

Press Release

Paris, September 5, 2019

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA OR TO U.S. PERSONS, OR IN AUSTRALIA, CANADA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH OFFERS OR SALES OF THE SECURITIES WOULD BE PROHIBITED BY APPLICABLE LAW

*This press release does not constitute a solicitation to purchase or an offer of the Bonds (as defined below) or the shares of Veolia Environnement (together, the “**Securities**”) in the United States (as defined in Regulation S under the US Securities Act of 1933, as amended (the “**Securities Act**”). The Securities may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with federal states securities laws. Veolia Environnement does not intend to register any portion of the offering of the Bonds in the United States of America or to conduct a public offering of the Securities in the United States.*

The Bonds were offered only by way of a placement to qualified investors only comprising, for the purposes of this press release, professional clients and eligible counterparties (as defined hereafter). The Bonds may not be offered or sold to retail investors (as defined hereafter). No key information document under PRIIPs Regulation has been nor will be prepared.

**VEOLIA ENVIRONNEMENT SUCCESSFULLY PLACED APPROXIMATELY
€700 MILLION OF BONDS CONVERTIBLE INTO AND/OR
EXCHANGEABLE FOR NEW AND/OR EXISTING SHARES (OCEANES)
AND CONCURRENTLY REPURCHASED ITS OUTSTANDING OCEANES
DUE 15 MARCH 2021 VIA REVERSE BOOKBUILDING**

Results of the Offering

Veolia Environnement (the “**Company**”) (ISIN: FR0000124141 – VIE) has successfully placed today bonds convertible into and/or exchangeable for new and/or existing shares (“**OCEANES**”) due January 1, 2025 (the “**Bonds**”) for a total amount of approximately €700 million by way of a placement to qualified investors only without shareholders' preferential subscription rights (the “**Offering**”).

The net proceeds of the Offering will be used for the refinancing of the outstanding OCEANES due March 15, 2021 (ISIN: FR0013134681, the “**2021 OCEANES**”) under the terms described below. The remainder of the net proceeds, if any, will be used for general corporate purposes.

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The Bonds will not bear interest and will be issued at 103.25% of their principal amount, corresponding to an annual gross yield to maturity of -0.60%.

The nominal unit value of the Bonds has been set at €30.41 corresponding to a premium of 35% above the Company's reference share price¹ on the regulated market of Euronext in Paris ("**Euronext Paris**").

The Bonds will be issued on September 12, 2019, being the expected settlement and delivery date of the Bonds (the "**Issue Date**").

Dilution

For illustrative purposes and assuming (i) an issuance of OCEANEs for a maximum nominal amount of €700 million and a par value of €30.41 per OCEANE and (ii) a repurchase of all the outstanding 2021 OCEANEs, the dilution would be reduced from 4.13% of the share capital of the Company prior to the transaction to 4.07% of the share capital of the Company after completion of the transaction, should the Company decide to deliver new shares only.

Redemption

Unless previously converted, exchanged, redeemed or purchased and cancelled, the Bonds will be redeemed at par on January 1, 2025 (or on the following business day if this date is not a business day) (the "**Maturity Date**").

The Bonds may be redeemed prior to maturity at the option of the Company, subject to certain conditions, and at the option of bondholders in case of Change of Control (as defined in the terms and conditions of the Bonds).

In particular, the Bonds may be fully redeemed prior to maturity at par, at the Company's option from January 1, 2023 until the Maturity Date (excluded), if the arithmetic average, calculated in respect of 20 consecutive trading days chosen by the Company from among the 40 consecutive trading days preceding the publication of the early redemption notice, of the products of the Company's volume weighted average price on Euronext Paris on each such trading day and the applicable conversion/exchange ratio on each such trading day exceeds 130% of the nominal value of the Bonds.

Conversion/Exchange Right

Bondholders will be granted a conversion/exchange right of the Bonds into new and/or existing shares of the Company, which they may exercise at any time from the 41st calendar day following the Issue Date and until the 7th business day (inclusive) preceding the Maturity Date or the relevant early redemption date.

The conversion/exchange ratio is set at one share per Bond subject to any potential subsequent adjustments (as set out in the terms and conditions of the Bonds). Upon exercise of their conversion/exchange right, bondholders will receive at the option of the Company new and/or existing Company's shares carrying in all cases all rights attached to existing shares as from the date of delivery.

¹ This reference share price is equal to the volume-weighted average price of the Company's shares recorded on the regulated market of Euronext in Paris between the launch of the Offering on September 5, 2019 until the determination of the final terms and conditions of the Bonds on the same day (€22.5242).

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Lock-up

In the context of the Offering, the Company agreed to a lock-up undertaking for a period starting from the announcement of the final terms and conditions of the Bonds and ending 90 calendar days after the Issue Date, subject to certain customary exceptions or to a waiver from the financial institutions.

Legal framework

Application will be made for the listing of the Bonds on Euronext AccessTM (the open market of Euronext Paris), to occur within 90 calendar days from the Issue Date.

The Bonds have been issued as per the fifteenth and seventeenth resolutions approved by the shareholders' ordinary and extraordinary general meeting held on 19 April 2018 and have been offered only by way of placement in France and outside France (excluding the United States of America, Canada, Australia or Japan) to qualified investors only, in accordance with Article L.411-2-II of the French monetary and financial code (*Code monétaire et financier*).

Available information

The Offering is not subject to a prospectus approved by the French Financial Market Authority ("*Autorité des marchés financiers*") (the "**AMF**"). Detailed information on Veolia Environnement, including its business, results, prospects and related risk factors are described in the Company's reference document (*document de référence*) filed with the AMF on 13 March 2019 under number D.19-0140 and the Company's universal registration document (*document d'enregistrement universel*) filed with the AMF on 2 August 2019 under n°D.19-0734 which are available together with H1 2019 results, the press releases and other regulated information about the Company, on Veolia Environnement's website (www.finance.veolia.com).

Concurrent repurchase of outstanding 2021 OCEANES

Concurrently with the Offering, the Company has collected today and outside the United States of America through a reverse bookbuilding process conducted by the financial institutions, irrevocable orders from certain holders of the 2021 OCEANES willing to sell their 2021 OCEANES (the "**Repurchase**").

Transaction Condition

As at the close of the reverse bookbuilding process, the Company has acknowledged the satisfaction of the transaction condition mentioned in the launch press release and decided to accept the repurchase of 21,673,656 2021 OCEANES in an aggregate principal amount of €649,992,943.44 representing approximately 93% of the aggregate number of the 2021 OCEANES initially issued.

Repurchase Price

The repurchase price per 2021 OCEANE was set at €30.31.

The settlement of the Repurchase is expected to take place on September 13, 2019, subject to the settlement of the Offering. The 2021 OCEANES accepted in the Repurchase will be cancelled thereafter in accordance with their terms and conditions.

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The 2021 OCEANEs have been exercised and/or purchased (and corresponding cancellations and/or redemptions effected) in respect of 80% or more in principal amount of the Bonds originally issued. Consequently, the Company will therefore redeem, in accordance with Condition 9.3(b) of the terms and conditions of the 2021 OCEANEs, the outstanding 2021 OCEANEs remaining, in whole but not in part at their par value.

This press release does not constitute of form part of any offer or solicitation to purchase or subscribe for or to sell securities and the Offering is not an offer to the public (other than to qualified investors) in any jurisdiction, including France.

Veolia group is the global leader in optimized resource management. With over 171,000 employees worldwide, the Group designs and provides water, waste and energy management solutions which contribute to the sustainable development of communities and industries. Through its three complementary business activities, Veolia helps to develop access to resources, preserve available resources, and to replenish them.

In 2018, the Veolia group supplied 95 million people with drinking water and 63 million people with wastewater service, produced nearly 56 million megawatt hours of energy and converted 49 million metric tons of waste into new materials and energy. Veolia Environnement (*listed on Paris Euronext: VIE*) recorded consolidated revenue of €25.91 billion in 2018 (USD 30.6 billion). www.finance.veolia.com

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Offering of Bonds

Disclaimer – Important Information

This press release may not be published, distributed or released, directly or indirectly, in the United States of America, Australia, Canada, or Japan or in any jurisdiction to whom or in which such offer is unlawful, and the Offering is not an offer to the public, an offer to subscribe or designed to solicit interest for purposes of an offer to the public other than to qualified investors in any jurisdiction, including France. The distribution of this press release may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes, should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No communication or information relating to the Offering may be transmitted to the public in a country where there is a registration obligation or where an approval is required. No action has been or will be taken in any country in which such registration or approval would be required. The issuance or the subscription of the Bonds may be subject to legal and regulatory restrictions in certain jurisdictions; none of Veolia Environnement and the financial institutions assumes any liability in connection with the breach by any person of such restrictions.

This press release is an advertisement and not a prospectus within the meaning of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”)

This press release is not an offer to the public, an offer to subscribe or designed to solicit interest for purposes of an offer to the public other than to qualified investors in any jurisdiction, including France. The Bonds will be offered only by way of a placement in France and/or outside France (excluding the United States of America, Australia, Canada and Japan), solely to qualified investors (*investisseur qualifié*) as defined in Article 2 (e) of the Prospectus Regulation and pursuant to Articles L.411-1 and L.411-2 of the French monetary and financial code (*Code monétaire et financier*). There will be no public offering in any country (including France) in connection with the Bonds, other than to qualified investors. This press release does not constitute a recommendation concerning the issue of the Bonds. The value of the Bonds and the shares of Veolia Environnement can decrease as well as increase. Potential investors should consult a professional adviser as to the suitability of the investment in the Bonds for the person concerned.

Prohibition of sales to European Economic Area retail investors

No action has been undertaken or will be undertaken to make available any Bonds to any retail investor in the European Economic Area. For the purposes of this provision:

- a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or

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- ii) a customer within the meaning of Directive 2016/97/EU, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - iii) not a “**qualified investor**” as defined in the Prospectus Regulation; and
- b) the expression “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds.

Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II product governance / Retail investors, professional investors and ECPs only target market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is retail investors, eligible counterparties and professional clients, each as defined in MiFID II; and (ii) all channels for distribution of the Bonds to retail investors, eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a “**distributor**”) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels. For the avoidance of doubt, even if the target market includes retail investors, the manufacturers have decided that the Bonds will be offered, as part of the initial offering, only to eligible counterparties and professional clients.

France

The Bonds have not been and will not be offered or sold or cause to be offered or sold, directly or indirectly, to the public in France other than to qualified investors. Any offer or sale of the Bonds and distribution of any offering material relating to the Bonds have been and will be made in France only to qualified investors (*investisseur qualifié*), as defined in Article 2(e) of the Prospectus Regulation, and in accordance with, Articles L.411-1 and L.411-2 of the French monetary and financial code (*Code monétaire et financier*).

United Kingdom

This press release is addressed and directed only (i) to persons located outside the United Kingdom, (ii) to investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”), (iii) to people designated by Article 49(2) (a) to (d) of the Order or (iv) to any other person to whom this press release may otherwise lawfully be communicated pursuant to applicable law (the persons mentioned in paragraphs (i), (ii), (iii) and (iv) all deemed relevant persons (the “**Relevant Persons**”)).

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The Bonds and, as the case may be, the shares of Veolia Environnement to be delivered upon exercise of the conversion rights (the “**Financial Instruments**”), are intended only for Relevant Persons and any invitation, offer of contract related to the subscription, tender, or acquisition of the Financial Instruments may be addressed and/or concluded only with Relevant Persons. All persons other than Relevant Persons must abstain from using or relying on this document and all information contained therein. This press release is not a prospectus which has been approved by the Financial Conduct Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000.

United States of America

This press release may not be released, published or distributed in or into the United States (as defined in Regulation S under the Securities Act). This press release does not constitute or form a part of an offer of securities for sale or an offer of securities for sale or of any offer or solicitation to purchase securities in the United States or to, or for the account or benefit, of U.S. Persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with state securities laws.

The Bonds will be offered or sold only in offshore transactions outside of the United States, in accordance with Regulation S of the Securities Act. Veolia Environnement does not intend to register any portion of the proposed offering of the Bonds in the United States and no public offering will be made in the United States.

Australia, Canada and Japan

The Bonds may not and will not be offered, sold or purchased in Australia, Canada or Japan. The information contained in this press release does not constitute an offer of securities for sale in Australia, Canada or Japan.

The distribution of this press release in certain countries may constitute a breach of applicable law.

Repurchase of the 2021 OCEANES

The Repurchase is addressed solely to qualified investors, excluding the United States of America and U.S. Persons, Australia, Canada and Japan and any other jurisdiction where the Repurchase would be prohibited by applicable law.

No communication and no information in respect of the repurchase of the 2021 OCEANES may be distributed to the public in any jurisdiction where a registration or approval is required. No steps have been or will be taken outside of France in any jurisdiction where such steps would be required.

This press release does not constitute an invitation to participate in the Repurchase or an offer to purchase the 2021 OCEANES in or from any jurisdiction in or from which, or to or from any person to or from whom, it is unlawful to make such repurchase or offer under applicable securities laws. The release, publication or distribution of this press release in certain jurisdictions may be restricted by law.

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Consequently, any persons in such jurisdiction in which this press release is released, published or distributed are required by each of the Company and the financial institutions to inform themselves about, and to observe, any such restrictions.

None of the Company and the financial institutions makes any recommendation as to whether or not the holders of the 2021 OCEANEs should participate in the Repurchase.