VEOLIA ENVIRONNEMENT

Société anonyme with a share capital of €2,816,824,115

Registered office: 21 rue La Boétie – 75008 Paris

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QUARTERLY FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017

(UNAUDITED FIGURES)

Contents

1 Major events of the period

1.1 GENERAL CONTEXT

The Group's performance in the first nine months of the year was mainly marked by:

- Strong revenue growth: +4.4% at constant exchange rates to €18,221 million
  - Third quarter revenue growth at constant exchange rates (+4.3%) in line with the first two quarters (+4.5% and +4.4%)
  - Higher third quarter volumes in France Water
  - Strong growth in Europe
  - Sustained robust growth outside Europe
- Continued strong commercial momentum
- Good results performance, with a third quarter acceleration in line with expectations
  - EBITDA of €2,359 million, up +1.7% at constant exchange rates (+4.8% in Q3, compared with +0.4% in H1)
    - ✓ Operating leverage due to top line growth
    - ✓ Cost savings of €190 million, in line with the annual objective
    - ✓ Slight improvement in tariff indexation
    - ✓ No material one-off items in the third quarter
  - Current EBIT of €1,049 million, up +2.2% at constant exchange rates
  - Current net income excluding capital gains of €392 million, up +4.3% at constant exchange rates
  - Net financial debt of €8,419 million, down €464 million compared to the represented figure on September 30, 2016
- 2017 objectives fully confirmed

1.2 CHANGES IN CONSOLIDATION SCOPE

ACQUISITIONS

❖ Corvara and Hans Andersson

The Group strengthened its presence in Sweden with the acquisition of Corvara's industrial cleaning business (on September 1, 2017) and the recycling specialist, the Hans Andersson Group (on August 31 2017) for enterprise values of €42 million and €133 million, respectively.

❖ Eurologistik

Veolia acquired the Eurologistik group, a specialist in waste collection and recycling and the production of RDF, operating in the north and east of Germany. The acquisition was completed on September 11, 2017 based on an enterprise value of €40.5 million.

- Uniken

On February 28, 2017, Veolia completed the acquisition of Uniken, a specialist in industrial and hazardous waste processing located in the Ulsan region in Korea, for an enterprise value of €66 million.

- Enovity

On January 9, 2017, the Group acquired Enovity, a building energy services company based in San Francisco, for an enterprise value of €28 million.

MAIN CONTRACT AWARDS

The strong commercial momentum enjoyed by the Group in 2016 continued, with Veolia signing several major contracts in the first three quarters of 2017. The following contracts are particularly noteworthy:

- In the municipal market, Veolia notably won a contract to operate and maintain the Seine amont plant in the Ile de France region (12-year contract representing cumulative revenue of €400 million). In addition, Veolia won a contract to Design, Build, and Operate in Mexico City the largest waste-to-energy facility in Latin America (30-year contract representing cumulative revenue of €886 million), a waste recycling and management contract covering four South London boroughs (8-year contract representing cumulative revenue of GBP 209 million), a public service delegation contract for the operation of a waste-to-energy recovery plant in the Lille metropolitan area (12-year contract representing cumulative revenue of €295 million), and a contract to build water treatment and distribution facilities in the Greater Matale region in Sri Lanka (€156 million).
- In the industrial market, Veolia will use its expertise to assist Antero Resources in the loading, packaging and proper disposal of sludge generated by its West Virginia industrial site (10-year contract representing cumulative revenue of USD 70 million). In addition, the Group also won three energy services contracts in China for a total of €864 million: an energy performance management contract at the Hongda Chemical site (10-year contract representing cumulative revenue of €335 million), a chilled water plant construction and operation contract at a Beijing data center (20-year contract representing cumulative revenue of €188 million), and a contract to produce electricity and steam from biomass for chemicals and construction clients (25-year contract representing cumulative revenue of €341 million).

1.3 GROUP FINANCING

ISSUE OF TWO BONDS FOR €1.3 BILLION

As part of its refinancing, Veolia Environnement issued two bonds for €1.3 billion in March 2017. This issuance includes a €650 million bond maturing in March 2022 (5-year maturity) bearing a coupon of 0.672% and a €650 million bond maturing in November 2026 (short 10-year maturity) bearing a coupon of 1.496%. Both bonds were issued at par.

The proceeds of this issuance will be used for general corporate purposes.

CHANGES IN BONDS OUTSTANDING

Veolia Environnement repaid at maturity a euro-denominated bond line with a nominal value of €606 million on January 16, 2017, a euro-denominated bond line with a nominal value of €350 million on May 19, 2017, a euro-denominated bond line with a nominal value of €250 million on June 28, 2017, and a Chinese renminbi-denominated bond line with a nominal value of €65 million (euro equivalent) on June 29, 2017.

CONFIRMATION OF THE CREDIT OUTLOOK

In June 2017, S&P and Moody’s confirmed Veolia Environnement’s credit rating as A-2/BBB with a stable outlook and P-2 / Baa1 also with a stable outlook, respectively.

DIVIDEND PAYMENT

The Combined General Meeting of April 20, 2017 set the dividend for fiscal 2016 at €0.80 per share. This dividend was paid in cash beginning April 26, 2017 in the total amount of €440 million.

1.4 CHANGES IN GOVERNANCE

VEOLIA ENVIRONNEMENT COMBINED SHAREHOLDERS’ MEETING OF APRIL 20, 2017

The Veolia Environnement Combined Shareholders’ Meeting took place at the Maison de la Mutualité in Paris on April 20, 2017, chaired by Mr. Antoine Frérot, Chairman and Chief Executive Officer of the Company. At the Meeting, shareholders approved all the resolutions on the agenda.

In particular, shareholders:

- approved the Company and consolidated financial statements for fiscal year 2016;
- set the cash dividend for fiscal 2016 at €0.80 per share. The shares went ex-dividend on April 24, 2017 and the dividend was paid from April 26, 2017;
- renewed the terms of office as directors of Caisse des dépôts et consignations, represented by Mr. Olivier Mareuse, Mrs. Marion Guillou and Mr. Paolo Scaroni for a four-year period expiring at the end of the General Shareholders' Meeting that will be called to approve the financial statements for the year ending December 31, 2020;
- renewed the term of office of ERNST & YOUNG et Autres as principal statutory auditor for a period of six fiscal years, expiring in 2023 at the end of the General Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2022;
- gave a favorable opinion on the compensation due or attributed for fiscal year 2016 to Mr. Antoine Frérot;
- approved the principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components of total compensation and benefits of all kinds that may be awarded to the Chairman and Chief Executive Officer in respect of fiscal year 2017;
- amended the provisions of Article 12 of the Articles of Association regarding the term of office of the Vice-Chairman.

After this Combined Shareholders' Meeting, Veolia Environnement’s Board of Directors consists of seventeen directors, including two directors representing employees and six women (40%[1]), as well as two non-voting members (*censeurs*):

- Mr. Antoine Frérot, Chairman and Chief Executive Officer;
- Mr. Louis Schweitzer, Vice-Chairman and Senior Independent Director;
- Mrs. Homaira Akbari;
- Mr. Jacques Aschenbroich;
- Mrs. Maryse Aulagnon;
- Mr. Daniel Bouton;
- Caisse des dépôts et consignations, represented by Mr. Olivier Mareuse;
- Mrs. Isabelle Courville;
- Mrs. Clara Gaymard;
- Mrs. Marion Guillou;
- Mr. Baudouin Prot;
- Qatari Diar Real Estate Investment Company, represented by Mr. Nabeel Mohammed Al-Buenain who replaced Mr. Khaled Al Sayed from March 30, 2017;
- Mrs. Nathalie Rachou;
- Mr. Paolo Scaroni;
- Mr. Guillaume Texier;

1 Excluding Directors representing employees.

- Mr. Pavel Páša, Director representing employees;
- Mr. Pierre Victoria, Director representing employees;
- Mr. Paul-Louis Girardot, non-voting member (*censeur*);
- Mr. Serge Michel, non-voting member (*censeur*).

The four Board Committees are now comprised as follows:

- Accounts and Audit Committee: Mr. Daniel Bouton (Chairman), Mrs. Homaira Akbari, Mr. Jacques Aschenbroich, Mrs. Nathalie Rachou and Mr. Pierre Victoria (Director representing employees).

- Nominations Committee: Mr. Louis Schweitzer (Chairman), Mrs. Maryse Aulagnon and Mr. Paolo Scaroni.

- Compensation Committee: Mr. Louis Schweitzer (Chairman), Mrs. Maryse Aulagnon, Mr. Daniel Bouton, Mrs. Clara Gaymard, Mrs. Marion Guillou and Mr. Pierre Victoria (Director representing employees).

- Research, Innovation and Sustainable Development Committee: Mr. Jacques Aschenbroich (Chairman), Mrs. Isabelle Courville, Mrs. Clara Gaymard, Mrs. Marion Guillou, Mr. Pavel Páša (Director representing employees) and Mr. Guillaume Texier.

2 Accounting and financial information

2.1 PREFACE

Changes in concession standards

Under concession contracts with local authorities, infrastructure is accounted, as appropriate, as an intangible asset, a financial receivable, or a combination of the two. Veolia may have a payment obligation vis-a-vis the grantor for the use of the associated assets.

In July 2016, IFRIC published a verdict regarding these payments and concluded that in the case of fixed payments required by the operator, an asset and a liability should be recorded (intangible model).

Veolia identified the contracts concerned and has applied the new IFRIC 12 measures retroactive to January 1, 2015. The most significant contracts concerned are our water concessions in the Czech Republic and Slovakia.

September 30, 2016 figures have been represented for the application of IFRIC 12. The impacts are presented in the appendices to this quarterly financial report.

Figures as of September 30, 2017 discussed in this quarterly financial report include the impact of adjustments resulting from the application of IFRIC 12. Reflecting these adjustments, EBITDA was increased in the amount of €160.9 million, Current EBIT in the amount of €70.9 million and Current net income, Group share in the amount of €3.6 million.

Lithuania

As of September 30, 2017, the ongoing withdrawal from Lithuania, motivated by the end of a major contract and the sales process for other activities, led the Group to transfer its Lithuanian activities to discontinued operations in accordance with IFRS 5.

2.2 KEY FIGURES

(in € million) [4]	9 months ended September 30, 2016 published	IFRIC 12 and IFRS 5 [3] adjustments	**9 months ended September 30, 2016 represented**	**9 months ended September 30, 2017 including IFRIC 12**	Δ	Δ at constant exchange rates
Revenue	17,708	(139)	17,569	18,221	+3.7%	+4.4%
EBITDA	2,206	123	2,329	2,359	+1.3%	+1.7%
EBITDA margin	*12.5%*		*13.3%*	*12.9%*		
Current EBIT [1]	979	56	1,035	1,049	+1.3%	+2.2%
Current net income - Group share	421	(9)	412	406	-1.6%	-0.7%
Current net income – Group share, excluding capital gains and losses on financial divestitures net of tax and minority interests	388	(9)	379	392	+3.3%	+4.3%
Industrial investments	902	84	986	982		
Net free cash flow [2]	3	(28)	(25)	(63)		
Net Financial Debt	8,883	-	8,883	8,419		

(1) Including the share of current net income of joint ventures viewed as core Company activities and associates.
(2) Net free cash flow corresponds to free cash flow from continuing operations, and is equal to the sum of EBITDA, dividends received, changes in operating working capital and operating cash flow from financing activities, less net interest expense, net industrial investments, taxes paid, renewal expenses, restructuring costs and other non-current expenses.
(3) Adjustments as of September 30, 2016 concern the application of IFRIC 12 and the transfer of activities in Lithuania to discontinued operations pursuant to IFRS 5 (see the Appendices).
(4) The indicators are defined in Section 3.8.3 of the 2016 Registration Document.

The main foreign exchange impacts were as follows:

***Foreign exchange impacts** as of September 30, 2017* *(vs September 30, 2016 represented)*	**%**	*€M*
Revenue	*-0.7%*	*-122.7*
EBITDA	*-0.4%*	*-9.5*
Current EBIT	*-0.9%*	*-8.9*
Current net income excluding capital gains and losses	*-0.9%*	*-3.5*
Net financial debt (vs. September 2016 represented)	*-1.6%*	*-146*
Net financial debt (vs. December 2016)	*-2.8%*	*-221*

GROUP CONSOLIDATED REVENUE

Group consolidated revenue for the nine months ended September 30, 2017 was €18,221 million, compared with represented €17,568.8 million for the same period in 2016, up +4.4% at constant exchange rates. Excluding Construction revenue[1] and energy price effects, revenue increased +4.9% at constant exchange rates.

As in the first two quarters, revenue growth was marked by favorable momentum across mainly Europe excluding France and Rest of the world in the third quarter of 2017:

Δ at constant exchange rates	Q1 2017	Q2 2017	**Q3 2017**
France	-1.5%	-0.4%	-0.3%
Europe excluding France	+7.2%	+4.4%	+8.1%
Rest of the world	+11.8%	+10.8%	+9.4%
Global Businesses	-3.2%	+1.7%	-2.7%
Group	**+4.5%**	**+4.4%**	**+4.3%**
Total Group excluding the impact of Construction activities and energy prices	**+5.9%**	**+4.1%**	**+4.7%**

By segment, the change in revenue compared with represented figures for the nine months ended September 30, 2016 breaks down as follows:

			2016 / 2017 change		
(in € million)	9 months ended September 30, 2016 represented	**9 months ended September 30, 2017**	*Δ*	*Δ at constant exchange rates*	*Δ at constant scope and exchange rates*
France	4,065.5	4,036.8	-0.7%	-0.7%	+1.2%
Europe, excluding France	5,830.9	6,103.8	+4.7%	+6.5%	+4.8%
Rest of the World	4,346.8	4,815.6	+10.8%	+10.6%	+5.2%
Global Businesses	3,304.5	3,240.0	-2.0 %	-1.3%	-0.4%
Other	21.1	24.8	+17.9%	+17.8%	+17.8%
Group	**17,568.8**	**18,221.0**	**+3.7%**	**+4.4%**	**+3.1%**

- Revenue increased +1.2% at constant scope in France: Water revenue increased +0.1%, while Waste revenue grew 2.9% at constant scope.

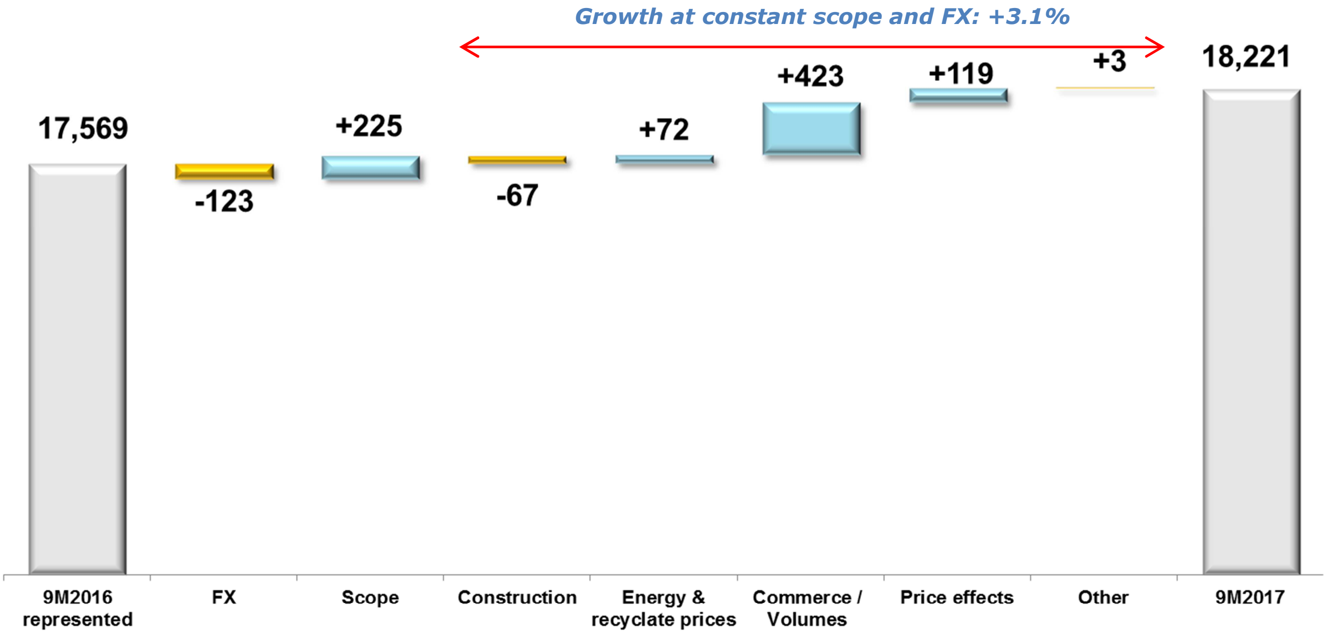
[1] *Construction activities encompass the activities of Veolia Water Technologies, SADE and Sede.*

- Water revenue was €2,198.7 million, impacted by higher volumes (+1%) and stable commercial activity, slightly offset by a reduction in tariff indexation (-0.2%);
- Waste revenue declined -1.6% compared to the represented figures for the nine months ended September 30, 2016, but grew 2.9% at constant scope (mainly adjusted for the impact of the sale of Bartin Recycling on November 30, 2016) to €1,838.1 million. Continued good commercial momentum with significant contract wins was accompanied by increased volumes and higher recyclate prices.

- **Europe excluding France** (excluding Lithuania which is classified in discontinued operations) grew +6.5% at constant exchange rates compared to the represented prior-year period, with solid momentum in all key countries:
  - In the United Kingdom, revenue increased +5.1% at constant exchange rates to €1,497.7 million, thanks to good waste performance driven by the contribution of integrated contracts, the favorable impact of recyclate prices (paper and ferrous and non-ferrous scrap metals) and contract wins (St Albans, Southend on Sea, Army 2020);
  - In Central and Eastern Europe, revenue increased +10.3% at constant exchange rates compared to the represented nine months ended September 30, 2016 to €2,050.2 million, boosted by:
    - In Energy, a favorable weather impact (+€35 million), an increase in heating and electricity volumes sold in Poland and the contribution of the Prague heating network;
    - In Water, increased volumes and new extended Armenia contract;
  - In Northern Europe, revenue increased +4.6% at constant exchange rates compared to the represented prior year period to €1,764.4 million. Germany, the main contributor (€1,298.6 million) benefited from higher paper prices, a positive price impact on industrial waste collection activities and new contract wins in the Waste sector. In addition, acquisitions, mainly in Sweden in the Waste sector, further contributed to the improvement in revenue.
- Strong revenue growth (+10.6% at constant exchange rates compared to the represented nine months ended September 30, 2016) in the **Rest of the world** segment, with strong growth reported across most regions:
  - Revenue rose +11.6% at constant exchange rates to €1,520.8 million in North America, benefiting from the integration of Chemours' Sulfur Products division assets (+€106.9 million) and the acquisition of a building energy services company (Enovity: +€26.4 million) in January 2017. Additionally, robust Municipal and Commercial activities were boosted by higher electricity and gas prices and volumes, offset by a contraction in industrial services;
  - Revenue growth was robust in Latin America (+22.4% at constant exchange rates) thanks to tariff increases in Argentina, the positive impact of the acquisition of the Pedreira landfill site in Brazil in May 2016 and the start-up of the Santa Marta contract (drinking water distribution) in Colombia in April 2017;
  - Asia reported significant revenue growth of +22% at constant exchange rates. In China, strong revenue growth (+30.3%) was due to new contracts (Sinopec, Hongda, Heijian Biomass and Hangzhou WEE) in the Industrial Water and industrial services sectors, and growth in volumes sold in the Municipal Energy and Waste sectors. Revenue growth in Japan was also driven by the development of Municipal Water activities and the contribution of plastic recycling activities purchased in August 2016. In Korea, the acquisition of Uniken in Industrial Waste had a favorable impact on revenue;
  - Revenue increased in the Pacific zone (+2.9% at constant exchange rates for the nine months ended September 30, 2017). In the Waste business, increased volumes following the opening of new processing sites (Banksmeadow and MBT Woodlawn) were partially offset by a decrease in industrial services (loss of Rio Tinto contract);
  - In Africa and the Middle East, revenue declined by -1.9% at constant exchange rates.
- **Global Businesses:** -1.3% decline in revenue at constant exchange rates compared to the represented nine months ended September 30, 2016:
  - Solid growth in Hazardous Waste activities (+4.5% at constant exchange rates), mainly due to an improvement in the oil recycling business;

- Design & Build activities remain down by -8.7% at constant exchange rates, in line with the Veolia Water Technologies business restructuring, although bookings improved (+10%). Growth in SADE activities in France, however, partially offsets international delays.

The increase in revenue between the nine months ended 2016 and 2017 breaks down **by main impact** as follows:



The **foreign exchange impact** on revenue was -€122.7 million (-0.7% of revenue) and mainly reflects fluctuations in the UK pound sterling (-€139.9 million), the Argentine peso (-€15.2 million), the Chinese renminbi (-€12.8 million), the Australian dollar (+€26.1 million), the Czech crown (+€13.5 million) and the Brazilian real (+€13.1 million).

The consolidation scope impact (+€225.2 million) mainly concerns developments in 2016 and 2017: in 2016, the integration of Chemours' Sulfur Products division assets in the United States (+€106.9 million), Prague Left Bank, renamed Veolia Energie Praha, in the Czech Republic (+€20.5 million) and the Pedreira landfill site in Brazil (+€16.5 million), as well as the sale of Bartin Recycling in the Waste business in France (-€104.9 million); in 2017, the acquisition of Enovity in the United States (+€26.4 million), Uniken in South Korea (+€18.0 million), the takeover of Ta-ho in Taiwan (+€28.7 million) and Corvara and Hans Andersson in Sweden (+€19.2 million), which offset the sale of the FM AB business in Sweden (-€8.1 million). At constant scope and exchange rates, revenue grew +3.1%.

Construction revenue contracted by -€67 million (-€8 million in Q3 2017, compared with +€15 million in Q2 2017 and -€74 million in Q1 2017) following a decrease in Construction activity under concession agreements, slightly offset by the recovery of SADE activities in France.

Energy and recyclate prices had an impact of €72 million (versus -€119 million for the nine months ended September 30, 2016).

Commercial momentum improved significantly (**Commerce/Volumes** impact) contributing +€423 million (compared with +€110 million for the nine months ended September 30, 2016):

- A volume effect of +€207 million in line with higher volumes sold in Central Europe (particularly electricity and heating sales), good waste volumes in France, the United Kingdom and Germany, and further growth in energy volumes in China;
- A commercial effect of +€186 million, encompassing the development of new industrial assets in Europe and Asia (Sinopec contract: €63 million);
- A weather impact of +€30 million: highly favorable impact in Central Europe (+€35 million) partially offset by North America (-€6 million).

Favorable **price effects** (+€119 million) are tied to positive tariff indexation in Germany in Waste, in Central Europe in Water and the significant impact of higher prices in Argentina.

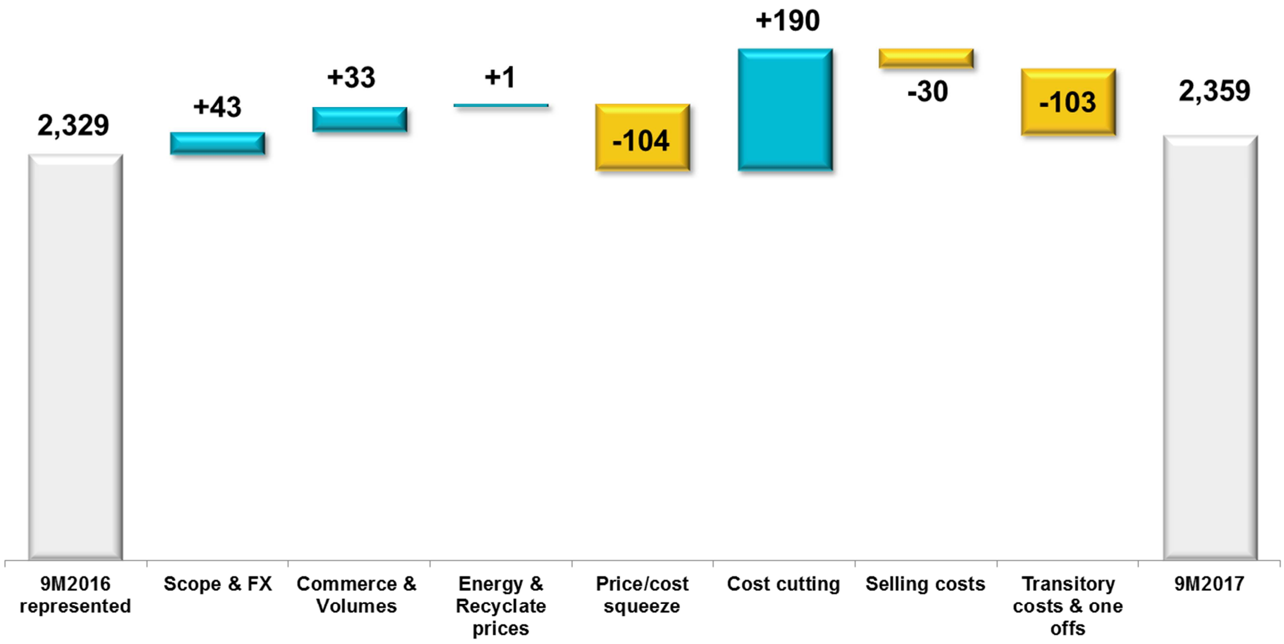
EBITDA

Group consolidated EBITDA for the nine months ended September 30, 2017 was €2,358.7 million, up 1.7% at constant exchange rates compared to the represented prior year period. The EBITDA margin decreased from represented 13.3% for the nine months ended September 30, 2016 to 12.9% for the nine months ended September 30, 2017.

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

- **In France**, EBITDA improved :
  - In the Water business, EBITDA improved significantly in the nine months ended September 30, 2017, thanks to significant cost savings and higher volumes (+1%), partially offset by squeezed margins due to negative tariff indexation and contractual renegotiations;
  - In the Waste business, EBITDA also increased, benefiting from cost savings and the impact of commercial developments.
- EBITDA stabilized in **Europe excluding France** (excluding Lithuania) as a result of several impacts:
  - In Central and Eastern Europe, EBITDA improved mainly thanks to a favorable weather impact in Energy and good volumes in Water;
  - In the United Kingdom, good operating performance was partially offset by plant outages and one-off dismantling costs;
  - Lower EBITDA in Northern Europe, mainly due to favorable non-recurring items in the first-half of 2016 (litigation payment and insurance claim reimbursement).
- EBITDA grew in the **Rest of the World**:
  - Increased EBITDA in the United States was mainly due to changes in consolidation scope, with the successful integration of Chemours' Sulfur Products division assets and progression in Energy with the acquisition of Enovity, partially offset by the sale of West Coast energy assets. The decline in industrial services was partial offset by the restructuring measures previously implemented;
  - EBITDA growth in Latin America was mainly due to price increases in Argentina and the impact of acquisitions in Brazil and a new contract in Colombia;
  - Sustained EBITDA growth in China across all businesses: Municipal and Industrial Energy, Industrial Water (Sinopec) and Waste (landfill volumes and growth in hazardous waste).
- In the **Global Businesses** segment, the benefits of restructuring at Veolia Water Technologies and the good performance of Hazardous waste activities were offset by the non-recurrence of 2016 favorable impacts (favorable outcome of a contract termination). Veolia Water Technologies is pursuing its transformation plan with the standardization of its offerings, purchasing savings and a decrease in selling and administrative costs.

The increase in EBITDA between 2016 and 2017 breaks down **by impact** as follows:



The foreign exchange impact on EBITDA was -€9.5 million and mainly reflects the depreciation of the UK pound sterling (-€18.1 million) and the Chinese renminbi (-€3.3 million), partially offset by the appreciation of the Czech crown (+€4.6 million), the Polish zloty (+€3.2 million), the Brazilian real (+€2.7 million), and the Australian dollar (+€2.2 million).

The **consolidation scope impact** (+€52.6 million) mainly concerns developments in 2016: the integration of Chemours' Sulfur Products division assets in the United States, Prague Left Bank in the Czech Republic, and the Pedreira landfill site in Brazil.

Commerce and volume impacts totaled +€33 million thanks to strong commercial momentum (notably in Asia), good water volumes in Europe, higher waste volumes and favorable weather conditions over the first nine months. These favorable items were partially offset by the impact (albeit weaker) of contract negotiations in France Water, contract losses in Italy and a downturn in industrial service activities in North America and the Pacific.

Energy and recyclate prices positively impacted EBITDA (+€1 million): heating and electricity prices changed in line with the purchase price of fuel used to produce heat and electricity (decrease in Central Europe and increase in the U.S.). The positive impact of higher recyclate prices in the United Kingdom was offset by increased fuel costs in Waste in France.

The -€104 million **price squeeze** includes in particular the negative impact of the start-up of new activities.

Cost savings plans contributed €190 million, consistent with the annual objective of €250 million. They mainly cover operational efficiency (46%) and purchasing (31%), and were achieved across all geographic zones: France (32%), Europe excluding France (26%), Rest of the World (25%), Global Businesses (15%) and Corporate (2%).

Transitory costs and one-off items mainly concern the absence of the favorable impact of one-off items recorded in the first nine months of 2016 (litigation payment in Belgium, insurance claim reimbursement received in Germany, favorable contract termination at Veolia Water Technologies) and additional insurance and maintenance costs (particularly in the United Kingdom) incurred in the first half of 2017.

CURRENT EBIT

Group consolidated Current EBIT for the nine months ended September 30, 2017 was €1,049.2 million, up +2.2% at constant exchange rates compared to the represented figures for the prior-year period.

The reconciling items between EBITDA and Current EBIT for the nine months ended September 30, 2017 and 2016 are as follows:

(in € million)	9 months ended September 30, 2016 represented	**9 months ended September 30, 2017**
EBITDA	**2,329.0**	**2,358.7**
Renewal expenses	(202.5)	(206.7)
Depreciation and amortization (*)	(1,231.1)	(1,255.5)
Provisions, fair value adjustments & other:	58.3	76.9
• *Current impairment of property, plant and equipment, intangible assets and operating financial assets*	*1.9*	*10.5*
• *Net charges to operating provisions, fair value adjustments and other*	*36.3*	*57.2*
• *Capital gains or losses on industrial divestitures*	*20.1*	*9.2*
Share of current net income of joint ventures and associates	81.6	75.8
Current EBIT	**1,035.3**	**1,049.2**

(*) Including principal payments on operating financial assets (OFA) of -€120.1 million for the nine months ended September 30, 2017 (compared with -€140.4 million for the nine months ended September 30, 2016.)

The increase in Current EBIT at constant exchange rates reflects:

- EBITDA growth at constant exchange rates;
- the increase in depreciation and amortization charges at constant exchange rates, in line with consolidation scope impacts, primarily in the United States following the acquisition of Chemours' assets in July 2016, as well as in Brazil;
- the favorable change in net operating provision reversals, in particular captive insurance provisions (+€12 million);
- a decline in capital gains or losses on industrial divestitures in the nine months ended September 30, 2017;
- Share of current net income of joint ventures and associates was +€75.8 million versus +€81.6 million in 2016; improved performance of Chinese concessions were offset by sales of assets in United Kingdom.

The foreign exchange impact on Current EBIT was -€8.9 million and mainly reflects fluctuations in the pound sterling (-€10.5 million), Brazilian real (+€1.6 million), Czech crown (+€2.3 million), Chinese renminbi (-€3.1 million), and Australian dollar (+€1.2 million).

CURRENT NET INCOME

Current net income attributable to owners of the Company was €406 million for the nine months ended September 30, 2017, compared with represented €412 million for the nine months ended September 30, 2016. Excluding capital gains and losses on financial divestitures net of tax and minority interests, current net income attributable to owners of the Company rose 4.3% at constant exchange rates to €392 million from represented €379 million for the nine months ended September 30, 2016.

FINANCING

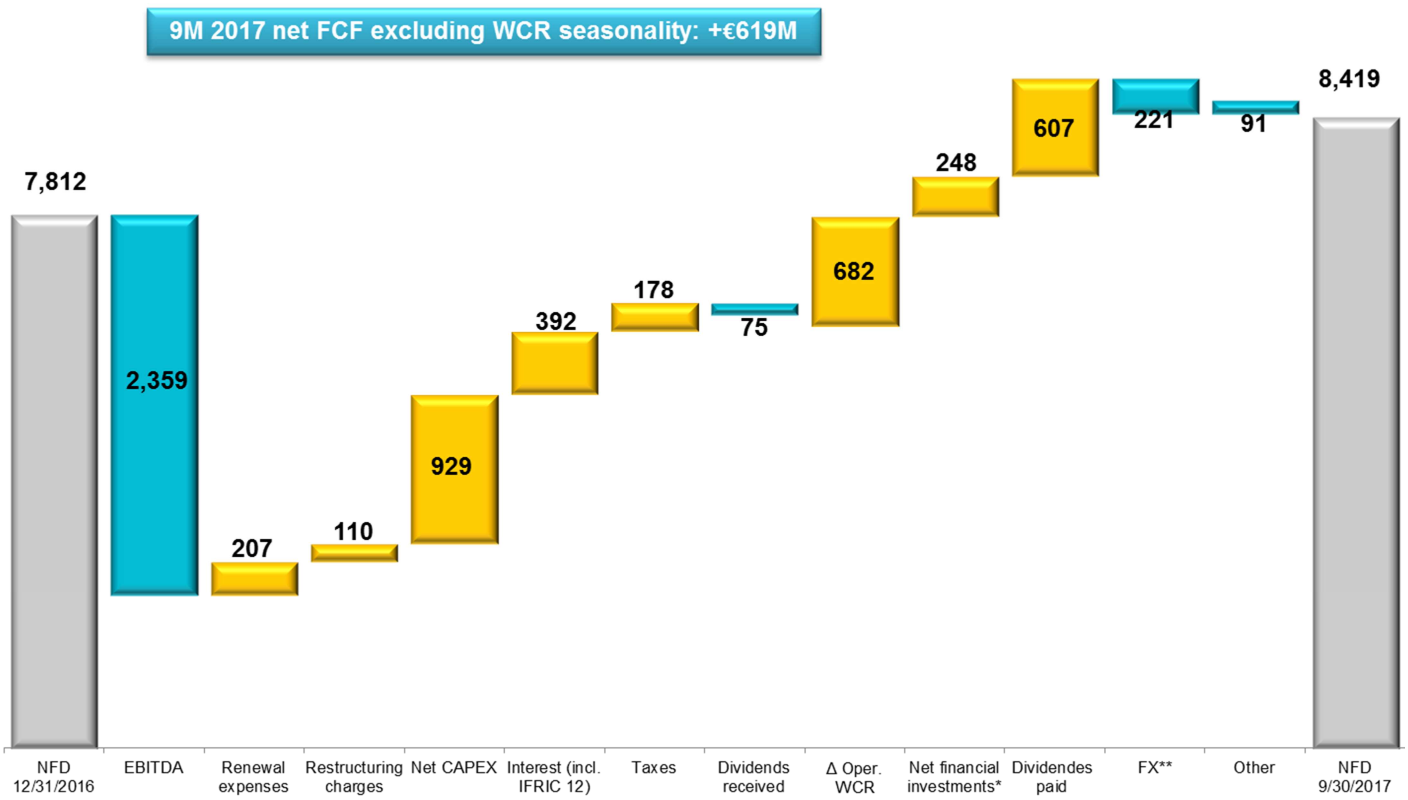
Net free cash flow was -€63 million for the nine months ended September 30, 2017, versus represented -€25 million for the nine months ended September 30, 2016.

The change in net free cash flow compared with the represented nine months ended September 30, 2016 mainly reflects the increase in restructuring and other costs (-€40 million).

Net FCF excluding WCR seasonality for the nine months ended September 30, 2017 amounted to €619 million.

Overall, **net financial debt** amounted to €8,419 million at September 30, 2017, compared with represented €7,812 million at December 31, 2016.

In addition to the change in net free cash flow (including the change in operating WCR), net financial debt was impacted by net financial investments of -€248 million, as well as favorable exchange rate fluctuations totaling €221 million in the first nine months of the year and dividends paid.



(*) financial investments of -€383 million net of financial divestitures of +€135 million.
(**) mainly US Dollar

2.3 REVENUE BY BUSINESS

(in € million)	9 months ended September 30, 2016 represented	**9 months ended September 30, 2017**	Δ	*Δ at constant exchange rates*	*Δ at constant FX and excluding construction & energy prices*	*Δ at constant scope and exchange rates*
Water	8,036.2	8,058.9	+0.3%	+0.6%	+1.8%	+0.8%
Waste	6,316.4	6,641.6	+5.1%	+6.7%	+6.8%	+4.2%
Energy	3,216.2	3,520.5	+9.5%	+9.4%	+8.9%	+6.9%
Group	**17,568.8**	**18,221.0**	**+3.7%**	**+4.4%**	**+4.9%**	**+3.1%**

WATER

Water revenue increased slightly by +0.6% at constant exchange rates and 1.8% at constant exchange rates excluding Construction revenue and energy price effects, compared with represented figures for the nine months ended September 30, 2016 . This improvement can be explained as follows:

- Higher volumes in France, Central Europe (notably the new extended Armenia contract) , Asia (Sinopec contract), and a positive commercial impact lead to an overall increase of +1.9%;
- Tariff increases in Central Europe and Latin America;
- A slight decrease in Construction revenue (-0.9%) following a slowdown in activity.

WASTE

Waste revenue rose +6.7% at constant exchange rates compared with represented figures for the nine months ended September 30, 2016 (+4.2% at constant scope and exchange rates), due to:

- A scope impact of +2.6%, mostly related to the acquisition of the Chemours' Sulfur Products division assets in the United States (+€106.9 million), the acquisition of Pedreira in Brazil (+€16.5 million) and external growth transactions in Asia, partially offset by the sale of Bartin (-€105 million);
- Commercial and volume effects of +1.5%: slowdown in Waste volumes in the United States (Industrial services still weak) offset by numerous contract wins, particularly in France, the UK and Germany;
- A positive price effect of +1.0%;
- The favorable impact of higher recyclate prices (+1.5%) and particularly paper.

ENERGY

Energy revenue rose +9.4% at constant exchange rates compared with represented figures for the nine months ended September 30, 2016 (+6.9% at constant consolidation scope and exchange rates). This improvement can be explained as follows:

- The positive volume and commerce effect of +5%, due to higher volumes of energy sold in Central Europe, China and the United States and new energy efficiency contracts in Asia and Europe;

- A favorable weather impact of €30 million (+0.9%) mostly in Poland and the Czech Republic;
- A slightly positive price effect of +0.4%: lower heat and electricity prices in Europe were mostly offset by higher prices in the United States;
- A scope impact of +2.5%, related to the acquisition of Prague Left Bank and Gesten in 2016 and an energy efficiency business in the United States (Enovity) in 2017.

3 Subsequent events

None.

4 Outlook

The Group's mid-term outlook[1] is therefore as follows:

- **2017**: a transition year, with a resumption of revenue growth, stable EBITDA or moderate EBITDA growth and increased efforts to reduce costs by more than €250 million;
- **2018**: continuation of revenue growth and the resumption of more sustained EBITDA growth, with an objective of more than €300 million in cost savings;
- **2019**: continuation of revenue growth and full impact of cost savings. EBITDA expected between €3.3 billion and €3.5 billion (excluding IFRIC 12 impacts).

(1) at constant exchange rates

5 Appendices

5.1 RECONCILIATION OF 2016 PUBLISHED DATA WITH 2016 REPRESENTED DATA[1]

In €m	Sept 30, 2016 published	IFRIC 12 Adjustment (2)	IFRS 5 Adjustment(5)	Sept 30, 2016 represented
Revenue	17 707.6	0.0	-138.8	17 568.8
EBITDA (a)	2 206.4	151.4	-28.8	2 329.0
Current EBIT (3)	978.8	69.6	-13.1	1 035.3
Operating income	828.4	69.6	-13.1	884.9
Current net income - Group share	421.4	0.5	-9.5	412.4
Gross industrial investments (b)	-902	-84	0	-986
Of which change in concession WCR	0	-80	0	-80
Interest on operating assets - IFRIC 12 (c)	0.0	-67.3	0.0	-67.3
Net free cash flow (4)	3	0	-28	-25
Net financial debt	-8 883	0	0	-8 883

(1) *Unaudited figures*
(2) *See below*
(3) *Including the represented share of current net income of joint ventures and associates for the nine months ended September 30, 2016.*
(4) *The IFRIC 12 adjustment has no impact on net Free Cash Flow (a)+(b)+(c)=0)*
(5) *In order to ensure the comparability of periods, the accounts for the nine months ended September 30, 2016 have been adjusted for the reclassification of the Group's activities in Lithuania to "Net income (loss) from discontinued operations" pursuant to IFRS 5*

IFRIC 12

In the income statement, the adjustments resulting from this clarification drive an increase in EBITDA and Current EBIT. In effect, the concession fee formerly accounted for as a charge is eliminated and then reallocated between interest expense and repayment of the recognized debt. At the same time, a depreciation charge for the asset is recognized and then deferred taxes are adjusted accordingly.

On the balance sheet, the liability related to the fixed payments is classified within concession liabilities and broken down between current and non-current liabilities according to maturity. The liability balance relating to the adjustments is greater than the corresponding net asset value: in effect, the asset depreciation rate is linear, while the reimbursement rate is progressive ("constant annuity formula," with reduction in the interest portion in favor of the principal repayment).

The increase in EBITDA resulting from the application of the clarification is offset by the liability repayment (classified in CAPEX) and interest payments. As a result, these adjustments have no impact on net free cash flow or net financial debt.

5.2 DEFINITIONS

The definitions of the financial indicators used by the Group are unchanged. These financial indicators are defined in Section 3.8.3 of the 2016 Registration Document.