

# Press Release

Paris, 8 March 2016

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## **VEOLIA ENVIRONNEMENT ANNOUNCES THE SUCCESS OF ITS OFFERING OF BONDS CONVERTIBLE INTO AND/OR EXCHANGEABLE FOR NEW AND/OR EXISTING SHARES (OCEANES) OF A NOMINAL AMOUNT OF APPROXIMATELY €700 MILLION**

Veolia Environnement (the “**Company**”) (ISIN: FR0000124141 – VIE) has today successfully realized an offering of bonds convertible and/or exchangeable for new and/or existing shares (“**OCEANES**”) due 15 March 2021 (the “**Bonds**”) by way of a private placement without shareholders' preferential subscription rights, of a nominal amount of €699,999,978.87 (the “**Offering**”).

The net proceeds of the Offering will be used for general corporate purposes.

The Bonds will not bear interest and the issue price has been set at 102.75% of par, corresponding to an annual gross yield to maturity of (0.54)%.

The nominal unit value of the Bonds has been set at €29.99 representing a premium of 47.5% above the Company's reference share price<sup>1</sup> on the regulated market of Euronext Paris.

The settlement is planned to take place on 15 March 2016.

Unless previously converted/exchanged, redeemed or purchased and cancelled, the Bonds will be redeemed at par on 15 March 2021 (or on the following business day if this date is not a business day).

The Bonds will entitle their holders to receive new and/or existing Veolia Environnement shares at a ratio of one share per Bond, subject to any potential subsequent adjustments.

The Bonds may be redeemed prior to maturity at the option of the Company, subject to certain conditions<sup>2</sup>, and at the option of bondholders in case of Change of Control.

The Bonds has been offered only by way of private placement in France and outside France (excluding the United States of America, Canada, Australia or Japan) to qualified investors.

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

<sup>1</sup> 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 until the determination of the final terms and conditions of the Bonds.

<sup>2</sup> In particular, the Bonds may be fully early redeemed at par, at the Company's option from 5 April 2019, if the arithmetic mean, calculated over a period of 20 consecutive trading days from among the 40 consecutive trading days preceding the publication of the early redemption notice, of the products of the Company's opening quoted share price on the Euronext Paris and the then prevailing conversion ratio exceeds 130% of the nominal value of the Bonds.

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business, results, prospects and related risk factors are described in the Company's reference document and its update filed with the AMF respectively on 17 March 2015 under number D.15-0148 and on 22 September 2015 under number D.15-0148-A01. These documents are available together with all the press releases (including the press release regarding the Company's unaudited 2015 annual results) and other regulated information about the Company, on Veolia Environnement's website ([www.veolia.com](http://www.veolia.com)).

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 in any jurisdiction, including France.

**Veolia** group is the global leader in optimized resource management. With over 174,000 employees worldwide, 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, preserve available resources, and to replenish them. In 2014, the group Veolia supplied 96 million people with drinking water and 60 million people with wastewater service, produced 52 million megawatt hours of energy and converted 31 million metric tons of waste into new materials and energy. Veolia Environnement (listed on Euronext Paris: VIE) recorded consolidated revenue of €25 billion in 2015. [www.veolia.com](http://www.veolia.com)

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**Important notice**

This press release may not be published, distributed or released, directly or indirectly, in Canada, Australia or Japan.

No communication or information relating to the issuance by Veolia Environnement of bonds convertible into and/or exchangeable for new and/or existing shares (the “**Bonds**”) 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; Veolia Environnement assumes no 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 Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 as amended, as implemented in each member state of the European Economic Area (the “**Prospectus Directive**”).

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 in any jurisdiction, including France.

The Bonds will be offered only by way of a private placement in France and outside France (excluding the United States of America, Canada, Australia or Japan) to qualified investors, without an offer to the public in any country (including France).

**European Economic Area**

With respect to the Member States of the European Economic Area (the “**Member States**”), no action has been undertaken or will be undertaken to make an offer to the public of the Bonds requiring a publication of a prospectus in any Member State. As a result, the Bonds may only be offered in Member States:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purposes of this paragraph, (i) the expression “**offer to the public of Bonds**” in any Member States, means any communication, to individuals or legal entities, in any form and by any means, of sufficient information on the terms and conditions of the offering and on the Bonds to be offered, thereby enabling an investor to decide to purchase or subscribe for the Bonds, as the same may be varied in that Member State.

These selling restrictions with respect to Member States apply in addition to any other selling restrictions which may be applicable in the Member States.

**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. 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 (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, acting for their own account, as defined in, and in accordance with, Articles L. 411-1, L. 411-2 and D.411-1 of the French monetary and financial code (*Code monétaire et financier*).

**United Kingdom**

This press release is addressed 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 (the “**Order**”), (iii) to people designated by Article 49(2) (a) to (d) of the Order or (iv) to any other person to

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whom this press release could be addressed pursuant to applicable law (the persons mentioned in paragraphs (i), (ii), (iii) and (iv) all deemed relevant persons ("**Relevant Persons**"). The Bonds and, if applicable, 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 Services Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Order.

Each institution in charge of the placement has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated invitations or inducements to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000), received by it in connection with the Bonds, in circumstances in which Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the issuer; and
- (ii) it has complied and will comply with all applicable provisions of the Financial Services and Market Act 2000 with respect to anything that it has done or will do in relation to the Bonds in the United Kingdom, from the United Kingdom or otherwise involving the United Kingdom.

**United States of America**

This press release does not constitute or form a part of any offer or solicitation to purchase securities in the United States. The securities mentioned herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the law of any State of the United States or any other jurisdiction and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as such term is defined by Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or applicable state law. The Bonds will be offered or sold only outside of the United States to non-U.S. persons in offshore transactions, in accordance with Regulation S of the Securities Act. Veolia Environnement does not intend to register any portion of the proposed offering in the United States and no public offering will be made in the United States. This press release is being issued pursuant to and in accordance with Rule 135(c) under the Securities Act.

**Canada, Australia and Japan**

The Bonds may not and will not be offered, sold or purchased in Canada, Australia or Japan.

The distribution of this press release in certain countries may constitute a breach of applicable law. The information contained in this press release does not constitute an offer of securities for sale in Canada, Australia or Japan.