Société anonyme with a share capital of €2,816,824,115
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QUARTERLY FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED MARCH 31, 2016

(UNAUDITED FIGURES)

1. Major events of the period

1.1. General context

In a lackluster economic environment, the Group's performance in the three months ended March 31, 2016 was mainly marked by:

- A -3.4% decline in revenue (-1.7% at constant consolidation scope and exchange rates). Excluding the impact of Construction activities and energy prices, revenue increased +1.6% at constant consolidation scope and exchange rates;
- Solid Q1 results, with EBITDA up 5.0% (at constant scope and exchange rates), reflecting continued cost-saving efforts (€58 million in Q1);
- Current net income – Group share of €173 million, up 16% excluding capital gains and losses on financial disposals compared with the three months ended March 31, 2015;
- Net free cash flow of -€343 million, mainly due to the increased seasonality of working capital requirements;
- Annual objectives confirmed.

1.2. Changes in consolidation scope

Acquisition of Kurion

The acquisition of the US company, Kurion, announced by the Group on February 3, 2016, was completed on March 31, 2016. The contribution of Kurion will be included in the Group consolidated financial statements from April 1, 2016.

This transaction increased Group net financial debt as of March 31, 2016 by nearly €330 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.

Current disposals

The Group is currently involved in negotiations for the sale of SADE.

1.3. Group financing

Convertible bond issue

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

The Bonds will not bear interest (due March 15, 2021) and the issue price has been set at 102.75% of par, corresponding to a negative yield to maturity of -0.54%. The nominal unit value 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. The maximum potential dilution is approximately 4% by 2021.

The net proceeds of the offering will be used for general corporate purposes and will contribute to refinancing the bond lines maturing in 2016 and 2017.

This transaction is part of the Group's goal to reduce its financing costs by taking advantage of favorable market conditions, as it provides Veolia Environnement with five-year financing at a negative interest rate. The conditions obtained and the level of oversubscription show that Veolia's signature is viewed very favorably and demonstrated investor confidence in the Group's future.

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.

Discussions are ongoing between Veolia and Caisse des Dépôts regarding the future of Veolia's 50% investment in Transdev (valued at €440.5 million as of March 31, 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 shares went ex-dividend on May 2, 2016 and the dividend will be 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 composed 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 March 31, 2016

No significant events have occurred since March 31, 2016.

2. Accounting and financial information

2.1. Key figures

Group results break down as follows:

(in € million)	**Three months ended March 31, 2016**	Three months ended March 31, 2015	Δ	Δ at constant consolidation scope & exchange rates
Revenue	6,089	6,305	-3.4%	-1.7%
EBITDA	840	816	3.0%	5.0%
EBITDA margin	*13.8%*	*12.9%*	*+90bp*	
Current EBIT (1)	413	397	4.2%	7.5%
Current net income – Group share	173	212	-18.4%	
Current net income – Group share, excluding capital gains and losses on financial disposals net of tax	170	147	16.0%	
Industrial investments	246	267		
Net free cash flow (2)	(343)	(317)		
Net financial debt	8,265	8,970		

(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:

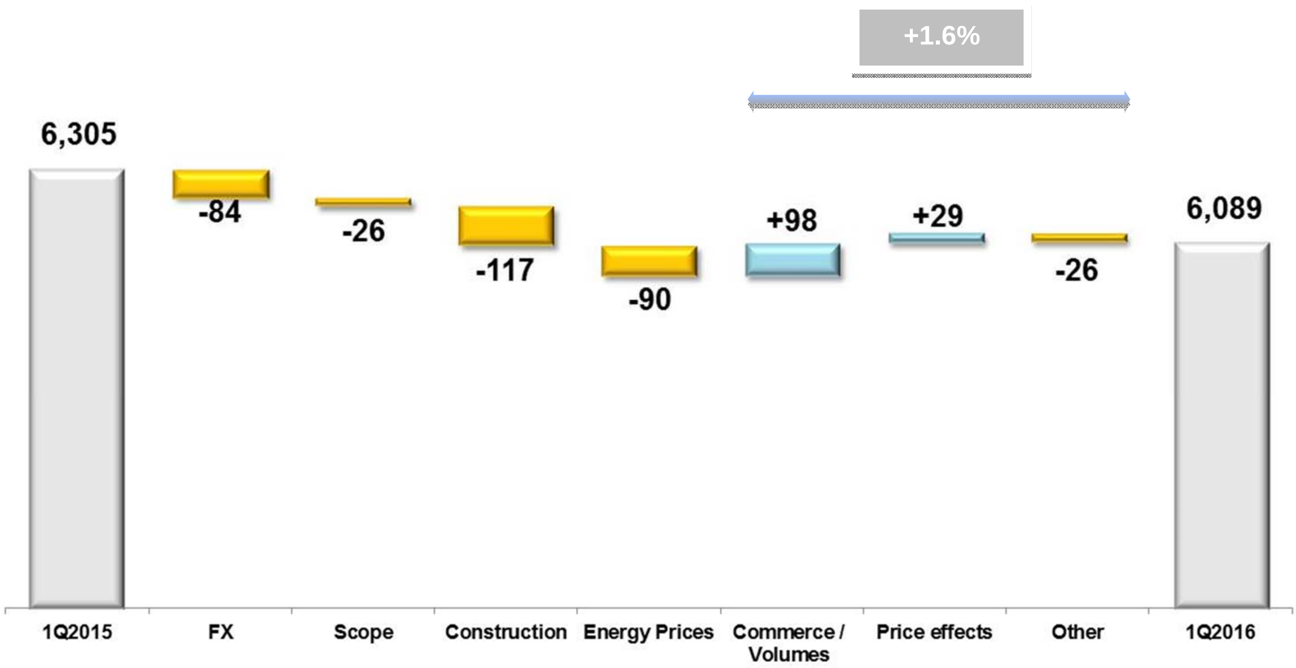
Foreign exchange impacts *as of March 31, 2016 (vs March 31, 2015)*	*%*	*€M*
Revenue	*-1.3%*	*-84*
EBITDA	*-1.4%*	*-11*
Current EBIT	*-1.7%*	*-7*
Net financial debt	*4.2%*	*381*

❖ Group consolidated revenue

Group consolidated revenue for the three months ended March 31, 2016 was €6,089 million, compared with €6,305 million for the same period in 2015, down -3.4% at current consolidation scope and exchange rates and -1.7% at constant consolidation scope and exchange rates (-2.1% at constant exchange rates).

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

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



<u>The foreign exchange impact</u> on revenue totaled -€84.1 million (-1.3% of revenue) and mainly reflects fluctuations in the value of the euro against the Argentine peso (-€21.0 million), the pound sterling (-€19.0 million), the Australian dollar (-€15.7 million), the US dollar (+€12 million), the Polish zloty (-€12.5 million) and the Brazilian real (-€7.6 million).

<u>The consolidation scope impact</u> was largely due to transactions performed in 2015: divestiture of the Group's activities in Israel (-€36.0 million), acquisition of Altergis in the Energy sector in France (+€14.5 million) and the divestiture of Waste activities in Poland (-€4.5 million).

The decrease in <u>Construction</u> revenue (-1.9%) was mainly due to application of a more selective growth strategy and the end of major projects at Veolia Water Technologies and lackluster activity levels in SADE.

Group revenue was affected by the decline in <u>energy prices</u> (-1.4%), primarily in the United States and to a lesser extent in Germany and Central Europe.

The positive commercial momentum (<u>Commerce/Volumes impact</u>) of +€98 million was due to:

- favorable weather conditions in Central Europe, tempered by a negative weather effect in the United States;
- the limited negative impact of contractual renegotiations in the Water business in France;
- the commissioning of the Leeds incinerator in the United Kingdom and of two cogeneration plants in Hungary;
- continued strong international performance (primarily in Asia and the Africa / Middle East region);
- the good momentum of hazardous waste activities.

The decrease in revenue compared with March 31, 2015 breaks down as follows <u>by segment</u>:

- Revenue was stable in France (-0.5% at constant consolidation scope):
    - The Water business reported stable revenue thanks to positive commercial impacts (Ileo contract in Lille), tariff indexation (+0.2%) and steady volumes, mitigated by the impact of contract renegotiations;
    - Waste revenue decreased slightly (-1.0%): the decline in scrap metal activity was partially offset by good performance in treatment activities (incineration and landfill).

- Revenue in the Rest of Europe decreased slightly (-0.7% at constant consolidation scope and exchange rates). Excluding the impact of Construction activities and energy prices, revenue increased +1.2% at constant consolidation scope and exchange rates.
  - In the United Kingdom, revenue was impacted by a decline in landfill volumes, partially offset by the commissioning of the Leeds incinerator and new contracts in commercial collection activities;
  - Revenue was stable in Germany, with increased revenue in the Waste business, offset by the impact of a fall in energy prices;
  - Revenue also remained stable in Central and Western Europe, thanks to higher volumes invoiced in the Water business and favorable weather conditions in the Energy business, offset by a fall in electricity volumes sold and a decrease in energy prices;
  - Continued growth in Northern Europe (new contracts in Sweden and the Netherlands).

- Revenue increased in the Rest of the World segment, excluding North America. Excluding the impact of Construction activities and energy prices, Rest of the World revenue increased +1.5% at constant consolidation scope and exchange rates.
  - Revenue was penalized in the United States by a mild winter, the fall in energy prices and a challenging industrial services environment;
  - Revenue increased across nearly all other geographic areas in the segment: Asia (+2.6% at constant consolidation scope and exchange rates), Latin America (+5.4%), Africa / Middle East (+8.5%).

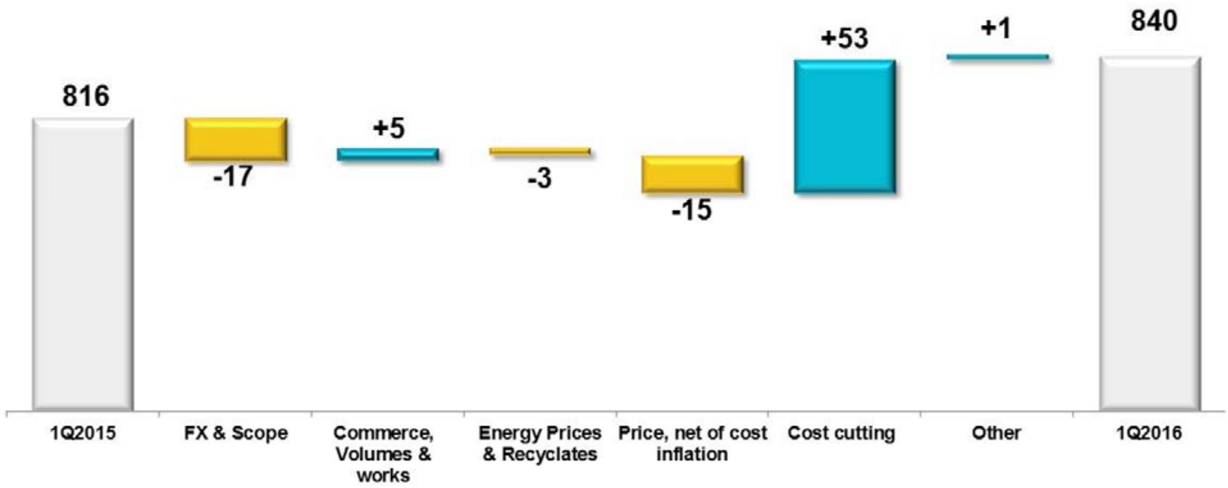
- Global businesses: strong growth in hazardous waste, but progressive downsizing of Construction activities. Excluding the impact of Construction activities and energy prices, Global businesses revenue increased +4.8% at constant consolidation scope and exchange rates. Revenue increased +4.8% at constant consolidation scope and exchange rates, adjusted for the impact of construction activities and energy prices.
  - Hazardous waste: revenue increased +5.7% at constant consolidation scope and exchange rates;
  - Veolia Water Technologies: -6.4% slump in revenue at constant consolidation scope and exchange rates, tied to the end of major projects (Sadara and Az Zour North), and a more selective growth strategy.

❖ EBITDA

Group consolidated EBITDA for the three months ended March 31, 2016 was €840 million, up 3.0% at current consolidation scope and exchange rates and 5.0% at constant consolidation scope and exchange rates compared with the same period in 2015. EBITDA margin increased from 12.9% in the three months ended March 31 2015 to 13.8% in the same period ended March 31 2016.

This increase in EBITDA was mainly due to <u>cost savings</u> of €53 million over the first three months of 2016. The annual cost savings objective of €200 million is confirmed.

The increase in EBITDA between 2015 and 2016 breaks down <u>by impact</u> as follows:



The foreign exchange impact on EBITDA was -€11.3 million and mainly reflects fluctuations in the value of the euro against South American currencies (-€4.0 million, primarily the Brazilian real and the Argentine peso), the Polish zloty (-€3.8 million) and the pound sterling (-€2.4 million).

The consolidation scope impact (-€5.4 million) mainly concerns the divestiture of Group activities in Israel (-€3.6 million).

The negative price impact reflects low tariff indexation net of the cost of inflation. Note that the decline in energy prices is neutralized at the EBITDA level due to savings realized on the purchase of fuel.

Cost-saving plans contributed €53 million to the increase in EBITDA, mainly with respect to purchasing and organizational efficiency.

By segment:

- EBITDA declined in France:
  - in the Water business, cost savings only partially offset the negative impact of price effects, net of inflation and the impairment of receivables pursuant to the Brottes law;
  - in the Waste business, cost savings and the fall in fuel prices were offset by the fall in the price of scrap metal and an unfavorable comparison effect due to non-recurring items in 2015.
- Strong EBITDA growth in the Europe excluding France segment, boosted by significant cost savings, the positive impact of commercial wins and the commissioning of assets (Leeds incinerator in the United Kingdom, cogeneration plants in Hungary, etc.), a positive weather effect in Central Europe and solid performance in Germany.
- The Rest of the World segment reported a downturn in EBITDA, due to lower activity levels in the United States.
  - United States: the municipal sector was impacted by the mild winter. Lower activity levels in the industrial sector were partially offset by significant productivity gains.
  - Continued strong performance in Asia.
- Conversely, Global Businesses EBITDA improved significantly, mainly thanks to growth in hazardous waste activities and to improved profitability of construction activities.

❖ Current EBIT

Group consolidated Current EBIT for the three months ended March 31, 2016 amounted to €413 million, up by +4.2% at current consolidation scope and exchange rates and +7.5% at constant consolidation scope and exchange rates compared with the same period in 2015.

This increase in Current EBIT is mainly due to:

- an improvement in Group EBITDA, particularly in the Europe excluding France and Global Businesses segments;
- stable depreciation and amortization expense at constant exchange rates;
- a slightly favorable variation in the net charges to provisions, particularly for Construction activities in Latin America due to provision charges recognized in 2015.
- the slightly negative impact (change in consolidation scope and foreign exchange impact) of the contribution of equity-accounted entities.

The foreign exchange impact on Current EBIT was -€6.8 million and mainly reflects fluctuations in the value of the euro against South American currencies (-€3.4 million, including the Argentine peso) and the Polish zloty (-€2.8 million)

Reconciling items between EBITDA and Current EBIT for the three months ended March 31, 2016 and 2015 are as follows:

(in € million)	**Three months ended March 31, 2016**	Three months ended March 31, 2015
EBITDA	**840.3**	**815.9**
Renewal expenses	(67.4)	(65.0)
Depreciation & amortization (1)	(379.6)	(371.8)
Share of current net income of joint ventures and associates	17.4	22.4
Provisions, fair value adjustments & other:	2.5	(4.8)
▪ Current impairment of property, plant and equipment, intangible assets and operating financial assets	(4.8)	0.7
▪ Capital gains (losses) on industrial divestitures	5.3	4.4
▪ Net charges to operating provisions, fair value adjustments and other	2.0	(9.9)
Current EBIT	**413.2**	**396.7**

(1) Including principal payments on operating financial assets.

❖ Current net income

Current net income attributable to owners of the Company fell to €173 million for the three months ended March 31, 2016 from €212 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 16.0% to €170 million from €147 million for the three months ended March 31, 2015.

❖ **Financing**

(in € million)	**Three months ended March 31, 2016**	**Three months ended March 31, 2015**
EBITDA	**840**	**816**
Net industrial investments	(230)	(238)
Change in operating WCR	(730)	(660)
Dividends received from equity-accounted entities and joint ventures	3	7
Renewal expenses	(67)	(65)
Restructuring charges	(7)	(24)
Financial items (current cash financial expense, and operating cash flow from financing activities)	(98)	(104)
Taxes paid	(54)	(49)
Net free cash flow before dividend payment, financial investments and financial divestitures	**(343)**	**(317)**
Opening Net financial debt	8,170	8,311
Closing Net financial debt	**8,265**	**8,970**

Net free cash flow was -€343 million for the three months ended March 31, 2016, compared with -€317 million for the same period in 2015.

The change in net free cash flow year-on-year mainly reflects:
- the improvement in EBITDA;
- solid industrial investment discipline, with the decrease primarily due to a reduction in maintenance expenditure in Poland;
- the decrease in restructuring charges;
- the negative impact of operating working capital requirements of -€730 million compared with -€660 million in the first three months of 2015, due to a more substantial seasonal effect in 2016 and numerous customer payments at the end of 2015.

Overall, net financial debt fell to €8,265 million, compared with €8,970 million as of March 31, 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 €252 million in the first three months of the year (€381 million compared to March 31, 2015). Net financial debt was also impacted by:

- an increase in financial investments, including the acquisition of Kurion in the amount of -€330 million on March 31, 2016 (including acquisition costs). Financial investments did not warrant any particular comment as of March 31, 2015;

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

- a decrease in financial divestitures to €26 million in the three months ended March 31, 2016, mainly comprising the divestiture of a municipal water entity in China. In the three months ended March 31, 2015, financial divestitures totaled €299 million and included the divestiture of the Group's 40% stake in S.D.C PTE in Singapore (enterprise value of €47 million) and the divestiture of activities in Israel contributing to an overall reduction in net financial debt of €226 million.

2.2. Revenue

2.2.1. Revenue by segment

Revenue (in € million)						
	Three months ended March 31, 2016	Three months ended March 31, 2015	Change 2015/2016	Internal growth	External growth	Foreign exchange impact
France	1,322.9	1,320.1	0.2%	-0.5%	0.7%	-
Europe excluding France	2,265.3	2,312.0	-2.0%	-0.7%	-0.2%	-1.1%
Rest of the World	1,426.1	1,509.6	-5.5%	-2.5%	-	-3.1%
Global businesses	1,067.7	1,111.9	-4.0%	-4.3%	1.3%	-1.0%
Other	6.8	51.2	-86.7%	2.2%	-88.8%	-
Group	**6,088.8**	**6,304.8**	**-3.4%**	**-1.7%**	**-0.4%**	**-1.3%**

❖**France**

Revenue in France for the three months ended March 31, 2016 was €1,322.9 million, down -0.5% at constant consolidation scope compared to the prior year period.

- Water business revenue was stable at constant consolidation scope compared to the first three months of 2015. The positive commercial impact of new contracts (particularly the Ileo contract in Lille) and tariff indexation of +0.2% were mitigated by unfavorable contractual renegotiations and reduced Construction activity. Volumes sold for the three months ended March 31, 2016 were stable vs. the prior year period;
- Waste business revenue slipped -1.0% at constant consolidation scope. Despite the good level of incineration activities and landfill volumes, revenue was impacted by a drop in municipal collection volumes and a decrease in recycled material prices and volumes (plastic and ferrous and non-ferrous scrap metal).

❖ **Europe excluding France**

Revenue in the Europe excluding France segment for the three months ended March 31, 2016 amounted to €2,265.3 million, down -2.0% at current consolidation scope and exchange rates and -0.7% at constant consolidation scope and exchange rates compared to the prior year period.

Excluding the impact of Construction activities and energy prices, revenue increased +1.2% at constant consolidation scope and exchange rates.

This overall decrease breaks down as follows:

- Central Europe: revenue was stable. The increase in water volumes invoiced in the Czech Republic, the commissioning of two cogeneration plants in Hungary and favorable weather conditions in Lithuania and Poland were offset by the drop in electricity sales volumes and the decline in heating and electricity prices.
- United Kingdom and Ireland: revenue declined 2.3% at constant consolidation scope and exchange rates. Revenue was impacted by a decline in landfill volumes, despite the growth of commercial collection activities and the commissioning of the Leeds incinerator.

- Northern Europe: revenue increased +2.7% at constant consolidation scope and exchange rates, despite a slight downturn in Germany (-0.7% at constant consolidation scope) in line with the decrease in the price of gas and electricity, partially offset by an increase in gas volumes sold. The other Northern Europe countries reported an increase in revenue, driven by growth in recycling activities, construction activities in Benelux and new contracts in Sweden.
- Italy: Energy business revenue fell 7.9% at constant consolidation scope due to the restructuring of the commercial portfolio.

❖ Rest of the World

Revenue in the Rest of the World segment for the three months ended March 31, 2016 was €1,426.1 million, down 5.5% at current consolidation scope and exchange rates (-2.5% at constant consolidation scope and exchange rates) compared to the prior year period. Excluding the impact of Construction activities and energy prices, Rest of the World segment revenue increased +1.5% at constant consolidation scope and exchange rates.

Rest of the World revenue reflects solid growth across the region, with the exception of North America:

- Latin America (+5.4% at constant consolidation scope and exchange rates) with growth driven particularly by Argentina (increase in volumes under the Buenos Aires contract accompanied by a price increase) and Mexico;
- Asia (+2.6% at constant consolidation scope and exchange rates), where revenue increased across most of the region with the exception of Singapore and India. In China, revenue grew 2.2% at constant consolidation scope and exchange rates, mainly in line with the increase in volumes sold in the Energy business (Harbin and Jiamusi heating networks) and despite a decrease in energy prices;
- Africa and the Middle East, where revenue growth (+8.5% at constant consolidation scope and exchange rates) was boosted by increased electricity sales in Gabon.

The strong revenue growth in the Rest of the World segment was tempered by a slump in North American revenue (-14.9% at constant consolidation scope and exchange rates), mainly due to a fall in energy prices, a drop in heating volumes sold (due to a very mild winter) and a decrease in industrial cleaning and industrial water activities.

❖ Global businesses

Revenue in the Global Businesses segment for the three months ended March 31, 2016 amounted to €1,067.7 million, down -4.0% at current consolidation scope and exchange rates (-4.3% at constant consolidation scope and exchange rates) compared to the prior year period.
Excluding the impact of Construction activities and energy prices, revenue increased +4.8% at constant consolidation scope and exchange rates.

This change mainly reflects:

- good growth in hazardous waste activities (+5.7% at constant consolidation scope and exchange rates), tied particularly to treatment and landfill activities and an increase in industrial clean-up services;
- a decrease in SADE construction activities outside France, with certain projects pushed back to the second quarter of 2016 (Jordan). The downturn in construction activity in France was offset by the strong performance of telecom activities;
- the completion of major Veolia Water Technologies projects (Sadara and Az Zour North) despite increased bookings.

2.2.2. Revenue by business

Revenue (in € million)	Three months ended March 31, 2016	Three months ended March 31, 2015	Change 2015/2016	Internal growth	External growth	Foreign exchange impact
Water	2,633.5	2,705.7	-2.7%	-2.2%	0.0%	-0.5%
Waste	2,012.1	2,077.1	-3.1%	+1.2%	-1.7%	-2.6%
Energy	1,443.2	1,522.0	-5.2%	-4.7%	+0.6%	-1.1%
Group	**6,088.8**	**6,304.8**	**-3.4%**	**-1.7%**	**-0.4%**	**-1.3%**

❖ **Water**

Water revenue declined 2.2% at constant consolidation scope and exchange rates for the three months ended March 31, 2016 compared to the prior year period. Excluding the impact of construction activities, Water revenue increased +2.6% at constant consolidation scope and exchange rates, reflecting:

- In France, the positive commercial impact of new contracts wins (Lille), which offset the unfavorable impact of contact renewals;
- An increase in volumes sold, primarily in Central and Eastern Europe ;
- Progressive downsizing of the construction activities at Veolia Water Technologies: revenue was impacted by the completion of the large Az Zour North and Sadara contracts in 2015.

❖ **Waste**

Waste revenue increased +1.2% at constant consolidation scope and exchange rates for the three months ended March 31, 2016 compared to the prior year period. This rise reflects:

- Positive volume impact +1.6%, and price impact +0.9%
- Good resilience in France and in the United Kingdom, and good growth in Germany;
- Lower recycled raw material prices and volumes;
- Strong growth in hazardous waste activities (+5.7% at constant consolidation scope and exchange rates);
- Challenging environment in Industrial services in the United States.

❖ **Energy**

Energy revenue fell 4.7% at constant consolidation scope and exchange rates for the three months ended March 31, 2016 compared to the prior year period. Excluding the impact of the decline in energy prices, revenue increased +0.4% at constant consolidation scope and exchange rates. This change reflects:

- Overall slightly favorable weather impact of +0.5% (+€20 million in Europe, but -€13 million in the United States);
- Positive impact of the start up of cogeneration facilities in Hungary.

3. Objectives and outlook

Following the satisfactory start to 2016, the Group confirms its outlook.

- 2016 objectives*
    - Revenue and EBITDA growth
    - Net Free Cash Flow before divestments and acquisitions of at least €650 million
    - Current net income of at least €600 million

  **at constant exchange rates*

- Two main objectives for 2018
    - Current net income greater than €800 million
    - Net Free Cash Flow of €1 billion

- 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