2013 First Half Results

August 5, 2013

VEOLIA ENVIRONNEMENT

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Highlights

Antoine Frérot

VEOLIA ENVIRONNEMENT

Continued progress during 1st half 2013

- Improved performance in Q2
- Implementation of the Company's strategy
  - Further reduction in debt
  - Convergence Plan objectives raised
  - Management team reinforced by a more integrated organization
  - Continuing targeted commercial success
  - Reinforcement in progress in Latin America with the proposed purchase of FCC's stake in Proactiva

The Company is progressing on its path toward recovery and profitable growth

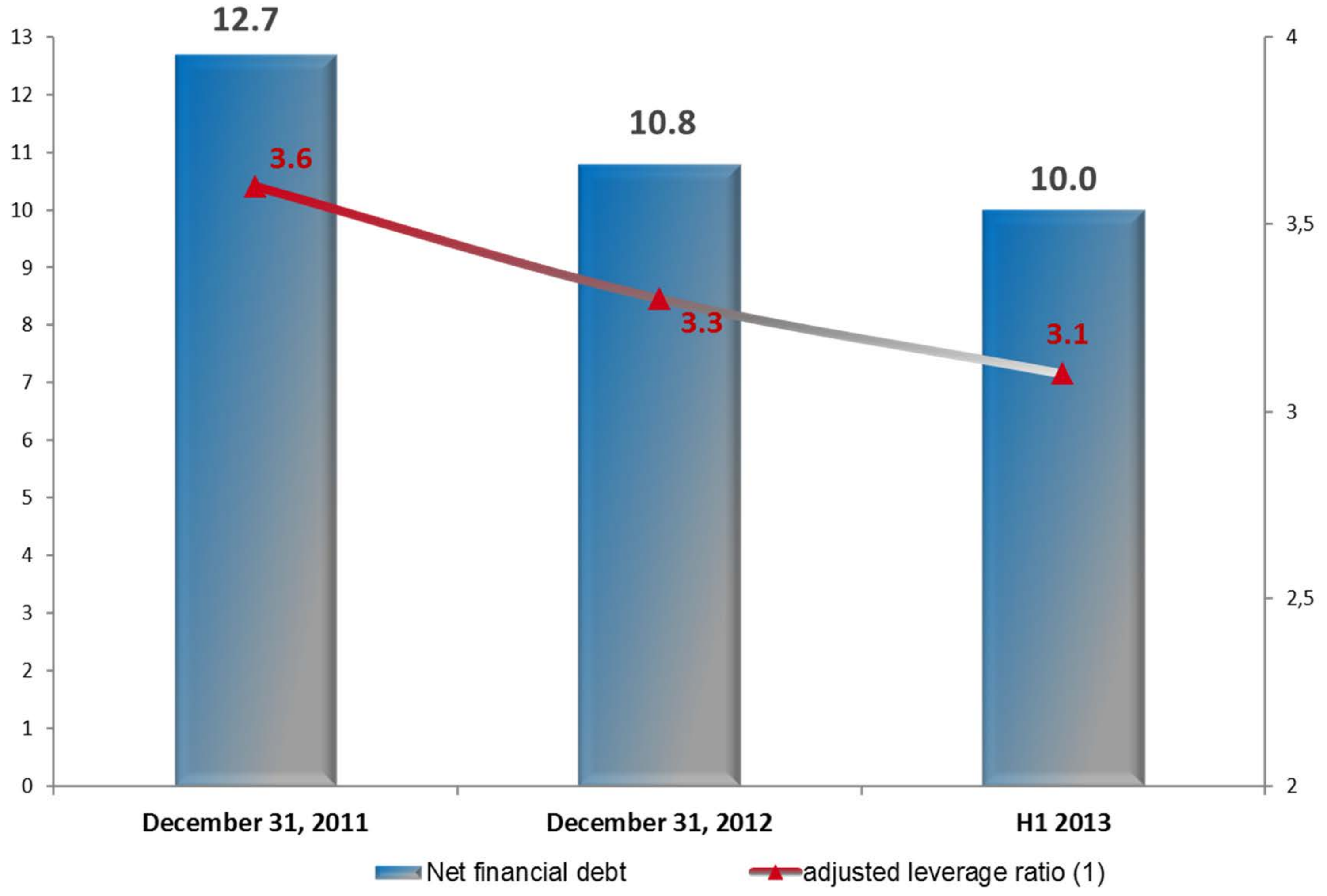
Improved performance in Q2

- Q2 revenue trend improved compared to Q1 trend (-1% vs. -3% at constant scope and FX, and despite continued decline in Construction activity)
  - WATER Operations: organic growth of 2.1% in Q2 (versus -2.4% in Q1)
  - ENVIRONMENTAL SERVICES: trend improvement in Q2 (volumes increased versus -3.5% in Q1)
  - DALKIA: organic growth of 12.4% in Q2 (very favorable weather impact)
- Q2 adjusted operating cash flow trend improvement compared to Q1 trend: +0.5% (excluding restructuring costs) compared to -7.0% in Q1 at constant exchange rates
  - Adjusted operating cash flow would have grown significantly during first half 2013 with proportional integration of Dalkia International and China Water
- Significant improvement in adjusted operating income

First half 2013 adjusted operating income increased 29.2% at constant exchange rates

Further reduction in net financial debt

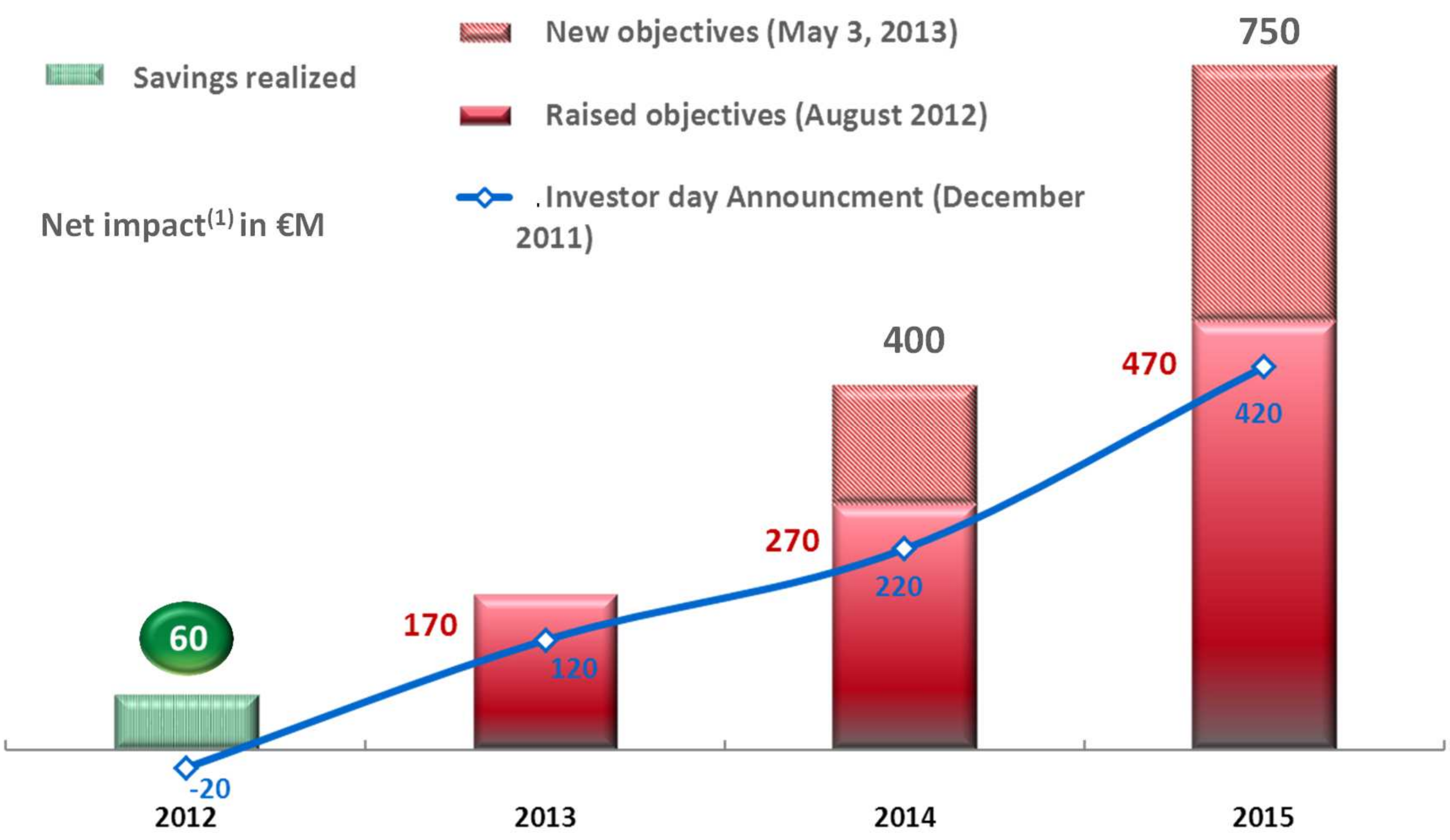
In €bn



(1) Adjusted net financial debt / (Operating cash flow before changes in working capital + OFA repayments)
Adjusted net debt is net of loans to joint ventures

Raised Convergence Plan objectives

A €750M(1) NET COST SAVINGS PLAN IN 2015



(1) Net of implementation costs, of which due to the new accounting treatment of joint ventures, ~80% will benefit operating income

Management team reinforced by a more integrated organization

- One Veolia per country
- One Veolia HQ
- Management by country
- Reinforcement of marketing and performance management

More simple
More nimble
More efficient

Continuing targeted commercial business success

- **Asia Pacific**
  - **Australia:** industrial contract awarded by Queensland Gas Company in the coal gas sector. Cumulative revenue of €650M over 20 years.
  - **Singapore:** contract awarded for the collection and management of household waste and recyclables in the Clementi Bukit Merah quarter. Cumulative revenue of ~€135M over 7½ years
- **Middle East**
  - **Saudi Arabia:** contract awarded for the design, build and operation of a desalination facility at the Sadara petrochemical complex in Jubail city over 10 years – Cumulative revenue of €300M
  - **United Arab Emirates:** Contract awarded for the technical and energy management of Abu Dhabi's airports – Cumulative revenue of €40M over 3 years
- **Latin America**
  - **Brazil:** contract awarded by the paper producer CMPC for the construction of 3 raw water and wastewater treatment units – Cumulated revenue of €130M
- **Europe**
  - **Slovakia:** Contract renewal for the management of heat generation and distribution in Bratislava – Cumulative revenue of €1.1 billion over 20 years
  - **United Kingdom:** Thames Water awarded a contract to the Veolia / Costain and Atkins consortium to upgrade drinking water and wastewater treatment facilities – Cumulative estimated maximum revenue of €530M (Veolia's portion, from 2015 to 2020)

Reinforcement of position in Latin America

PROACTIVA

- Purchase FCC's 50% stake
  - Closing expected 4th quarter
- Presence in 8 countries
- 2012 revenue: €541M, 39% Water and 61% Environmental Services
- 2012 Adjusted operating cash flow: €95M
- Equity value for €150M- Acquired debt of €118M

Key figures at 100%

In €M	2010	2011	2012	2010-2012 CAGR
Revenue	420	472	541	**13.5%**
Adjusted Operating Cash Flow	77	94	95	**11.1%**
Capital Employed	186	227	254	**16.9%**
Net Financial Debt	90	111	118	**14.5%**

(1) Before application of IFRS 10-11-12

Second half 2013 action plans (1/2)

- **Cost reductions: continued execution of the plan and expectation to exceed the €170M objective**

- **Completion of the asset refocusing program**
  - Closing divestments currently in process
  - Transdev
  - Berlin

- **Business development: deployment of the Company's strategy**

Themes "core" to Veolia

- Most difficult pollutions
- Circular economy
- Large scale public services

Offers centered on:

- Efficiency and attractiveness of cities
- Competitiveness of industrial clients

Second half 2013 action plans (2/2)

Business development: new organization

Priority offerings

- Recycling of materials extracted from mines
- Aluminum recycling
- Nuclear site decommissioning
- Industrial infrastructure decommissioning
- Energy efficiency
- Gas production by anaerobic digestion
- Plastic recycling
- Smart cities

Commercial offerings built and disseminated

- By 2013-end for the initial 4 offerings
- By mid-2014 for the remaining 4 offerings

Priority markets

- Energy production
- Mining industry
- Food & beverage
- Chemical / Pharmaceutical
- Cosmetics
- Cities in developed countries
- Cities in emerging countries

Deployment via a network of key account managers by the end of 2013

2

First half 2013 results

Pierre-François Riolacci

Key figures

In €M	H1 2012 re-presented [1]	H1 2013	Δ	Δ at constant FX
Revenue	11,448	11,074	-3.3%	-2.3% [2]
Adjusted operating cash flow	1,006	930	-7.6%	-6.9%
Operating income [3]	335	473	+41.3%	+42.2%
Adjusted operating income [4]	**419**	**539**	**+28.4%**	**+29.2%**
Adjusted net income attributable to owners of the Company	**18**	**131**		
Net income attributable to owners of the Company	162	4		
Free Cash Flow	552	556		
Net financial debt	12,362	10,031		
Loans granted to joint ventures	3,648	3,302		
Adjusted net financial debt	8,714	6,729		

(1) First half 2012 results re-presented for IFRS 5, 10 and 11 (the re-presentation associated with IFRS 5 only applies to the income statement : See Appendix 1)

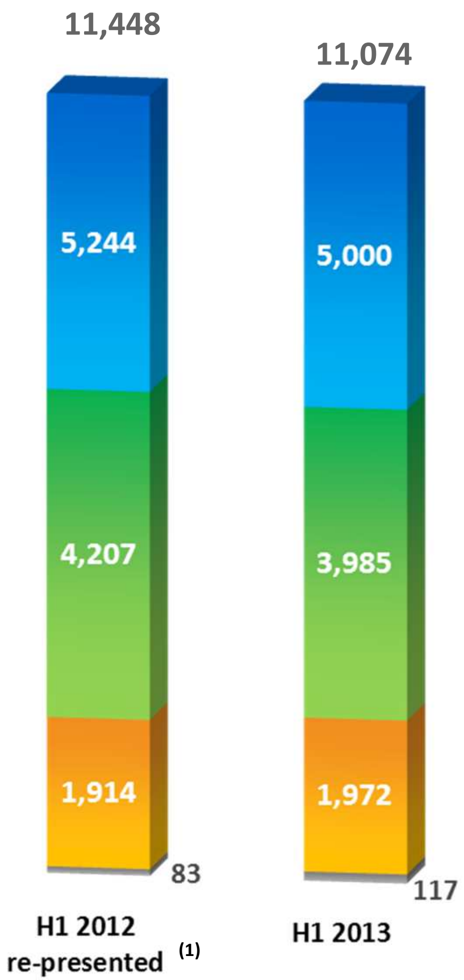
(2) -2.0% at constant consolidation scope and exchange rates

(3) Including the share of net income of joint ventures and associates

(4) Including the share of adjusted net income of joint ventures and associates

Breakdown of revenue by division

in €M



	Δ	Δ *constant FX*	Δ *excl. FX & scope*
Water	-4.6%	-3.4%	-3.7%
Environmental Services	-5.3%	-4.2%	-3.0%
Energy Services	+3.0%	+3.1%	+4.4%
Other	+39.6%	+39.6%	+6.0%
Total	**-3.3%**	**-2.3%**	**-2.0%**

(1) See Appendix 1

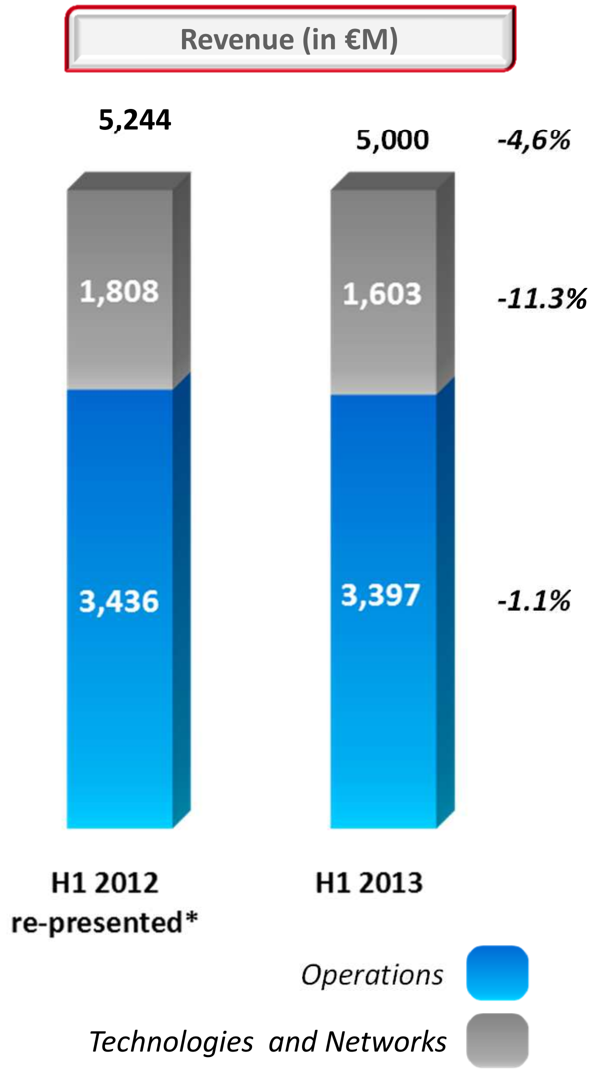
Revenue resilience in the 2nd quarter

In €M	1st quarter 2012 Re-presented(1)	1st quarter 2013	1st quarter Δ excl. seope & FX	2nd quarter 2012 Re-presented(1)	2nd quarter 2013	2nd quarter Δ excl. seope & FX	1st half 2012 Re-presented(1)	1st half 2013	1st half Δ excl. seope & FX
Operations	*1,757*	*1,702*	*-2.4%*	*1,679*	*1,695*	*+2.1%*	*3,436*	*3,397*	*-0.2%*
Technologies & Networks	*854*	*792*	*-6.5%*	*954*	*811*	*-14.0%*	*1,808*	*1,603*	*-10.4%*
Water	**2,611**	**2,494**	-3.7%	**2,633**	**2,506**	-3.8%	**5,244**	**5,000**	-3.7%
Environmental Services	**2,065**	**1,932**	-4.6%	**2,142**	**2,053**	-1.4%	**4,207**	**3,985**	-3.0%
Energy Services	**1,276**	**1,268**	+0.4%	**638**	**704**	+12.4%	**1,914**	**1,972**	+4.4%
Other	**39**	**63**	+20.4%	**44**	**54**	-6.5%	**83**	**117**	+6.0%
Company	**5,991**	**5,757**	-3.0%	**5,457**	**5,317**	-1.0%	**11,448**	**11,074**	-2.0%

(1) See Appendix 1

Water: Revenue of €5,000M

- **Operations :** Revenue stable at constant scope & FX
  - **France:** revenue declined by 2.5% at constant scope to €1,559M
    - Slowdown in construction and lower volumes sold (-1.9%)
    - Continuation of contractual erosion
    - Favorable indexation impact (+2.6%)
  - **Outside France:** revenue increased 1.6% at constant scope & FX to €1,838M
    - Good performance in central & Eastern Europe (price increases)
    - Completion of construction contracts in 2012 in the UK and Asia
    - Growth in the United States (Rialto and industrial contracts)
- **Technologies & Networks:** Revenue declined by 10.4% at constant scope & FX
  - Completion of Design & Build contracts outside France and unfavorable weather impacts in France
  - Bookings up 22.8% vs. June 2012, to €2B



* To ensure the compatibility of periods, the 2012 financial statements have been re-presented (see Appendix 1)

Water: Adjusted operating cash flow of €430M

- Adjusted operating cash flow declined 3.2% at constant FX to €430M
  - Operations: Limited decrease in adjusted operating cash flow due to lower contractual erosion in France, despite unfavorable price impacts in Germany
  - Technologies & Networks: Decline in adjusted operating cash flow due to lower activity and margin deterioration on the Hong Kong sludge contract

- Adjusted operating income declined by 3.2% at constant FX to €231M
  - Improvement in net income of equity accounted JVs (China and UK)
  - Impact of Convergence plans of €36M (1)

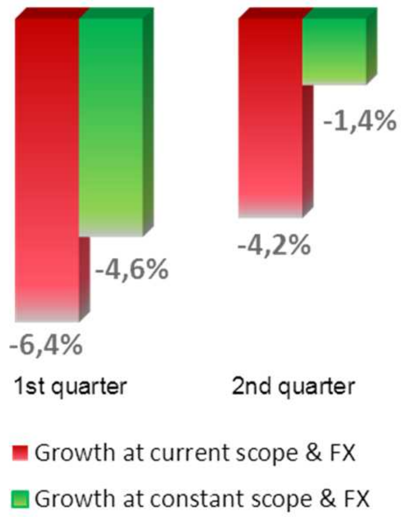
(1) Net impact on operating income before IFRS 10-11

Environmental Services: Improved trend in Q2 (1/2)

Revenue variation H1 2013 / H1 2012: -5.3%
and -3.0% at constant scope & FX

	2013
Price and volumes of recycled materials	-2.3%
Waste volumes/ activity levels	-1.1%
Service price increases	+0.9%
Other (including construction revenue)	-0.5%
Currency effect	-1.1%
Scope	-1.2%

Evolution of 2013 Quarterly Revenue



- Recycling: average prices significantly below that of H1 2012 (paper -15%; scrap metals: -12%), as well as lower volumes
  - Revenue impact of -€98M in the first half 2013
- Other treatment and collection: improvement in the revenue trend in Q2, in a difficult macroeconomic environment
  - Volumes increased in Q2 (versus -3.5% in Q1)
    - → Improvement , particularly in France, Australia and the UK (PFIs), as well as in hazardous waste (France and US)
- Overall, decline in volumes limited to -1.1% in the first half of 2013

Environmental Services: Improved trend in Q2 (2/2)

- **Revenue declined 3.0% at constant scope & FX to €3,985M (Q1: -4.6% / Q2: -1.4%)**
  - France revenue declined by 4.9% at constant scope: lower volumes collected and negative impact of recycled raw materials prices
  - UK revenue increased 1.7% at constant scope & FX given the progression of PFI contracts
  - Germany revenue declined due to lower prices and volumes of recycled raw materials. Pressure in the industrial sector
  - Good revenue progression in Australia: higher treated volumes and growth in industrial services.
  - Good resilience in hazardous waste and industrial services (excluding Marine Services) in the U.S.

- **Adjusted operating cash flow declined 6.7% at constant FX to €404M**
  - Of which -3.9% related to lower prices and volumes of recycled raw materials

- **Adjusted operating income declined 3.3% at constant FX to €158M**
  - Net impact of Convergence Plan of €14M (1)

(1) Net impact on operating income before IFRS 10-11

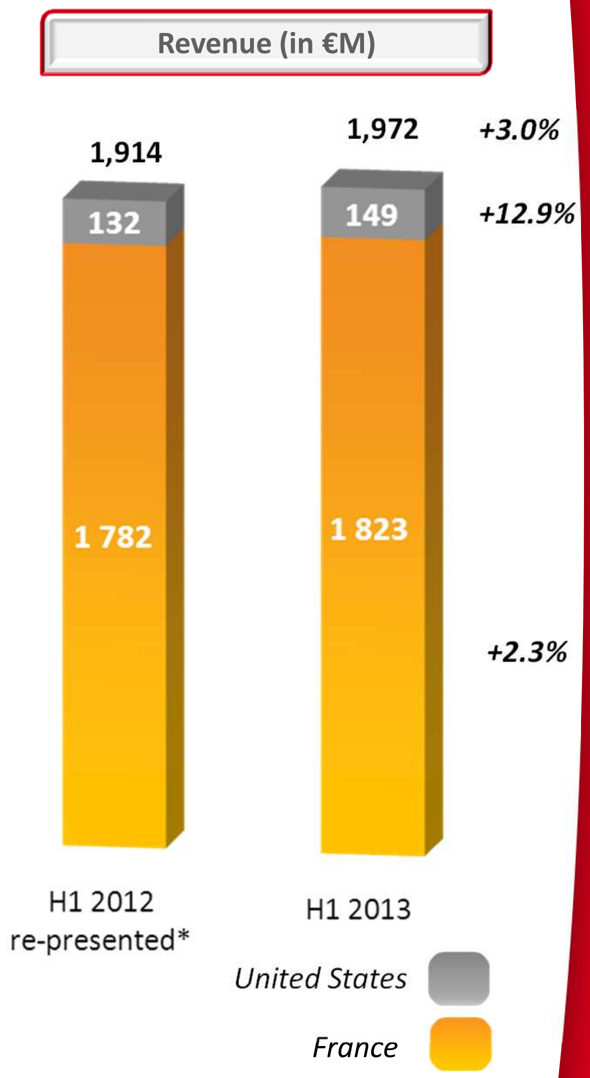
Energy Services: Revenue growth and significant improvement in adjusted operating income

- **Revenue increased 3.0% (+4.4% at constant scope & FX) to €1,972M)**
  - Higher energy prices: positive impact ~€40M (primarily in France)
  - Favorable weather impact, mainly in France: impact >€50M

- **Adjusted operating cash flow decreased 1.2% at constant FX to €155M**

  In France:
  - Overall favorable price impact, despite lower power purchase price
  - Progressive end of gas cogeneration contracts

- **Adjusted operating income increased significantly from €65M in H1 2012 to €177M**
  - Significant increase in contribution of Dalkia International's share of net income (€60M vs. -€83M in H1 2012)
    - → Receivables and accrued expenses write downs in Italy for the period ended June 30, 2012 (-€89M)
    - → Good performance in Central & Eastern Europe
  - Net impact of Convergence plan of €24M(1)



(1) Net impact on operating income before IFRS 10-11

* To ensure the compatibility of periods, the 2012 financial statements have been re-presented (see Appendix 1)

Adjusted operating cash flow

In €M	H1 2012 Re-presented (1)	H1 2013	Δ	Δ *constant FX*
Water	446	430	-3.6%	-3.2%
Environmental Services	438	404	-7.8%	-6.7%
Energy Services	157	155	-1.4%	-1.2%
Other	-35	-59	-69.4%	-69.4%
Total Company	**1,006**	**930**	**-7.6%**	**-6.9%**
Margin	**8.8%**	**8.4%**		

Excluding restructuring charges , adjusted operating cash flow declined 3.8% at constant FX (-7.0% in Q1 and +0.5% in Q2)

(1) See Appendix 1

Convergence Plan: H1 2013 Results

- Cost reductions/ Convergence (before application of IFRS 10-11): **€74M** in net savings in the first half 2013

Impact on Operating Income before IFRS 10 & 11 (in €M)	H1 2012	H2 2012	H1 2013
Gross savings	59	83	110
Implementation costs	-32	-50	-36
Net savings	**27**	**33**	**74** [1]

[1] Contribution post IFRS 10-11**: €55M** net savings in first half 2013

Focus on Dalkia International and China Water

Dalkia International (at 75.8%)

In €M	H1 2012 re-presented	H1 2013
Revenue	1,919	1,847*
Adjusted Operating Cash Flow	116	238
Operating Income	23	156

***of which - €94M scope impact(mainly Estonia)**
Growth at constant FX and consolidation scope +1.6%

Chinese Water concessions (Veolia share)

In €M	H1 2012 re-presented	H1 2013
Revenue	247	262
Adjusted Operating Cash Flow	52	57
Operating Income	26	29

Reconciliation of adjusted operating cash flow to adjusted operating income

In €M	H1 2012 re-presented[1]	H1 2013	Δ	Δ *constant FX*
Adjusted operating cash flow	**1,006**	**930** [2]	**-7.6%**	**-6.9%**
Depreciation & amortization	-561	-563		
Net capital gains	+3	+17		
Provisions, fair value adjustments & other [2] [3]	-12	+46		
Share of adjusted net income of joint ventures and associates	-17	**+109**		
Adjusted operating income [4]	**419**	**539**	**+28.4%**	**+29.2%**

(1) See Appendix 1
(2) Including charges related to the Company's voluntary departure plan that are not included in adjusted operating income (-€32.5M)
(3) Including benefit of closing management pension plans of €40M
(4) Including the share of adjusted net income of joint ventures and associates

Adjusted operating income (1)

In €M	H1 2012 Re-presented (2)	H1 2013	Δ	Δ *constant FX*
Water	238	231	-3.2%	-3.2%
Environmental Services	166	158	-4.8%	-3.3%
Energy Services	65	177	+171.1%	+172.2%
Others	-50	-27	+46.8%	+46.8%
Total Company	**419**	**539**	**+28.4%**	**+29.2%**

(1) Including the share of adjusted net income of joint ventures and associates
(2) See Appendix 1

Reconciliation of adjusted operating income to operating income

En M€	H1 2012 re-presented [1]	H1 2013
Adjusted operating income [2]	**419**	**539**
Impairment Environmental Services Germany	-	-49
Non-recurring charges related to VDP (VE SA)	-	-17
Impairment non-regulated U.K. Water	-51	-
Impairment goodwill Baltic countries and Israel	-29	-
Others	-4	-
Total non-recurring elements	**-84**	**-66**
Operating income [3]	**335**	**473**

(1) See Appendix 1
(2) Including the share of adjusted net income of joint ventures and associates
(3) Including the share of net income of joint ventures and associates

Net finance costs

In €M	H1 2012		H1 2013		Δ %
Cost of net financial debt (*including costs to repurchase debt of €43M in 2013)*	**-296.7 (1)**		**-305.6**		
Cost of net financial debt re-presented (2)	**-303.7**	***4.74%***	**-263.8**	***5.16%***	***+0.42%***
Impact of active debt management and debt amortization					*-0.46%*
Impact of change in interest rates					*-0.31%*
Impact of increase in liquidity					*1.19%*
Currency impact					*0.01%*

In €M	H1 2012	H1 2013
Closing net financial debt[3]	12,362	10,031
Average net financial debt[4]	12,806	10,221
Average gross debt	16,097	14,906
Gross cost of borrowing	*3.99%*	*3.73%*
Average cash	3,528	5,053
Rate	*1.27%*	*0.68%*

(1) -€362M previously published

(2) Including financial costs of discontinued operations, excluding costs of debt repurchases treated as non-recurrent (€43M in 2013)

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

(4) Average net financial debt is the average of monthly net debt during the period

Taxes

- After adjusting for one-time items, the company tax rate at June 30, 2013 was 53%.
- The **effective** tax rate at June 30, 2013 is derived:

In €M	Tax expense	Income base before taxes	Tax rate
Adjusted for one-time items	**-84**	**159**	**53%**
Cost of repurchasing debt	-	-43	
Goodwill Impairment Germany	-	-48	
Restructuring VE SA	-	-17	
Other elements	8	21	
Effective	**-76**	**72**	**106%**

Reconciliation of operating income to net income

	H1 2012 re-presented [1]			H1 2013		
In €M	*Adjusted*	*Adjustment*	**Total**	*Adjusted*	*Adjustment*	**Total**
Operating income [2]	419.3	-84.6	**334.7**	538.6	-65.6	**473.0**
Cost of net financial debt [3]	-273.2	-	**-273.2**	-249.2	-43.0	**-292.2**
Income tax expense	-82.3	-	**-82.3**	-76.1	-	**-76.1**
Net income from discontinued operations	-	211.3	**211.3**	-	-16.4	**-16.4**
Non-controlling interests	-46.0	17.7	**-28.3**	-82.2	-2.5	**-84.7**
Net income attrib. to owners of Co.	**17.8**	**144.4**	**162.2**	**131.1**	**-127.5**	**3.6**
Net income attrib. to owners of Co. published	***7.6***	***145.5***	***153.1***	***131.1***	***-127.5***	***3.6***

(1) See Appendix 1
(2) Including the share of net income of joint ventures and associates
(3) Including other financial revenue and expense

Divestments

- Divestments completed during the first half 2013

In €M	H1 2012	H1 2013
Industrial divestments	26	30
Financial divestments (1)	1,557	261
Increase in minority capital	2	1
Total divestments	**1,585**	**292**

(1) Including net financial debt of divested companies and partial divestments between non-controlling interests with no change in consolidation scope

- Main divestments in progress
  - Transdev
  - Berlin Water: negotiations in progress
  - Morocco Water: closing expected in H2

Transdev update

- Transdev: joint venture owned at 50% maintained in discontinued operations (excluding SNCM)
  - Confirmation of recovery at Transdev:
    - → Stable revenue
    - → Adjusted operating cash flow improvement of 24%
  - Extension of the agreement with la Caisse des Dépôts until October 31, 2013 regarding the withdrawal from Transdev and the reimbursement of our inter-company loan
  - Divestments: €197M, of which €114M in Central Europe

Gross investments by division

In €M	Maintenance	Growth		New operating financial assets	**Total**
		Financial, including Δ scope*	Industrial		
Water	61	11	145	21	**238**
Environmental Services	115	10	110	23	**258**
Energy Services	20	1	71	31	**123**
Others	11	-	3	1	**15**
Total H1 2013	**207**	**22**	**329**	**76**	**634**
Total H1 2012 re-presented	**310**	**149**	**395**	**90**	**944**
Of which discontinued operations	***57***	***-***	***15***	***-***	***72***
Total H1 2012 re-presented & excl. discontinued operations	**253**	**149**	**380**	**90**	**872**

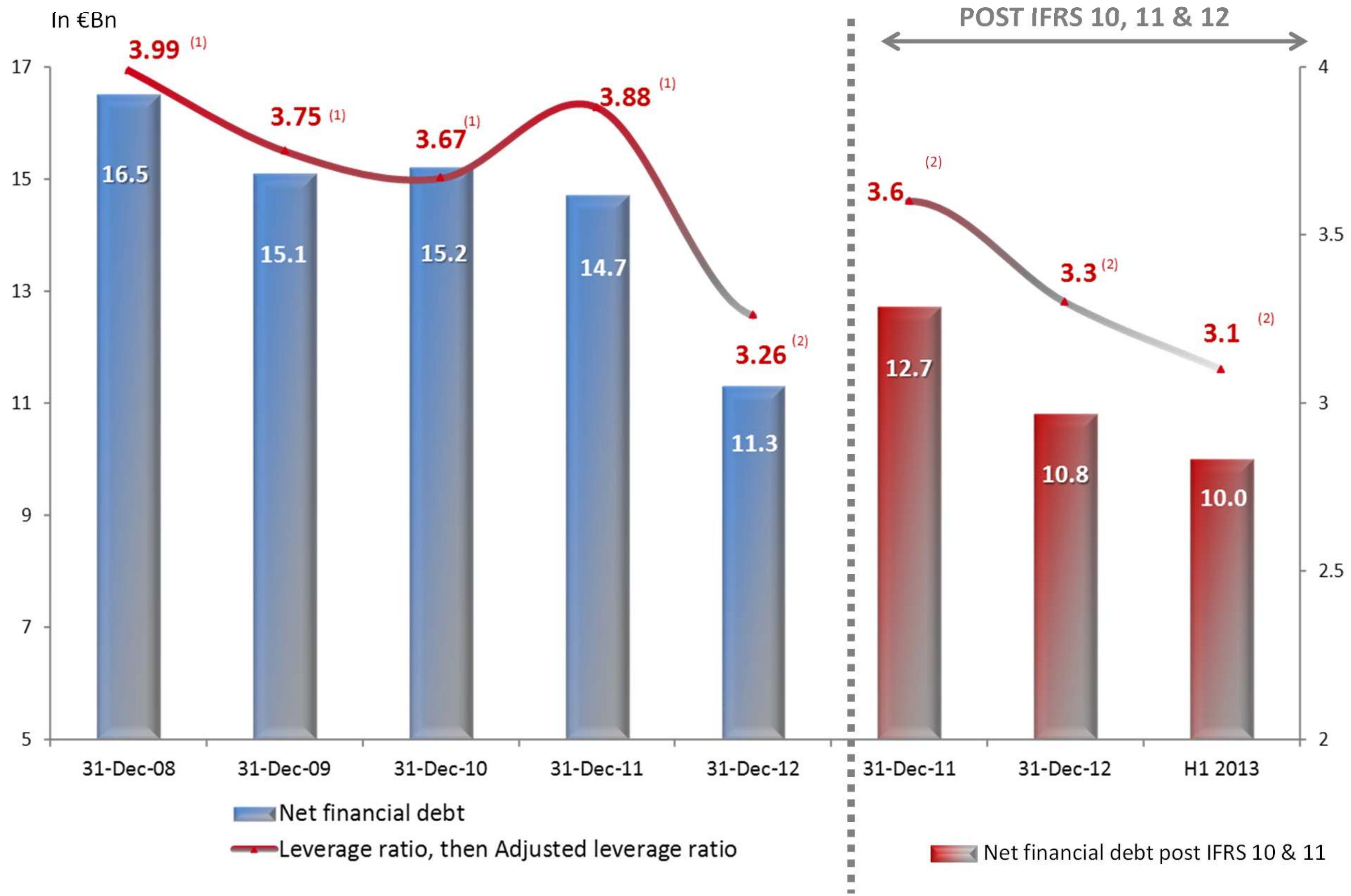
* Including partial acquisitions between shareholders with no change in control

Statement of cash flows

In €M	H1 2012	H1 2013
Operating cash flow before changes in working capital (1)	1,154	989
Reimbursement of operating financial assets	95	95
Total cash generation	**1,249**	**1,084**
Gross investments	-944	-634
Variation working capital	-500	-749
Taxes paid	-98	-123
Interest expense	-281	-334
Dividends (2)	-403	-172
Dividends received from joint ventures and associates (3)	+73	+76
Others (4)	-129	+1,116
Divestments	+1,585	+292
Free cash flow	**552**	**556**
Impact of exchange rates	-230	+160
Others	+12	+75
Change in net financial debt	*-334*	*-791*
Net financial debt	**12,362**	**10,031**
Loans granted to joint ventures	3,648	3,302
Adjusted net financial debt	**8,714**	**6,729**

(1) Including financial cash flows and operating cash flow from discontinued operations
(2) Dividends paid to shareholders and non-controlling interests
(3) Including dividends received: Chinese Water €11.8M, Marius Pedersen: €12.5M, Dalkia Investment €17.3M
(4) Including mainly the hybrid for €1,454M

Net financial debt



(1) Net financial debt / (Operating cash flow before changes in working capital + OFA repayments)
(2) Adjusted net financial debt / (Operating cash flow before changes in working capital + OFA repayments)

Mid-term objectives confirmed

2012-2013: Transformation Period

- **€6 billion in divestments** [(1)]
- **2013 net financial debt, under new IFRS standards:**
  - ✓ **Net Financial Debt between €8bn and €9bn**[(2)]
  - ✓ **Adjusted Net Financial Debt between €6bn and €7bn**[(2)]
- **Cost reductions:**
  - ✓ **in 2013**: **€170M** net impact[(3)]
- **Extended dividend commitment of €0.70** [(4)] per share in 2013[(5)] and 2014

Beginning in 2014: New Veolia

- Organic revenue growth > 3% per year (mid-cycle)
- Adjusted operating cash flow growth >5% per year (mid-cycle)
- **Leverage ratio**[(6)] **of 3.0x**[(7)] beginning in 2014
- Mid-term: Payout ratio in line with historic level
- **Cost reductions in 2015**: **€750M** net impact[(3)]

(1) Including the debt reduction of €1.4 billion related to the change to equity method accounting for the Berlin Water contract and repayment of loans to joint ventures
(2) Before closing exchange rate impact
(3) Net of implementation costs, of which due to the new accounting treatment of joint ventures, ~80% will benefit operating income
(4) Subject to the approval of Veolia's Board of Directors and the Annual General Shareholders Meeting
(5) In cash or shares
(6) Adjusted net financial debt/ (Operating cash flow before changes in working capital + OFA Repayments)
(7) ± 5%

3

Appendices

Summary of appendices

Main H1 2012 figures re-presented for IFRS

In €M	6M ended June 30, 2012 published	IFRS5 Adjustment (1)	IFRS 10 & 11 Adjustment	IAS 19R Adjustment	6M ended June 30, 2012 Re-presented
Revenue	14,781	-4	-3,329		11,448
Adjusted operating cash flow	1,384	23	-401		1,006
Operating income	523	47	-202	5	373
Operating income after share of net income of equity-accounted entities (2)	523	38	-231	5	335
Adjusted operating income (3)	631	15	-232	5	419
Adjusted net income	8	1	4	5	18
Gross investments	1,348		- 404		944
Free Cash Flow	348		+ 204		552
Net Financial Debt	14,693		-2,331		12,362
Loans granted to joint ventures	-	-	+3,648	-	3,648
Adjusted Net Financial Debt	-	-	-	-	8,714

(1) Morocco Water , Berlin Water and Eolfi
(2) Including the re-presented share of net income of joint ventures and associates for the six months ended June 30, 2012
(3) Including the re-presented share of adjusted net income of joint ventures and associates for the six months ended June 30, 2012

Appendix 2: Impact of exchange rate variations

Appreciation of the euro

6M 2013 / 6M 2012

	Average rate	Closing rate
Australian dollar	-3.2%	-14.8%
U.K. pound sterling	-3.5%	-6.2%
U.S. dollar	-1.3%	-3.9%
Czech koruna	-2.1%	-1.2%
Chinese renmimbi yuan	+0.7%	-0.3%

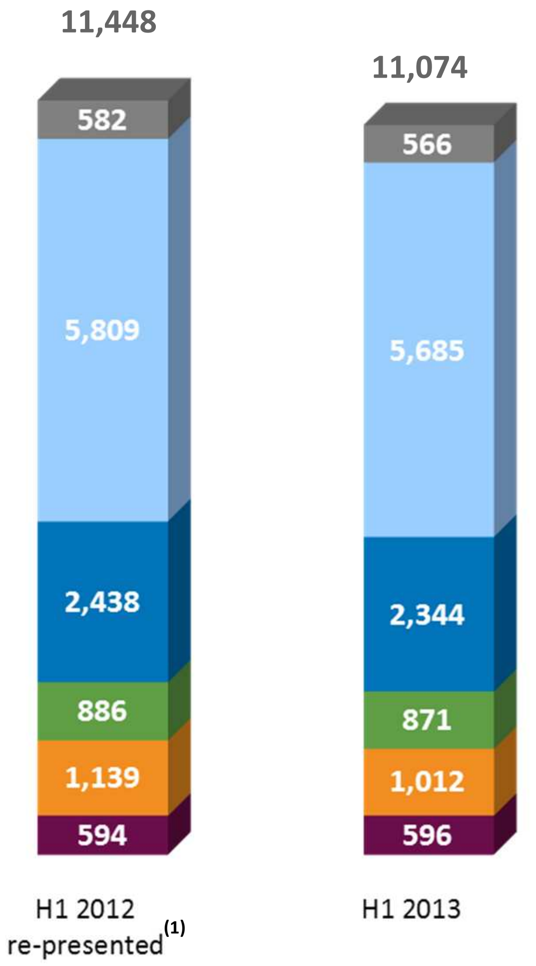
Impact on key Company figures

Revenue	-€109M
Adjusted operating cash flow	-€7M
Adjusted operating income (1)	-€3M
Net financial debt	+€160M

(1) Including the share of adjusted net income of joint ventures and associates

Appendix 3: Breakdown of revenue by geography

in €M



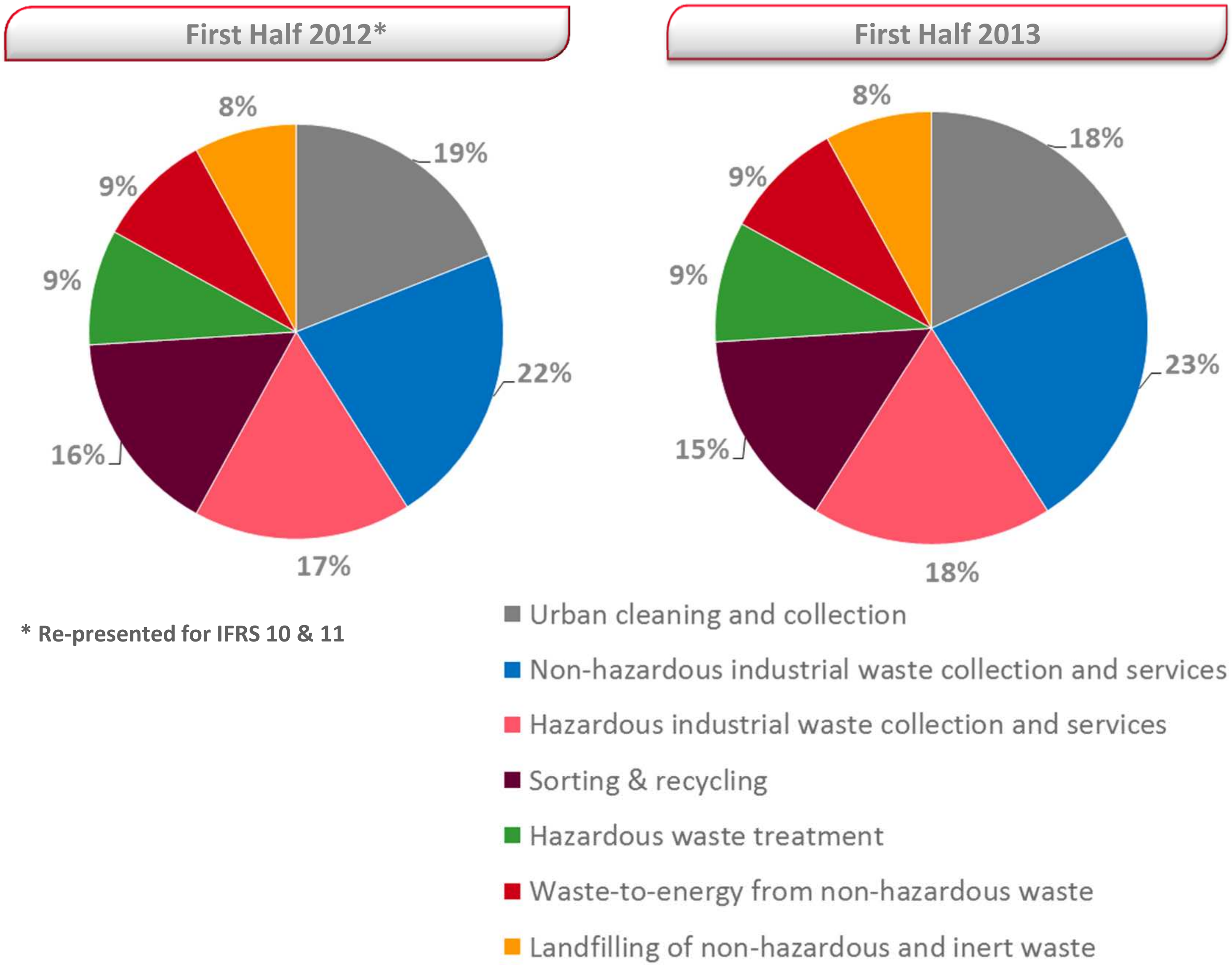
	Δ	Δ constant FX	Δ excl. scope & FX
Central & Eastern Europe	-2.7%	-1.7%	+0.5%
France	-2.1%	-2.1%	-2.1%
Europe excl. France & Central & Eastern Europe	-3.8%	-2.5%	-1.0%
United States	-1.7%	-0.4%	+0.5%
Asia Pacific	-11.1%	-6.8%	-7.0%
Rest of the world	+0.3%	+2.0%	-1.5%
Total	**-3.3%**	**-2.3%**	**-2.0%**

(1) See Appendix 1

Appendix 4-1: Environmental Services – Revenue in key countries

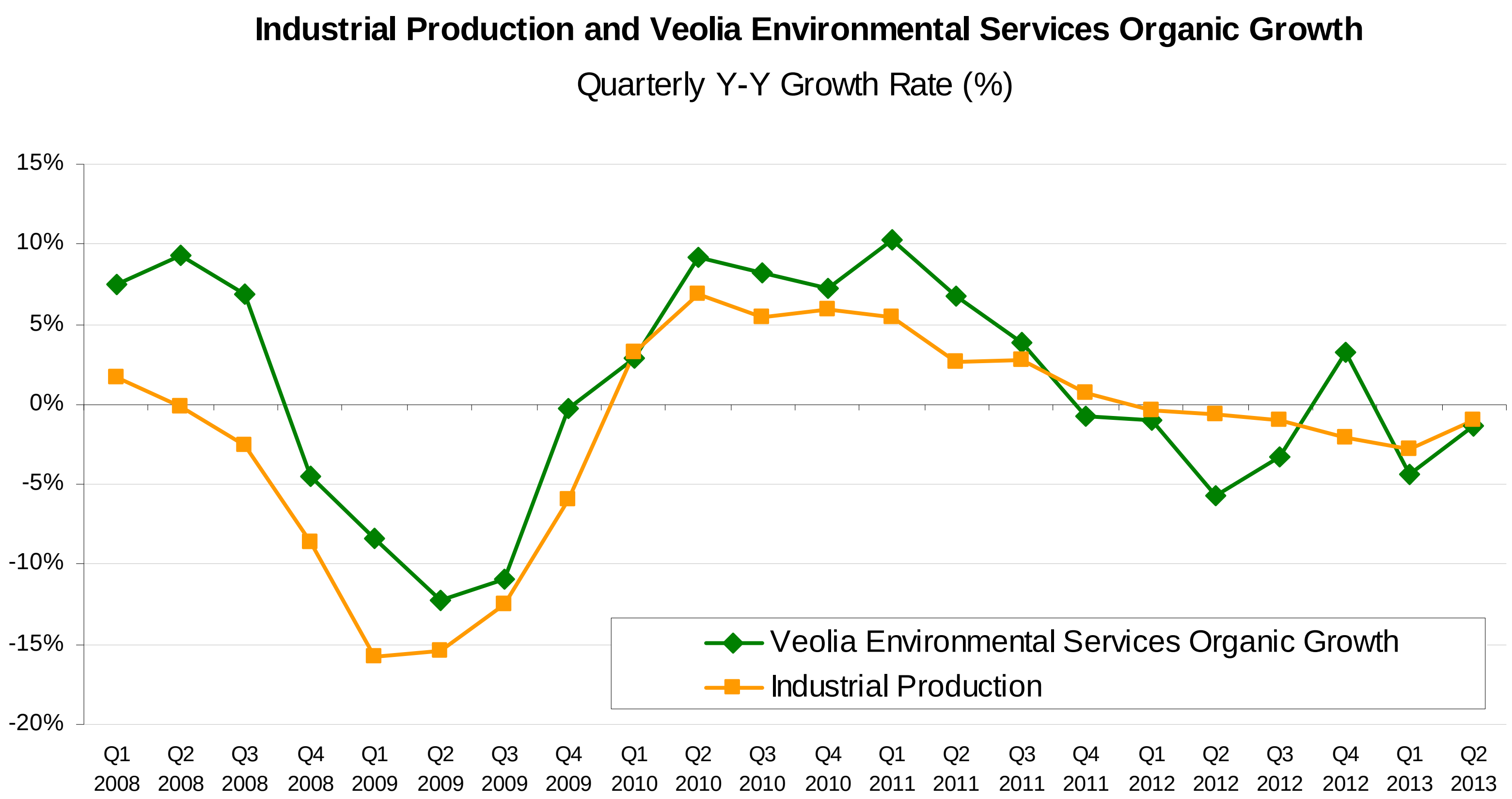
	% of 1H13 revenue	Var. at constant scope & FX 1H13/1H12	
France	**41%**	**-4.9%**	Lower raw materials prices and volumes (paper / cardboard / scrap metal) Lower volumes collected
Germany	**12%**	**-10.9%**	Lower prices and volumes of recycled raw materials Competitive pressure on municipal and C&I contracts
United Kingdom	**20%**	**+1.7%**	Progression of PFI contracts Lower prices and volumes of recycled raw materials Competitive pressure in C&I Stable landfill volumes
North America	**10%**	**+0.4%**	Industrial services: Recovery in activity, mainly in the petrochemical and refining sectors Marine Services: Reduction in ship utilization rate in the 1st quarter and sale of two ships in the first half of 2013 Hazardous waste: solid revenue growth, +9.2%
Asia Pacific	**12%**	**+4.5%**	Asia: Lower volumes collected following the end of certain contracts (Honk Kong) and higher tariffs on landfilling in China Australia: Revenue increase of 6.8% due to activity levels and higher tariffs

Appendix 4-2: Environmental Services - revenue by activity



* Re-presented for IFRS 10 & 11

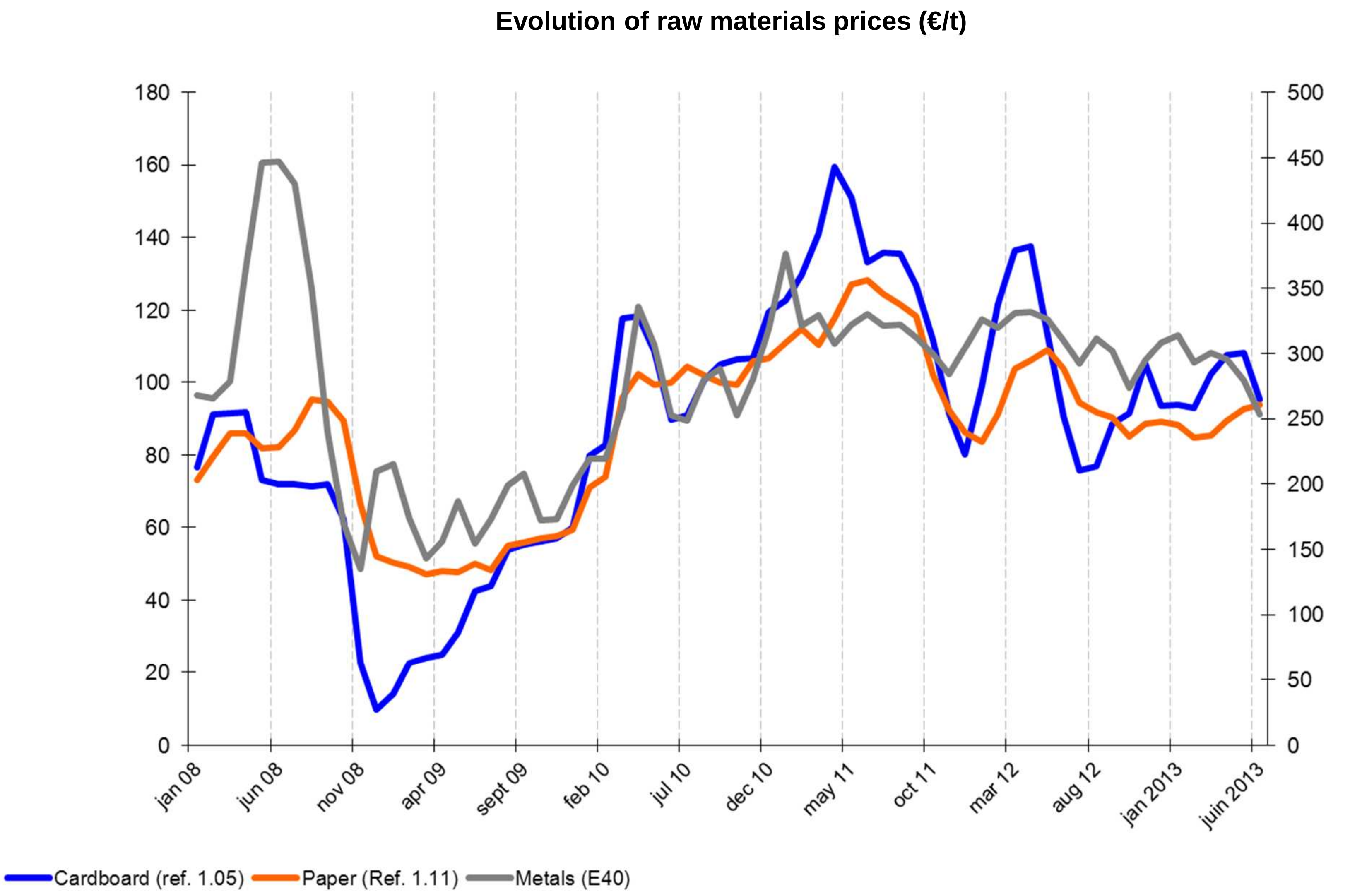
Appendix 4-3: Environmental Services - Revenue versus Industrial Production



Weighted average industrial production indices for 4 key countries including SARP and SARPI: France, U.K. (excl. PFIs), Germany, and North America (excl. US Solid Waste from 2012)

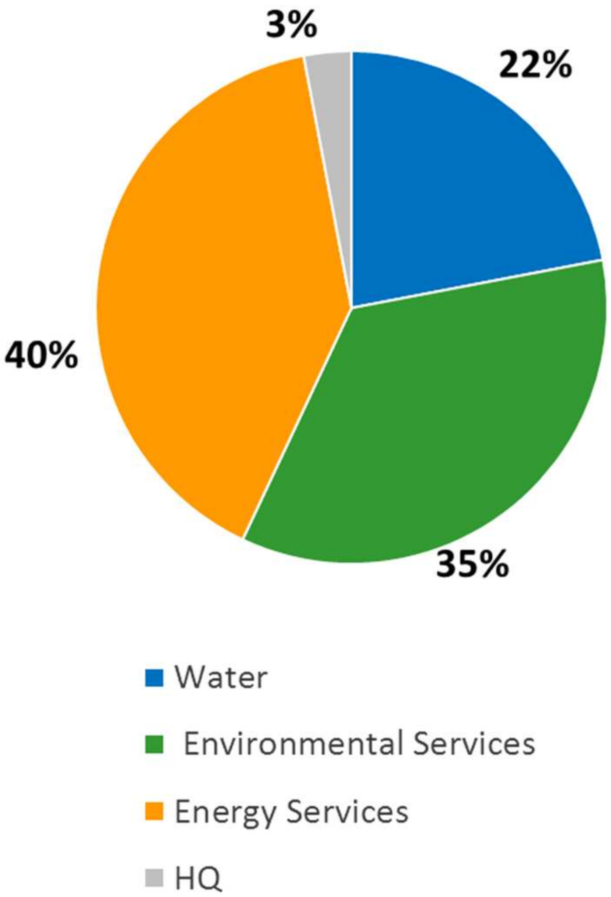
Sources: OECD Extract Database (up to May 2013) for North America and U.K.; INSEE for France and EUROSTAT for Germany (only for May 2013); April-May average for June 2013 (in the absence of June 2013 figures)

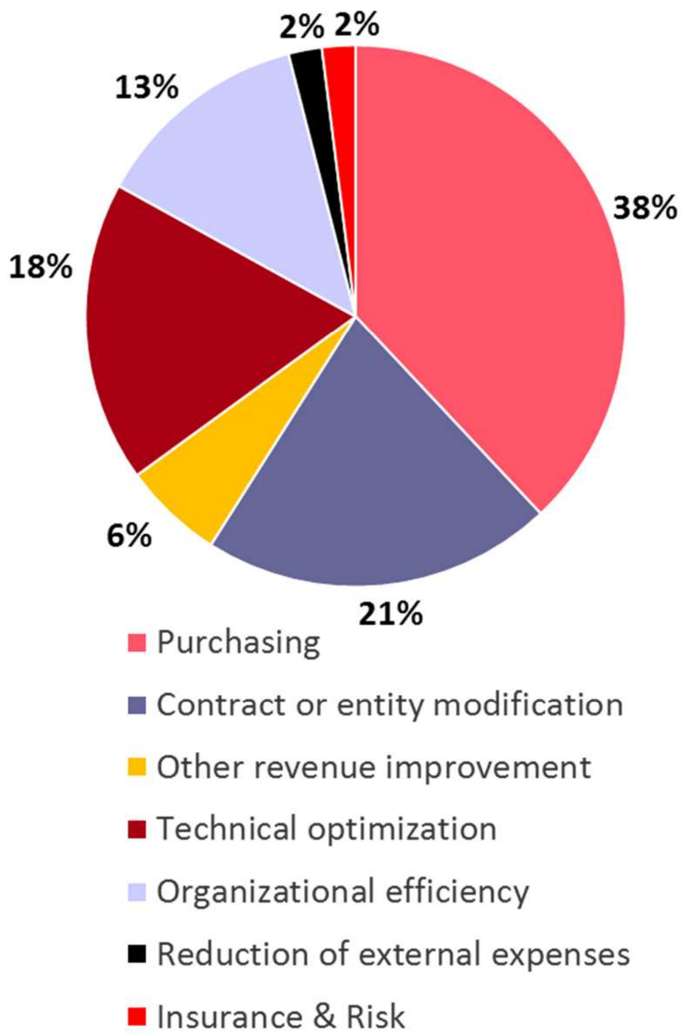
Appendix 4-4: Environmental Services – Evolution of recycled raw materials prices (paper, cardboard, scrap metals)



Appendix 5: Efficiency Plan (1/2)

€83M in gross savings* in H1 2013 from 302 projects

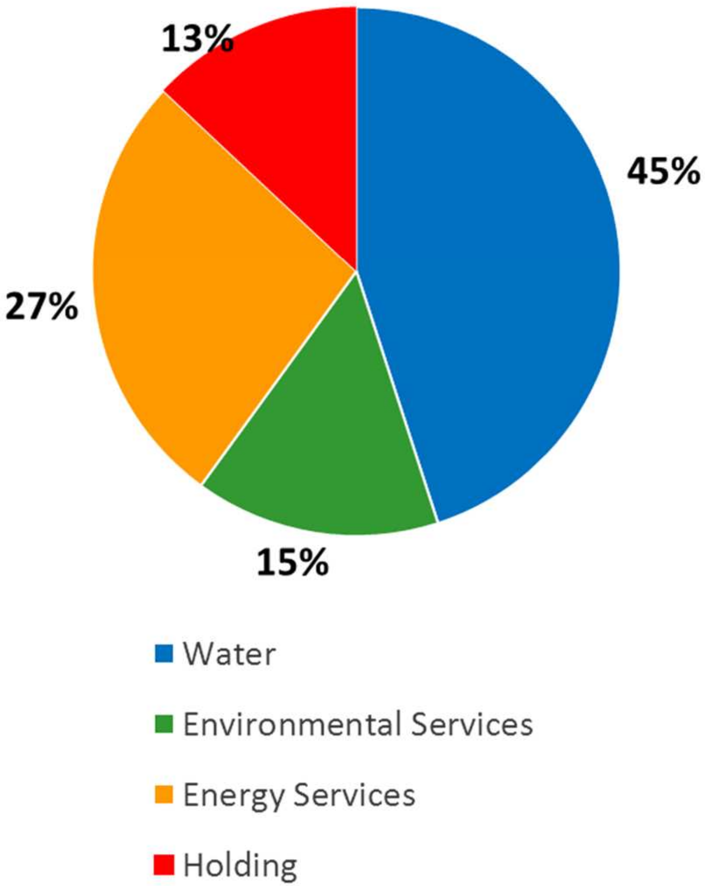


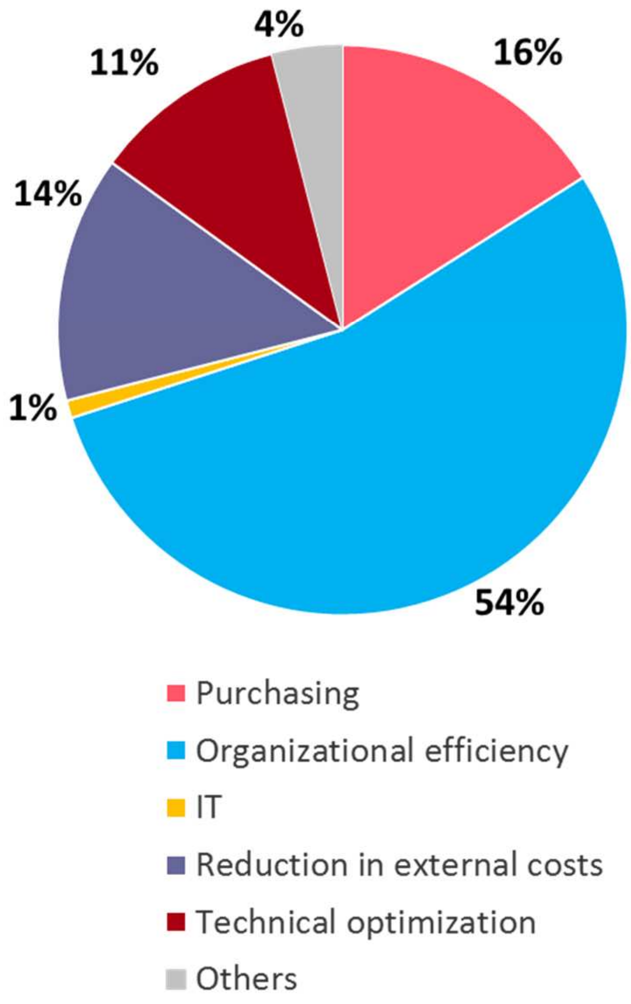


* €81M in net savings before IFRS 10-11 (and €57M after).
Breakdown on the basis of gross savings

Appendix 5: Convergence Plan (2/2)

€ 110M in gross savings in H1 2013 for 358 projects*





* Net impact of €74M before IFRS 10-11 (and +€55M after)- Breakdown on the basis of gross savings

Appendix 6: Debt management (1/2)

- Issuance at the beginning of January 2013 of subordinated perpetual hybrid debt in euros and pound sterling: €1 billion at a 4.5% yield and £400M at a 4.875% yield
- Financing of international activities of Dalkia International: issuance of €600M in subordinated perpetual hybrid debt by Dalkia International, including €144M subscribed by EDF and €456M by Dalkia, financed by a long term loan from Veolia Environnement
- Reimbursement of previously drawn syndicated loan in polish zloty for PLN1,600M in April 2013
- Arrival at term on May 28, 2103 of the 2013 euro-denominated bond with nominal value of €432M
- Arrival at term on June 3, 2013 of the 2013 US dollar-denominated bond with nominal value of $490M
- Partial buyback in June 2013 of €700M equivalent of the euro-denominated bonds maturing in 2014, 2016, 2017, 2018 and 2020 and dollar-denominated bonds maturing in 2018.
- Group liquidity: €7.9B, including €4.2B in undrawn confirmed credit lines (without disruptive covenants)
- Net Group liquidity: €4.1B
- Average maturity of net financial debt: 9.2 years as of June 30, 2013 versus 9.7 years at the end of 2012 and gross debt maturity: 6.8 years as of June 30, 2013 versus 6.6 years at the end of 2012

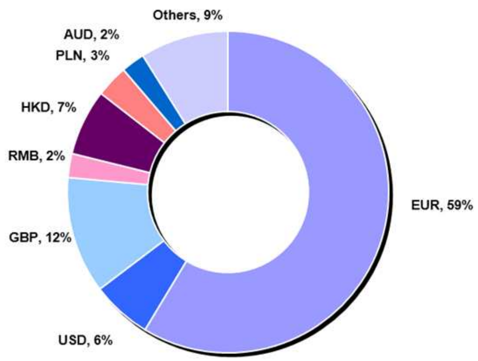
Net financial debt after hedges at June 30, 2013 (*)

Fixed rate: 78%

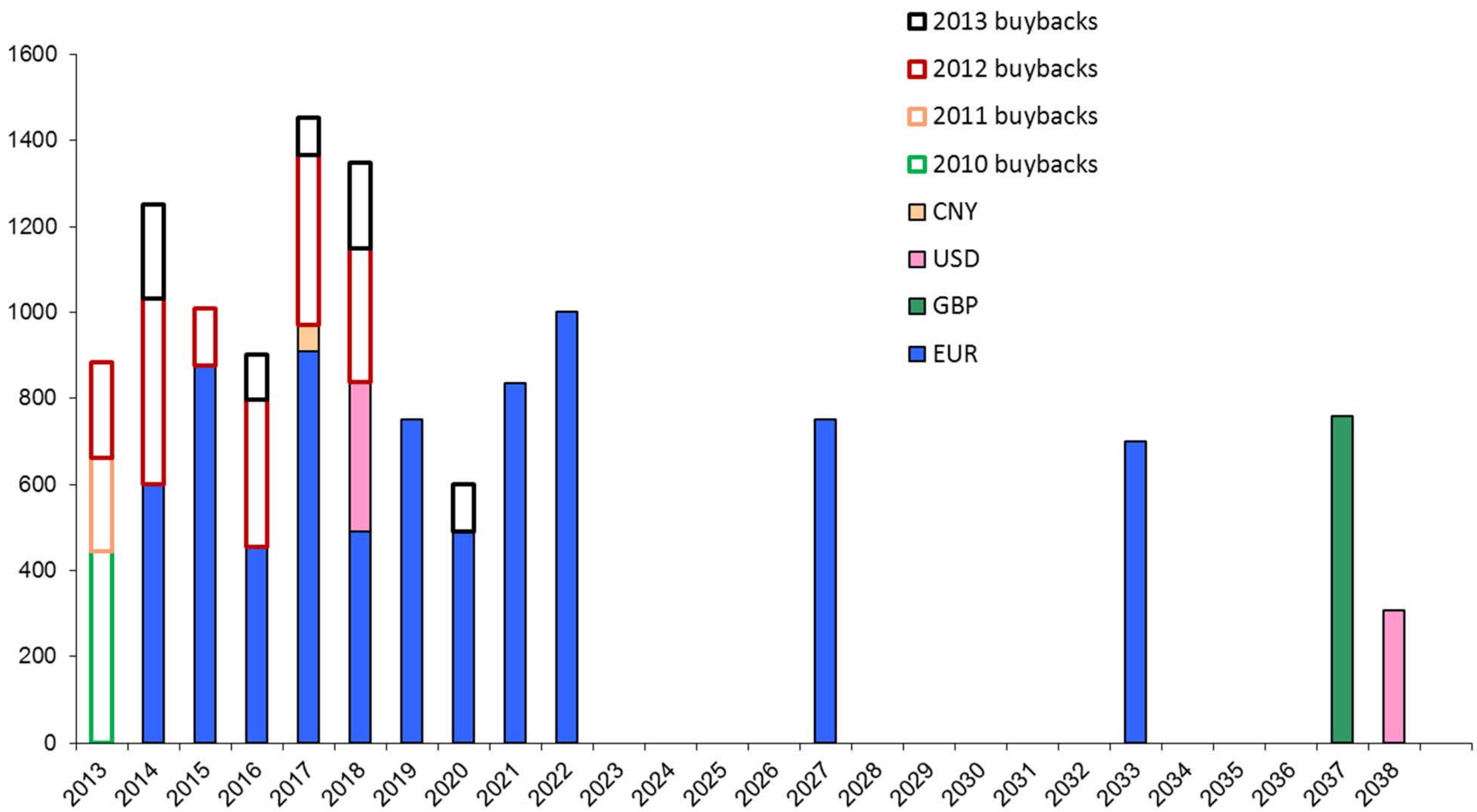
Variable rate: 22 %

(*) before non active caps at June 30, 2013

Currency breakdown of gross debt after Hedges at June 30, 2013



Appendix 6: Debt management (2/2)



Appendix 7: Loans granted to joint ventures 2012 - 2013

- Detail of loans granted by the Company to main joint ventures:

In €M	December 2012	June 2013
Dalkia International	2,008	2,229
VTD	901	909
Others	76	164
TOTAL	**2,985**	**3,302**

Appendix 8: Net liquidity

In €M	Year ended December 31, 2012 re-presented	H1 2013
Veolia Environnement		
Syndicated loans	2,607.3	3,000.0
Bilateral credit lines	925.0	825.0
Lines of credit	473.7	377.8
Cash and cash equivalents	4,349.6	3,145.6
Total Veolia Environnement	8,355.6	7,348.4
Subsidiaries		
Cash and cash equivalents	648.4	537.8
Total Subsidiaries	648.4	537.8
Total Group liquidity	9,004.0	7,886.2
Current liabilities and bank overdrafts	3,858.8	3,768.5
Total Group net liquidity	5,145.2	4,117.7

Appendix 9: Consolidated statement of financial position

In €M	As of December 31, 2012 re-presented	As of June 30, 2013
Intangible assets *(concessions)*	2,373	2,318
Property, Plant & Equipment	4,706	4,526
Other non-current assets	11,824	11,135
Operating financial assets *(current and non-current)*	2,383	2,155
Cash & cash equivalents	4,998	3,683
Other current assets	12,193	12,673
Total Assets	**38,477**	**36,490**
Capital *(including minorities)*	8,498	9,764
Financial debt *(current and non-current)*	15,990	13,880
Other non-current liabilities	2,990	2,977
Other current liabilities	10,999	9,869
Total Liabilities	**38,477**	**36,490**

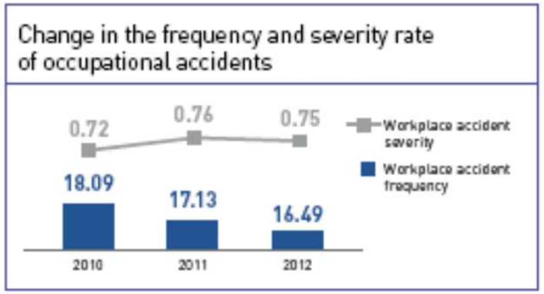
Appendix 10: Executive Committee composition

- **Antoine Frérot**
  - Chairman & CEO of Veolia Environnement
- **Laurent Auguste**
  - Director of Innovation and Markets
- **François Bertreau**
  - Chief Operating Officer
- **Estelle Brachlianoff**
  - Director of Northern Europe
- **Régis Calmels**
  - Director of Asia
- **Philippe Guitard**
  - Director of Central and Eastern Europe
- **Jean-Michel Herrewyn**
  - Director of Global Enterprises
- **Franck Lacroix**
  - CEO of Dalkia
- **Jean-Marie Lambert**
  - Director of Human Resources
- **Helman le Pas de Sécheval**
  - General Counsel
- **Pierre-François Riolacci**
  - Chief Finance Officer

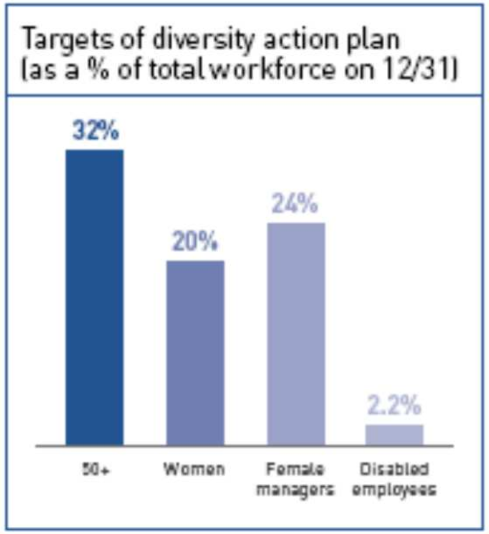
Appendix 11: CSR Commitments (1/4)

- Assure the safety and healthy of employees

48% of employees trained in safety



- Promote diversity and combat discrimination



- Encourage skills development and upward mobility

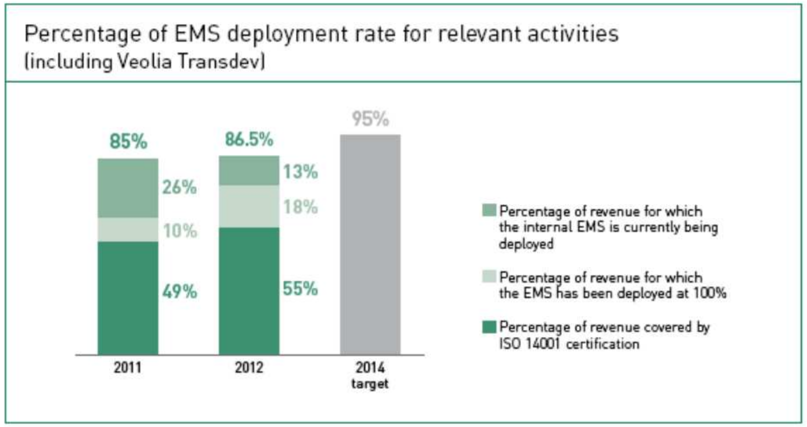
88%
Of courses taken by operators and technicians

2
courses on average per employee

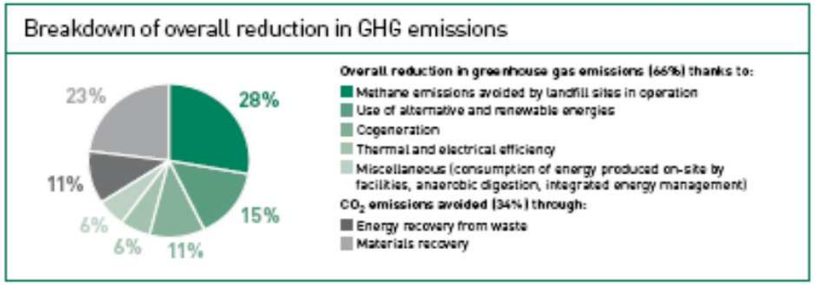
5.5
million hours of training

Appendix 11: CSR Commitments (2/4)

- Management
  - ✓ Control risks and impacts related to our activities and operational entities



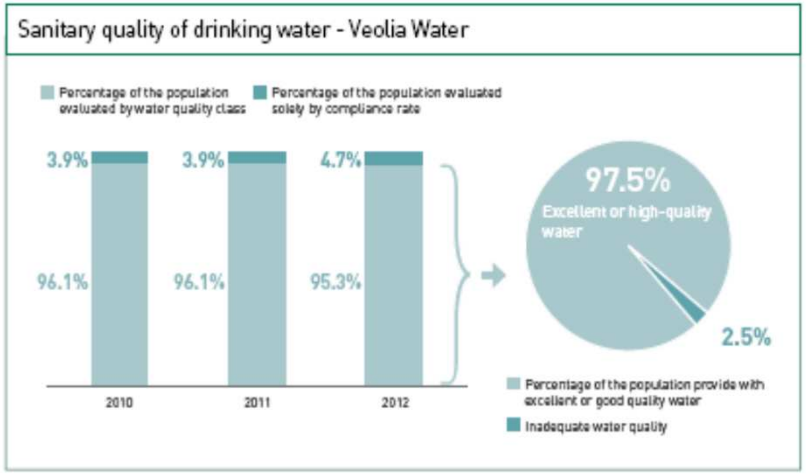
- Combating climate change
  - ✓ Propose solutions and services that avoid or reduce greenhouse gas emissions



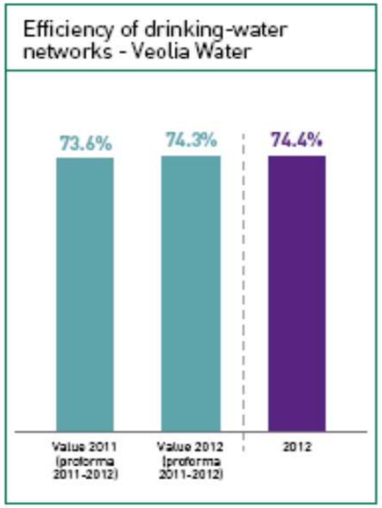
- Conservation and development of biodiversity

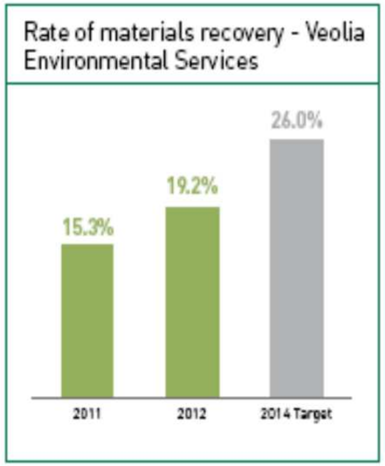
Appendix 11: CSR Commitments (3/4)

- Pollution abatement and protecting health



- Resource conservation
  - Saving water resources
  - Conserving energy resources
  - Reduce raw material consumption





Appendix 11: CSR Commitments (4/4)

- Contribute to local economic and social development
  - Provide public services

101 million people benefit from drinking water services	71 million people benefit from wastewater services	54 million people benefit from waste collection services	11 million people benefit from heating services

  - Investments to develop, repair and maintain infrastructures
  - Key contributor for employment and employability
- … and meet international goals to provide access to essential services

5 million people in Frances benefitting from the support program “Water for All”.

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