VEOLIA

Main represented figures for the nine months ended September 30, 2018

Main represented figures[1] for the nine months ended September 30, 2018

In €m	September 2018 published	IFRS 5 Adjustment[3]	IFRS 16 Adjustment	September 2018 represented
Revenue	18,761.4	26.9	0.0	18,788.3
EBITDA	2,418.1	1.2	334.8	2,754.1
Current EBIT [2]	1,099.7	-4.6	33.3	1,128.5
Operating income	997.7	-4.6	33.3	1,026.5
Current net income - Group share	457.4	-5.1	0.8	453.1
Net income - Group share	312.5	0.0	0.8	313.3
Gross industrial investments	-1,134	0	-295	-1,430
Net free cash flow	-298	1	21	-276
Net financial debt	-10,527	0	-1,756	-12,282

(1) Non audited figures

(2) Including the represented share of current net income of joint ventures and associates for the nine months-ended September 30, 2018

(3) In order to ensure the comparability of periods, the accounts ending September 30, 2018 have been represented for the reclassification of Lituania from discontinued operations to full consolidation in September 2018 represented.

Main represented figures for the nine months ended September 30, 2018 (1) - Revenue by segment

In €m	September 2018 published	IFRS 5 Adjustment	IFRS 16 Adjustment	September 2018 represented
France	4,064.9	0.0	0.0	4,064.9
Europe excluding France	6,517.8	26.9	0.0	6,544.7
Rest of the World	4,825.5	0.0	0.0	4,825.5
Global businesses	3,331.4	0.0	0.0	3,331.4
Other	21.8	0.0	0.0	21.8
Revenue	18,761.4	26.9	0.0	18,788.3

(1) Non audited figures

Appendix: IFRS 16 – Leases

IFRS 16 / Lease

- **Implemented from 01/01/2019**
- **Objective** : provide an economic approach of all lease contracts (operating lease similar to financial lease) in financial statements of the lessee, and provide a better comparability whatever the financing option taken (acquisition or leasing)
- **Main leases** are land and buildings, transport, equipment.

Implication for the Group

- **Full retrospective method** : recalculation of the right of use and the financial debt as if IFRS16 had been implemented since the beginning of the contracts
- **Accounting treatment** :
  - *Assets* : Book an amortizable asset (=right of use). *Liabilities* : financial debt : present value of the discounted leases
  - *P&L* : amortization of the asset and interest charge recognition (decreasing)

- *Higher EBITDA : elimination of the rental charge offset by D&A and interest expense*
- *Increased D&A in current EBIT*
- *Increased interest expense*
- *Globally neutral in current net income*
- *Higher capex*
- *Recognition of a financial debt*
- *Increased capital employed*