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QUARTERLY FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016

(UNAUDITED FIGURES)

Contents

1 Major events of the period

1.1 GENERAL CONTEXT

In a lackluster economic environment, the Group's performance in the nine months ended September 30, 2016 was marked by strong results:

- A -1.2% decline in revenue at constant exchange rates to €17,708 million. Excluding the impact of Construction activities and energy prices, revenue increased +1.6% at constant exchange rates;
- EBITDA growth of 5.1% at constant exchange rates, to €2,206 million;
- Current EBIT up 7.3% at constant exchange rates, to €979 million;
- Current net income – Group share of €421 million, up 8.8% at constant exchange rates, and of €388 million excluding capital gains and losses on financial disposals (+21.5% at constant exchange rates compared with September 30, 2015);
- Net financial debt of €8,883 million, versus €8,977 million as of September 30, 2015;
- Cost savings continue at a steady pace: more than €175 million in savings have been achieved as of September 30, 2016.

1.2 CHANGES IN GROUP STRUCTURE

ACQUISITION

- Kurion

The acquisition of the US company, Kurion, announced by the Group on February 3, 2016, was closed on March 31, 2016 for a total consideration of €319.1 million.

With the integration of Kurion, Veolia will now be able to provide all existing solutions and know-how in both nuclear facility clean-up and the treatment of low and medium-level radioactive waste. These new activities further enhance the Group's expertise in the treatment of hazardous waste.

- Pedreira

On May 31, 2016, the CDR Pedreira landfill site in Brazil was acquired for a consideration of €65 million. This transaction is integral to the Group's business development strategy in Latin America.

- Prague Left Bank

On June 1, 2016, Veolia completed the acquisition of Prazska Teplarenska LPZ which owns and operates thermal plants and heating networks in two districts located on the Prague left bank, for an enterprise value (100%) of €71 million.

- Acquisition of Chemours' Sulfur Product assets in the United States

On June 13, 2016, Veolia North America signed an agreement to take over Chemours' Sulfur Products division for a consideration of US$ 325 million (€293 million). This operation was finalized during the third quarter 2016.

This division specializes in the treatment and regeneration of sulfuric acid and sulfer gas produced during the refining process, which are regenerated into clean acid and steam used in a wide range of industrial activities. As a tuck-in to Veolia North America's Industrial Business, Chemours' Sulfur Products division is an excellent complement to Veolia's existing business, and will reinforce its existing recycling and regeneration capabilities and technologies.

DIVESTITURES

- Termination of the SADE divestiture process
- Bartin Recycling

On July 20, 2016, the Derichebourg group signed an agreement to acquire the Veolia subsidiary Bartin Recycling. The transaction is expected to be completed by the end of 2016.

Bartin Recycling, a Veolia subsidiary specializing in collecting and recycling ferrous and non-ferrous metals, operates around 20 sites in France where it recovers scrap metal, new production waste, demolition material, etc., from recovery or dismantling onsite through to its sale to industry as a secondary raw material. A major stakeholder in industrial recycling in France, the company recovers and recycles up to 450,000 metric tons of metal a year.

Veolia's end-of-life material dismantling and deconstruction business (aircraft, ships, rail rolling stock and industrial facilities) is not concerned by this divestment.

MAIN CONTRACT AWARDS

Building on the strong business development performance achieved in the first half of 2016, the Group has been awarded several significant contracts during the 3rd quarter:

- In the municipal sector, Veolia has notably been awarded the PFI waste contract in Hertfordshire in the United Kingdom (30-year contract with expected cumulative revenue of £1 billion), the waste collection and recycling contract for the London borough of Camden (expected cumulative revenue of £338 million over 8 years) and the construction and operation of a waste-to-energy plant in the Troyes region of France (expected cumulative revenue of €240 million over 25 years).
- In the industrial sector, the significant water treatment contract award in China for Yanshan Petrochemicals, a subsidiary of SINOPEC, for a duration of 25 years and expected cumulative revenue of €3.3 billion was finalized and commenced in August.

1.3 GROUP FINANCING

OFFERING OF BONDS CONVERTIBLE INTO AND/OR EXCHANGEABLE FOR NEW AND/OR EXISTING SHARES

On March 8, 2016, Veolia Environnement completed an offering of bonds convertible into and/or exchangeable for new and/or existing shares (OCEANEs) maturing March 15, 2021, by way of a private placement without shareholders' preferential subscription rights, for a nominal amount of €700 million.

The bonds will not bear interest and the issue price was set at 102.75% of par, corresponding to a negative actuarial yield to maturity of -0.54%. The nominal unit strike price of these bonds was set at €29.99 representing a premium of 47.5% above the Company's reference share price on the issue date.

Veolia received cash of €714.9 million and recognized a debt of €697.3 million in the accounts at the issue date.

See Note 7.1.1 to the condensed interim consolidated financial statements for the half-year ended June 30, 2016 for information related to the accounting treatment of this operation.

CHANGES IN BONDS OUTSTANDING

On February 12, 2016, Veolia Environnement repaid the 2016 euro-denominated bond line with a nominal value of €382 million.

ISSUANCE OF A PANDA BOND

On September 2, 2016, Veolia Environnement successfully issued a bond for a nominal amount of 1 billion Renminbis (ie 135 million Euros) on the Chinese domestic market (Panda Bond).

This is the first time a French issuer has tapped the Chinese domestic market. The bond was issued via a private placement, and bears an interest rate of 3.5% for a 3 year maturity. It was issued to Chinese and international investors.

The pricing which was achieved is a signal of the significant appreciation of Veolia's credit quality, and investors' confidence in the Group's future development in China.

The proceeds of this bond will be used to refinance debt related to investments that the Group has made in China. This operation secures and optimizes the funding of the Group in Renminbi.

CONFIRMATION OF THE CREDIT OUTLOOK

In May and June 2016, S&P and Moodys confirmed Veolia'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 21, 2016 set the dividend for fiscal 2015 at €0.73 per share. This dividend was paid in cash beginning May 4, 2016 in the total amount of €401 million.

1.4 TRANSDEV GROUP

On March 30, 2016, following external refinancing, Transdev Group repaid in full the shareholder loan granted by Veolia in the amount of €345 million.

On July 29, 2016, the Board of Directors authorized an agreement to facilitate the shareholder reorganization of Transdev Group (Transdev), including Veolia's withdrawal.

Prior to this transaction, Transdev would disburse €20 million in dividends, of which €10 million would be paid to the Group.

Under the terms of the agreement, Caisse des Dépôts would acquire 20% of Transdev's capital for €220 million, given that 50% of the capital is valued at €550 million. After this first step, Caisse des Dépôts would own 70% of Transdev's capital and would have exclusive control of the company, while Veolia would retain 30% on a transitional basis.

As soon as possible, after this transaction, Veolia and Caisse des Dépôts would begin their search for a new shareholder interested in acquiring Veolia's remaining 30% stake to support Transdev's future development. At the end of a two-year period, Veolia could exercise a put option toward Caisse des Dépôts, priced at the initial valuation. This initial price could be re-negotiated downward if external and exceptional events not within Transdev management control were to significantly impact the 2017 fiscal year. Caisse des Dépôts would have a call option valued at the same price.

If Veolia were to sell its share in Transdev to a third party, within two years and at a price higher than €330 million, the additional capital gain would be split equally between Veolia and Caisse des Dépôts

If Caisse des Dépôts were to acquire the 30% remaining stake in Transdev held by the Group (after the two year period), and were to then sell this stake within twelve months of the purchase , the gain on sale would be split equally with the Group.

In addition as part of the agreement, Veolia would take ownership of Transdev's stake in SNCM for a total price of €1 and would guarantee Caisse des Dépôts, Transdev and their subsidiaries against any damages which could arise from SNCM and its subsidiaries.

This project for Caisse des Dépôts to take control of Transdev has been presented to the employee representative bodies is being reviewed by the relevant authorities in order to be completed.

Both parties are keen to finalize this operation by the end of 2016.

1.5 CHANGES IN GOVERNANCE

COMBINED SHAREHOLDERS' MEETING, APRIL 21, 2016

The Combined Shareholders' Meeting of Veolia Environnement took place at the Maison de la Mutualité in Paris on Thursday, April 21, 2016, 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 2015;
- set the cash dividend for fiscal year 2015 at €0.73 per share. The dividend was paid from May 4, 2016;
- renewed the terms of office of Mr. Jacques Aschenbroich and Mrs. Nathalie Rachou and appointed Mrs. Isabelle Courville and Mr. Guillaume Texier, as directors for a four-year term expiring at the end of the shareholders' meeting convened to approve the financial statements for the year ended December 31, 2019;
- issued a favorable opinion on the compensation due or awarded for fiscal year 2015 and expected 2016 compensation for Mr. Antoine Frérot, the Company's Chairman and Chief Executive Officer;
- renewed all financial authorizations granted to the Board of Directors;
- authorized the Board of Directors to grant free and performance shares to employees of the Group and corporate officers of the Company.

After this Combined Shareholders' Meeting, Veolia Environnement's Board of Directors consists of seventeen directors, including two directors representing employees and six women (40%), 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. Khaled Al Sayed;
- Mrs. Nathalie Rachou;
- Mr. Paolo Scaroni;
- Mr. Guillaume Texier;
- 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), 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. Marion Guillou and Mr. Pavel Páša (Director representing employees).

1.6 EVENTS SUBSEQUENT TO SEPTEMBER 30, 2016

ISSUANCE OF TWO BONDS FOR 1.1 BILLION EUROS

On October 4, 2016, Veolia successfully issued 2 bonds for 1.1 billion Euros. This issuance includes a 600 million Euro bond maturing in October 2023 (7-year maturity) bearing a coupon of 0.314% and a 500 million Euro bond maturing in January 2029 (long 12-year maturity) bearing a coupon of 0.927%. Both were issued at par.

The bonds were distributed towards a large investor base covering both Europe and Asia. Profiting from extremely favorable interest rate and credit markets, the bonds were issued at the lowest coupon in Veolia's history for this type of product.

The proceeds of this issuance will be used for general corporate purposes, and to partially refinance upcoming debt maturities.

2 Accounting and financial information

To enhance the presentation of its operating performance and improve comparability with other sector companies, the Group uses alternative performance measures to communicate the Group's financial results: EBITDA, Current EBIT and Current Net income.

These financial indicators are defined in Section 3.8.3 of the 2015 Registration Document.

2.1 KEY FIGURES

Group results break down as follows:

(in € million)	Nine months ended September 30, 2015	**Nine months ended September 30, 2016**	Δ	Δ at constant exchange rates
Revenue	18,288	17,708	-3.2%	-1.2%
EBITDA	2,148	2,206	+2.7%	+5.1%
EBITDA margin	*11,7%*	*12,5%*		
Current EBIT [(1)]	942	979	+4.0%	+7.3%
Current net income – Group share	410	421	+2.9%	+8.8%
Current net income – Group share, excluding capital gains and losses on financial disposals net of tax	339	388	+14.5%	+21.5%
Industrial investments	877	902		
Net free cash-flow [(2)]	(12)	3		
Net Financial debt	8,977	8,883		

(1) Including the share of current net income of joint ventures and associates viewed as core Company activities.

(2) Net free cash flow corresponds to free cash flow from continuing operations, and is equal to the sum of EBITDA, dividends received, operating cash flow from financing activities, and changes in operating working capital requirements, less net industrial investments, current cash financial expense, cash taxes paid, restructuring charges and renewal expenses.

The main foreign exchange impacts were as follows:

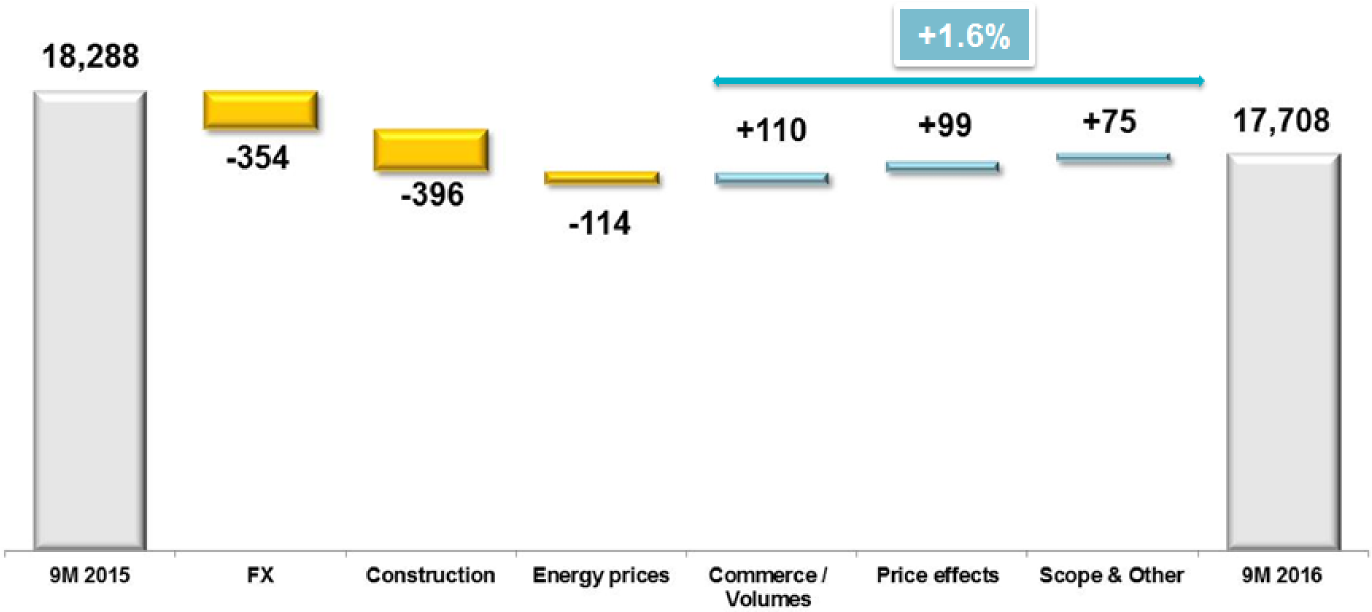
***Foreign exchange impacts** as of Sept 30, 2016 vs Sept 30, 2015*	**%**	*in € million*
Revenue	*-1.9%*	*(354)*
EBITDA	*-2.4%*	*(52)*
Current EBIT	*-3.3%*	*(31)*
Current net income	*-5.9%*	*(24)*
Net financial debt (vs. December 2015)	*-4.3%*	*(354)*
Net financial debt (vs. September 2015)	*-3.2%*	*(284)*

GROUP CONSOLIDATED REVENUE

Group consolidated revenue for the nine months ended September 30, 2016 was €17,707.6 million, compared with €18,287.6 million for the same period in 2015, down -1.2% at constant exchange rates. Excluding Construction revenue and the impact of lower energy prices, revenue increased +1.6% at constant exchange rates.

Revenue fell -1.7% at constant exchange rates in the third quarter, following a decrease of -2.1% in the first quarter and an increase of +0.1% in the second quarter at constant exchange rates. Excluding Construction revenue and the impact of lower energy prices, third quarter revenue improved +1.6% at constant exchange rates (versus +1.2% in the first quarter and +1.9% in the second quarter).

The decrease in revenue between 2015 and 2016 breaks down by main impact as follows:



The foreign exchange impact on revenue was -€353.7 million (-1.9% of revenue) and mainly reflects fluctuations in the pound sterling (-€167.3 million), the Argentine peso (-€69.1 million), the Japanese yen (+€31.1 million), the Polish zloty (-€29.4 million), the Australian dollar (-€20.6 million), the Mexican peso (-€20.2 million), and the Chinese renminbi (-€19.4 million).

The decrease in Construction revenue (-€396 million, representing -2.2% of Group revenue) essentially concerns Veolia Water Technologies and SADE (for -€314 million), as well as the completion of construction work on the Leeds and Shropshire PFI incinerators in the United Kingdom (-€53 million).

Group revenue was affected by the decline in energy prices (-0.6%) in the first semester, primarily in the United States.

The positive business momentum (Commerce/Volumes impact) of +€110 million was due to:

- an increase in volumes, in line with the good performance of the Waste activity in the United Kingdom and in Germany, good performance in China, in Africa and the Middle-East and hazardous waste overall. These positive effects were partially offset by a decrease in Water volumes in France, lower volumes of electricity sold in Germany and the Czech Republic, and reduced industrial services activity in North America and Australia;
- good business momentum with contract wins in Waste in France, Germany and the United Kingdom, the integration of a water cycle optimization contract at a Chinese petrochemical complex (Sinopec), and the commissioning of new assets (particularly the Leeds incinerator in the United Kingdom and the hazardous waste incinerator in Changsha in China);
- an overall negative weather impact (-€12 million): favorable in Central Europe, but more than offset by a negative impact in the United States.

Favorable price / tariff effects were the result of tariff indexation that remains favorable although moderate and higher waste prices in Argentina (due to inflation), despite the decrease in recyclate prices (-€5 million).

"Other" changes include changes in consolidation scope (+€121 million), and in particular the integration of the assets of Chemours' Sulfur Products division in July 2016 and transactions performed in 2015 (notably the acquisition of Altergis in the Energy sector in France and an entity in the Netherlands). Other changes also include negative one-off items with limited impact on EBITDA.

By segment, this change in revenue compared to the nine months ended September 30, 2015 breaks down as follows:

- Revenue declined in France (-0.6%):
  - Water revenue declined in the third quarter, in line with a fall in volumes sold (-1.7% year to date) and ongoing weak tariff indexation (+0.2%) and despite positive commercial impacts (Ileo contract in Lille);
  - Waste business revenue fell -1.6% due to the decline in municipal collection and lower scrap metal volumes & prices. The commercial portfolio nonetheless grew substantially, with a high contract renewal rate and contract wins (incinerator in Troyes, Cergy waste collection contract, etc.)
- Revenue slipped slightly in Europe excluding France (-0.4% at constant exchange rates).
  - Revenue fell -1.7% at constant exchange rates in the United Kingdom (versus -3.2% at the end of June 2016), but increased +1.4% excluding the Construction business (-€53 million following completion of the Leeds incinerator) due to contract wins;
  - revenue increased 1.7% at constant exchange rates in Germany to €1,238 million, thanks to growth in the Waste business;
  - in Central & Eastern Europe, revenue fell -1.6% at constant exchange rates. The downturn in third quarter revenue reflected a fall in electricity volumes and prices in the Czech Republic and Lithuania. Over the nine month period, a positive weather effect, the good level of water volumes invoiced

(+1.5%) and the start up of biomass cogeneration facilities in Hungary, partially offset the negative impact of a fall in energy prices in the first half of the year.

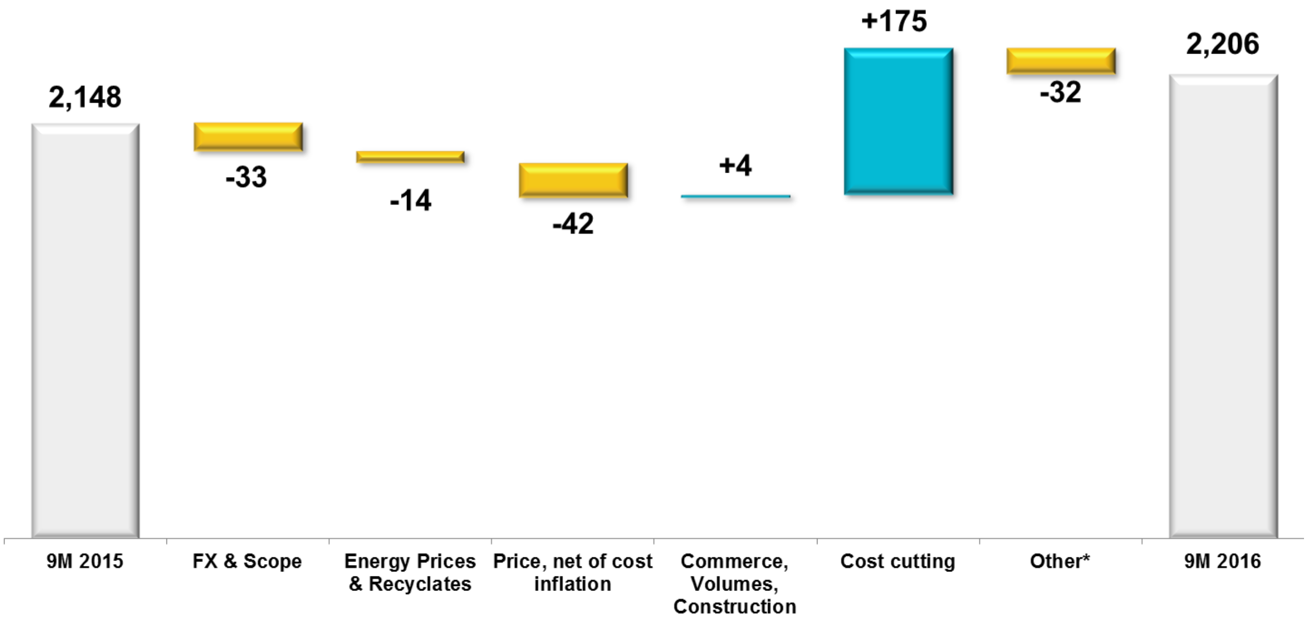
- Revenue increased +1.9% at constant exchange rates in the Rest of the World segment, with a marked improvement of +6.3% at constant exchange rates in the third quarter, following a contraction of -2.4% in the first quarter and an increase of +1.9% in the second quarter.
  - Revenue in North America fell -3.5% at constant exchange rates to €1,358 million (-9.4% at constant exchange rates for the six months ended of June 2016). The increase of revenue during the third quarter is mainly due to the integration of the assets of Chemours' Sulfur Products division.
  - Strong revenue growth in Latin America (+10.9% at constant exchange rates) following an increase in tariffs in Argentina due to inflation and the acquisition of the Pedreira landfill in Brazil. Revenue also increased in Africa and the Middle East (+8.9% at constant exchange rates) and in Asia (+3.4% at constant exchange rates, including +5.7% in China following the integration of a water cycle optimization contract at a petrochemical complex, the increase in Energy volumes and the commissioning of the Changsha incinerator, and). Revenue fell -4.2% in Australia at constant exchange rates, still penalized by a decrease in industrial services.
- Global Businesses: revenue fell -5.2% at constant exchange rates: Hazardous Waste activities continued to grow (+2.7% at constant exchange rates), while Design & Build activities declined in line with the progressive downsizing of the Veolia Water Technologies business and a poor third quarter for SADE civil engineering activities.

EBITDA

Group consolidated EBITDA increased 5.1% year-on-year at constant exchange rates to €2,206.4 million for the nine months ended September 30, 2016. The EBITDA margin increased from 11.7% for the nine months ended September 30, 2015 to 12.5% for the same period ended September 30, 2016.

This increase in EBITDA was mainly due to operating efficiency, with cost savings greater than €175 million.

The increase in EBITDA between September 2015 and September 2016 breaks down by impact as follows:



The foreign exchange impact on EBITDA was -€52.2 million and mainly reflects fluctuations in the pound sterling (-€22.2 million), South American currencies (-€13.2 million, primarily the Argentine peso) and the Polish zloty (-€6.5 million).

The consolidation scope impact (+€19.3 million) is mainly due to the integration of the assets of Chemours' Sulfur Products division in July 2016.

The impact of energy prices & recyclates (-€14 million): the decline in heat and electricity prices was offset by the reduction in the purchase price of fuel used to produce heat and electricity. The impact of raw material prices is negative (-€4 million).

Prices, net of cost inflation, had a negative impact, notably in France.

Commerce / Volume / Construction impacts were favorable: the commissioning of new assets, good hazardous waste performance, favorable water volumes in Central & Eastern Europe and good activity in Asia were offset by lower water volumes in France (-€17 million), the ongoing negative impact of renegotiations in French Water (-€25 million), and the decline in industrial services activity in the United States and Australia.

Cost-savings plans contributed more than €175 million to the increase in EBITDA, mainly as a result of operational efficiency (44%) and purchasing (35%).

"Other" changes mainly include the impairment of receivables in the Water business in France pursuant to the Brottes Law, and unfavorable impact of the absence of one-off items in 2015 in the Waste business in France.

By segment:

- The EBITDA trend improved in the third quarter in France compared to previous quarters, boosted by cost-cutting plans.
    - In the Water business, the decline in EBITDA slowed in the third quarter. Cost savings only partially offset weak tariff indexation (+0.2%), the negative effect of contractual negotiations (-€25 million), the decrease in volumes (-€17 million, -1.7%), and the impairment of receivables pursuant to the Brottes law;
    - in the Waste business, EBITDA improved slightly in the third quarter, after a second quarter penalized by a non-recurring item that favorably impacted Bartin in 2015. The EBITDA in the Waste business was also impacted by the fall in the price and volume of scrap metal.
- Strong growth in EBITDA in Europe excluding France, and particularly:
    - in Central Europe, thanks to cost savings efforts and a favorable weather impact (+€4 million);
    - in the United Kingdom, thanks to the excellent overall performance tied to cost-cutting efforts and the impact of PFI contracts;
    - in Waste in Germany, as a result of contract wins and the positive impact of recyclate prices (increase in the price of paper);
    - in Belgium, as a result of the successful conclusion of a claim.
- Acceleration of growth in the Rest of the World:
    - third quarter return to growth in the United States, despite difficult Energy market conditions due to a negative weather impact and a decrease in energy prices (gas), primarily in the first half of 2016. These unfavorable impacts were largely offset by cost-cutting plans implemented in the Industrial Services and Municipal & Commercial activities, as well as the integration of the assets of Chemours' Sulfur Products division;

- strong growth in Asia, in line with the increase in Energy volumes, the commissioning of the Changsha incinerator, the integration of a water cycle optimization contact at a Chinese petrochemical complex (Sinopec) and cost savings.

- In the Global Businesses segment, Veolia Water Technologies reported strong growth in EBITDA, thanks to cost reduction and optimization measures, while the Hazardous Waste business reported a solid performance.

CURRENT EBIT

For the first nine months of 2016, Group consolidated Current EBIT increased +7.3% year-on-year at constant exchange rates to €978.7 million.

This increase in Current EBIT was mainly due to:

- an improvement in Group EBITDA, particularly in Europe excluding France, in Asia and the Global Businesses segment;
- a +2.3% increase in the depreciation and amortization expense at constant exchange rates, reflecting changes in consolidation scope in France, the United Kingdom and the United States;
- an unfavorable change in net reversals of operating provisions, mainly reflecting reversals of provisions for "Olivet" contractual risks recorded in the Water business in France in 2015;
- an increase in capital gains on disposals of industrial assets, particularly in Asia in 2016;
- a slight increase in the contribution of equity-accounted entities, particularly the strong momentum of the Chinese concessions.

The foreign exchange impact on Current EBIT was -€31.4 million and mainly reflects fluctuations in the pound sterling (-€13.6 million), South American currencies (-€6.6 million, including the Argentine peso), and the Chinese renminbi (-€5.3 million).

The reconciling items between EBITDA and Current EBIT as of September 30, 2015 and September 30, 2016 are as follows:

(in € million)	Nine months ended September 30, 2015	**Nine months ended September 30, 2016**
EBITDA	**2,148.0**	**2,206.4**
Renewal expenses	(206.4)	(202.5)
Net depreciation and amortization [1]	(1,133.5)	(1,165.0)
Share of current net income of joint ventures and associates	80.8	81.7
Provisions, fair value adjustments & other [2]:	52.6	58.2
- Current impairment of property, plant and equipment, intangible assets and operating financial assets	(4.0)	1.9
- Gains or losses on industrial divestitures	9.4	20.1
- Net charges to operating provisions, fair value adjustments and other	47.2	36.2
EBIT Courant	**941.5**	**978.8**

(1) *Including principal payments on operating financial assets (OFA) of -€140 million as of September 30, 2016, versus -€111 million as of September 30, 2015.*

(2) *Including gains and losses on industrial divestitures*

NET INCOME

Current net income attributable to owners of the Company increased 8.8% at constant exchange rates to €421.4 million for the nine months ended September 30, 2016, from 409.7 million for the same period in 2015.

Excluding capital gains and losses on financial divestitures net of tax, current net income attributable to owners of the Company rose 21.5% at constant exchange rates to €388.5 million, from €339.4 million for the nine months ended September 30, 2015.

FINANCING

(in € millions)	Nine months ended September 2015	**Nine months ended September 2016**
EBITDA	**2,148.0**	**2,206.4**
Net industrial investments	(808.2)	(851.3)
Change in operating WCR	(659.5)	(653.4)
Dividends received from equity-accounted entities and joint ventures	71.4	68.2
Renewal expenses	(206.5)	(202.5)
Restructuring charges	(64.5)	(69.4)
Financial items (current cash financial expense, and operating cash flow from financing activities)	(310.6)	(318.4)
Taxes paid	(181.9)	(176.7)
Net free cash flow before dividend payment, financial investments and financial divestitures	**(11.6)**	**2.9**
Net financial debt at the beginning of the period	(8,311.1)	(8,169.7)
Net financial debt at the end of the period	**(8,977.1)**	**(8,882.8)**

Net free cash flow amounted to €3 million for the nine months ended September 30, 2016, versus -€12 million for the nine months ended September 30, 2015.

The change in net free cash flow year-on-year mainly reflects the improvement in EBITDA, and the increase in net industrial investments, mainly in Waste activities in Australia and in Water in France.

The variation of other items of the Net free cash flow from September 30, 2015 and September 30, 2016 does not warrant any particular comments.

Overall, net financial debt amounted to €8,883 million, compared with €8,977 million as of September 30, 2015.

In addition to the change in net free cash flow, net financial debt was favorably impacted by exchange rate fluctuations in the amount of €354 million in the first nine months of the year (€284 million compared to September 30, 2015). Net financial debt was also impacted by:

- an increase in financial investments to -€813 million for the nine months ended September 30, 2016 (including the net financial debt of entities acquired and acquisition costs) and mainly including the acquisition of Kurion in the United States (-€298 million), Chemours' Sulfur Products division (-€290 million), the Pedreira landfill site in Brazil (-€71 million) and the Prague Left Bank district heating network (-€58 million). Financial investments (-€173 million) for the nine months ended September 30, 2015 mainly concerned the purchase of minority stakes in the Water business in Central Europe;

- repayment of the Transdev Group intercompany loan in March 2016 in the amount of €345 million;

- a decrease in financial divestitures to €58 million for the nine months ended September 30, 2016, with the absence of any individually significant amounts. For the nine months ended September 30, 2015, financial divestitures included the sale of Group activities in Israel.

2.2 ACTIVITY

2.2.1 Revenue by segment

Revenue (in € million)	Nine months ended September 30, 2015	**Nine months ended September 30, 2016**	Δ 2016/2015	Δ at constant exchange rates	Δ at constant exchange rates, excl. impact of Construction activities and energy prices
France	4,090.2	4,065.5	-0.6%	-0.6%	-0.5%
Europe excluding France	6,180.1	5,969.7	-3.4%	-0.4%	+1.6%
Rest of the World	4,387.5	4,346.8	-0.9%	+1.9%	+3.3%
Global Businesses	3,535.8	3,304.5	-6.5%	-5.2%	+3.7% *
Other	94.2	21.1	-	-	-
Group	18,287.6	**17,707.6**	**-3.2%**	**-1.2%**	**+1.6%**

(*) Global businesses include Hazardous waste activities, and Solutions and Technologies activities in Water (sensitive to Construction works fluctuations)

The decrease in 2016 third quarter revenue is marked by the ongoing downsizing of the Design & Build activities and international growth:

Δ at constant exchange rates	Q1 2016	Q2 2016	Q3 2016
France	+0.2%	-0.7%	-1.3%
Europe excluding France	-0.9%	+0.3%	-0.6%
Rest of the World	-2.4%	+1.9%	+6.3%
Global Businesses	-2.9%	-0.9%	-11.4%
Group	**-2.1%**	**+0.1%**	**-1.7%**
Total Group excluding the impact of Construction activities and energy prices	**+1.2%**	**+1.9%**	**+1.6%**

FRANCE

Revenue in France for the nine months ended September 30, 2016 was €4,065.5 million, down slightly by -0.6% year-on-year. Excluding the impact of Construction activities and energy prices, revenue was also down slightly by -0.5% at constant exchange rates.

- Water business revenue improved slightly by +0.3% compared with the first nine months of 2015. The positive commercial impact of new contracts (particularly the Ileo contract in Lille) was mitigated by unfavorable contractual renegotiations (renewal of the Greater Lyon contract and transfer of the Montpellier contract to the municipality), reduced Construction activity, weak tariff indexation of +0.2%, and a -1.7% decrease in volumes sold.

- Consistent with the first half 2016 performance, Waste revenue slipped -1.6% in the first nine months of the year. Despite the satisfactory level of incineration activities and landfill volumes and positive commercial impacts (particularly in the sorting and recovery of industrial waste and incineration), revenue was impacted by a drop in municipal and commercial collection volumes and a decrease in recyclate prices and volumes (plastics and ferrous and non-ferrous scrap metal). The commercial portfolio nonetheless expanded significantly in the third quarter of 2016, with a high contract renewal rate and contact wins (Troyes incinerator, Cergy waste collection contact, etc.).

EUROPE EXCLUDING FRANCE

Revenue in the Europe excluding France segment for the first nine months ended September 30, 2016 amounted to €5,969.7 million, down slightly by -0.4% at constant exchange rates year-on-year. Revenue has therefore remained practically stable throughout the year: after decreasing -0.9% in the first quarter and increasing +0.3% in the second quarter, revenue slipped -0.6% at constant exchange rates in the third quarter.

Excluding the impact of Construction activities and energy prices, revenue increased +1.6% at constant exchange rates.

This overall increase breaks down as follows:

- Central Europe: revenue fell -1.6% at constant exchange rates for the nine months ended September 30, 2016, with a third quarter Y-Y decrease reflecting a slump in electricity volumes and tariffs in the Czech Republic and Lithuania. These third quarter negative effects, together with the decrease in Construction activities in the Water division in the Czech Republic and the first-half fall in energy prices, were partially offset by an increase in tariffs and volumes in the Water business in the Czech Republic, the start up of two cogeneration facilities in Hungary (Debrecen and Nyiregyhaza), and a favorable weather effect in Lithuania and Poland.

- United Kingdom and Ireland: revenue fell -1.8% at constant exchange rates for the nine months ended September 30, 2016, but recovered in the third quarter posting growth of +1.5% at constant exchange rates (versus -2.3% in the first quarter and -4.3% in the second quarter). Despite the decrease in Construction activity, revenue benefited from the development of commercial collection activities (particularly the Sainsbury contract), new municipal contracts in the Waste business (St Albans, Southend-on-Sea, Hampshire), an increase in recyclate volumes and prices (paper, metal), and the commissioning of the Leeds incinerator in December 2015.

- Northern Europe: revenue momentum was confirmed, increasing +6.2% at constant exchange rates thanks to strong growth in Waste activities and the integration of new contracts (particularly Veolia Industriepark in Germany).

- Italy: Energy business revenue fell -11.6%, due to the restructuring of the commercial portfolio, a decrease in energy prices and an unfavorable weather effect.

REST OF THE WORLD

Revenue in the Rest of the World segment for the nine months ended September 30, 2016 was €4,346.8 million, up +1.9% at constant exchange rates year-on-year. After a slump of -2.4% at constant exchange rates in the first quarter, followed by an upturn of +1.9% in the second quarter, revenue grew +6.3% in the third quarter.

Excluding the impact of Construction activities and energy prices, Rest of the World segment revenue increased +3.3% at constant exchange rates.

Rest of the World revenue progression reflects solid growth across the region, with the exception of Australia:

- In Latin America (+10.9% at constant exchange rates), growth accelerated yet again in the third quarter in Argentina, Brazil and Mexico. In Argentina, increased volumes under the Buenos Aires contract was partially offset by the scheduled end of the Avellaneda contract in January 2016. Revenue growth in Mexico was fueled by an increase in water volumes invoiced, while Brazil benefited from the positive impact of the acquisition of the Pedreira landfill site and a new contract win in the Water business. Nearly all countries in the Latin America region were impacted by tariff increases due to inflation.
- Asia revenue growth (+3.4% at constant exchange rates) resulted from an increase in revenue across most of the region. In China, revenue growth accelerated in the third quarter (+17.6% at constant exchange rates) benefiting from the integration of a new water cycle optimization contract at a petrochemical complex (Sinopec) and increased volumes sold in the Energy business (Harbin and Jiamusi heating networks and industrial contracts) and despite the fall in energy prices (heating and electricity). Japan reported revenue growth of +6.4% at constant exchange rates for the nine months ended September 30, 2016, reflecting the development of the customer service activity (launch of the Tokyo contract in April 2015) and O&M activity.
- In Africa and the Middle East, revenue growth was steady throughout the period and across all countries in the region (+8.9% at constant exchange rates) and mainly due to 8% growth in electricity sales in Gabon, business development in the Water activity and an increase in Energy volumes in the Middle East, as well as in Construction activity.

The solid growth in the Rest of the World segment was penalized by a fall in revenue in Australia (-4.2% at constant exchange rates). In the Waste business, the increase in collection activities only partially offset the slump in industrial services. Energy revenue fell, while the good performance of municipal contracts in the Water business was mitigated by the absence of non-recurring construction work in 2015.

Revenue also fell in North America (-3.5% at constant exchange rates), due to a drop in energy prices, a fall in heating volumes sold (due to a very mild winter), a downturn in industrial services and the end of a number of municipal and industrial Water contracts. North America revenue was however positively impacted by an increase in Water and Hazardous Waste prices and the integration of the assets of Chemours' Sulfur Products division, reporting a marked increase in the third quarter of +9.2% at constant exchange rates (versus -14.9% in the first quarter and -3.4% in the second quarter).

GLOBAL BUSINESSES

The Global Businesses segment reported revenue of €3,304.5 million for the nine months ended September 30, 2016, down -5.2% at constant exchange rates year-on-year. After a decline of -2.9% at constant exchange rates in the first quarter and of -0.9% in the second quarter, revenue slumped -11.4% at constant exchange rates in the third quarter.

Excluding the impact of Construction activities and energy prices, revenue increased +3.7% at constant exchange rates.

The variation in revenue was mainly due to:

- solid growth in Hazardous waste activities (+2.7% at constant exchange rates), tied particularly to treatment and recovery activities (launch of the Paris subway line 14 worksite), landfill activities, an increase in industrial clean-up services and industrial maintenance performance;
- a decrease in Construction activities at SADE: weak international activity following the postponement of projects and the downturn in construction in France was slightly offset by a solid Telecom performance;
- the progressive downsizing of Veolia Water Technologies activities following the completion of major projects (Oman Sur, Sadara and Az Zour North), and the decrease in Solutions activities.

2.2.2 Revenue by business

Revenue (in € million)	Nine months ended September 30, 2015	**Nine months ended September 30, 2016**	Δ 2016/2015	Δ at constant exchange rates	Δ at constant exchange rates, excl. impact of Construction activities and energy prices
Water	8,345	8,078	-3.2%	-2.6%	+1.5%
Waste	6,449	6,266	-2.8%	+0.9%	+1.7%
Energy	3,494	3,364	-3.7%	-1.9%	+1.3%
Group	**18,288**	**17,708**	**-3.2%**	**-1.2%**	**+1.6%**

WATER

Water revenue for the nine months ended September 30, 2016 declined -2.6% at constant exchange rates year-on-year and increased +1.5% at constant exchange rates excluding the decrease in Construction activity, reflecting:

- stable Operations activities. In France, the positive commercial impact of new contract wins (Lille) offset the 1.7% decline in volumes and weak price indexation (+0.2%), while Central Europe benefited from good volumes;
- the progressive downsizing of the Veolia Water Technologies business.

WASTE

Waste revenue increased +0.9% at constant exchange rates compared with the first nine months of 2015 and increased +1.7% at constant exchange rates excluding the decrease in Construction activity, reflecting overall a positive volume impact of +0.8% and a price impact of +0.9%, and more specifically:

- a good performance in the United Kingdom, excluding Construction activities (+3.7% at constant exchange rates);
- commercial development in France;
- good growth in hazardous waste (+2.7% at constant exchange rates);
- these positive effects were moderated by a weak performance in Industrial Services in the United States and Australia.

ENERGY

Energy revenue for the nine months ended September 30, 2016 declined -1.9% at constant exchange rates year-on-year and increased +1.3% at constant exchange rates excluding the decrease in energy prices. This decline can be explained by:

- an overall weather impact that was somewhat unfavorable (the weather impact was positive in Poland and Lithuania, but negative in the United States);

- the positive impact of the start up of biomass cogeneration facilities in Hungary;
- an increase in volumes in Asia.

3 Objectives and outlook

Based on the results recorded during the first nine months of 2016, the Group's outlook for the 2016 fiscal year are as follows:

- **2016 Objectives***
  - Revenue now stable overall versus 2015
  - EBITDA growth
  - Net Free Cash Flow before divestments and acquisitions of at least €650 million
  - Current net income of at least €600 million

- **2016-2018 Outlook ***
  - The Group expects a progressive increase in revenue growth to achieve average annual revenue growth between 2% and 3%, based on the current economic environment
  - Average annual EBITDA growth of around 5% per year
  - More than €600 million in cost savings over the period
  - Current net income greater than €800 million in 2018
  - Net Free Cash Flow of €1 billion in 2018

**at constant exchange rates*

- **Dividend policy**

  From 2016-2018, the Group expects to be able to provide around 10% annual dividend growth, while reducing the payout ratio.

4 Definition of financial indicators

The definitions of the financial indicators used by the Group are unchanged for 2015 and 2016 and may be found in Section 3.8.3 of the 2015 Registration Document.