Press Release

Paris, August 1, 2018

VERY STRONG 2018[1] FIRST HALF RESULTS:

SUSTAINED REVENUE GROWTH CONTINUES WITH ACCELERATED EBITDA PROGRESSION IN THE SECOND QUARTER

- **REVENUE : €12,565 MILLION, + 6.0%[2], SEVEN CONSECUTIVE QUARTERS OF SUSTAINED GROWTH**
- **EBITDA : €1,673 MILLION, + 5.8%[2] (+6.4%[2] IN Q2 BETTER THAN THE +5.3%[2] IN Q1)**
- **COST SAVINGS OF €148 MILLION IN LINE WITH THE GROUP'S ANNUAL OBJECTIVE (€78 MILLION IN Q2 IN ADDITION TO THE €70 MILLION FOR Q1)**
- **CURRENT EBIT: €792 MILLION, +6.8%[2]**
- **CURRENT NET INCOME GROUP SHARE: €329 MILLION, UP +13.3%[2] EXCLUDING NET CAPITAL GAINS. PUBLISHED NET INCOME GROUP SHARE: €225 MILLION**

2018 OBJECTIVES FULLY CONFIRMED

Antoine Frérot, Veolia's Chairman and CEO indicated: *"The first half of 2018 finished once again in a rhythm of sustained growth of both activity and results. The commercial momentum that began two years ago continues. Revenue benefited from the additional efforts we engaged in 2017, growing 6%, along with a notable increase of 4% in waste volumes. Results also revealed sustained growth, with EBITDA up 5.8% and current net income Group share excluding capital gains up 13%, thanks to the revenue growth and the cost savings achieved during the first semester. These strong first half results demonstrate once again the relevance of the two levers of our strategy, growth and operational efficiency, and allow us to be confident in the achievement of our objectives for the full year."*

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[1] Un-audited data – Audit in Process

[2] At constant exchange rates. At current exchange rates: Revenue growth of 3.1%, EBITDA growth of 3.7%, Current EBIT growth of 4.2% and current net income Group share excluding capital gains up 9.7%.

- **Group consolidated revenue was €12,565 million during the first half of 2018 compared to represented €12,187 million in H1 2017, up 6.0% at constant exchange rates (+3.1% at current rates) and +4.1% at constant scope and exchange rates.**

Veolia once again registered solid revenue growth in the first semester. At constant exchange rates, Q2 revenue is up +5.1%, after +7.0% in Q1.

Exchange rate variations had an unfavorable impact of €357 million on revenue for the semester (notably -€130M due to the weakness of the dollar, -€48M from the Australian dollar, -€44M from the Argentinian peso, and -€25M from the British Pound).

The scope effect was positive for €241M, principally the effect of small tuck in acquisitions completed in 2017. The divestiture of the Industrial Services activity in the United Stated weighed in for €91M.

The impact of energy prices (+€83M) and of recycled material prices (-€46M of which -€64M due to paper prices) reached a total of +€37M.

At constant exchange rates, the variations in revenue recorded during the first half of 2018 were as follows:

- In France, activity was relatively stable (-0.3%) in the first half. Water revenue was up 0.1% as a result of price indexation of +0.6% and good contract wins, but also a reduction in volume of -1.5% due to the rainy weather in April and May. The Waste business declined by -0.7%, with the effect of lower recycled material prices being only partially compensated by the increase in volumes treated.
- Europe excluding France grew by 6.8%. All of the areas exhibited growth. Central and Eastern Europe is up 4.1% in spite of unfavorable weather conditions for Energy in Q2 (impact of -€33M), thanks to good water volumes (+0.7%), price increases, and a satisfactory commercial momentum. Northern Europe registered strong growth (+12.8%). Germany progressed by 4.7% due to the strong performance in Waste activity. Benelux was up 20.5% and Scandinavia up 57.4%, with the impact of acquisitions completed in 2017. UK/Ireland grew by 4.4% thanks to very good availability rates for PFIs, good commercial wins with industrial customers, and the increase in electricity prices.
- Rest of the World continued to drive the growth of the Group with an increase of +14.0%. North America progressed by 4.9% due to the good performance of the Energy activity in Q1, but also good commercial development. Latin America rose 29.1% with price increases, sales development, and the integration in May 2018 of the activities of Grupo Sala, leader in toxic and municipal waste in Colombia. Asia grew by 21.8%. China was up 10.9% with good toxic waste volumes, benefiting from the opening of the Group's tenth incinerator at Cangzhou, and strong energy activity. Equally solid performances came from South Korea in industrial water and from Japan with the startup of the Hamamatsu concession. The Pacific zone progressed by 15.2% thanks to good waste volumes, the commissioning of new assets, and targeted small acquisitions. Africa Middle East was up 8.9% with the notably good performance of Energy Services in the Middle East.
- Global businesses increased by 1.3%. Toxic waste continued to exhibit strong growth (+9.6%) thanks to good sales momentum, an increase in treated volumes, and a good progression in oil recycling. Veolia Water Technologies revenue declined by -10.1%, due to the late start of contracts signed at the end of 2017. The order backlog is up 10.7% annually, at €1,973M. Revenue is up 0.5% at SADE, with a particularly good performance in France.

At constant exchange rates and excluding works and energy prices, revenue is up 5.0% with an acceleration in Q2 to +5.3% after growth of +4.6% in Q1.

By activity, at constant exchange rates, Water revenue increased by 1.3%. Waste exhibited strong growth of 10.9% for the first half with volumes up 4.9% in Q2 after a growth of +3% in Q1. Energy rose 7.5% with favorable volumes, a price effect of +2.2% with the increase in heating and electricity prices in North America, and a negative weather impact (-0.9%) in Central and Eastern Europe in Q2.

- **EBITDA improved by 5.8% at constant exchange rates to €1,673M compared to represented €1,614M in H1 2017. (+3.7% at current exchange rates).**
  - Exchange rate variation had a negative impact of -€34M on EBITDA, but was compensated by a scope effect of +35 M€.
  - At constant exchange rates, sustained activity growth combined with stronger cost savings (€148M with €78M in Q2 and €70M in Q1) resulted in EBITDA growth of 5.8% for the semester. With the reintegration of Gabon, EBITDA growth would have been +3.7% at constant exchange rates. Energy and recyclate prices weighed in for -€42M in the growth of EBITDA, with a squeeze effect on fuel of -€20M in Q1, a negative impact from paper prices of -€12M and an increase in diesel prices of -€10M.
  - EBITDA variances at constant exchange rates break down as follows: In France, EBITDA was nearly stable (-0.5%), in line with revenue evolution. Water EBITDA grew thanks to sustained cost savings. Waste EBITDA decreased as a result of lower recycled paper prices. In Europe outside of France, EBITDA rose +2.6%, penalized by the fuel squeeze of €20M in Central and Eastern Europe where EBITDA was down. All other geographies registered sustained growth. Rest of the World posted strong EBITDA growth, up +18.4% alongside solid revenue progression. In Global Businesses, EBITDA was up 2.0% with double digit growth for hazardous waste business but a decline in works (Veolia Water Technologies and SADE).

- **Current EBIT reached €791.7 million compared to represented €759.9 million in H1 2017, up 6.8% at constant exchange rates (and +4.2% at current exchange rates).**
  - Exchange rate variation had a negative impact of -€20M on Current EBIT.
  - Current EBIT growth is a result of EBITDA growth and stable depreciation (including principal repayment on operating financial assets) expense of €825M vs. €826M in represented H1 2017 (D&A increased by +34 M€ at constant exchange rates). Provision reversals are down, and the aggregate provisions balance, fair value adjustments, and capital gains on industrial disposals reached €20M vs. €54M in represented H1 2017. The contribution of equity-accounted joint ventures and associates to current net income increased by €10M to €58M.

- **Current Net Income Group share was €329 million compared to represented €290 million in H1 2017, an increase of 19% at constant exchange rates (and +13.3% at constant exchange rates and excluding net capital gains).**
  - Cost of net financial debt was down, at -€199M. The gross cost of borrowing decreased by 37 basis points, to 2.80%.
  - Other current financial expenses and income were -€65M vs. -€73.7M in H1 2017 represented.
  - Capital gains on financial disposals were €18.8M vs. €4.5M in H1 2017 represented.
  - The current tax rate was stable at 26%.

- Non-controlling interests increased to €87.6M vs. €79.9M in H1 2017 represented.
- The current net income Group Share progressed by 13.6% to €328.9M and by +9.7% excluding net capital gains.
- Published net income Group share was €225M compared to represented €198M in H1 2017 (growth of +13.5%).

- **Net Financial Debt reached €10,609M on June 30, 2018 (and €9,157M before repayment of hybrid debt), vs. €8,553M for June 30, 2017 represented.**
- Net financial Debt increased as a result of :
  - Higher industrial investments of €712M vs. €593M in H1,2017
  - Net financial investments of €303M, and
  - An unfavorable seasonal Working Capital variation of €790M.

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- **Fully confirmed objectives**
  - 2018 (at constant exchange rates):
    - Continuation of sustained revenue growth
    - EBITDA growth greater than that of 2017
    - Cost reductions of more than €300M
  - 2019* :
    - Continuation of revenue growth and full effect of cost savings
    - EBITDA between €3.3bn and €3.5bn (excluding IFRIC 12), and between €3.5bn and €3.7bn including IFRIC 12
  - Dividend growth in line with that of current net income

** At constant exchange rates (based on rates at the end of 2016)*

Veolia group is the global leader in optimized resource management. Present on the five continents and with close to 169 000 employees, 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, to preserve available resources, and to replenish them.
In 2017, the Veolia group supplied 96 million people with drinking water and 62 million people with wastewater service, produced nearly 55 million megawatt hours of energy and converted 47 million metric tons of waste into new materials and energy. Veolia Environnement *(listed on Paris Euronext: VIE)* recorded consolidated revenue of €25.12 billion in 2017 (USD 30.1 billion). www.veolia.com

Important disclaimer
Veolia Environnement is a corporation listed on the Euronext Paris. This press release contains “forward-looking statements” within the meaning of the provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside our control, including but not limited to: the risk of suffering reduced profits or losses as a result of intense competition requiring significant financial and human resources, the risk that changes in energy prices and taxes may reduce Veolia Environnement’s profits, the risk that governmental authorities could terminate or modify some of Veolia Environnement’s contracts, the risk that acquisitions may not provide the benefits that Veolia Environnement hopes to achieve, the risks related to customary provisions of divesture transactions, the risk that Veolia Environnement’s compliance with environmental laws may become more costly in the future, the risk that currency exchange rate fluctuations may negatively affect Veolia Environnement’s financial results and the price of its shares, the risk that Veolia Environnement may incur environmental liability in connection with its past, present and future operations, as well as the other risks described in the documents Veolia Environnement has filed with the Autorités des Marchés Financiers (French securities regulator). Veolia Environnement does not undertake, nor does it have any obligation to provide updates or to revise any forward looking statements. Investors and security holders may obtain from Veolia Environnement a free copy of documents it filed (www.veolia.com) with the Autorités des Marchés Financiers.

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.

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FINANCIAL INFORMATION FOR THE HALF-YEAR ENDED JUNE 30, 2018

A] PREFACE

GABON

Veolia Africa, through its 51% subsidiary, SEEG, manages the distribution of drinking water and electricity throughout all Gabon under the terms of a concession agreement signed in 1997 and extended for five years in March 2017.
On February 16, 2018, the Gabonese Republic unilaterally terminated the concession agreement signed with the Group's subsidiary, SEEG – Société d'énergie et d'eau du Gabon, (Gabon Energy and Water Company), alleging several different reasons including that of the general interest. The same day, through Ministerial order, all material and human resources were seized by the Gabonese Republic. A further Ministerial order also appointed an executive body to implement termination and seizure measures.
Since March 31, 2018, the cessation of activities in Gabon has led the Group to classify SEEG in net income from discontinued operations in accordance with IFRS 5. The interim financial statements for the half-year ended June 30, 2017 were re-presented accordingly to ensure comparability, following the reclassification of the Group's activities in Gabon in "Net income from discontinued operations" in accordance with IFRS 5.

CHANGES IN ACCOUNTING STANDARDS

With effect from January 1, 2018, the Group applies IFRS 9, the new financial instruments standard, which replaces IAS 39. The new standard provides for the retroactive application of the classification and measurement rules applicable to financial assets and liabilities and, in particular for the Group, new impairment methodologies for trade receivables and an adjustment to the amortized cost of renegotiated bond issues. The impact in the income statement on EBITDA and current EBIT of the restatements resulting from the first-time application of this standard were not material.

The application of IFRS 15 as of January 1, 2018 does not generate a significant cumulative impact on the Group's financial statements as of June 30, 2018

B] KEY FIGURES

(in € million)	*Half-year ended June 30, 2017 published*	*Half-year ended June 30, 2017 re-presented*	***Half-year ended June 30, 2018***	*Change 2017 / 2018* *Δ Current*	*Δ at constant exchange rates*
Revenue	12,346.5	12,186.5	12,564.5	3.1%	6.0%
EBITDA	1,651.4	1,613.8	1,672.8	3.7%	5.8%
EBITDA margin	13.4%	13.2%	13.3%		
Current EBIT (1)	773.8	759.9	791.7	4.2%	6.8%
Current net income - Group share	295.2	289.6	328.9	13.6%	19.0%
Current net income – Group share, excluding capital gains and losses on financial divestitures net of tax	294,0	288.4	316.3	9.7%	13.3%
Net income (loss) – Group share	204.6	198.5	225.4	13.5%	21.4%
Industrial investments	592.8	592.8	711.8		
Net free cash flow	(176.1)	(193.5)	(321.2)		
Net financial debt	(8,561.4)	(8,553.2)	(10,609.0)		

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

The main foreign exchange impacts were as follows:

FX impacts for the half-year ended June 30, 2018 (vs June 30, 2017 re-presented)	%	(in M€)
Revenue	-2.9%	-357.3
EBITDA	-2.1%	-34.4
Current EBIT	-2.6%	-20.1
Current net income	-5.4%	-15.5
Net financial debt	-1.4%	-117

C] Income Statement

1. GROUP CONSOLIDATED REVENUE

Group consolidated revenue for the half-year ended June 30, 2018 increased **6.0% at constant exchange rates** to €12,564.5 million, compared to re-presented €12,186.5 million for the half-year ended June 30, 2017. Excluding Construction[3] revenue and energy price effects, revenue improved by +5.0% in the first six months (+5.3% in Q2 2018 compared to +4.6% in Q1).

As in the first quarter, revenue growth was marked by more favorable momentum across nearly all segments in the second quarter of 2018:

Δ at constant exchange rates	*Q1 2018*	*Q2 2018*
France	0.6%	-1.1%
Europe, excluding France	6.9%	6.7%
Rest of the world	14.7%	13.2%
Global businesses	3.5%	-0.6%
Group	**7.0%**	**5.1%**

The slowdown in France stems from a negative climate impact in the second quarter in water and a drop of the selling price of recycled materials (paperboard) in waste.

By segment, the change in revenue compared to re-presented figures for the half-year ended June 30, 2017 breaks down as follows:

			Change 2017 / 2018		
(in € million)	*Half-year ended June 30, 2017 re-presented*	*Half-year ended June 30, 2018*	*Δ*	*Δ at constant exchange rates*	*Δ at constant scope and exchange rates*
France	2,663.4	2,655.9	-0.3%	-0.3%	-0.3%
Europe, excluding France	4,233.6	4,516.6	6.7%	6.8%	2.5%
Rest of the world	3,067.7	3,191.8	4.0%	14.0%	13.0%
Global businesses	2,204.0	2,185.2	-0.9%	1.3%	0.0%
Other	17.8	15.0	-15.7%	-15.5%	-15.5%
Group	**12,186.5**	**12,564.5**	**3.1%**	**6.0%**	**4.1%**

[3]Construction revenue encompasses the Group's engineering and construction activities (mainly through Veolia Water Technologies and SADE), as well as construction completed as part of operating contracts.

- Revenue decreased -0.3% in **France** at constant scope compared to re-presented figures for the half-year ended June 30, 2017: Water revenue increased +0.1%, while Waste revenue fell -0.7% :
  - Water revenue rose by +0.1% compared to re-presented figures for the first-half of 2017, impacted by tariff indexation of +0.6% compared to -0.3% in H1 2017 and an increase in Construction activity, partially offset by lower volumes (-1.5%) because of a negative impact of climate on the second quarter 2018;
  - Waste revenue fell -0.7% at current exchange rates and constant scope compared to re-presented figures for the first-half of 2017: lower paper recycling prices (-2.8% or -€34 million) were partially offset by incineration and landfill volumes.
- **Europe excluding France** (excluding Lithuania classified in discontinued operations) grew +6.8% at constant exchange rates compared to re-presented figures for the half-year ended June 30, 2017, with solid momentum in the majority of regions:
  - in the United Kingdom/Ireland zone, revenue increased +4.4% at constant exchange rates to €1,084.9 million, due to good PFI availability, an increase in electricity tariffs and industrial service contract wins;
  - in Central and Eastern Europe, revenue increased +4.1% at constant exchange rates compared to re-presented figures for the half-year ended June 30, 2017 to €1,580.2 million. Negative impact of climate on the second quarter (-€33 million in Energy) is offset by:
    - in Energy, higher volumes and tariffs (+€10 million), and the impact of recent developments in Hungary (Biomass);
    - in Water, a slight increase in invoiced water volumes (+0.7% i.e. approximately +€4 million) and higher tariffs across all countries of the zone (+€14 million)
    - in Waste, the impact of targeted acquisitions made in 2017 (plastic recycling in Hungary and Industrial Waste collection in the Czech Republic).
  - in Northern Europe, revenue increased +12.8% at constant exchange rates compared to the re-presented prior year period to €1,342.1 million. Germany, the main contributor (€926.6 million), benefited from strong Waste activities, reporting revenue of €544.1 million, compared to €495.5 million for the half-year ended June 30, 2017. The favorable revenue impact of 2017 tuck-ins in Recycling and Industrial Waste businesses offset the fall in recycled paper prices (-€24 million) and lower energy volumes (-€28 million).
- Strong growth in the **Rest of the world** of 14.0% at constant exchange rates compared to re-presented figures for the half-year ended June 30, 2017:
  - Revenue rose +4.9% at constant exchange rates to €979.0 million in North America i.e; an increase of +14.5%, at constant exchange and scope, mainly due to strong growth in Energy (+25.3% at constant exchange rates tied to price and s volume increases following cold weather at the beginning of the year), commercial wins in Energy (Dow Dupont contract in the United States) and higher volumes in hazardous waste.
  - Strong revenue growth in Latin America (+29.1% at constant exchange rates) to €387.1 million, thanks in part to commercial developments in Ecuador, Chile, Brazil and Argentina and the integration from May, 2018 of Grupo Sala's activities in Columbia.
  - Revenue in Asia increased by +21.8% at constant exchange rates to €859.0 million. Strong revenue growth in China (+10.9%) was due to increased volumes in Hazardous Waste (start-up of the Cangzhou incineration plant), higher heating network sales, partially offset by lower Water sales due to end of Chengdu BOT contract. The rest of the zone is driven by a strong commercial dynamism: start of

operation on the Hamamatsu concession in Japan and development of industrial water treatment activities in Korea;

- the Pacific zone recorded +15.2% revenue growth at constant exchange rates year-on-year, due to higher waste volumes processed (+4.2%) volumes in work activity, starting of new industrial assets in waste (including Wooddlawn MBT) and targeted tuck-ins from 2017.
- in Africa/Middle East, revenue increased +8.9% at constant exchange rates, with favorable volume and work impacts in Morocco and strong commercial development in the Middle East (energy services in the tertiary sector).

- **Global businesses:** revenue was virtually stable at 1.3% at constant exchange rates versus the re-presented prior-year period:
  - Hazardous Waste activities increased by +9.6% at constant exchange rates, mainly due to growth in oil recycling activities and higher volumes processed, tied particularly to Greater Paris construction work;
  - Design & Build activities remained down by -10.1% at constant exchange rates, with the slow start-up of activities in North America, France and the rest of Europe (Denmark and Italy). The backlog is up +10.7% compared to the first-half of 2017 at €1,973 million.

The increase in revenue between 2017 and 2018 breaks down **by main impact** as follows:

- The **foreign exchange impact** on revenue was -€357.3 million (-2.9% of revenue) and mainly reflects fluctuations in the U.S. dollar (-€129.5 million), the Australian dollar (-€48.2 million), the Argentine peso (-€43.6 million), the pound sterling (-€24.9 million).
- **The consolidation scope impact** of +€241.5 million mainly relates to:
  - developments in 2017: integration of Corvara industrial assets and Hans Andersson in Scandinavia (+€107 million), of the recycling and waste businesses of Van Scherpenzeel Grope B.V. in the Netherlands (+€29 million) and the acquisition in July 2017 of Eurologistik in Germany (+€19 million) and Hanbul in Korea (+€20 million);
  - 2018 transactions, including the sale of the Industrial Services division in the United States (-€91 million), the acquisition of Grupo Sala in Colombia (+€23 million).
- **Energy and recyclate prices** had an impact of +€37 million, with an increase in energy prices of +€83 million (in the United States and Central Europe), following a drop in recyclate prices (-€46 million, including -€64 million for paper).
- Commercial momentum improved significantly (**Commerce/Volumes** impact) to +€307 million:
  - volumes increase of +€225 million, in line with higher waste volumes (France, United Kingdom, Latin America and Asia) and volume growth in hazardous waste, offsetting lower France Water volumes (-1.5% i.e. -€13 million due to unfavorable climate impact) and a slowdown in Veolia Water Technologies' construction activities which benefited in 2017 from the completion of construction on major projects.
  - a commercial effect of +€104 million, due to numerous industrial contract wins in Europe (in Waste in Germany and Iberia with new energy efficiency contracts), the United States (contract wins in Industrial Water and Energy), Latin America (contract wins in Water in Argentina and Columbia and in Waste in Chile and Brazil) and in multi-industrial activities (Arcelor contract).
  - an unfavorable weather impact in Energy of -€22 million in Central Europe in the second quarter.

- Favorable **price effects** (+€109 million) are tied to positive tariffs indexations in France and the United Kingdom in Waste, in Central Europe in Water, in North America in Water and Hazardous Waste, in Morocco in electricity, and the impact of higher prices in Waste and Water in Latin America and Asia.

By business, the change in revenue compared with represented June 30, 2017 breaks down as follows:

			Change 2017 / 2018		
(in € million)	*Half-year ended June 30, 2017 re-presented*	***Half-year ended June 30, 2018***	*Δ Current*	*Δ at constant exchange rates*	*Δ at constant scope and exchange rates*
Water	5,255.7	5,187.6	-1.3%	1.3%	1.2%
Waste	4,378.4	4,687.9	7.1%	10.9%	5.2%
Energy	2,552.4	2,689.0	5.4%	7.5%	7.9%
Group	**12,186.5**	**12,564.5**	**3.1%**	**6.0%**	**4.1%**

WATER

Water revenue increased by +1.3% at constant exchange rates and +1.2% at constant scope and exchange rates compared to re-presented figures for the half-year ended June 30, 2017. This improvement can be explained as follows:

- A positive **commerce / volume** (impact of +0.3% excluding construction activity), with increasing volumes in Central Europe (+0.7%), continued robust commercial momentum in the Rest of the World (mainly in Latin America), offsetting the reduced volumes in France (negative impact of the climate on the second quarter);
- A positive **price impact** of +1.1% with higher tariffs notably in Central Europe and Water price index in France (+0.6%);
- Steady **construction activity** (+0.1%) increase in the Rest of the World (particularly in Pacific and Middle East), coupled with a slow start to the year for construction activity in Veolia Water Technologies.

WASTE

Waste revenue rose considerably by +10.9% at constant exchange rates compared to re-presented figures for the half-year June 30, 2017 (+5.2% at constant scope and exchange rates), due to:

- A **scope impact** of +5.7%: acquisitions in Germany, in Sweden and Asia, offset by the sale of the Industrial Services division in the United States (-€91 million);
- A **commerce / volume** impact of +4.0% (excluding construction work), with higher waste collection and treatment volumes in France (+2.8%) and in Rest of the World (United States, Asia, Latin America and Australia) and a strong increase of volumes in hazardous waste;
- A positive **price effect** of +1.6% (mainly in Latin America, Asia and the UK);
- The negative impact of **recyclate prices** (-1.1%, notably due to the fall in paper prices).

ENERGY

Energy revenue rose +7.5% at constant exchange rates compared with re-presented figures for the half-year ended June 30, 2017 (+7.9% at constant consolidation scope and exchange rates). This improvement can be explained by:

- A **commercial and volume effect** of +3.7% (excluding Construction activity), notably in Central Europe and due to the development of new contracts in Canada and in multi-utility industrial activities.
- A positive **price effect** (+2.2%) with a strong increase in heating and electricity prices in North America;
- A negative **weather impact** (-0.9%), particularly in Central Europe in the second quarter;
- A negative **scope impact** (-0.4%) bound to the disposal of a branch of utilities in Sweden.

2. EBITDA

(in € million)	*Half-year ended June 30, 2017 re-presented*	*Half-year ended June 30, 2018*	*Change 2017 / 2018* ∆	*Change 2017 / 2018* ∆ *at constant exchange rates*
France	375.3	373.5	-0.5%	-0.5%
EBITDA margin	*14.1%*	*14.1%*		
Europe, excluding France	721.1	746.1	3.5%	2.6%
EBITDA margin	*17.0%*	*16.5%*		
Rest of the world	409.7	445.0	8.6%	18.4%
EBITDA margin	*13.4%*	*13.9%*		
Global businesses	104.1	105.7	1.5%	2.0%
EBITDA margin	*4.7%*	*4.8%*		
Other	3.6	2.5		
Group	**1,613.8**	**1,672.8**	**3.7%**	**5.8%**
EBITDA margin	**13.2%**	**13.3%**		

Group consolidated EBITDA for the half-year ended June 30, 2018 was €1,672.8 million, up 5.8% at constant exchange rates on the prior-year period (re-presented). The EBITDA margin increased from re-presented 13.2% in the half-year ended June 30, 2017 to 13.3% in the same period to June 30, 2018.

Changes in EBITDA **by segment** were as follows:

- **In France**, EBITDA deteriorated slightly (-0.5%):
  - In Water, cost savings impacted positively EBITDA and offset the negative impact of volumes decrease (-€11 million) and price cost squeeze continuation.
  - In Waste, EBITDA was down due to the fall in paper recycling prices (-24% fall in the average selling price of paper and cardboard compared to June 2017, representing -€7 million).
- The slight improvement in EBITDA in **Europe excluding France** at constant exchange rates (+2.6%) was the result of several impacts:
  - In Central and Eastern Europe, EBITDA decreased due to higher fuel prices, negative transitory squeeze prices in Energy in the Czech Republic, Poland and Romania and an unfavorable weather effect (-€13 million); this decrease was partially offset by a positive volume effect and operating efficiency gains;
  - Solid growth in EBITDA in the United Kingdom, with an improved availability of incineration plants and efficiency gains; lower recycled paper prices were offset by higher non-ferrous metal prices;
  - Increased EBITDA in Northern Europe, due to scope transactions performed in 2017 in Scandinavia, the Netherlands and Germany, and further operating efficiency gains in Belgium and Germany.
- Continued strong EBITDA growth in the **Rest of the world**:
  - Improvement in the United States, mainly due to favorable Q1 impacts in Energy (weather impact and higher electricity prices).
  - Higher EBITDA in Latin America, notably due to new contacts in Water and Waste, tariff increases in Waste and efficiency gains;
  - Sustained EBITDA growth in Asia driven by revenue growth, partially offset by negative weather impacts, increasing purchasing prices of coal in China and end of the Chengdu BOT contract.
- In the **Global businesses** segment, very good hazardous waste performance (including the improvement in the oil recycling business) was offset by the slow start-up of construction activities in H1 2018 in Veolia Water Technologies.

The increase in EBITDA between 2017 and 2018 breaks down **by impact** as follows:

- The **foreign exchange impact** on EBITDA was -€34.4 million and mainly reflects fluctuations in the U.S. dollar (-€13.6 million), the Argentine peso (- €5.1 million), the Australian dollar (-€4.8 million), the Brazilian real (-€3.7 million), the pound sterling (-€3.7 million) and the Chinese renminbi (-€3.2 million).
- The **consolidation scope impact** of +€35 million partially relates to developments in 2017 and notably the integration of Corvara industrial assets and Hans Andersson recycling assets in Scandinavia and acquisitions in Germany (Eurologistik) and the Netherlands (Van Scherpenzeel Grope B.V.), as well as the acquisition of Braunco in Argentina and Grupo Sala in Colombia in 2018.
- **Commerce and volume** impacts totaled +€62 million thanks to strong volume growth in Central Europe in Water and Energy, solid increase in Waste business (volume increase of + 4% over the first six months) and strong commercial development in Asia (Waste and Energy) and in Latin America (new contracts in Water and Waste).
- **Weather** impact on EBITDA was -€24 million, with the impact of an extremely mild second quarter in Central Europe (-€13 million for the semester) and significant rain in France (drop of volume by -€11 million).

- **Energy and recyclate prices** had a negative impact on EBITDA (-€42 million): the significant increase in fuel prices and price cost squeeze in Central Europe (-€20 million), increase of fuel prices in waste (-€10 million) and negative impact of paper prices (-€12 million mainly in France and Germany) partially offset by sulfuric acid recovery prices in the United States.
- The -€63 million impact of the **price cost squeeze and contractual renegotiations** mainly relates to weak price indexation in Water and Waste which only partially covers pressure on wage increases and other costs.
- **Cost savings plans** contributed €148 million. These savings mainly concern operating efficiency (51%) and purchasing (29%) and were achieved across all geographical zones: France (26%), Europe excluding France (26%), Rest of the world (23%), Global businesses (16%) and Corporate (9%). The guidance of €300 million for fiscal year 2018 is confirmed.

3. CURRENT EBIT

Group consolidated current EBIT for the half-year ended June 30, 2018 was €791.7 million, up 6.8% at constant exchange rates on H1 2017 re-presented.

Reconciling items for H1 2017 re-presented versus H1 2018 between EBITDA and Current EBIT are as follows:

(in € million)	*Half-year ended June 30, 2017 re-presented*	***Half-year ended June 30, 2018***
EBITDA	**1,613.8**	**1,672.8**
Renewal expenses	(130.3)	(135.0)
Depreciation and amortization (*)	(825.7)	(824.6)
Provisions, fair value adjustments & other:	54.0	20.3
• Current impairment of property, plant and equipment, intangible assets and operating financial assets	9.9	(5.1)
• Net charges to operating provisions, fair value adjustments and other	36.6	21.8
• Capital Gains or losses on industrial divestitures	7.5	3.6
Share of current net income of joint ventures and associates	48.1	58.3
Current EBIT	**759.9**	**791.7**

(*) Including principal payments on operating financial assets (OFA) of -€71.6 million for the half-year ended June 30, 2018 (compared to re-presented -€90.2 million for the half-year ended June 30, 2017).

The improvement in current EBIT at constant exchange rates reflects:

- EBITDA growth;
- the increase in amortization charges at constant exchange rates (-€33.8 million or +4.6% compared to the half-year ended June, 2017), in line with the development of the Group's activities and consolidation scope impacts;
- the decline in principal payments on operating financial assets in 2018 (from -€90.2 million to -€71.6 million) mainly relating to contract completions , including Chengdu in China in 2017 in Korea;
- the unfavorable change in provisions, fair value adjustments and other, primarily due to:
  - the unfavorable change in the net reversal of the operating provisions and the net impairment losses on assets (particularly the reversal of the provision for captive insurance (+€6.7 million) in the first-half of 2017);
  - industrial capital gains and losses slightly below that of June 30, 2017 (+€3.6 million in H1 2018, compared to +€7.5 million in H1 2017);
  - partially offset by an improvement in the contribution of equity-accounted entities;

The foreign exchange impact on Current EBIT was -€20.1 million and mainly reflects fluctuations in the U.S. dollar (-€9.2 million), the Chinese renminbi (-€3.0 million), the Argentine peso (-€4.2 million), the Brazilian real (-€2.4 million), the Australian dollar (-€1.3 million) and the pound sterling (-€2.2 million), partially offset by favorable fluctuations in the Czech crown (+€6.5 million).

Changes in current EBIT **by segment** were as follows:

(in € million)	*Half-year ended June 30, 2017 re-presented*	***Half-year ended June 30, 2018***	*Change 2017 / 2018* *Δ*	*Δ at constant exchange rates*
France	67.7	49.8	-26.5%	-26.5%
Europe, excluding France	417.9	430.3	3.0%	1.8%
Rest of the world	232.9	270.9	16.3%	27.2%
Global businesses	48.7	51.1	4.9%	4.2%
Other	(7.3)	(10.3)	n/a	n/a
Group	**759.9**	**791.7**	**4.2%**	**6.8%**

4. NET FINANCIAL EXPENSE

(in € million)	*Half-year ended June 30, 2017 re-presented*	***Half-year ended June 30, 2018***
Net finance costs (1)	**(210.3)**	**(199.5)**
Net gains / losses on loans and receivables	1.4	5.7
Net income (loss) on available-for-sale assets	2.3	1.6
Assets and liabilities at fair value through the Consolidated Income Statement	0.1	(0.1)
Foreign exchange gains and losses	(7.8)	(3.0)
Unwinding of the discount on provisions	(19.4)	(12.1)
Interest on concession liabilities	(44.5)	(45.5)
Other	(5.8)	(11.6)
Other current financial income and expenses (2)	**(73.7)**	**(65.0)**
Gains (losses) on disposals of financial assets (*)	4.5	18.8
Current net financial expense (1)+(2)	**(279.5)**	**(245.7)**
Other non-current financial income and expenses	-	-
Net financial expense	**(279.5)**	**(245.7)**

(*) including costs of disposal of financial assets

COST OF NET FINANCIAL DEBT

The cost of net financial debt totaled -€199.5 million for the half-year ended June 30, 2018, versus re-presented -€210.3 million for the half-year ended June 30, 2017, thanks to continued active debt management and the decrease of the treasury carrying-cost.
The financing rate also decreases at 4.42% for the half-year ended June 30, 2018, compared to re-presented 4.99% for the half-year ended June 30, 2017 (and 4.94% for the half-year ended December 31, 2017).

OTHER FINANCIAL INCOME AND EXPENSES

Other financial income and expenses totaled -€65.0 million for the half-year ended June 30, 2018, versus re-presented -€73.7 million for the half-year ended June 30, 2017.

These expenses include interest on concession liabilities (IFRIC 12) of -€45.5 million and the unwinding of discounts on provisions of -€12.1 million, in improvement compared to June 30, 2017 re-presented.

Capital gains on financial divestitures recorded in the first-half of 2018 of €18.8 million, include a capital gain of + €36 million on the sale of the Industrials services activity in the United-States and fair value adjustments of assets held for sale in Europe excluding France. For the represented half-year ended June 30, 2017, (capital gains on financial divestitures totaled €4.5 million which included a capital gain of +€11 million on the sale of Lanzhou in China and -€9 million in respect of the fair value adjustment of Mehrum).

5. INCOME TAX EXPENSE

The current income tax expense for the half-year ended June 30, 2018 is -€129.5 million (and €123.4 million excluding taxes on capital gains), compared to -€110.8 million for the half-year ended June 30, 2017 re-presented.

The current tax rate for the half-year ended June 30, 2018 is stable to 26.3% (versus re-presented 25.9% for the half-year ended June 30, 2017) after adjustment of the impact of financial divestitures, and non-recurring items within net income of fully controlled entities and the share of net income of equity-accounted companies.

(In € million)	*Half-year ended June 30, 2017 re-presented*	***Half-year ended June 30, 2018***
Current income before tax (a)	**480.3**	**546.0**
Of which share of net income of joint ventures & associates (b)	48.1	58.3
Of which gains (losses) on disposals of financial assets (c)	4.5	18.8
Re-presented current income before tax: (d)=(a)-(b)-(c)	**427.7**	**468,9**
Re-presented tax expense (e)	**(110.8)**	**(123.4)**
Re-presented tax rate on current income (e)/(d)	**25.9%**	**26.3%**

The total tax expense, including the impact of non-recurring items and including taxation of the capital gain on the disposal of the Industrial Services division in the United States of USD 9 million, reaches €124.0 million, compared to €106.1 million for the half-year ended June 30, 2017 re-presented.

6. CURRENT NET INCOME / NET INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY

The share of net income attributable to non-controlling interests totaled -€87.3 million for the half-year ended June 30, 2018, compared to -€78.1 million for the half-year ended June 30, 2017 re-presented.

Net income attributable to owners of the Company was €225.4 million for the half-year ended June 30, 2018, compared to €198.5 million for the half-year ended June 30, 2017 re-presented.

Current net income attributable to owners of the Company was €328.9 million for the half-year ended June 30, 2018, compared to €289.6 million for the half-year ended June 30, 2017 re-presented.

This improvement is attributable to the increase in current EBIT, the decrease in the net finance cost and higher capital gains on financial divestitures in H1 2018 (disposal of the Industrial Services division in the United States) compared to H1 2017 re-presented. Excluding capital gains and losses on financial divestitures net of tax and minority interests, current net income attributable to owners of the Company rose 13.3% at constant exchange rates to €316 million from re-presented €288 million for the half-year ended June 30, 2017.

Based on a weighted average number of outstanding shares of 550,687 thousand (basic), and 574,478 thousand (diluted), for the half-year ended June 30, 2018, compared to 550,713 thousand (basic) and 574,505 thousand (diluted) for the half-year ended June 30, 2017, **net income attributable to owners of the Company per share for the half-year ended June 30, 2018 was €0.29 (basic) and €0.28 (diluted)** compared to re-presented €0.24 (basic) and €0.23 (diluted), for the half-year ended June 30, 2017.

Current net income attributable to owners of the Company per share was €0.60 (basic) and €0.57 (diluted) for the half-year ended June 30, 2018, compared to re-presented €0.53 (basic) and €0.50 (diluted) for the half-year ended June 30, 2017.

The dilutive effect taken into account in the above earnings per share calculation concerns the OCEANE bonds convertible into and/or exchangeable for new and/or existing shares issued in March 2016.

Net income (loss) attributable to owners of the Company for the half-year ended **June 30, 2018** breaks down as follows:

(In € million)	*Current*	*Non-current*	*Total*
EBIT	791.7	(62.7)	729.0
Cost of net financial debt	(199.5)		(199,5)
Other financial income and expenses	(46.2)		(46.2)
Pre-tax net income (loss)	**546.0**	**(62.7)**	**483.3**
Income tax expense	(129.5)	5.5	(124.0)
Net income (loss) of other equity-accounted entities	0.0	0.0	0.0
Net income (loss) from discontinued operations	0.0	(46.6)	(46.6)
Attributable to non-controlling interests	(87.6)	0.3	(87.3)
Net income (loss) attributable to owners of the Company	**328.9**	**(103.5)**	**225.4**

For the half-year ended June 30, 2018, the Net income (loss) from discontinued operations is mainly due to the classification of Gabon in discontinued operations for -€44.5 million.

For the re-presented half-year ended June 30, 2017, net income (loss) attributable to owners of the Company breaks down as follows:

(In € million)	*Current*	*Non-current*	*Total*
EBIT	759.8	(125.7)	634.1
Cost of net financial debt	(210.3)		(210.3)
Other financial income and expenses	(69.2)		(69.2)
Pre-tax net income (loss)	**480.3**	**(125.7)**	**354.6**
Income tax expense	(110.8)	4.7	(106.1)
Net income (loss) of other equity-accounted entities	0.0	13.5	13.5
Net income (loss) from discontinued operations	0.0	14.6	14.6
Attributable to non-controlling interests	(79.9)	1.8	(78.1)
Net income (loss) attributable to owners of the Company	**289.6**	**(91.1)**	**198.5**

The reconciliation of Current EBIT with operating income, as shown in the income statement, is as follows:

(In € million)	*Half-year ended June 30, 2017 re-presented*	***Half-year ended June 30, 2018***
Current EBIT	**759.9**	**791.7**
Impairment losses on goodwill and negative goodwill	0	(0.1)
Charges, amortization and non-current provisions	(27.5)	(12.1)
Restructuring costs	(90.4)	(41.8)
Personnel costs - share-based payments	(4.9)	(6.2)
Share acquisition costs, with or without acquisition of control	(2.9)	(2.5)
Total non-current items	**(125.7)**	**(62.7)**
Operating income after share of net income of equity-accounted entities	**634.1**	**729.0**

Restructuring charges for the half-year ended June 30, 2018 are mainly due to restructuring costs in the United States (-€7.7 million) and Global Businesses (-€13.6 million). The impact of restructuring on Water France is non-significant on operating income, incurred costs offset by equivalent provisions reversals.

D] FINANCING

The following table summarizes the change in net financial debt and net free cash flow:

(in millions of euro)	*Half-year ended June 30, 2017 re-presented*	***Half-year ended June 30, 2018***
EBITDA	**1,613.8**	**1,672.8**
Net industrial investments	(568.0)	(691.8)
Change in operating WCR	(707.8)	(789.8)
Dividends received from equity-accounted entities and joint ventures	57.2	94.9
Renewal expenses	(130.3)	(135.0)
Other non-current expenses and restructuring charges	(72.0)	(118.9)
Interest on concession liabilities	(44.5)	(45.5)
Financial items (current cash financial expense, and operating cash flow from financing activities)	(211.0)	(203.6)
Taxes paid	(130.9)	(104.4)
Net free cash flow before dividend payment, financial investments and financial divestitures	**(193.5)**	**(321.2)**
Dividends paid	(594.4)	(617.5)
Net financial investments	(111.0)	(302.7)
Change in receivables and other financial assets	(13.7)	(48.3)
Issue / repayment of deeply subordinated securities	0.0	0.0
Proceeds on issue of shares	23.5	(13.4)
Free cash flow	**(889.1)**	**(1,303.1)**
Effect of foreign exchange rate movements and other (*)	147.9	(1,472.7)
Change	**(741.1)**	**(2,775.8)**
Net financial debt at the beginning of the period	(7,812.1)	(7,833.2)
Net financial debt at the end of the period	**(8,553.2)**	**(10,609.0)**

(*) The effect of foreign exchange rate and other movements as of June 30, 2018 includes the redemption of the hybrid debt in the amount of €1,452 million and the favorable impact of the Polish zloty and the Brazilian real, offset by the unfavorable impact of the Hong Kong dollar, the U.S. dollar and the Chinese renminbi.

Net free cash flow before dividend payments and net financial investments was -€321 million for the half-year ended June 30, 2018 (versus re-presented -€194 million for the half-year ended June 30, 2017).

The change in net free cash flow compared to the re-presented figure for the year ended June 30, 2017 primarily reflects improved EBITDA, offset by a less favorable change in operating working capital requirements (-€82 million), in line with the development of Group activities, greater net industrial investments (€124 million) driven by an increase in growth projects finalized compared to the first-half of 2017, partially offset by an increase in dividends received from associates.

Overall, **net financial debt** is -€10,609 million (including the redemption of the hybrid debt in the amount of €1,452 million in April 2018), compared to -€8,553 million as of June 30, 2017 re-presented.

In addition to the change in net free cash flow, net financial debt was impacted by unfavorable exchange rate fluctuations totaling -€25 million in H1 2018.

1. INDUSTRIAL AND FINANCIAL INVESTMENTS

1.1 Industrial investments

Total Group gross industrial investments, including new operating financial assets, amounted to €712 million for the half-year ended June 30, 2018, compared to re-presented €593 million for the half-year ended June 30, 2017. Industrial investments, excluding discontinued operations, break down by segment as follows:

Half-year ended June 30, 2018 (in € million)	*Maintenance and contractual requirements (1)*	*Discretionary growth*	*Total gross industrial investments (2)*	*Industrial divestitures*	*Total net industrial investments*
France	154	9	**163**	(4)	**159**
Europe, excluding France	220	26	**246**	(8)	**238**
Rest of the world	165	79	**244**	(1)	**244**
Global businesses	41	7	**48**	(7)	**41**
Other	11	0	**11**	0	**11**
Group	**591**	**121**	**712**	**(20)**	**692**

(1) Of which maintenance investments of €285 million, and contractual investments of €306 million
(2) Of which new OFA in the amount of -€56 million

Half-year ended June 30, 2017 re-presented (in € million)	*Maintenance and contractual requirements (1)*	*Discretionary growth*	*Total gross industrial investments (2)*	*Industrial divestitures*	*Total net industrial investments*
France	142	2	**144**	(6)	**138**
Europe, excluding France	190	30	**220**	(12)	**199**
Rest of the world	137	35	**172**	(3)	**169**
Global businesses	42	0	**42**	(4)	**38**
Other	15	0	**15**	0	**15**
Group	**526**	**67**	**593**	**(25)**	**568**

(1) Of which maintenance investments of €278 million, and contractual investments of €248 million
(2) Of which new OFA in the amount of -€27 million

At constant exchange rates, gross industrial investments increased 23% on the first-half of 2017, due to the increase of discretionary growth industrial investments by + 58% compared to the half-year ended June 30, 2017 re-presented. These investments concern, among others, the development projects in Asia in biomass, the incineration of hazardous waste and energy services to industrialists as well as the development of connections to heat networks in Central Europe.
The ratio maintenance Investments over revenue remains steady compared to 2017 (2.3%).

1.2 Financial investments and divestitures

Financial investments amounted to €432 million for the half-year ended June 30, 2018 (including acquisition costs and net financial debt of new entities) and notably include the impacts arising from the acquisition of Grupo Sala in Colombia (€167 million), minority interests in Veolia Energie Ceska Republika a.s. in the Czech Republic (€85 million) and ACPTCL in India (€43 million). For the half-year ended June 30, 2017 re-presented, financial investments (re-presented -€177 million, including net financial debt of new entities) mainly related to the acquisition of Enovity in the United States (-€28 million) and Uniken in Korea (-€66 million).

Financial divestitures totaled €129 million for the half-year ended June 30, 2018 (including disposal costs) and mainly include the sale of the Industrial Services division in the United States (€94 million) and the payment of the receivable relating to the sale of the Group's activities in Israel in 2015 (€25 million). For the half-year ended June 30, 2017, financial divestitures (€65 million) included the sale of Affinity in the United Kingdom and Beiyuan in China.

2. OPERATING WORKING CAPITAL REQUIREMENTS

The change in operating working capital requirements (excluding discontinued operations) was -€790 million for the half-year ended June 30, 2018, compared with re-presented -€708 million for the half-year ended June 30, 2017.

This variation between the two periods was mainly due to a marked rise in fuel stocks, and an increasing working capital in line with increasing activity in the first six months of 2018 (+6% at constant exchange).

The change in operating working capital requirements compared to December 31, 2017, is mainly due to seasonal effects.

3. EXTERNAL FINANCING

3.1 Structure of net financial debt

(in millions of euro)	*For the year ended June 30, 2017, re-presented*	*As of June 30, 2018*
Non-current borrowings	9,022.4	9,005.3
Current borrowings	4,348.2	4,630.1
Bank overdrafts and other cash position items	341.8	261.4
Sub-total borrowings	**13,712.4**	**13,896.8**
Cash and cash equivalents	(4,825.6)	(2,929.4)
Fair value gains (losses) on hedge derivatives	(2.4)	2.6
Liquid assets and financing-related assets	(331.2)	(361.0)
Net financial debt	**8,553.2**	**10,609.0**

As of June 30, 2018, net financial debt [1] after hedging is 87% at fixed rates and 13% at floating rates.

The average bond issue maturity was 8 years as of June 30, 2018 compared to 8.9 years as of June 30, 2017.

3.2 Group liquidity position

Liquid assets of the Group as of June 30, 2018 break down as follows:

(in millions of euro)	*June 30, 2017 re-presented*	*June 30, 2018*
Veolia Environnement:		
Undrawn syndicated loan facility	3,000.0	3,000.0
Undrawn MT bilateral credit lines	925.0	925.0
Undrawn ST bilateral credit lines	-	-
Letters of credit facility	53.6	66.6
Cash and cash equivalents (1)	4,174.2	2,190.9
Subsidiaries:		
Cash and cash equivalents (1)	982.6	1,099.5
Total liquid assets	**9,135.4**	**7,282.0**
Current debt, bank overdrafts and other cash position items		
Current debt	4,348.2	4,630.1
Bank overdrafts and other cash position items	341.8	261.4
Total current debt and bank overdrafts	**4,690.0**	**4,891.5**
Total liquid assets net of current debt and bank overdrafts and other cash position items	**4,445.4**	**2,390.5**

(1) Including liquid assets and financing-related assets included in net financial debt.

The decrease in net liquid assets mainly reflects the reimbursement of Hybrid in April 2018 of €1,452 million.
Veolia Environnement may draw on the multi-currency syndicated loan facility and all credit lines at any time.
On November 6, 2015, Veolia Environnement signed a new multi-currency syndicated loan facility in the amount of €3 billion, initially maturing in 2020 and extended to 2022 in October 2017, with the possibility for drawdowns in Eastern European currencies and Chinese renminbi

This syndicated loan facility was not drawn down as of June 30, 2018. Veolia Environnement has bilateral credit lines for a total undrawn amount of €925 million as of June 30, 2018.

As of June 30, 2018, the U.S. dollar bilateral letters of credit facility was drawn by USD 107.3 million. The portion that may be drawn in cash amounted to USD 77.7 million (€66.6 million equivalent), undrawn and recorded in the liquidity table above.

APPENDIX

Reconciliation of 2017 published data for the six months ended June 30, 2017 with represented data

(in €m)	June 2017 published	IFRS 5 Adjustement[2]	IFRS 9 Adjustment	June 2017 represented
Revenue	12,346.5	-160.0	0.0	12,186.5
EBITDA	1,651.4	-32.2	-5.4	1,613.8
Current EBIT[1]	773.8	-8.5	-5.4	759.9
Operating Income	648.1	-8.5	-5.4	634.2
Current net income – Group share	295.2	+0.4	-6.0	289.6
Current net income	204.6	0.0	-6.0	198.5
Gross industrial investments	-593	0.0	0.0	-593
Net free cash-flow	-176	-17.1	-0.3	-193
Net financial debt	-8,561	0.0	8.1	-8,553

(1) Including the re-presented share of current net income of joint ventures and associates for the three months ended June 30, 2017.
(2) Figures for the six months ended June, 2017 were re-presented accordingly to ensure comparability, following the reclassification of the Group's activities in Gabon in "Net income from discontinued operations" in accordance with IFRS 5.

(in €m)	June 2017 published	IFRS 5 Adjustment	IFRS 9 Adjustment	June 2017 represented
France	2,663.4	0.0	0.0	2,663.4
Europe excluding France	4,233.6	0,0	0.0	4,233.6
Rest of the World	3,227.7	-160.0	0.0	3,067.7
Global businesses	2,204.0	0.0	0.0	2,204.0
Other	17.9	0.0	0.0	17.9
Total Revenue	12,346.5	-160.0	0.0	12,186.5

(in €m)	June 2017 published	IFRS 5 Adjustment	IFRS 9 Adjustment	June 2017 represented
France	375.3	0.0	0.0	375.3
Europe excluding France	725.6	0,0	-4.4	721.1
Rest of the World	442.8	-32.2	-1.0	409.7
Global businesses	104.1	0.0	0.0	104.1
Other	3.6	0.0	0.0	3.6
Total EBITDA	1,651.4	-32.2	-5.4	1,613.8

(in €m)	June 2017 published	IFRS 5 Adjustment	IFRS 9 Adjustment	June 2017 represented
France	67.7	0.0	0.0	67.7
Europe excluding France	422.4	0.0	-4.4	417.9
Rest of the World	242.4	-8.5	-1.0	232.9
Global businesses	48.7	0.0	0.0	48.7
Other	-7.3	0.0	0.0	-7.3
Total Current EBIT	773.8	-8.5	-5.4	759.9

Consolidated income statement

(€ million)	**Half-year ended June 30, 2017 represented (1)**	**Half-year ended June 30, 2018**
Revenue	**12,186.5**	**12,564.5**
Cost of sales	-10,072.9	-10,447.4
Selling costs	-307.6	-297.6
General and administrative expenses	-1,094.3	-1,086.1
Other operating revenue and expenses	-125.7	-62.7
Operating income before share of net income (loss) of equity-accounted entities	**586.0**	**670.7**
Share of net income (loss) of equity-accounted entities	**48.1**	**58.3**
o/w share of net income (loss) of joint ventures	35.2	30.1
o/w share of net income (loss) of associates	12.9	28.2
Operating income after share of net income (loss) of equity-accounted entities	**634.1**	**729.0**
Net finance costs	-210.3	-199.5
Other financial income and expenses	-69.2	-46.2
Pre-tax net income (loss)	**354.6**	**483.3**
Income tax expense	-106.1	-124.0
Share of net income (loss) of other equity-accounted entities	13.5	-
Net income (loss) from continuing operations (1)	**262.0**	**359.3**
Net income (loss) from discontinued operations (1)	14.6	-46.6
Net income (loss) for the period	**276.6**	**312.7**
Attributable to owners of the Company	**198.5**	**225.4**
Attributable to non-controlling interests	78.1	87.3
NET INCOME (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE	**-**	**-**
Diluted	0.24	0.29
Basic	0.23	0.28
NET INCOME (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE	-	-
Diluted	0.21	0.37
Basic	0.20	0.36
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE	-	-
Diluted	0.03	-0.08
Basic	0.03	-0.08

(1) 2017 adjustments concern the reclassification of Gabon in discontinued operations in accordance with IFRS 5 and the impact of IFRS 9 first-time application.

Consolidated statement of financial position - assets

(€ million)	**As of December 31, 2017 represented**	**As of June 30, 2018**
Goodwill	4,915.7	5,051.9
Concession intangible assets	3,475.3	3,444.4
Other intangible assets	1,017.1	1,049.9
Property, plant and equipment	7,294.4	7,255.3
Investments in joint ventures	1,506.1	1,511.8
Investments in associates	607.8	279.3
Non-consolidated investments	70.6	59.7
Non-current operating financial assets	1,416.8	1,402.2
Non-current derivative instruments - Assets	27.1	41.2
Other non-current financial assets	348.6	338.7
Deferred tax assets	965.1	1,010.3
Non-current assets	**21,644.6**	**21,444.7**
Inventories and work-in-progress	721.6	753.0
Operating receivables	8,489.5	9,181.5
Current operating financial assets	197.3	93.7
Other current financial assets	404.6	631.9
Current derivative instruments - Assets	69.9	89.9
Cash and cash equivalents	6,263.9	2,929.4
Assets classified as held for sale	487.3	668.1
Current assets	**16,634.1**	**14,347.5**
TOTAL ASSETS	**38,278.7**	**35,792.2**

Consolidated statement of financial position - equity and liabilities

(€ million)	As of December 31, 2017 represented	As of June 30, 2018
Share capital	2,816.8	2,816.8
Additional paid-in capital	7,161.2	7,161.2
Reserves and retained earnings attributable to owners of the Company	-2,497.8	-4,365.5
Total equity attributable to owners of the Company	**7,480.2**	**5,612.5**
Total equity attributable to non-controlling interests	1,153.7	1,101.3
Equity	**8,633.9**	**6,713.8**
Non-current provisions	1,941.6	1,796.4
Non-current borrowings	9,457.4	9,005.3
Non-current derivative instruments - Liabilities	108.4	88.3
Concession liabilities - non current	1,281.2	1,272.0
Deferred tax liabilities	970.1	1,030.4
Non-current liabilities	**13,758.7**	**13,192.4**
Operating payables	10,118.0	10,099.3
Concession liabilities - current	85.8	103.7
Current provisions	577.0	527.4
Current borrowings	4,607.0	4,630.1
Current derivative instruments - Liabilities	49.1	76.5
Bank overdrafts and other cash position items	208.9	261.4
Liabilities directly associated with assets classified as held for sale	240.3	187.6
Current liabilities	**15,886.1**	**15,886.0**
TOTAL EQUITY AND LIABILITIES	**38,278.7**	**35,792.2**

Consolidated cash-flow statement

(€ million)	**Half-year ended June 30, 2017 represented (1)**	**Half-year ended June 30, 2018**
Net income (loss) for the period	**276.6**	**312.7**
Net income (loss) from continuing operations	***262.0***	***359.3***
Net income (loss) from discontinued operations	***14.6***	***-46.6***
Operating depreciation, amortization, provisions and impairment losses	745.2	678.9
Financial amortization and impairment losses	1.0	1.2
Gains (losses) on disposal of operating assets	-7.5	-3.6
Gains (losses) on disposal of financial assets	-6.7	-25.3
Share of net income (loss) of joint ventures	-35.2	-30.1
Share of net income (loss) of associates	-26.4	-28.2
Dividends received	-2.2	-1.6
Net finance costs	210.3	199.5
Income tax expense	106.1	124.0
Other items	72.6	53.2
Operating cash flow before changes in operating working capital [(2)]	**1,319.2**	**1,327.3**
Change in operating working capital requirements	-707.8	-789.8
Change in concession working capital requirements	-62.5	-72.9
Income taxes paid	-130.9	-104.4
Net cash from operating activities of continuing operations	**418.0**	**360.2**
Net cash from operating activities of discontinued operations	***42.3***	***2.4***
Net cash from operating activities	**460.3**	**362.6**
Industrial investments, net of grants	-499.5	-575.8
Proceeds on disposal of industrial assets	24.8	20.0
Purchases of investments	-122.3	-259.3
Proceeds on disposal of financial assets	89.2	132.4
Operating financial assets	-	-
New operating financial assets	-26.9	-55.4
Principal payments on operating financial assets	90.2	71.6
Dividends received (including dividends received from joint ventures and associates)	57.2	94.9
New non-current loans granted	-81.9	-66.7
Principal payments on non-current loans	63.7	58.9
Net decrease/increase in current loans	4.5	-40.5
Net cash used in investing activities of continuing operations	**-401.0**	**-619.9**
Net cash used in investing activities of discontinued operations	***-7.8***	***0.2***
Net cash used in investing activities	**-408.8**	**-619.7**
Net increase (decrease) in current borrowings	-915.3	-561.9

(€ million)	**Half-year ended June 30, 2017 represented (1)**	**Half-year ended June 30, 2018**
Repayment of hybrid debt	-	-1,452.1
New non-current borrowings and other debts	1,343.0	133.9
Principal payments on non-current borrowings and other debts	-57.3	-77.0
Change in liquid assets and financing financial assets	-317.9	-185.8
Proceeds on issue of shares	13.4	2.1
Share capital reduction	-	-
Transactions with non-controlling interests: partial purchases	-3.8	-86.3
Transactions with non-controlling interests: partial	0.4	1.3
Proceeds on issue of deeply subordinated securities	-	-
Coupons on deeply subordinated securities	-67.8	-66.4
Purchases of/proceeds from treasury shares	23.5	-13.4
Dividends paid	-526.5	-550.9
Interest paid	-267.6	-217.9
Interest on operating assets - IFRIC 12	-44.5	-45.5
Net cash from (used in) financing activities of continuing operations	***-820.4***	***-3,119.9***
Net cash from financing activities of discontinued operations	***-1.1***	***-0.1***
Net cash from (used in) financing activities	**-821.5**	***-3,120.0***
Effect of foreign exchange rate changes and other	-28.7	-10.2
Increase (decrease) in external net cash of discontinued operations	9.0	0.3
Net cash at the beginning of the year	**5,273.5**	**6,055.0**
Net cash at the end of the year	**4,483.8**	**2,668.0**
Cash and cash equivalents	4,825.6	2,929.4
Bank overdrafts and other cash position items	341.8	261.4
Net cash at the end of the year	**4,483.8**	**2,668.0**

(1) 2017 adjustments concern the reclassification of Gabon in discontinued operations in accordance with IFRS 5.