil & gas market is one of the growth drivers for Veolia. Currently accounting for around €1.5 billion in the Company's revenue, it should reach €3.5 billion by 2020.

...

Antero Resources is an independent natural gas and oil company engaged in the acquisition, development and production of unconventional liquids-rich natural gas properties, as well as water logistics located in the Appalachian Basin in West Virginia, Ohio and Pennsylvania. The Company's website is located a www.anteroresources.com

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(*) 2014 pro-forma figures, including Dalkia International (100%) and excluding Dalkia France.

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Press release
Paris, November 4, 2015

Asia - Energy

Veolia has won two contracts to operate biomass power plants and positions itself as a new stakeholder in the energy sector in Japan

Veolia, through its subsidiary Veolia Japan, has just won two contracts to operate two biomass power plants in northern Japan in partnership with Takeei, a major local environmental services company. These two contracts, both signed for 20 years, represent total cumulative revenue of EUR 90 million for Veolia.

The two facilities, located respectively in Hirakawa and Hanamaki cities in the Tohoku region, will produce **100 GWh of electricity per year**, that is, **the equivalent consumption of 22,000 households**. These two contracts are based on the **circular and local use of resources**: **the wood used to fire the boilers comes from neighboring forestry industries**, thanks to Takeei's local knowledge and network. Veolia brings its know-how in biomass operation and will manage the overall operations, including **40 employees** that will work permanently at the two facilities. Operations will start in Hirakawa in November 2015 and in Hanamaki in December 2016.

These operations are carried out within the framework of an **innovative financing package (AssetCo-OpCo)**, in which funding is provided by the Asset Company held by Takeei associated with municipalities and local foresters. The operating side is undertaken by Veolia via an "Operating Company." Through the development of "AssetCo-OpCo" partnerships, Veolia is prioritizing the development of **attractive business models for cities**. The search for effectiveness, competitiveness and attractiveness, the need to adapt to climate changes and environmental complexity, population demands and funding needs are all concerns with which cities and local authorities must come to terms. The model put forward by Veolia is based on the **Group's ability to attract private partners** to fund investment needs while guaranteeing operational performance.

With these two operations, Veolia and Takeei are helping to **increase the production of renewable energy on Honshu Island and to diversify the country's energy sources and mix**. In all, **the facilities will make it possible to avoid the emission of more than 40,000 metric tons of CO_2.**

Régis Calmels, Senior Executive Vice President Asia for Veolia explains, "It was Veolia's expertise and ability to adapt to the Japanese customs that enabled us to win the two contracts. These first energy services contracts are confirmation of Veolia's growth in this field in Asia. Japan wants to triple the share of renewable energies in its energy mix by 2030, and that is opening up significant prospects for the Company, in particular in the area of biomass power plant operation."

After having won contracts to operate two of the largest biomass power plants in North America and, recently the largest one in Ireland, Veolia has further confirmed its global expertise in the field of biomass power plants.

Active in Japan since 2002, Veolia designs and implements water and wastewater management solutions for local authorities and industries. In Osaka and Tokyo, Veolia recently renewed its customer service management contracts, which means it provides assistance to more than four million customers. Veolia also provides complete management of the public water service for the city of Hakone, west of Tokyo, which includes operation of water supply to the "onsens" or traditional Japanese bathing facilities. With this contract, Veolia has become the only foreign private operator in Japan to operate a complete water service under a public service delegation contract.

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Veolia group is the global leader in optimized resource management. With over 179,000 employees* worldwide, the Group designs and provides water, waste and energy management solutions that contribute to the sustainable development of communities and industries. Through its three complementary business activities, Veolia helps to develop access to resources, preserve available resources, and to replenish them.
In 2014, the Veolia group supplied 96 million people with drinking water and 60 million people with wastewater service, produced 52 million megawatt hours of energy and converted 31 million metric tons of waste into new materials and energy. Veolia Environnement *(listed on Paris Euronext: VIE)* recorded consolidated revenue of €24.4 billion* in 2014. www.veolia.com
(*) 2014 pro-forma figures, including Dalkia International (100%) and excluding Dalkia France.

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Press Release

Paris, November 5, 2015

NINE MONTH KEY FIGURES ENDING SEPTEMBER 30, 2015

(UNAUDITED IFRS FIGURES)

CONTINUED STRONG RESULTS GROWTH AND 2015 OBJECTIVES CONFIRMED

- MARKED IMPROVEMENT IN THIRD QUARTER REVENUE
- EBITDA GREW 14.1% (+10.5% AT CONSTANT EXCHANGE RATES)[1] TO €2,148 MILLION
- CURRENT EBIT INCREASED 32.3% (+26.2% AT CONSTANT EXCHANGE RATES)[2] TO €942 MILLION
- CURRENT NET INCOME DOUBLED TO €410 MILLION
- 2015 CUMULATIVE COST SAVINGS OBJECTIVE ALREADY ACHIEVED AT THE END OF SEPTEMBER
- CONFIRMATION OF 2015 OBJECTIVES

Antoine Frérot, the Group's Chairman and CEO indicated: *"Veolia has once again recorded strong results growth during the third quarter, including a return to organic revenue growth due to encouraging commercial successes. The first nine months of the year continued sustained growth in all of our results, with in particular a doubling of current net income. This excellent performance, recorded now for the past two years is the successful translation into results of the significant transformation undertaken by Veolia. As a result, we confirm all of our 2015 objectives, ending a year which will close the initial phase of returning to profitable growth. We will present our objectives for the 2016-2018 period during an Investor Day scheduled for December 14, 2015."*

[1] On a pro forma basis (excluding Dalkia France and with Dalkia International fully consolidated as of January 1, 2014): EBITDA growth of 10.1%, and 6.4% growth at constant consolidation scope and exchange rates

[2] On a pro forma basis: Current EBIT growth of 32.0%, and 23.5% growth at constant consolidation scope and exchange rates

- **Return of positive organic revenue growth in the third quarter of 2015.**

  Nine months revenue increased 6.1%, or +2.4% at constant exchange rates from re-presented €17,241 million to €18,288 million for the period ended September 30, 2015.

  On a pro forma basis[3], revenue increased 3.0% from €17,763 million for the nine months ended September 30, 2014, and was stable (-0.3%) compared to the prior year period at constant consolidation scope and exchange rates. Improvement was particularly strong in Q3 with growth of +1.7% at constant consolidation scope and exchange rates, after -1.2% in Q2 and -1.4% in Q1.

  The favorable impact of exchange rate movements contributed to 3.7% revenue growth during the first nine months of 2015 (€649 million).

  All segments experienced a marked improvement in revenue growth during the third quarter.

  - In France, nine months revenue declined by 1.9% at constant consolidation scope, while revenue was quasi-stable in Q3 at constant consolidation scope (-0.5%), after -1.6% in Q2 and -3.6% in Q1. For the first nine months, Water continues to be negatively impacted by contract renegotiations (-€98 million), partially offset by good volumes (+1.4%) and moderate price indexation (+0.3%). Waste revenue was stable in Q3, while growth was moderate at +0.7% for the first nine months of 2015.
  - In the Europe excluding France segment, nine months revenue declined by 1.7% at constant consolidation scope and exchange rates, while revenue was stable in Q3 after Q1 was down 3.5% and Q2 declined -0.7%. Germany revenue declined by 6.9% at constant consolidation scope due to the decline in energy prices observed during the first half of 2015 and continued restructuring of the commercial portfolio in Waste operations. United Kingdom revenue declined by 3.6% at constant consolidation scope and exchange rates, similar to the first half of 2015, but continued to benefit from a favorable revenue mix given reduced revenue from low margin PFI construction activity (-€58 million). Excluding construction revenue, revenue was stable. Central and Eastern Europe revenue continues to have sustained momentum, with Q3 revenue growth of 4.4% at constant consolidation scope and exchange rates, following 1.6% growth in the first half of 2015.
  - The Rest of the World segment also recorded accelerated growth, with +4.8% growth for the nine months at constant consolidation scope and exchange rates after +3.4% in the first half of 2015, due to good performance in all geographic zones, particularly in Asia (China +16.6%), Latin America (+17.1%) and in Africa Middle East (+9.9%).
  - Global Businesses revenue was down 2.2% at constant consolidation scope and exchange rates for the nine months period, but was stable during Q3 given a return to growth in hazardous waste, despite the negative impact of the decline in oil prices, as well as in SADE activities. Revenue in the engineering business remains down (-3.9% for the nine months) due to the end of construction activity for the Hong Kong sludge treatment plant. However, bookings increased by 17% compared to the end of September 2014.

- **Continued strong growth in EBITDA of 14.1% (+10.5% at constant exchange rates) to €2,148 million.**

  On a pro forma basis, compared to €1,952 million for the nine months ended September 30, 2014, EBITDA increased 10.1% (+6.4% at constant consolidation scope and exchange rates).

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[3] Pro forma figures exclude Dalkia France, and include Dalkia International on a fully consolidated basis as of January 1, 2014.

- The favorable impact of exchange rate movements contributed to 4.0% growth in EBITDA (+€79 million) for the nine months ended September 30, 2015.
- At constant consolidation scope and exchange rates, the strong growth in EBITDA was primarily driven by the impact of continued cost savings (benefit of €164 million for the first nine months of 2015), an increase in volumes and good commercial dynamics (net impact of €31 million) as well as favorable price effects (€37 million). Contract renegotiations in the French Water business negatively impacted EBITDA by €60 million.
- By segment, and at constant consolidation scope and exchange rates: In France, EBITDA was stable. In the Water business, cost reductions and volume growth in Q3 helped offset the impact of contract renegotiations at the EBITDA level. In the Waste business, cost savings and the decline in the price of fuel offset the impact of the reduction in volumes landfilled and lower scrap metal prices. In the rest of Europe and rest of the World, good growth momentum continued, in particular in Latin America, Central and Eastern Europe, North America and Asia. Performance in the Global Businesses segment remained penalized by the impact of the decline in oil prices.

- **Current EBIT posted a significant increase of 32.3% (+26.2% at constant exchange rates) from re-presented €712 million for the first nine months of 2014 to €942 million.**

  On a pro forma basis, compared to €713 million for the first nine months of 2014, current EBIT increased 32.0%, or +23.5% at constant consolidation scope and exchange rates.

  - Current EBIT benefitted from a favorable exchange rate impact of €48 million.
  - Excluding foreign exchange effects, the strong growth in current EBIT was primarily driven by the strong growth in EBITDA. Depreciation and amortization expense was down slightly to €1,022 million (vs. pro forma €1,035 million for the first nine months of 2014). The contribution of the share of current net income from joint ventures and associates increased 11% to €81 million.

- **Current net income – Group share doubled to €410 million compared to pro forma re-presented €203 million for the first nine months of 2014.**
  - Current net income benefitted from the continued decline of net financing costs.
  - It includes €74 million in capital gains for the first nine months of 2015, compared to €57 million for the prior year period, as well as a negative impact of €16 million related to implementation of the IFRIC 21 standard.

- **Net financial debt at September 30, 2015 amounted to €8,977 million compared to €8,909 million at September 30, 2014.**
  - Net financial debt is up slightly compared to September 30, 2014, amounting to €8,977 million due to a negative currency impact of €433 million. Excluding this impact, net financial debt would have declined by €365 million.

- **Improvement in net Free Cash Flow of €195 million**

  - Net Free Cash Flow generated during the first nine months of 2015 improved by €195 million to -€12 million compared to pro forma -€207 million for the same period in 2014, due to strong growth in EBITDA and good capex discipline (industrial investments were €877 million in the first nine months of 2015 compared to pro forma €950 million for first nine months of 2014).

- **2015 Objectives confirmed:**
  - Revenue growth
  - EBITDA and Current EBIT growth
    - Continued strong operational performance
    - Cost savings benefit: continued execution of the €750 million cost savings plan
  - Continued capex discipline
  - The dividend and hybrid coupon payment to be covered by current net income and paid by Free Cash Flow excluding net financial divestments
  - Net financial debt under control

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- **Investor Day scheduled for December 14, 2015**
  - Veolia will present its strategic plan for 2016-2018 during an Investor Day scheduled for December 14, 2015.

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Definitions of all key financial indicators mentioned can be found at the end of this press release.

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(*) 2014 pro-forma figures including Dalkia International (100%) and excluding Dalkia France

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FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015[4]

In this press release, the Group refers to two comparative scopes related to the unwinding of the Dalkia joint venture:

- one referred to as "GAAP", with Dalkia France fully consolidated and Dalkia International equity-accounted in the first-half of 2014 and then from July 2014, Dalkia International fully consolidated and excluding Dalkia France,
- the other referred to as "Pro forma", with Dalkia International fully consolidated as of January 1, 2014 and excluding Dalkia France.

A] INCOME STATEMENT

1. Revenue

1.1 Revenue by segment

Revenue (€ million)						
	Nine months ended September 30, 2015	Nine months ended September 30, 2014 Pro forma	Δ 2015/2014	Internal growth	External growth	Foreign exchange impact
France	4,090.2	4,160.5	-1.7%	-1.9%	+0.2%	-
Europe, excluding France	6,180.1	6,099.5	+1.3%	-1.7%	+0.1%	+2.9%
Rest of the World	4,387.5	3,866.9	+13.5%	+4.8%	-0.5%	+9.2%
Global Businesses	3,535.8	3,484.9	+1.5%	-2.2%	+0.4%	+3.3%
Other	94.2	151.4	-37.8%	+8.0%	-46.0%	+0.2%
Group	**18,287.6**	**17,763.2**	**+3.0%**	**-0.3%**	**-0.4%**	**+3.7%**

[4] A summary of re-presented figures for the nine months ended September 30, 2014 are shown in the appendix of this press release.

Quarterly revenue trends break down as follows:

	Q1 2015	Q2 2015	Q3 2015
Pro forma variations	*At constant consolidation scope and exchange rates*		
France	**-3.6%**	**-1.6%**	**-0.5%**
Europe excluding France	**-3.5%**	**-0.7%**	**-0.4%**
Rest of the World	**+2.4%**	**+4.5%**	**+7.7%**
Global Businesses	**+2.1%**	**-7.9%**	**-0.1%**
Group	**-1.4%**	**-1.2%**	**+1.7%**
Group excluding Global Businesses	**-2.1%**	**+0.5%**	**+2.1%**

❖ **France**

Revenue in the France segment for the nine months ended September 30, 2015 decreased 1.7% (-1.9% at constant consolidation scope) to €4,090.2 million compared with pro forma figures for the nine months ended September 30, 2014. At constant consolidation scope, third quarter revenue decreased 0.5% compared with -3.6% in the first quarter and -1.6% in the second quarter of 2015.

- Revenue in the Water business declined 4.0% at both current and constant consolidation scopes compared with pro forma figures for the nine months ended September 30, 2014. Water revenue in France remained almost stable in the third quarter of 2015 (-0.6% at constant consolidation scope, compared with a decline in the first and second quarters) thanks to higher volumes sold tied to favorable weather conditions in the summer months which offset the impact of contractual erosion.
- Revenue in the Waste business grew 0.7% at constant consolidation scope (+1.2% at current consolidation scope). The Waste business remained stable in the third quarter (after an improvement of 3.8% in the second quarter and a decrease of 1.4% in the first quarter). Commercial wins, higher commercial collection tariffs and good momentum of incineration activities were partially offset by lower landfill volumes and commercial and municipal collection volumes as well as the decrease in ferrous scrap metal volumes.

❖ **Europe, excluding France**

Revenue in the Europe excluding France segment for the nine months ended September 30, 2015 increased 1.3% (-1.7% at constant consolidation scope and exchange rates) to €6,180.1 million compared with pro forma figures for the nine months ended September 30, 2014. Revenue remained almost stable in the third quarter of 2015 as in the second quarter, following a 3.5% decrease at constant consolidation scope and exchange rates in the first quarter of 2015.

This change can be explained as follows:

- Central European countries: revenue increased 2.4% at constant consolidation scope and exchange rates, thanks to generally favorable weather conditions (in the second quarter) and higher tariffs combined with positive volume effects. Revenue growth accelerated in the third quarter (+4.4% at constant consolidation scope and exchange rates compared with +0.2% in the first quarter and +3.8% in the second quarter) driven by favorable volume effects.
- The United Kingdom and Ireland: 3.1% decline in revenue at constant consolidation scope and exchange rates. As in the first and second quarters, third quarter revenue fell in line with the decrease in construction revenue from PFI contracts, despite the increase in commercial collection volumes and recycled raw material volumes (paper, ferrous and non-ferrous scrap metal) and growth in the Water business.

- Germany: revenue fell 6.9% at constant consolidation scope and exchange rates, following a decrease in gas and electricity volumes sold, lower energy prices and a decrease in the solid waste business.
- Italy: Energy business revenue fell 7.5% at current and constant consolidation scope in the nine months ended September 30, 2015 and declined 4.0% in the third quarter following the restructuring of the commercial portfolio.
- Other European countries: increase in revenue at constant consolidation scope and exchange rates, driven by business growth particularly in the Netherlands and Iberia.

❖ **Rest of the World**

Revenue in the Rest of the World segment for the nine months ended September 30, 2015 increased 13.5% (+4.8% at constant consolidation scope and exchange rates) to €4,387.5 million compared with pro forma figures for the nine months ended September 30, 2014. In the third quarter of 2015, revenue increased 7.7% at constant consolidation scope and exchange rates compared with 2.4% in the first quarter and 4.5% in the second quarter.

Revenue in the Rest of the World segment reflects solid growth in the following regions:

- In Latin America (+11.6% and +17.1% at constant consolidation scope and exchange rates), in particular, in Argentina (Buenos Aires contract and tariff revisions) and Ecuador;
- Revenue in Asia improved in all geographies, with the exception of Korea due to the end of an industrial contract. In China, revenue increased 36.6% (+16.6% at constant consolidation scope and exchange rates), primarily due to the construction of hazardous waste incinerators and the increase in volumes sold in the Energy business. The industrial Water market in China also benefited from new contract wins;
- In Africa and the Middle East, revenue growth (+14.5% and +9.9% at constant consolidation scope and exchange rates) was boosted by the progression of the Water business in Morocco (volumes and price) and Gabon and by the Construction business in the Middle East.

This substantial growth was mitigated by a decline in revenue in North America of 4.9% at constant consolidation scope and exchange rates (+13.9% at current consolidation scope and exchange rates), mainly tied to the impact of the decrease in energy prices in the first and second quarters which stabilized in the third quarter of 2015.

❖ **Global Businesses**

Revenue in the Global Businesses segment for the nine months ended September 30, 2015 increased 1.5% (-2.2% at constant consolidation scope and exchange rates) to €3,535.8 million compared with pro forma figures for the nine months ended September 30, 2014.

This evolution was mainly due to:

- project delays in the VWT business and completion of the construction of the Hong Kong Sludge plant: the backlog is nonetheless €2.5 billion compared with €2.4 billion as of September 30, 2014;
- the negative impact of oil prices in the hazardous waste business.

1.2 Revenue by business

Revenue (€ million)						
	Nine months ended September 30, 2015	Nine months ended September 30, 2014 Pro forma	Δ 2015/2014	Internal growth	External growth	Foreign exchange impact
Water	8,345.2	8,144.2	+2.5%	-0.4%	-0.2%	+3.1%
Waste	6,448.6	6,301.5	+2.3%	-0.6%	-1.5%	+4.4%
Energy	3,493.8	3,317.4	+5.3%	+0.1%	+1.6%	+3.6%
Group	**18,287.6**	**17,763.2**	**+3.0%**	**-0.3%**	**-0.4%**	**+3.7%**

❖ **Water**

Revenue in the Water business increased by 2.5% and was stable at constant consolidation scope and exchange rates compared with pro forma figures for the nine months ended September 30, 2014. A marked improvement in revenue was observed in the third quarter (+2.4% at constant consolidation scope and exchange rates) after a decrease of 0.1% and 3.3% in the first and second quarters respectively.

This stability at constant consolidation scope and exchange rates was due to a combination of several factors:

- Increased volumes in France and Central Europe despite continued contractual erosion in France,
- Sustained growth in Asia and Australia,
- The decline in Construction activity, with delays in industrial projects at VWT, despite an improvement in the backlog and the commissioning of the Hong Kong plant.

❖ **Waste**

Revenue in the Waste business increased by 2.3% and was stable (-0.6%) at constant consolidation scope and exchange rates compared with pro forma figures for the nine months ended September 30, 2014. Quarter after quarter, the business has demonstrated resilience.

The variation in Waste revenue is due to:

- An increase in volumes (+0.6%) and higher services prices (+0.6%);
- Good resilience in France and the United Kingdom;
- The decline in PFI construction revenue in the United Kingdom;
- The decrease in solid waste volumes, particularly in Germany;
- Lower recycled raw material prices (impact of €19 million).

❖ **Energy**

Revenue in the Energy business increased by 5.3% and was stable at constant consolidation scope and exchange rates compared with pro forma figures for the nine months ended September 30, 2014. Third quarter revenue for 2015, in the same way as second quarter revenue, increased at constant consolidation scope and exchange rates by 4.1%, after second quarter growth of 3.7% and a decline in the first quarter (-4.4%).

The increase in revenue since the second quarter is due to a more favorable weather impact and good volumes sold in China and Central Europe, reduced by the unfavorable impact of the price of energy sold particularly in North America, which decreased in the third quarter.

2. Other income statement items

2.1 EBITDA

EBITDA for the nine months ended September 30, 2015 increased 14.1% (+10.5% at constant exchange rates), compared with GAAP figures for the nine months ended September 30, 2014.

For the nine months ended September 30, 2015, Group consolidated EBITDA increased 10.1% (+6.4% at constant consolidation scope and exchange rates) to €2,148.0 million, compared with pro forma figures for the nine months ended September 30, 2014.

This strong growth in EBITDA is due to cost savings totaling €164 million in the first nine months of 2015.

By segment:

- EBITDA was stable in France:
  - in the Water business, EBITDA was stable due to cost reductions and despite commercial erosion:
    - Good volumes of water sold in the third quarter offset the negative impact of price changes (decrease in indexation to +0.3%)
    - Contract renegotiations (Marseille, Lyon, Nice, etc.) had an impact of -€60 million in the nine months ended September 30, 2015
  - in the Waste business, EBITDA was stable due to cost savings plans, a decrease in fuel prices and the favorable impact of the litigation settlement and despite lower landfill volumes and a decrease in the price of ferrous and non-ferrous scrap metals.
- Continued good momentum in the Group's activities in Europe excluding France, particularly in Central and Eastern Europe (mainly due to a significant decrease in costs);
- Strong growth in the Rest of the World: in the United States thanks to good performance in the Municipal and Commercial sectors and growth in hazardous Waste in the industrial sector. Good growth in EBITDA in emerging markets (Latin America, China, and Africa Middle East);
- Finally, EBITDA decreased in the Global Businesses segment, penalized in particular by the impact of the fall in crude oil prices.

2.2 Current EBIT

For the nine months ended September 30, 2015, Group consolidated current EBIT increased 32.0% (+23.5% at constant consolidation scope and exchange rates) to €941.5 million, compared with pro forma figures for the nine months ended September 30, 2014. Current EBIT increased 32.3% (+26.2% at constant exchange rates), compared with GAAP figures for the nine months ended September 30, 2014.

The significant increase in current EBIT was driven primarily by:

- the significant improvement in EBITDA;
- a decrease in net charges to depreciation and amortization despite an unfavorable foreign exchange impact of €30 million;

- the favorable change in net charges to provisions, in particular in the Water business in France related to provision reversals for contractual risks related to Water contracts where the "Olivet" principle applies and reversals of provisions for URSSAF social-security risks;
- an increase in the current net income of joint ventures and associates and particularly our Water concessions in China.

The foreign exchange impact on current EBIT amounted to +€48.1 million, and mainly reflects fluctuations in the value of the euro against the U.S. dollar (+€18.3 million), the U.K. pound sterling (+€11.3 million) and the Chinese yuan (+€14.3 million).

The reconciling items between EBITDA and Current EBIT for the nine months ended September 30, 2015 and 2014 are as follows:

(€ million)	**Nine months ended September 30, 2015**	Nine months ended September 30, 2014 Pro forma	Nine months ended September 30, 2014 GAAP
EBITDA	**2,148.0**	**1,951.8**	**1,882.2**
Renewal expenses	(206.4)	(188.5)	(243.9)
Principal payments on operating financial assets (OFAs)	(111.4)	(88.1)	(106.2)
Net depreciation and amortization	(1,022.1)	(1,034.7)	(915.5)
Share of current net income of joint ventures and associates	80.8	72.7	95.7
Provisions, fair value adjustments & other:	52.6	-	(0.6)
- Current impairment of property, plant and equipment, intangible assets and operating financial assets	(4.0)	(47.9)	(44.4)
- Capital gains (losses) on industrial divestitures	9.4	1.7	6.9
- Net charges to operating provisions, fair value adjustments and other	47.2	46.2	36.9
Current EBIT	**941.5**	**713.2**	**711.7**

2.3 Current net income

Current net income attributable to owners of the Company increased significantly from pro forma €203.2 million for the nine months ended September 30, 2014 to €409.7 million for the nine months ended September 30, 2015, due to:
- current EBIT growth,
- the reduction in net finance costs, as well as,
- an improvement in the tax rate (which was 30% at the end of September 2015).

Capital gains (losses) on financial divestitures for the nine months ended September 30, 2015 totaled +€73.6 million and mainly comprised of the €40.4 million capital gain realized on the sale of Group's activities in Israel. Pro forma capital gains on financial divestitures for the nine months ended September 30, 2014 totaled €57.4 million.

Current net income also includes -€16 million in respect of application of IFRIC 21.

B] Financing

(€ million)	Nine months ended September 30, 2015	Nine months ended September 30, 2014 Pro forma	Nine months ended September 30, 2014 GAAP
EBITDA	**2,148.0**	**1,951.8**	**1,882.2**
Net industrial investments	(808.2)	(906.0)	(871.0)
Change in operating WCR	(659.5)	(613.7)	(573.9)
Dividends received from equity-accounted entities and joint ventures	71.4	66.3	62.7
Renewal expenses	(206.5)	(188.5)	(244.0)
Restructuring charges	(64.5)	(24.5)	(24.5)
Financial items (current cash financial expense, and operating cash flow from financing activities)	(310.6)	(324.1)	(280.7)
Taxes paid	(181.9)	(168.5)	(164.6)
Net free cash flow before dividend payment, financial investments and financial divestitures	**(11.6)**	**(207.3)**	**(213.6)**
Opening Net financial debt	(8,311.1)		(8,444.4)
Closing Net financial debt	**(8,977.1)**		**(8,909.4)**

Changes in net free cash flow

Net free cash flow amounted to -€11.6 million for the nine months ended September 30, 2015, versus pro forma -€207.3 million for the nine months ended September 30, 2014. This improvement was attributable to the improvement in EBITDA, solid industrial investment discipline (decrease of €107 million at constant exchange rates) and a reduction in finance costs, despite a deterioration in the change in operating working capital requirements of -€45.8 million and an increase in renewal expenses and restructuring charges.

Net financial debt

Overall, net financial debt amounted to €8,977 million, compared with €8,909 million in GAAP figures as of September 30, 2014. At constant exchange rates (impact of -€433 million) net financial debt would have been down €365 million compared to September 30, 2014.

Net financial debt is €291.1 million higher than at December 31, 2014, excluding a foreign exchange impact of €375 million, due to seasonal factors.

APPENDICES

1. Reconciliation of previously published and re-presented data for the nine months ended September 30, 2014

1.1. Main "GAAP" re-presented figures for the nine months ended September 30, 2014 (1)

In €M – Figures presented under published scope (2)	9M 2014 published	IFRS 5 Adjustment (3)	IFRIC 21Adjustment (4)	9M 2014 Re-presented
Revenue	16,844.5	+396.3	-	17,240.8
Adjusted operating cash flow	1,450.9	+65.3	-20.8	1,495.4
Adjusted operating income (5)	711.2	+41.0	-20.8	731.4
Gross industrial investments	936.9	-	-	936.8
Free cash flow	280.0	-63.7	-	216.3
Net financial debt	8,618	+291	-	8,909
EBITDA	N/A	N/A	N/A	1,882.2
Current EBIT	N/A	N/A	N/A	711.7
Current net income – Group Share	N/A	N/A	N/A	221.3

(1) Non-audited figures
(2) Published scope: including fully consolidated Dalkia France and equity-accounted Dalkia International in the first half of 2014
(3) Reclassification of Morocco Water operations to continuing operations
(4) See Appendix 1.3.
(5) Including the share of adjusted net income (loss) of joint ventures and associates for the nine months ended September 30, 2014

1.2. Main "Pro forma" re-presented figures for the nine months ended September 30, 2014[(1)]

In €M – Figures presented under pro forma scope[(2)]	9M 2014 published	IFRS 5 Adjustment (3)	IFRIC 21 Adjustment (4)	9M 2014 Re-presented
Revenue	17,372.8	+396.3	-5,9	17,763.2
Adjusted operating cash flow	1,594.9	+65.3	-14,3	1,645.9
Gross industrial investments	949.8	-	-	949.8
EBITDA	N/A	N/A	N/A	1,951.8
Current EBIT	N/A	N/A	N/A	713.2
Current net income – Group Share	N/A	N/A	N/A	203.2

(1) Non-audited figures
(2) Pro forma scope : excluding Dalkia France and Dalkia International fully consolidated in the first half of 2014
(3) Reclassification of Morocco Water operations to continuing operations
(4) See Appendix 1.3.

1.3. IFRIC 21 (Taxes)

- An interpretation that clarifies the accounting for taxes, duties and other levies falling within the scope of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, and which are specifically excluded from the scope of IAS 12, *Income Taxes*.

- Recognition of the obligation now associated with the obligating event, which requires payment of the tax by the company.

  - The timing of recognition of a liability for the tax or levy is determined based on the exact wording of the law governing collection.
  - The entire tax liability shall be recognized when the obligating event giving rise to the tax as defined by the law occurs. Thus, if a tax is payable when an entity operates a business as of January 1, Y, the liability representing the tax for the year in its entirety must be recorded on such date.

  → Thus, for the majority of impacted taxes considered as "operating income":
  Before application of IFRIC 21: evenly expensed over 12 months
  After application of IFRIC 21: full amount recorded at the time of the obligating event giving rise to the tax

- Mandatory retrospective application as of January 1, 2015 for both interim and annual financial statements.

- The impact of the application of IFRIC 21 essentially lies in a different allocation of the expense at interim closings. Accordingly, the annual consolidated financial statements will not be significantly impacted by the application of this interpretation.

IFRIC 21 impacts (€ million)	Nine months ended September 30, 2015	Nine months ended September 30, 2014 GAAP	Nine months ended September 30, 2014 Pro forma
EBITDA	-17.8	-20.5	-13.8
Current EBIT	-17.8	-20.5	-13.8
Current Net Income	-16.1	-17.4	-13.0

2. Reconciliation of prior and new financial indicators used by the Group

The reconciliation of operating cash flow before changes in working capital and adjusted operating cash flow with the new financial indicator EBITDA is as follows:

(€ million)	**Nine months ended September 30, 2015**	Nine months ended September 30, 2014 Pro forma	Nine months ended September 30, 2014 GAAP
Operating cash flow before changes in working capital	**1,764.0**	**1,661.3**	**1,542.4**
• Operating cash flow from financing activities	+1.3	15.4	47.0
• **Adjusted operating cash flow**	**1,762.7**	**1,645.9**	**1,495.4**
Excluding:			
Renewal expenses	+206.4	+188.5	+243.9
Restructuring charges (1)	+64.5	+24.5	+24.5
Share acquisition and disposal costs	+3.0	+4.8	+12.2
Including:			
Principal payments on operating financial assets	+111.4	+88.1	+106.2
EBITDA	**2,148.0**	**1,951.8**	**1,882.2**

(1) Cash restructuring charges for the nine months ended September 30, 2015 primarily related to the French Water voluntary departure program in the amount of €37.7 million. In the nine months ended September 30, 2014, they concerned the head office voluntary departure plan in the amount of €22 million.

In addition, the reconciliation of Current EBIT with Operating Income is as follows

(€ million)	**September 30, 2015**	September 30, 2014 Pro forma	September 30, 2014 GAAP
Current EBIT	**941.5**	**713.2**	**711.7**
Impairment losses on goodwill and negative goodwill	+0.3	+0.9	(608.6)
Restructuring charges	(6.6)	(24.3)	(24.3)
Personnel costs – share-based payments	(5.6)	-	-
Non-current impairment of property, plant and equipment, intangible assets and operating financial assets	(0.3)	(35.5)	(35.5)
Share acquisition costs, with or without acquisition of control	(0.8)	-	-
Operating income after share of net income of equity-accounted entities	**928.5**	**654.3**	**43.3**

3. Definitions

- **GAAP (IFRS) indicators**

Net finance costs represent the cost of gross debt, including related gains and losses on interest rate and currency hedges, less income on cash and cash equivalents.

- **Non-GAAP indicators**

- The term "internal growth" (or "growth at constant consolidation scope and exchange rates") includes growth resulting from:
  - the expansion of an existing contract, primarily resulting from an increase in prices and/or volumes distributed or processed,
  - new contracts, and,
  - the acquisition of operating assets allocated to a particular contract or project.

- The term "external growth" includes growth through acquisitions (performed in the period or which had only partial effect in the prior period), net of divestitures, of entities and/or assets deployed in different markets and/or containing a portfolio of more than one contract.

- The term "change at constant exchange rates" represents the change resulting from the application of exchange rates of the prior period to the current period, all other things being equal.

- Net financial debt (NFD) represents gross financial debt (non-current borrowings, current borrowings, bank overdrafts and other cash position items), net of cash and cash equivalents and excluding fair value adjustments to derivatives hedging debt.

- Net free cash flow corresponds to free cash flow from continuing operations, i.e. the sum of EBITDA, dividends received, operating cash flow from financing activities, and changes in operating working capital, less net industrial investments, current cash financial expense, cash taxes paid, restructuring charges and renewal expenses.

New indicators used by the Group as from the 1st quarter of 2015:

- EBITDA, which replaces Adjusted operating cash flow, will comprise the sum of all operating income and expenses received and paid (excluding restructuring costs, renewal expenses and share acquisition and disposal costs) and principal payments on operating financial assets.

- Current EBIT replaces Adjusted Operating Income. To calculate Current EBIT, the following items will be deducted from operating income:
  - Goodwill impairments of fully controlled subsidiaries and equity-accounted entities,
  - Restructuring charges,
  - Capital gains on financial divestments, which will now be considered as an item within net finance costs,
  - One-time and/or significant impairment of non-current assets (PP&E, intangible assets and operating financial assets),
  - Impacts relating to the application of IFRS 2 *Share-based payment*,
  - Share acquisition and disposal costs.

- Current Net Income, which will replace Adjusted Net Income, will comprise the sum of the following items:
  - Current EBIT,
  - Current net finance cost items,
  - Other current financial income and expenses, including capital gains or losses on financial divestitures (of which gains or losses included in the share of net income of equity-accounted entities),
  - Current tax items, and
  - Minority interests (excluding the portion of minority interests relative to non-current items in the income statement).

Former indicators used by the Group until December 31, 2014:

- Adjusted operating cash flow includes operating income and expenses received and paid ("cash").

- Adjusted operating income is equal to operating income after the share of adjusted net income (loss) of equity-accounted entities, adjusted to exclude the impact of goodwill impairment, negative goodwill recognized in net income and certain special items. Special items are items that are not expected to recur each year and that substantially change the economics of one or more cash-generating units.

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VEOLIA

Press release

Paris, November 06, 2015

SUCCESSFUL REFINANCING OF MULTICURRENCY REVOLVING CREDIT FACILITY

Veolia successfully signed a multicurrency Revolving Credit Facility for €3 billion. This Multicurrency Revolving Credit Facility refinances the Group's main syndicated back-up facilities which were signed in 2011.

The initial refinancing objective was for €2.5 billion, but the strong oversubscription rate gave the Group the opportunity to increase the overall size to €3 billion, demonstrating strong market confidence in the Group and its creditworthiness. As the number of participating banks was reduced, the average level of commitment was larger than in the previous facilities.

Veolia took advantage of attractive market conditions to benefit from a historically low initial margin. As a result of this refinancing, this facility, which expires in November 2020 (and can be extended to 2022), materially improves the liquidity profile of the Group, and brings additional flexibility through the possibility to borrow in several currencies, such as EUR, USD, GBP, Eastern Europe currencies or Renminbi.

Veolia group is the global leader in optimized resource management. With over 179,000 employees* worldwide, the Group designs and provides water, waste and energy management solutions that contribute to the sustainable development of communities and industries. Through its three complementary business activities, Veolia helps to develop access to resources, preserve available resources, and to replenish them.
In 2014, the Veolia group supplied 96 million people with drinking water and 60 million people with wastewater service, produced 52 million megawatt hours of energy and converted 31 million metric tons of waste into new materials and energy. Veolia Environnement *(listed on Paris Euronext: VIE)* recorded consolidated revenue of €24.4 billion* in 2014. www.veolia.com
(*) 2014 pro-forma figures, including Dalkia International (100%) and excluding Dalkia France.

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Press release

Paris, 10 November 2015

Asia – Municipal Water

Veolia and Kazyna Capital Management sign memorandum of understanding for new seawater desalination plant in Kazakhstan

During the state visit to France of Kazakhstan President Nursultan Nazarbayev on November 5th 2015, Kazyna Capital Management and Veolia Water Solutions & Technologies signed a memorandum of understanding to jointly implement a seawater desalination plant in Kazakhstan.

Located in Aktau, the new 125,000 m3 per day plant will supply water to industries and the population of Aktau and Zhanaozen, the two main cities in the oil province of the Manghystau, located on the shores of the Caspian Sea.

This memorandum follows a study conducted by Veolia, in partnership with the Kazakhstan Public-Private Partnership (PPP) Centre, on behalf of the Manghystau region and supported by French authorities, to define a business model allowing for private sector participation in the implementation of this desalination project.

A subsidiary of Baiterek National Holding (a Kazakh public fund company), Kazyna Capital Management's mission is to provide equity capital to companies at various stages of growth through private equity funds and jointly with other investors in order to promote sustainable development of the Kazakh national economy.

A subsidiary of Veolia Group, Veolia Water Solutions & Technologies provides the complete range of services required to design, build, maintain and upgrade water and wastewater treatment facilities for industrial clients and public authorities. With more than 100 years of experience, over 350 patented technologies and extensive knowledge in desalination, Veolia is the world leader in assisting municipalities and industries implement desalination strategies.

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WATER TECHNOLOGIES