Key figures for the period ending March 31, 2015

Conference call May 7, 2015

Philippe Capron, CFO

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This document contains "non-GAAP financial measures". These "non-GAAP financial measures" might be defined differently from similar financial measures made public by other groups and should not replace GAAP financial measures prepared pursuant to IFRS standards.

Unaudited key figures

1Q 2015 Highlights

- **Strong results**
  - *Show the benefits of continued significant cost cutting*
  - *Support our annual targets*
- **Benefit of the integration of Dalkia International**
- **Favorable forex impact**
- **No recovery in French Waste volumes yet**
- **Context of lower energy prices in Europe and the US**
- **Winter in Europe nearly as mild as 2014**

1Q 2015 Highlights
Business Development

- **New contracts in strategic growth markets**
  - *Innovative solutions for cities*
    - **Lille** drinking water & smart solutions: €445M revenue over 8 years
  - *Industrial clients*
    - **Hong won Paper Manufacturing** (South Korea): €150M industrial utilities contract for 10 years (steam supply)
    - **Korea Hydro & Nuclear Power**: contract to supply water and wastewater treatment services for its largest nuclear power plant (Kori Division)
  - *Hazardous Waste*
    - Good performance of recently acquired Spanish hazardous waste incinerator
- **Continued asset arbitrage: €300M of divestitures yielding €67M in capital gains**
  - *Activities in Israël: €197M net debt reduction in 2015* & €52M capital gain*
  - *Singapore District Cooling: €47M net debt reduction & €16M capital gain*
- **…And, in April 2015, buy out of the remaining 8% minorities in CEE water activities**
  - *€86M investment*

*€226m total debt reduction of which €29m already booked end 2014

1Q 2015 Highlights
Profits strongly up (at constant FX)

- **Revenue of €6,305M, vs. €5,811M, up 8.5% (+4.7% at constant forex)**
  - *Increase of 2.6% vs. 1Q 2014 pro forma[1] (-1.4% at constant FX)*
    - France : impact of water contract renegotiations and low volumes in Waste
    - Adverse pricing effects in Energy mainly pass through (US/Germany)
    - Good growth outside Europe
    - Winter in Europe nearly as mild as 2014
- **EBITDA of €816M up 26.4% (+22.2% at constant forex)**
  - *Growth of 10.9% (6.6% at constant FX) vs. 1Q 2014 pro forma[1] driven by:*
    - Continued good momentum in CEE, Asia, Middle East, US industrial and Latam
    - Overall strong performance mainly fueled by cost cutting
- **Current EBIT of €397M, up 21.0% (+18.6% at constant forex)**
  - *Growth of 12.0% (8.8% at constant FX) vs. 1Q 2014 pro forma[1]*
- **Current Net Income of €212M, up 87.8%**
- **Net Financial debt of €8,970M,** stable vs March 2014 despite close to €1bn of negative FX effects
- **Significant FX Impacts** (mostly US $ and £):

FX impacts *(vs.PF 1Q 2014)*	**%**	**€M**
Revenue	+4.0%	+243
EBITDA	+4.3%	+32
Current EBIT	+3.2%	+11
Net Debt vs. Dec.2014	+6.9%	(574)
Net Debt vs. March 2014		(964)

[1] Pro forma scope: excluding Dalkia France and with Dalkia International fully consolidated during the first quarter of 2014

Good results consistent with our annual guidance Significant improvement in EBITDA margin

In €M	1Q 2014 re-presented(1)	1Q 2015	Var. yoy	Δ constant FX
Revenue	**5,811**	**6,305**	**+8.5%**	**+4.7%**
Pro forma Revenue	6,147	6,305	+2.6%	-1.4%
EBITDA	**645**	**816**	**+26.4%**	**+22.2%**
Pro forma EBITDA	736	816	+10.9%	+6.6%
Pro forma EBITDA margin	*12.0%*	*12.9%*	*+90bp*	*+90bp*
Current EBIT (2)	**328**	**397**	**+21.0%**	**+18.6%**
Pro forma Current EBIT (2)	354	397	+12.0%	+8.8%
Current Net Income	**113**	**212**	**+87.8%**	
Pro forma gross industrial Capex	**290**	**267**		
Net FCF(3)	**-402**	**-317**		
Net financial debt	**8,845**	**8,970**		

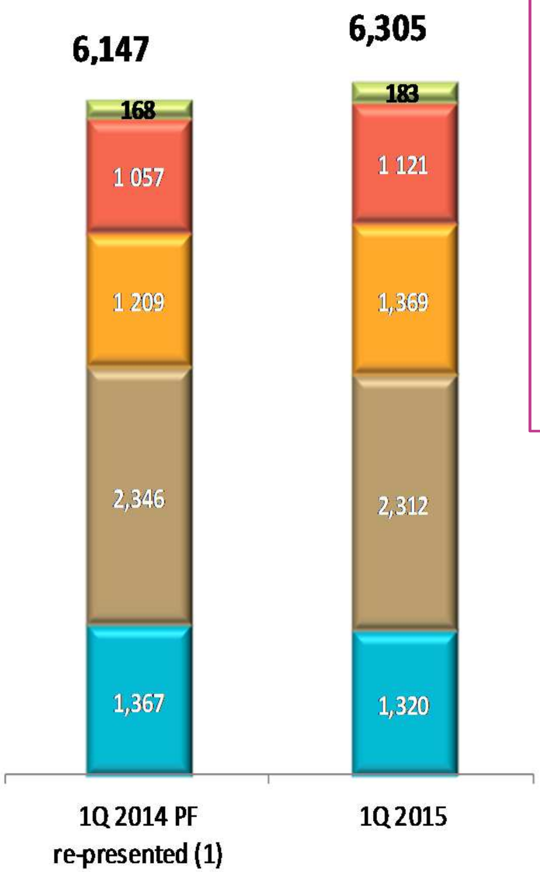
(1) 2014 figures are re-presented for IFRS 5 (the representation associated with IFRS 5 only applies to the income statement: see Appendix 2) and IFRIC 21

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

(3) Net FCF before net financial divestments and after payment of financial expense and taxes corresponds to free cash flow from continuing operations, and is calculated by: the sum of EBITDA, dividends received from joint ventures, operating cash flow from financing activities, and changes in working capital for operations, less net industrial investments, current cash financial expense, cash taxes paid, renewal expenses and cash restructuring charges.

Revenue trends: slight decrease in Europe, robust growth in other geographies

Revenue in €M



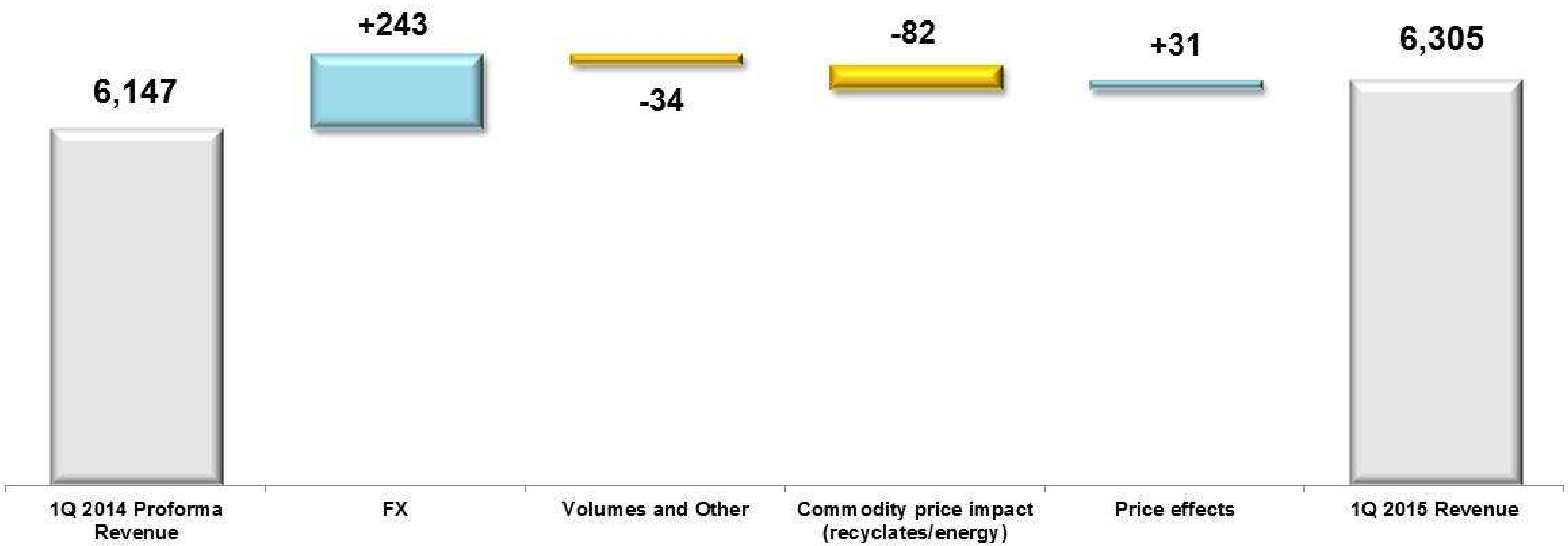
(1) See Appendix 2

Revenue of €6,305M, up 2.6% vs 2014 PF (-1.4% at constant FX)

- **+4% favorable FX of €243M** : mostly US $ and £
- **Slight decrease in France** (Water renegotiations, low waste volumes, impact of recyclate prices)
- **Europe** impacted by lower PFI construction revenue in the UK, and by an overall decline in energy prices (mainly pass through)
- **Significant growth in Rest of the World** driven by new contracts: Asia (+10% organic) and Latin America (+24% organic) –
- **Good performance of Global businesses:**
  - ✓ Veolia Water Technologies: +5% (Az Zour North, Carmon Creek)
  - ✓ Hazardous waste: negative impact of lower oil prices

	Pro forma Revenue	
	Δ	Δ At constant FX
France	-3.4%	-3.4%
Europe excl. France	-1.4%	-3.5%
Rest of the World	+13.3%	+1.3%
Global businesses	+6.0%	+2.0%
Other	+8.7%	+4.2%
Total Pro forma	**+2.6%**	**-1.4%**

Revenue bridge

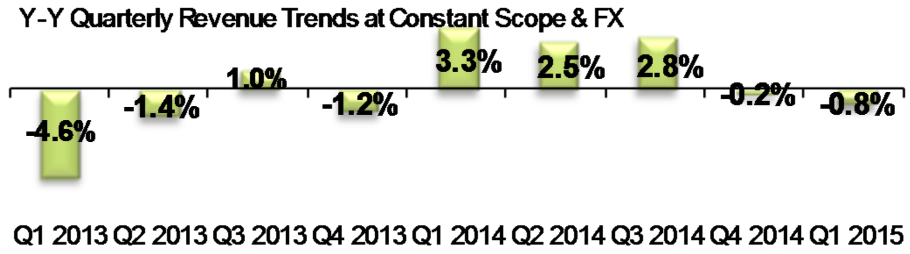


- **FX effects**: +4%: mostly US $ and £
- **Volume / commerce** : -0.5%
  - Lower revenues in France due to water contract renegotiation and low waste volumes
  - But continued good commercial momentum outside France (Asia, Latam, US)
- **Price effects:**
  - Negative impact of lower energy (USA, Germany) and recyclate prices (France, Germany)
  - Favorable price indexation in Water in CEE, Latam etc.

Slight recovery in waste volumes

Revenue down 0.8% at constant FX and scope

	1Q 2015
Raw materials & energy volumes and prices	-1.5%
Volumes / activity levels	+1.0%
Service price increases	+0.8%
Other (including construction revenue)	-1.1%
Currency effect	+5.0%
Scope effect	-0.5%



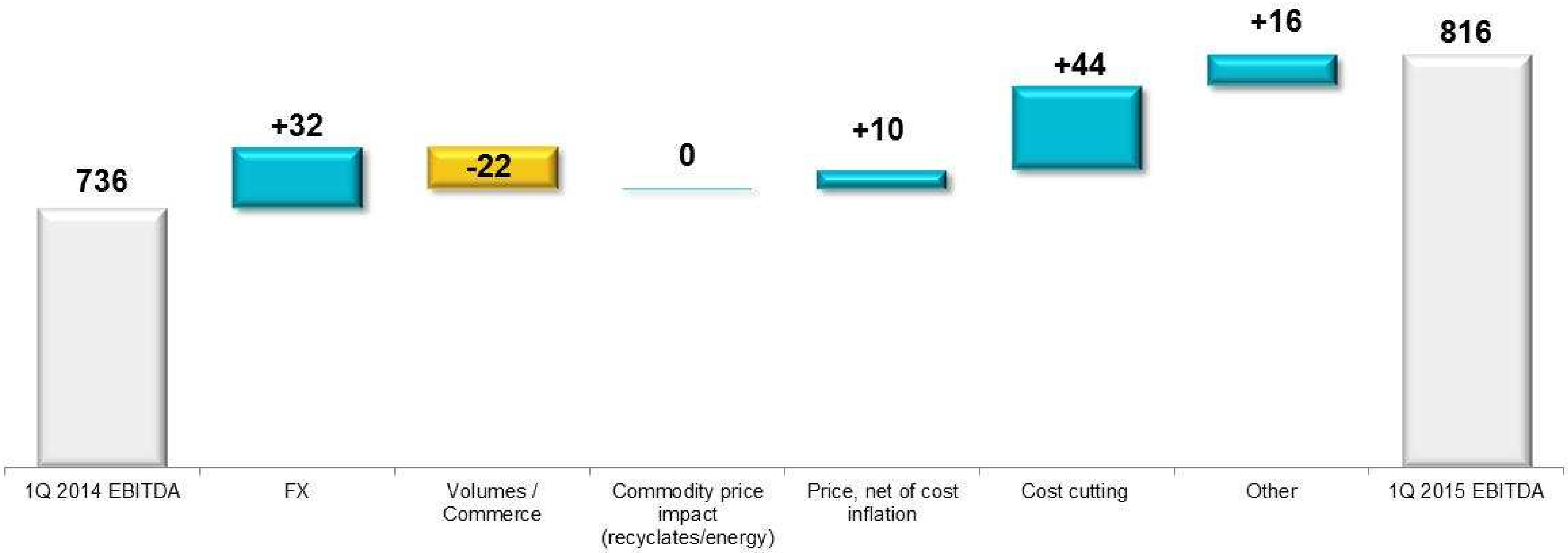
- Raw materials prices: continued decline of prices and volumes of paper, scrap metal and plastics
- France: Revenue slightly down due to lower volumes landfilled and weak price increases; prices of scrap metal down 11%, paper -3%
- United Kingdom: Revenue down with lower PFI construction revenue (-30M€) compensated by good collection and landfill volumes.

A strong start to the year: EBITDA up 10.9% on PF 2014 (1/2)

- **France**
  - *Water: stable EBITDA achieved through cost reductions, despite continued negative commercial effects*
    - Flat volumes & price indexation of approx. +1%
    - Contract renegotiations: -€25M to-date (Marseille, Lyon, Nice…)
    - Restructuring: voluntary departure plan close to completion
  - *Waste: Decline in landfill volumes; lower scrap metals prices offset by lower fuel costs*
- **Europe excluding France: overall growth mainly due to:**
  - *In the UK, positive impact of good landfill volumes and low fuel costs / 1st maintenance outage of Staffordshire in February*
  - *In Germany, stable EBITDA despite continued low volumes and prices in Waste and Energy*
  - *In Central Europe, low electricity prices and mild weather compensated by cost cutting measures*
- **Rest of the World: significant growth**
  - *United States: very good performance in the Industrial segment (water and waste) and in municipal water (new contracts); Energy performance hit by lower spark spreads of cogeneration facilities*
  - *Latin America: strong EBITDA increase (mainly new Buenos Aires waste contract)*
  - *Strong growth in China*
- **Global businesses**
  - *Hazardous waste: Slow start to the year / impact of lower recyclate prices (oils, plastics)*
  - *Water works activity in France impacted by very low public orders*
- **Continued cost savings: €44M savings for the three months ending March 31, 2015**

A strong start to the year: EBITDA up 10.9% on PF 2014 (2/2)

EBITDA of €816M, up 10.9% vs 2014 Pro forma (+6.6% at constant FX)



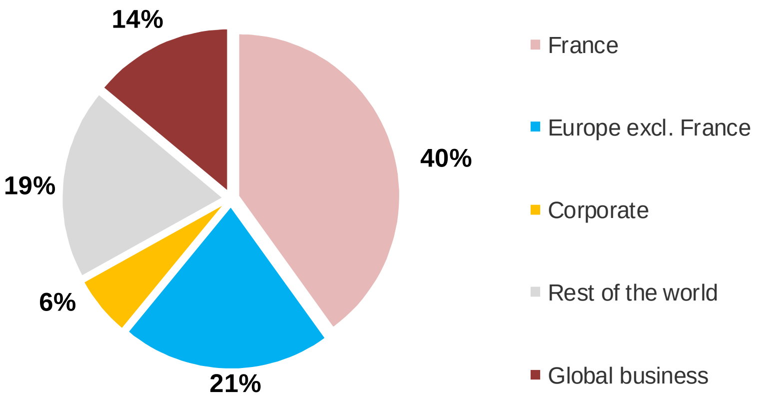
- Volume/commerce : continued commercial erosion in French water, low volumes in waste, partly offset by the EBITDA impact of new contracts in the US, Latam and Asia
- Positive price impact, net of cost inflation despite lower recyclate prices
- Strong positive impact from cost cutting

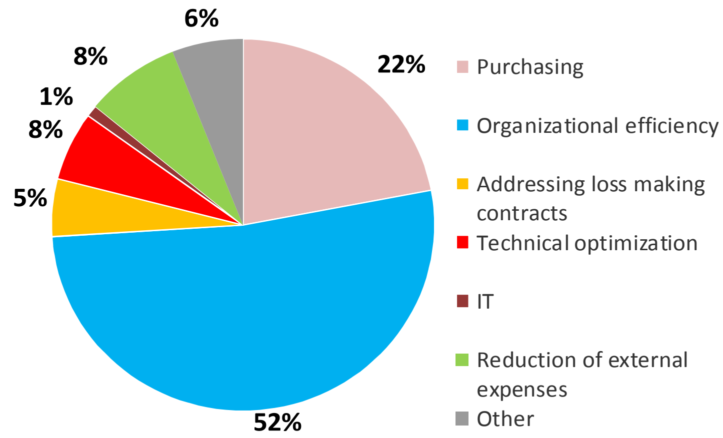
Cost savings: delivery on track

- **1Q 2015: €44M of savings**
  - ✓ €22M in implementation costs

Impact on Operating Income before IFRS 10 & 11 (€M)	H1 2012	H2 2012	H1 2013	H2 2013	H1 2014	H2 2014	Cumulative end 2014	1Q 2015	Cumulative 2015-end Objective
Gross savings	59	83	110	98	104	128	**582**	**44**	**750**

Split for the 1st quarter on a pro forma basis

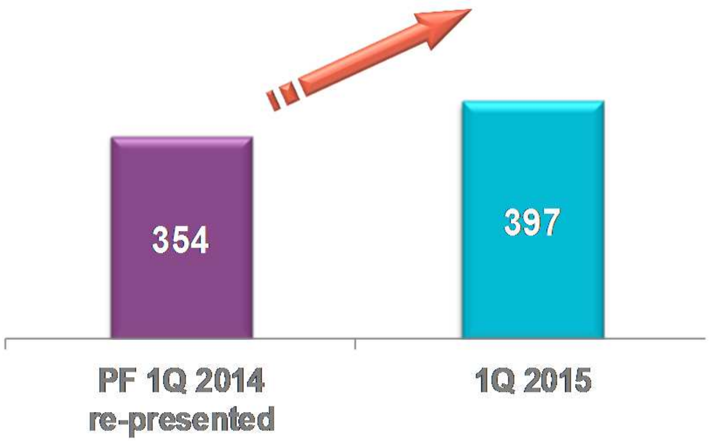




A good start to the year: Current EBIT up 12.0% - Current Net Income up 87.8% vs. 2014

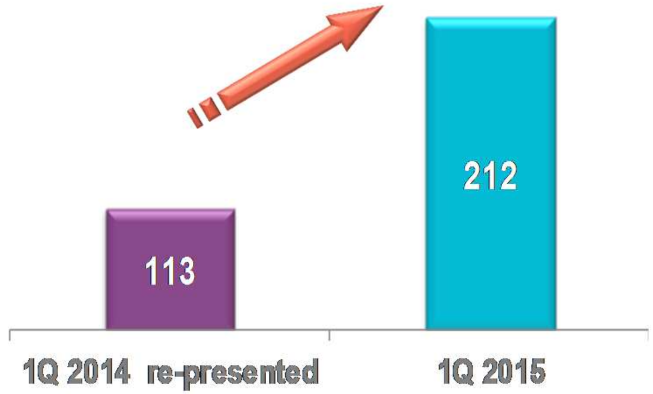
Current EBIT (€M)

+12.0% AND +8.8% AT CONSTANT FX



Current Net Income (€M)

+87.8%

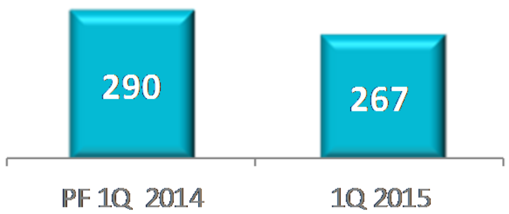


- **Current EBIT 8.8% growth at constant FX** fueled by EBITDA dynamics (+6.6%) and stable D&A
- **Cost of net debt significantly lower** (5.02% vs 5.22% in 2014) due to bond buy backs
  - *Overall stable net financial charges due to lower income from intercompany loans and FX effect*
- **Current Net Income** includes +€67M of pretax capital gains(1) (sale of Israel activities and Singapore plant divestiture) and -€43M of IFRIC 21 impact(1)

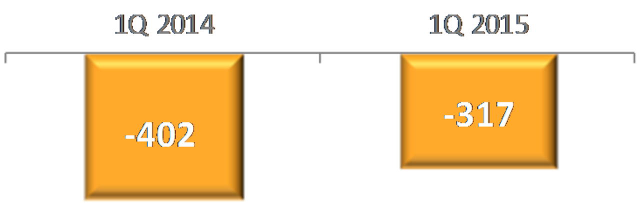
(1) vs. respectively, +€6M and -€45M in 1Q 2014

Improvement in net FCF(1) in 1Q 2015, on the trajectory of the company's 2015 objective

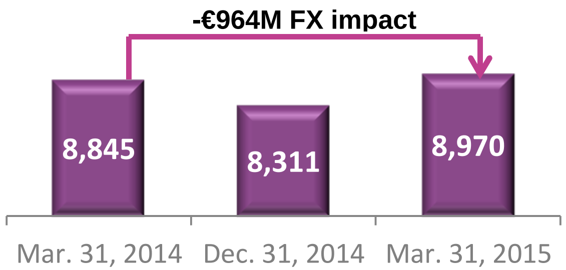
Gross capex (€M)



Net FCF (1)



Net financial debt (€M)



- **Continued capex discipline**
  - ✓ Lower PFI capex vs. March 2014 (-€39M)

- **Strong improvement compared to 1Q 2014**
  - ✓ Increased EBITDA
  - ✓ Lower capex
- **Negative net FCF (WCR seasonality -€660M)**

- **Net financial debt of €8,970 million**
  - ✓ Stable vs. March 2014 despite close to €1bn negative FX impact

(1) Net FCF before net financial divestments and after payment of financial expense and taxes corresponds to free cash flow from continuing operations, and is calculated by: the sum of EBITDA, dividends received from joint ventures, operating cash flow from financing activities, and changes in working capital for operations, less net industrial investments, current cash financial expense, cash taxes paid, renewal expenses and cash restructuring charges.

Continued successful debt management

- **Veolia continues to manage its debt profile via proactive bond buybacks and refinancing…**
  - *Successful tender offer for €515M of portion of bonds maturing in 2019, 2021 and 2022, following €2.7bn over the last 3 years*
  - *Simultaneous issuance of new €500M bond maturing in 2028 with a 1.59% coupon, the lowest in the company's history*

- **…allowing the company to smooth its debt profile, increase average debt maturity, all while reducing net financing costs.**
  - *Average maturity of net financial debt now 9.3 years, versus 9.0 years at the end of 2014*

- **This week S&P reiterated its A-2 / BBB rating for Veolia, and improved its outlook from negative to stable.**
  - *Recognition of the company's restructuring efforts, improved results, the benefits from active debt management and confidence in the company's strategic outlook.*

2015 Guidance confirmed

- **Revenue growth**
- **EBITDA and Current EBIT growth**
  - Continued strong operational performance
  - Cost savings benefit: continued execution of the €750M cost savings plan
- **Continued capex discipline**
- **2015 objective confirmed: 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**

Appendices

Appendix 1: Currency movements

Main currencies

1€ = xx of foreign currency

	1Q 2015	1Q 2014	Δ 2015 vs. 2014
US dollar			
Average rate	1.128	1.370	17.7%
Closing rate	1.076	1.379	22.0%
UK pound sterling			
Average rate	0.744	0.828	10.2%
Closing rate	0.727	0.828	12.2%
Australian dollar			
Average rate	1.432	1.527	6.2%
Closing rate	1.415	1.494	5.3%
Chinese Renminbi			
Average rate	7.031	8.359	15.9%
Closing rate	6.671	8.575	22.2%
Czech crown			
Average rate	27.624	27.442	-0.7%
Closing rate	27.533	27.442	-0.3%

The **average rate** applies to the income statement and statement of cash flows
The **closing rate** applies to the balance sheet

Appendix 2: Main re-presented figures for the quarter ending March 2014 [(1)]

In €M – Figures presented under published scope [(2)]	March 31 2014 published	IFRS 5 adjustment [(3)]	IFRIC 21 adjustment	March 31, 2014 Re-presented
Revenue	5,688.4	+122.6	-	5,811.0
Adjusted operating cash flow	546.7	+18.3	-52.2	512.8
Adjusted operating income [(4)]	376.3	+10.3	-52.2	334.4
Gross industrial investments	278	-	-	278
Free cash flow	-432	+30	-	-402
Net financial debt	8,556	+289	-	8,845
Adjusted net financial debt	5,885	+289	-	6,174
EBITDA	N/A	N/A	N/A	645.4
Current EBIT	N/A	N/A	N/A	327.9
Current net income – Group share	N/A	N/A	N/A	113.0

(1) Non audited figures

(2) Published scope: including Dalkia France fully consolidated and Dalkia International consolidated by equity method during the first quarter of 2014

(3) Reclassification of Morocco water operations into continuing operations

(4) Including the re-presented share of adjusted net income of joint ventures and associates as of March 31, 2014

Appendix 2: Re-presented revenue[1] for the quarter ending March 2014

In €M – Figures presented under published scope [2]	March 31, 2014 Re-presented
France	1,370.3
Europe excluding France	1,218.1
Rest of the World	1,106.1
Global businesses	1,024.7
Others	1,091.8
Total Revenue	5,811.0

(1) Non audited figures

(2) Published scope: including Dalkia France fully consolidated and Dalkia International consolidated by equity method during the first quarter of 2014

Appendix 2: Main re-presented "pro forma" figures for the quarter ending March 2014[(1)]

In €M – Figures presented under pro forma scope [(2)]	March 31, 2014 published	IFRS 5 adjustment [(3)]	IFRIC 21 and other adjustments	March 31, 2014 Re-presented
Revenue	6,028.9	+122.6	-4.8	6,146.7
Adjusted operating cash flow	674.6	+18.3	-48.2	644.7
Gross industrial investments	290	-	-	290
EBITDA	N/A	N/A	N/A	735.7
Current EBIT	N/A	N/A	N/A	354.2
Current net income – Group share	N/A	N/A	N/A	113.2

(1) Non audited figures

(2) Pro forma scope: excluding Dalkia France and with Dalkia International fully consolidated during the first quarter of 2014

(3) Reclassification of Morocco water operations into continuing operations

Appendix 2: Re-presented “pro forma” revenue[1] for the quarter ending March 2014

In €M – Figures presented under pro forma scope [2]	March 31, 2014 Re-presented
France	1,367.0
Europe excluding France	2,345.9
Rest of the World	1,208.7
Global businesses	1,057.3
Others	167.8
Total Revenue	6,146.7

(1) Non audited figures

(2) Pro forma scope: excluding Dalkia France and with Dalkia International fully consolidated during the first quarter of 2014

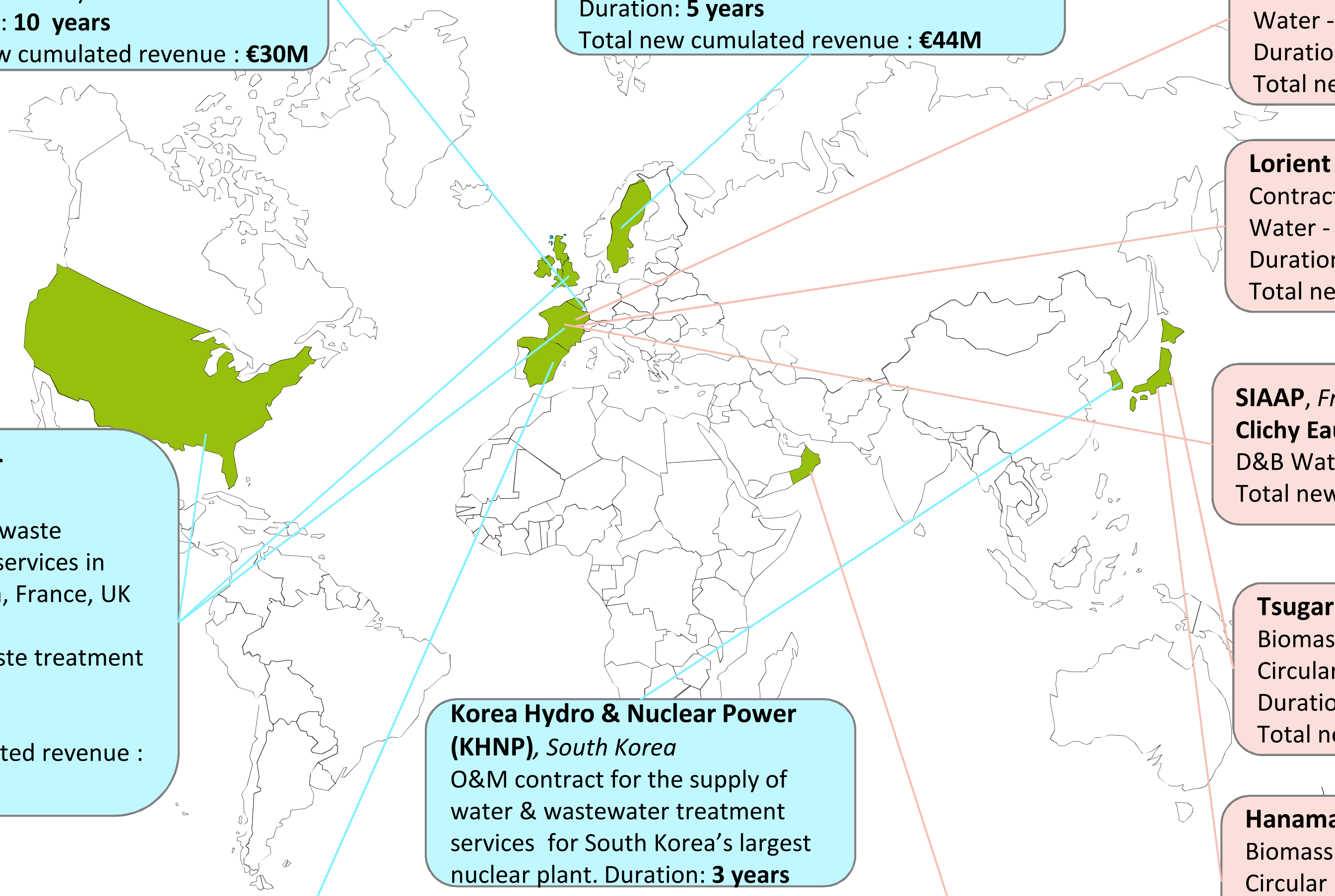
Appendix 3 : Highlights on major Q1 successes

Tour du Midi, *Belgium*
Contract renewal
Energy efficiency services
Duration: **10 years**
Total new cumulated revenue : **€30M**

Locum, *Sweden*
Stockholm South hospital & Danderyds hospitals
O&M and energy efficiency services
Duration: **5 years**
Total new cumulated revenue : **€44M**

Le-Touquet-Paris-Plage, *France*
Contract Renewal
Water - Traditional operations
Duration: **20 years**
Total new cumulated revenue : **€50M**

Lorient Agglomération, *France*
Contract renewal
Water - Traditional services
Duration: **7 years**
Total new cumulated revenue : **€21M**



Oil & Gas sector

- Industrial and waste management services in North America, France, UK
- Hazardous waste treatment in France

Total new cumulated revenue : **€47M**

SIAAP, *France*
Clichy Eaux Pluviales
D&B Water solutions
Total new cumulated revenue: **€66M**

Tsugaru Takeei, *Japan*
Biomass O&M + Asset Co
Circular Economy
Duration: **20 years**
Total new cumulated revenue : **€44M**

Korea Hydro & Nuclear Power (KHNP), *South Korea*
O&M contract for the supply of water & wastewater treatment services for South Korea's largest nuclear plant. Duration: **3 years**

Hanamaki Takeei, *Japan*
Biomass O&M + Asset Co
Circular Economy
Duration: **20 years**
Total new cumulated revenue: **€44M**

Municipal
Industrial and Commercial

Tarragona, *Spain*
Hazardous Waste treatment facility
Capacity: 60,000 t/yr

Sharqiyah Desalination Company, *Oman*
Design &Build – SWRO Extension
Total new cumulated revenue : **€68M**

Appendix 4: New Financial Indicators

Reconciliation of Adjusted Operating Cash Flow to EBITDA

in €M	March 2014 GAAP	March 2014 PROFORMA	March 2015
Adjusted Operating Cash Flow	**513**	**645**	**695**
Exclusion Renewal expenses Restructuring charges	 +88 +0	 +63 +0	 +65 +24
Inclusion Reinbursement of OFAs	 +44	 +28	 +32
EBITDA	**645**	**736**	**816**

Reconciliation of Adjusted Operating Income to Current EBIT

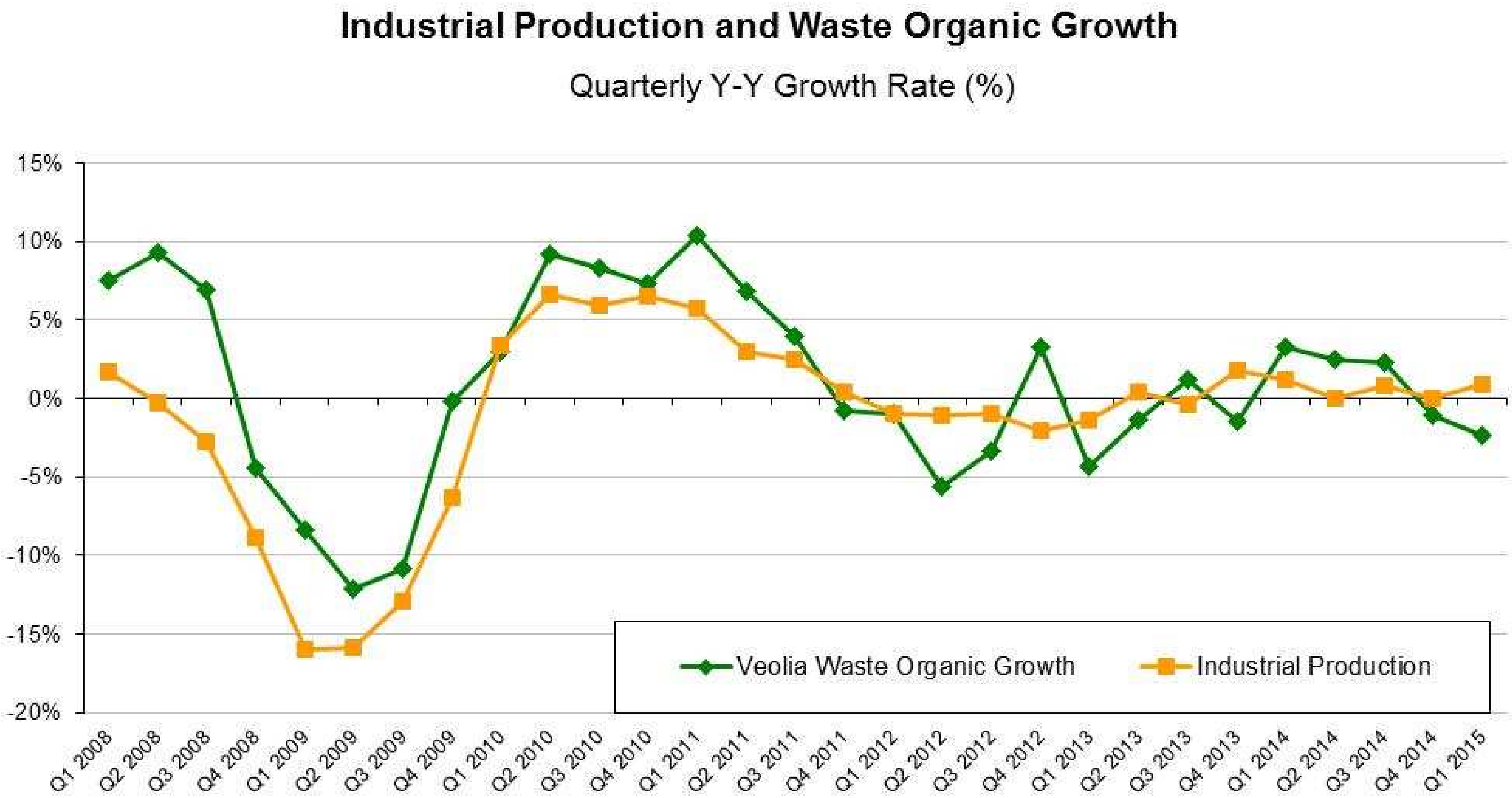
In €M	March 2014 GAAP	March 2014 PROFORMA	March 2015
Adjusted Operating Income	**334**	**359**	**463**
Exclusion • Capital gains on financial divestments • Impairments of tangible and intangible assets and OFAs (including provisions for contract losses) • IFRS 2 impacts	 **-6** **+0** **+0**	 **-5** **+0** **+0**	 **-67** **+0** **+1**
Current EBIT	**328**	**354**	**397**

Appendix 5: IFRIC 21 Impacts

IFRIC 21 Impacts in €M	1Q 2014 GAAP
EBITDA	-52
Current EBIT	-52
Current net income	-45

IFRIC 21 Impacts in €M	1Q 2015
EBITDA	-46
Current EBIT	-46
Current net income	-43

Appendix 6: Waste – Revenue vs. Industrial production

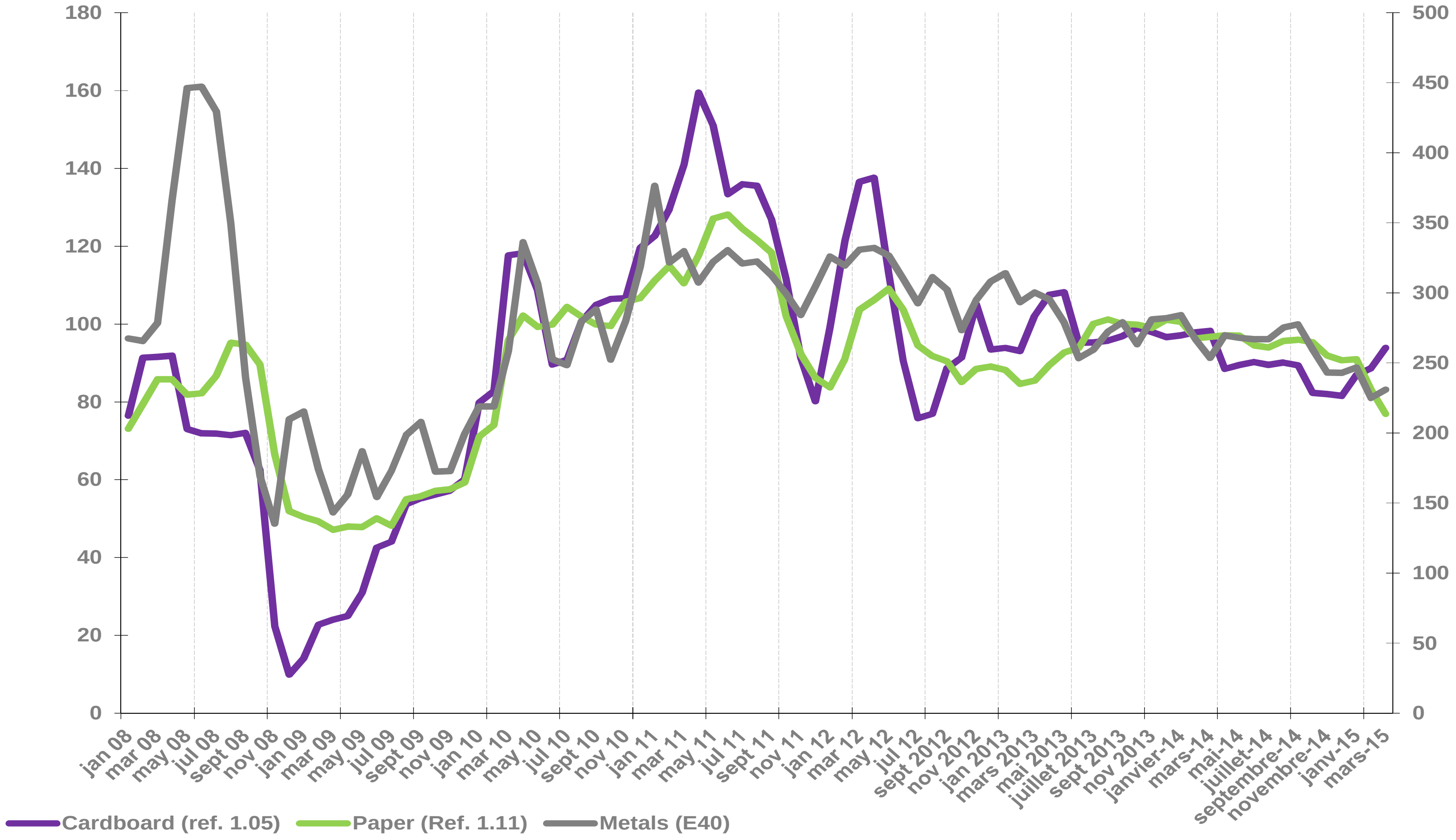


Weighted average industrial production indices for 4 key countries including SARP/SARPI: France, U.K. (excl. PFIs), Germany, and North America (excl. US Solid Waste from 2012)

Sources : until November 2014 : OCDE
December 2014 Eurostat for Germany, OECD for the US, INSEE for France, and Office for National Statistics for the UK

Appendix 7: Waste – Evolution of raw materials prices (paper, cardboard, scrap metals)

Evolution of raw materials prices (€/t)



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