

2015 Annual Results

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2015: a strong increase in results, which exceeded objectives

- **The year 2015 successfully closed the 2011-2015 Transformation Plan. All objectives set in 2011 were exceeded.**
- **These successful achievements have been recognized by the market.**



Excellent annual results

<i>In €M</i>	2014 re- presented ⁽¹⁾	2015	Δ	Δ <i>At constant scope & FX vs. pro forma 2014</i> ⁽²⁾
Revenue	23,880	24,965	+4.5%	-0.6%
EBITDA	2,692	2,997	+11.3%	+5.3%
Current EBIT ⁽³⁾	1,048	1,315	+25.5%	+18.6%
Current net income – Group share	333	580	+74.2%	
Net income – Group share	242	450		
Net financial debt	8,311	8,170		

(1) 2014 figures are re-presented for IFRIC21

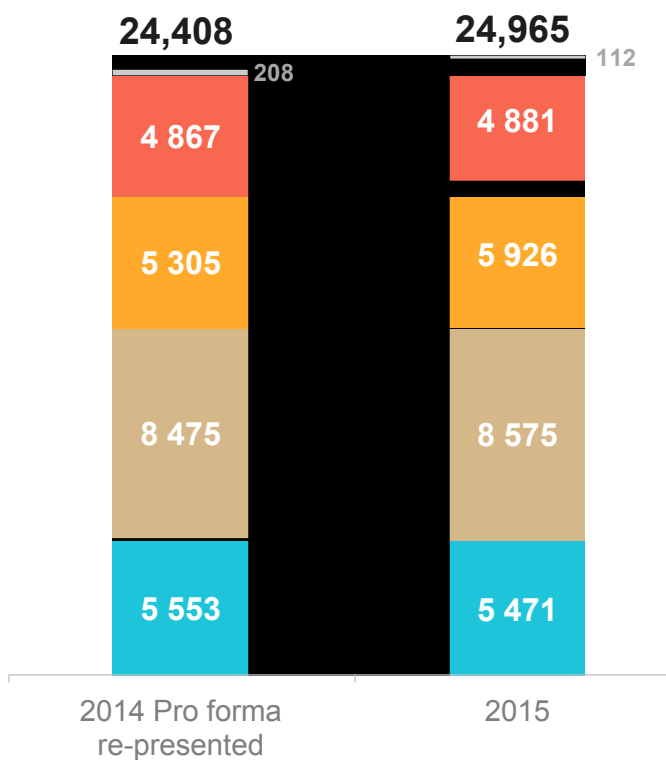
(2) Variation at constant scope and exchange rates compared to comparable pro forma 2014 scope, i.e. excluding Dalkia France and with Dalkia International fully consolidated since 1/1/2014





(3) Including the share of current net income of joint ventures and associates of entities viewed as core company activities (excluding Transdev, which is not viewed as a core Company activity)



Revenue by geography: good performance in emerging markets

REVENUE IN €M



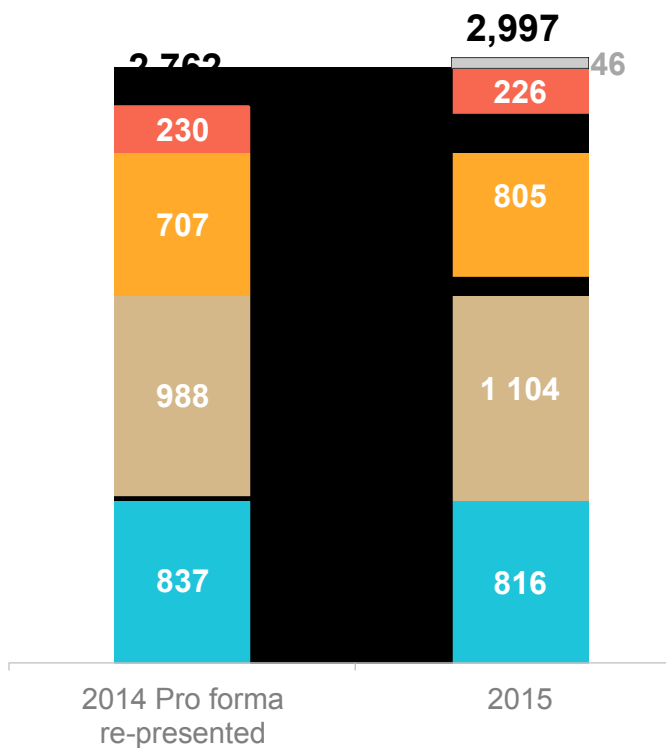
Variation vs. 2014 Pro forma ⁽¹⁾		Δ	Δ at constant scope & FX
	France	-1.5%	-1.5%
	Europe excluding France	+1.2%	-1.2%
	Rest of the World	+11.7%	+3.5%
	Global Businesses	+0.3%	-3.3%
Total		+2.3%	-0.6%







(1) The Pro forma scope excludes Dalkia France and includes Dalkia International fully consolidated since 1/1/2014

EBITDA increase of 5.3% at constant scope and exchange rates: strong growth in international markets

EBITDA in €M



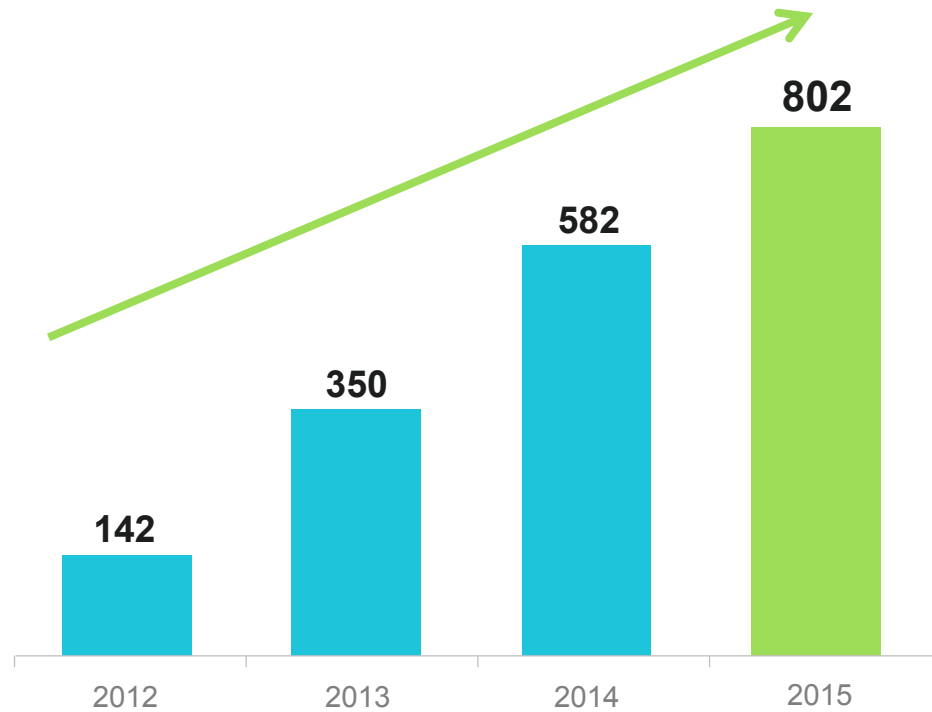
Variation vs. 2014 Pro forma ⁽¹⁾		Δ	Δ at constant scope & FX
	France	-2.4%	-2.4%
	Europe excluding France	+11.7%	+9.1%
	Rest of the World	+13.8%	+3.7%
	Global Businesses	-1.7%	-3.7%
Total		+8.5%	+5.3%



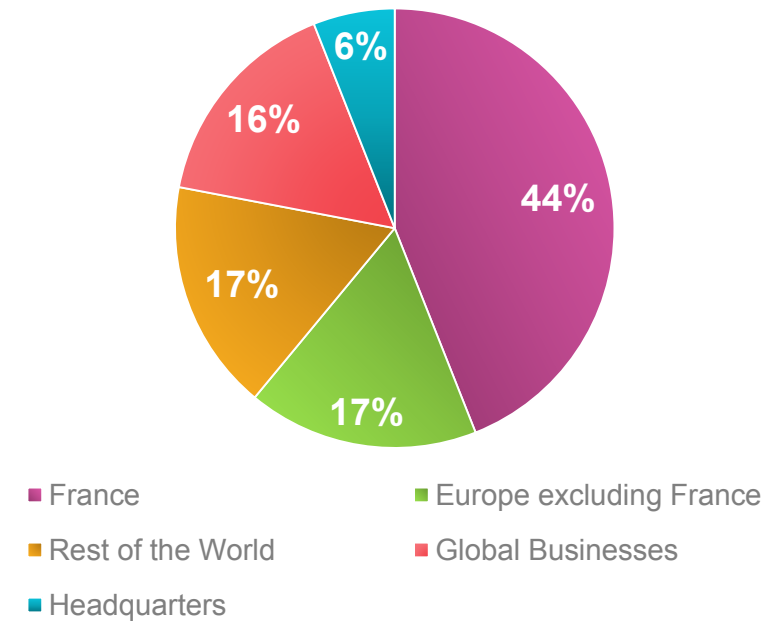
(1) The Pro forma scope excludes Dalkia France and includes Dalkia International fully consolidated since 1/1/2014

Cost savings achieved beyond the objectives

Cumulated savings vs. 2011 in €M

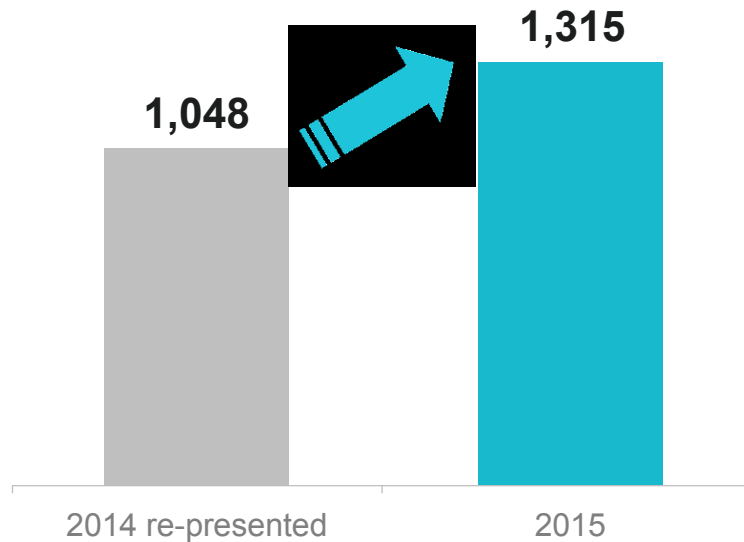


2015 gross savings: €220M

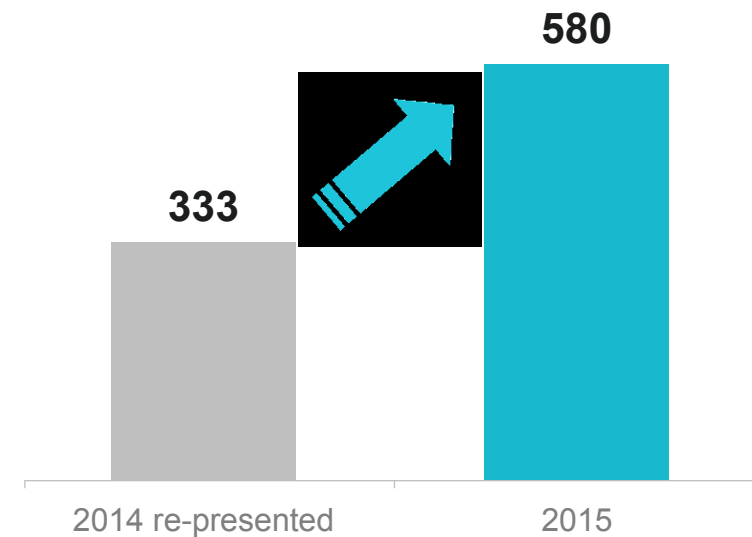


Significant increase in current results

Current EBIT (in €M):
+18.6% at constant scope and exchange rates



Current Net Income (in €M):
+74.2%



Operations a source of strong cash flow generation

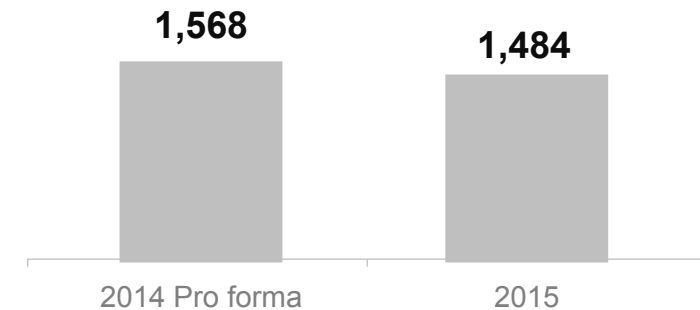
- **Continued capex discipline:**

- ✓ Reduction in gross industrial investments of 9% at constant FX to €1,484M

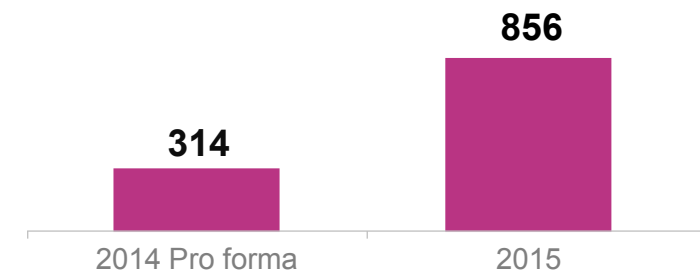
- **Net Free Cash Flow of +€856M**

- ✓ Strong improvement compared to 2014 due to EBITDA growth, capex discipline, significant reduction in WCR and lower finance costs

Gross Industrial Investments (€M)

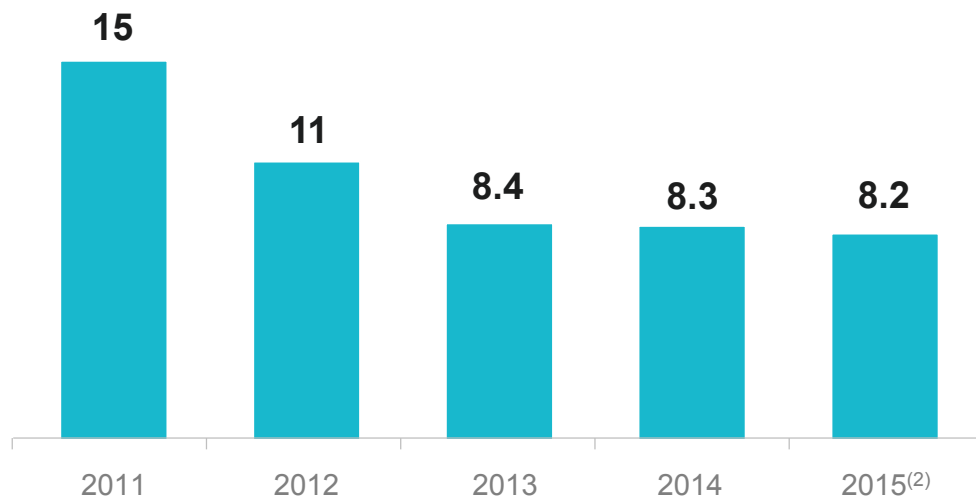


Net Free Cash Flow (€M)

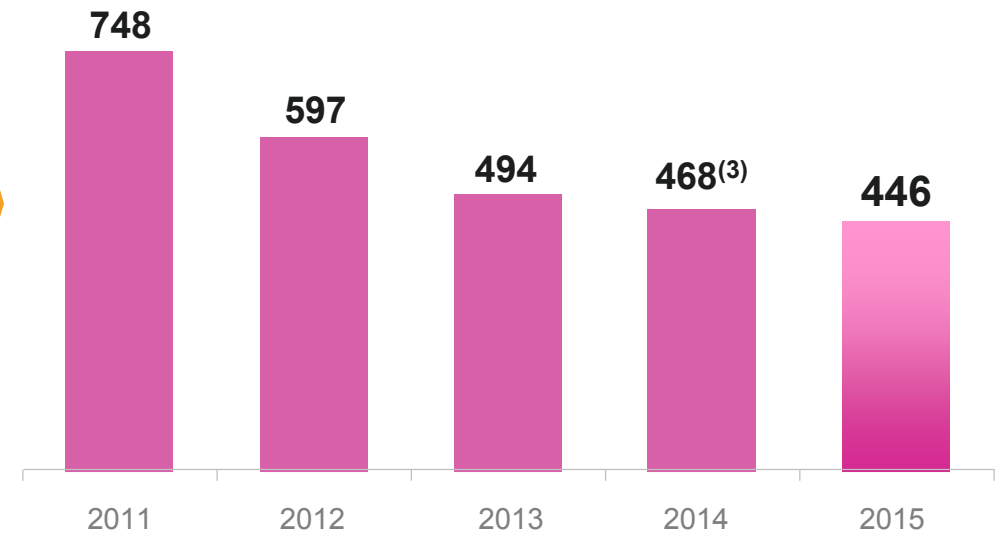


Significantly reduced debt and associated financial costs

Closing Net Financial Debt (€Billions)



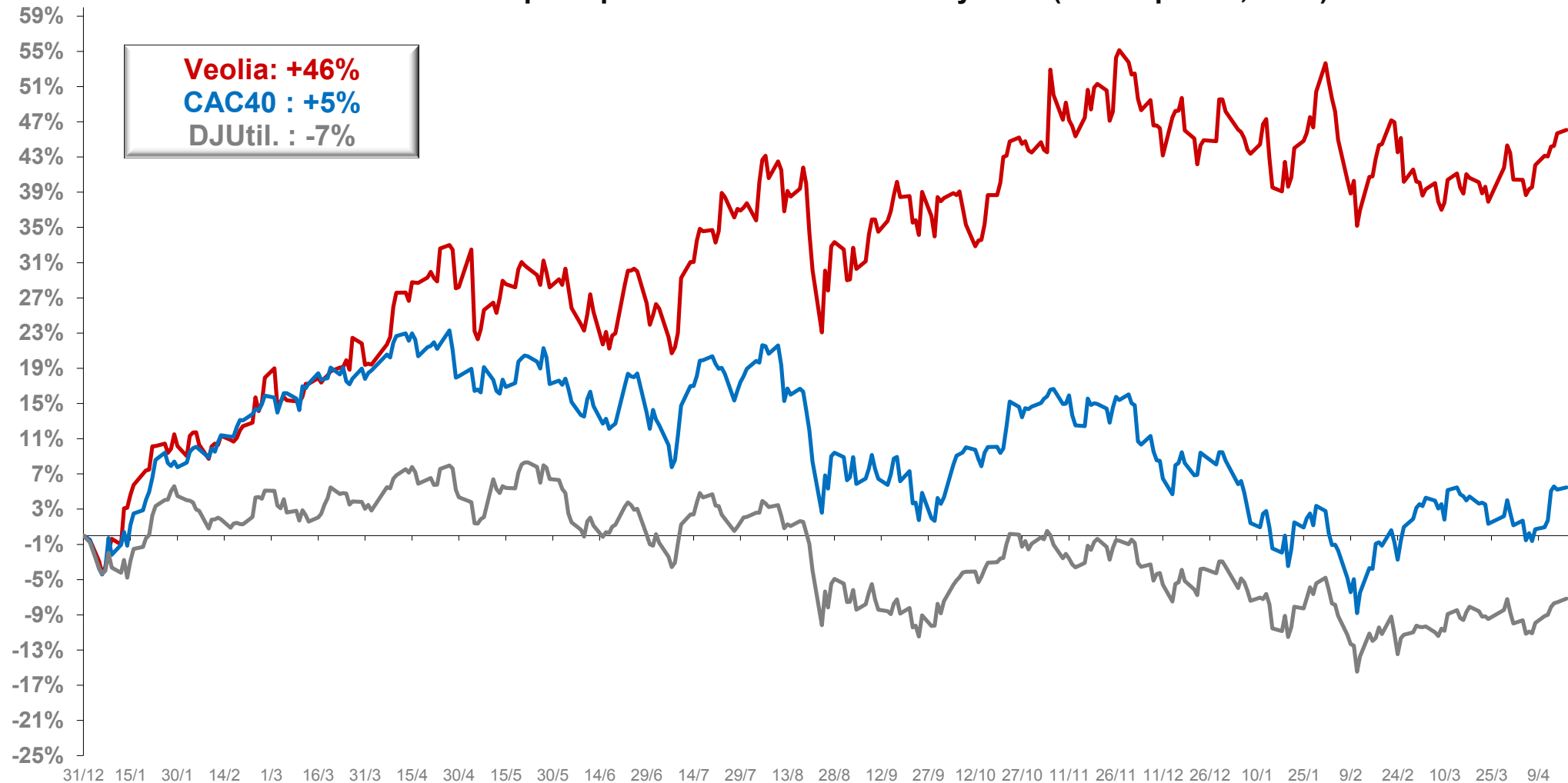
Cost of Net Financial Debt⁽¹⁾ (€M)



- (1) Re-presented cost of net financial debt: Finance costs excluding discontinued operations and cost of bond buybacks
- (2) Including negative exchange rate impact of €445M
- (3) €494M in pro forma figures in 2014

These results were well received by the market

Share price performance since January 2015 (as of April 18, 2016)



2016 Objectives in line with the 2018 Plan

In 2016, in the context of a deflationary environment and weak economic growth, Veolia expects to achieve significant current net income growth

- Revenue* and EBITDA* growth
- Net FCF* before divestments and acquisitions of at least €650M
- Current net income* of at least €600M



* At constant exchange rates

Dividend policy

- **2016 Dividend**

in relation to the 2015 fiscal year of €0.73 per share paid in cash

- **For 2017 and 2018**

We expect to be able to provide around 10% annual dividend growth to our shareholders, while reducing our payout ratio

