



**VEOLIA ENVIRONNEMENT**

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

**EURO 16,000,000,000**

**EURO MEDIUM TERM NOTE PROGRAMME**

This supplement (the “**Supplement**”) is supplemental to and must be read in conjunction with the base prospectus dated 8 April 2009 (the “**Base Prospectus**”) granted visa n°09-083 on 8 April 2009 by the *Autorité des marchés financiers* (the “**AMF**”), which has been prepared by Veolia Environnement (“**Veolia Environnement**” or the “**Issuer**”) with respect to its Euro 16,000,000,000 Euro Medium-Term Note Programme (the “**Programme**”). Unless otherwise defined, terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement has been prepared pursuant to article 16.1 of the Directive 2003/71/EC of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the “**Prospectus Directive**”) and article 212-25 of the AMF’s General Regulations (*Règlement Général*) for the purposes of incorporating the 31 March 2009 turnover figures of Veolia Environnement as well as further additional information as set out in this Supplement.

In accordance with article 11 of the Prospectus Directive, this Supplement incorporates by reference and must be read in conjunction with the sections of the first update to Veolia Environnement’s 2008 *Document de Référence* filed with the AMF on 16 June 2009 under number D.09-166-A01, which are referred to herein.

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

Copies of this Supplement and the first update to Veolia Environnement’s 2008 *Document de Référence* are available for viewing on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)), on the Issuer’s website ([www.veolia-finance.com](http://www.veolia-finance.com)) and may be obtained without charge, during normal business hours, from Veolia Environnement, 36-38 avenue Kléber, 75116 Paris, France and at the specified offices of the Fiscal Agent and each of the Paying Agents.

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



In accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers* (AMF), in particular articles 212-31 to 212-33, the AMF has granted to this Supplement its visa n°09-224 on 15 July 2009. This document may be used for the purposes of a financial transaction only if it is supplemented by final terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with article L.621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of “whether the document is complete and understandable, and whether the information it contains is consistent”. It does not imply that the AMF has verified the accounting and financial data set out herein. This visa has been granted subject to the publication of final terms in accordance with article 212-32 of the AMF’s General Regulations, setting out the terms of the securities to be issued.

## **1. PERSONS RESPONSIBLE FOR THE SUPPLEMENT**

### **1.1. Persons responsible for the Supplement**

Veolia Environnement, 36-38 avenue Kléber, 75116 Paris.

### **1.2. Declaration by persons responsible for the Supplement**

We declare, having taken all reasonable measures for this purpose and to the best of our knowledge, that the information contained in this Supplement is in accordance with the facts and that it contains no omission which could affect its import.

#### **Veolia Environnement**

36-38 avenue Kléber

75116 Paris

duly represented by Henri Proglío  
Chairman of the Board and CEO

## **2. STATUTORY AUDITORS**

### **Statutory auditors:**

KPMG SA, member of KPMG international

*Commissaire aux comptes*

member of the *Compagnie régionale de Versailles*

represented by Mr. Jay NIRSIMLOO and Mr. Baudouin GRITON

1 cours Valmy, 92923 Paris La Défense Cedex

ERNST & YOUNG ET AUTRES

*Commissaire aux comptes*

member of the *Compagnie régionale de Versailles*

represented by Mr. Pierre HURSTEL and Mr. Nicolas PFEUTY

41 rue Ybry, 92576 Neuilly-sur-Seine Cedex,

### **Alternate auditors:**

Mr. Philippe MATHIS

1 cours Valmy, 92923 Paris La Défense Cedex

AUDITEX

Tour Ernst & Young, Faubourg de l'Arche, 92037 La Défense Cedex

### **3. SUPPLEMENTAL INFORMATION**

#### **CHAPTER 7 – INFORMATION ABOUT THE ISSUER**

##### **7.1.5. Recent developments affecting the Issuer's solvency**

Please refer to the following sections of the first update to Veolia Environnement's *Document de Référence*: section 12.2 (page 6), section 20.3 (page 9), section 20.4 (pages 9 to 11) and section 20.6.2 (pages 12 to 14).

##### ***Possible disposal of Veolia Propreté Nettoyage et Multiservices***

On 24 June 2009, Veolia Environmental Services announced that it has entered into exclusive discussions with the TFN group ("TFN") to sell Veolia Propreté Nettoyage et Multiservices.

TFN has submitted a firm bid of €120 million (entreprise value) to acquire 100% of the company's shares, representing nearly 9 times 2008 EBITDA.

Veolia Environmental Services will consider this bid carefully. If it is accepted, and after consulting the staff representation bodies and approval by the competent regulatory bodies, the disposal could take place in the course of the second half of 2009.

##### ***MTM announced as preferred bidder to operate the Melbourne metropolitan train network***

On 25 June 2009, following the bid to renew the exclusive franchise to operate all suburban passenger rail services in Melbourne, Australia, the Prime Minister of the State Government of Victoria announced that Metro Trains Melbourne ("MTM"), a locally themed consortium led by Hong Kong backed and owned MTR Corporation, had been chosen to operate the suburban train network for eight years, with an option to extend its term for a further seven years. MTM will take over from Connex Melbourne on 1 December 2009.

During its tenure, Connex Melbourne was paid an average of AU\$345 million per annum from the State Government of Victoria under this contract.

##### ***Agreement reached to sell Montenay International***

On 6 July 2009, Veolia Environnement announced that it has entered into an agreement to sell Montenay International, its North American portfolio of waste-to-energy contracts, to Covanta Holding Corporation for a total consideration of \$450 million including debt assumption. The transaction remains subject to applicable regulatory approvals as well as other customary closing conditions, including third parties' approvals. In the absence of such approvals, certain assets could be excluded from the transaction scope, the price being reduced pro tanto. The group hopes to close this transaction before the end of the year.

#### **CHAPTER 12 – ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES**

##### **12.1. Members of the administrative, management and supervisory bodies of the Issuer**

Please refer to the following section of the first update to Veolia Environnement's *Document de Référence*: section 14.1 (page 7).

## CHAPTER 13 – BOARD PRACTICES

### 13.2. Corporate governance

Please refer to the following section of the first update to Veolia Environnement's *Document de Référence*: section 16.1.2 (page 8).

## CHAPTER 16 – ADDITIONAL INFORMATION

### 16.1. Share capital

At the date of this Supplement, Veolia Environnement's share capital amounts to EUR 2,463,441,745 and is divided into 492,688,349 fully paid-up shares with a par value of EUR 5 per share.

### 16.3. Credit Ratings

As of 31 March 2009, Moody's and Standard & Poor's rated the Issuer as follows:

	Short-term	Long-term	Outlook	Recent events
<b>Moody's</b>	P-2	A3	Negative	Moody's confirmed on 26 March 2009 the rating assigned to Veolia Environnement on 27 June 2005 but downgraded the outlook from stable to negative.
<b>Standard and Poor's</b>	A-2	BBB+	Negative	Standard and Poor's confirmed on 25 March 2009 the rating assigned to Veolia Environnement on 3 October 2005 but downgraded the outlook from stable to negative.

## CHAPTER 20 – GENERAL INFORMATION

### Programme size

At its meeting held on 7 May 2009, the board of directors of Veolia Environnement decided to increase the Programme Limit to Euro 16,000,000,000.

Consequently, by letter dated 1 July 2009, the Issuer requested the Arranger, the Permanent Dealers and the Fiscal Agent to consent to such increase, as required under Clause 15 of the Dealer Agreement.

This request has been accepted.