Press Release

Paris, November 5, 2015

NINE MONTH KEY FIGURES ENDING SEPTEMBER 30, 2015

(UNAUDITED IFRS FIGURES)

CONTINUED STRONG RESULTS GROWTH AND 2015 OBJECTIVES CONFIRMED

- **MARKED IMPROVEMENT IN THIRD QUARTER REVENUE**
- **EBITDA GREW 14.1% (+10.5% AT CONSTANT EXCHANGE RATES)[1] TO €2,148 MILLION**
- **CURRENT EBIT INCREASED 32.3% (+26.2% AT CONSTANT EXCHANGE RATES)[2] TO €942 MILLION**
- **CURRENT NET INCOME DOUBLED TO €410 MILLION**
- **2015 CUMULATIVE COST SAVINGS OBJECTIVE ALREADY ACHIEVED AT THE END OF SEPTEMBER**
- **CONFIRMATION OF 2015 OBJECTIVES**

Antoine Frérot, the Group's Chairman and CEO indicated: *"Veolia has once again recorded strong results growth during the third quarter, including a return to organic revenue growth due to encouraging commercial successes. The first nine months of the year continued sustained growth in all of our results, with in particular a doubling of current net income. This excellent performance, recorded now for the past two years is the successful translation into results of the significant transformation undertaken by Veolia. As a result, we confirm all of our 2015 objectives, ending a year which will close the initial phase of returning to profitable growth. We will present our objectives for the 2016-2018 period during an Investor Day scheduled for December 14, 2015."*

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[1] On a pro forma basis (excluding Dalkia France and with Dalkia International fully consolidated as of January 1, 2014): EBITDA growth of 10.1%, and 6.4% growth at constant consolidation scope and exchange rates

[2] On a pro forma basis: Current EBIT growth of 32.0%, and 23.5% growth at constant consolidation scope and exchange rates

- **Return of positive organic revenue growth in the third quarter of 2015.**

  Nine months revenue increased 6.1%, or +2.4% at constant exchange rates from re-presented €17,241 million to €18,288 million for the period ended September 30, 2015.

  On a pro forma basis[3], revenue increased 3.0% from €17,763 million for the nine months ended September 30, 2014, and was stable (-0.3%) compared to the prior year period at constant consolidation scope and exchange rates. Improvement was particularly strong in Q3 with growth of +1.7% at constant consolidation scope and exchange rates, after -1.2% in Q2 and -1.4% in Q1.

  The favorable impact of exchange rate movements contributed to 3.7% revenue growth during the first nine months of 2015 (€649 million).

  All segments experienced a marked improvement in revenue growth during the third quarter.

  - In France, nine months revenue declined by 1.9% at constant consolidation scope, while revenue was quasi-stable in Q3 at constant consolidation scope (-0.5%), after -1.6% in Q2 and -3.6% in Q1. For the first nine months, Water continues to be negatively impacted by contract renegotiations (-€98 million), partially offset by good volumes (+1.4%) and moderate price indexation (+0.3%). Waste revenue was stable in Q3, while growth was moderate at +0.7% for the first nine months of 2015.
  - In the Europe excluding France segment, nine months revenue declined by 1.7% at constant consolidation scope and exchange rates, while revenue was stable in Q3 after Q1 was down 3.5% and Q2 declined -0.7%. Germany revenue declined by 6.9% at constant consolidation scope due to the decline in energy prices observed during the first half of 2015 and continued restructuring of the commercial portfolio in Waste operations. United Kingdom revenue declined by 3.6% at constant consolidation scope and exchange rates, similar to the first half of 2015, but continued to benefit from a favorable revenue mix given reduced revenue from low margin PFI construction activity (-€58 million). Excluding construction revenue, revenue was stable. Central and Eastern Europe revenue continues to have sustained momentum, with Q3 revenue growth of 4.4% at constant consolidation scope and exchange rates, following 1.6% growth in the first half of 2015.
  - The Rest of the World segment also recorded accelerated growth, with +4.8% growth for the nine months at constant consolidation scope and exchange rates after +3.4% in the first half of 2015, due to good performance in all geographic zones, particularly in Asia (China +16.6%), Latin America (+17.1%) and in Africa Middle East (+9.9%).
  - Global Businesses revenue was down 2.2% at constant consolidation scope and exchange rates for the nine months period, but was stable during Q3 given a return to growth in hazardous waste, despite the negative impact of the decline in oil prices, as well as in SADE activities. Revenue in the engineering business remains down (-3.9% for the nine months) due to the end of construction activity for the Hong Kong sludge treatment plant. However, bookings increased by 17% compared to the end of September 2014.

- **Continued strong growth in EBITDA of 14.1% (+10.5% at constant exchange rates) to €2,148 million.**

  On a pro forma basis, compared to €1,952 million for the nine months ended September 30, 2014, EBITDA increased 10.1% (+6.4% at constant consolidation scope and exchange rates).

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[3] Pro forma figures exclude Dalkia France, and include Dalkia International on a fully consolidated basis as of January 1, 2014.

- The favorable impact of exchange rate movements contributed to 4.0% growth in EBITDA (+€79 million) for the nine months ended September 30, 2015.
- At constant consolidation scope and exchange rates, the strong growth in EBITDA was primarily driven by the impact of continued cost savings (benefit of €164 million for the first nine months of 2015), an increase in volumes and good commercial dynamics (net impact of €31 million) as well as favorable price effects (€37 million). Contract renegotiations in the French Water business negatively impacted EBITDA by €60 million.
- By segment, and at constant consolidation scope and exchange rates: In France, EBITDA was stable. In the Water business, cost reductions and volume growth in Q3 helped offset the impact of contract renegotiations at the EBITDA level. In the Waste business, cost savings and the decline in the price of fuel offset the impact of the reduction in volumes landfilled and lower scrap metal prices. In the rest of Europe and rest of the World, good growth momentum continued, in particular in Latin America, Central and Eastern Europe, North America and Asia. Performance in the Global Businesses segment remained penalized by the impact of the decline in oil prices.

- **Current EBIT posted a significant increase of 32.3% (+26.2% at constant exchange rates) from re-presented €712 million for the first nine months of 2014 to €942 million.**

  On a pro forma basis, compared to €713 million for the first nine months of 2014, current EBIT increased 32.0%, or +23.5% at constant consolidation scope and exchange rates.

  - Current EBIT benefitted from a favorable exchange rate impact of €48 million.
  - Excluding foreign exchange effects, the strong growth in current EBIT was primarily driven by the strong growth in EBITDA. Depreciation and amortization expense was down slightly to €1,022 million (vs. pro forma €1,035 million for the first nine months of 2014). The contribution of the share of current net income from joint ventures and associates increased 11% to €81 million.

- **Current net income – Group share doubled to €410 million compared to pro forma re-presented €203 million for the first nine months of 2014.**

  - Current net income benefitted from the continued decline of net financing costs.
  - It includes €74 million in capital gains for the first nine months of 2015, compared to €57 million for the prior year period, as well as a negative impact of €16 million related to implementation of the IFRIC 21 standard.

- **Net financial debt at September 30, 2015 amounted to €8,977 million compared to €8,909 million at September 30, 2014.**

  - Net financial debt is up slightly compared to September 30, 2014, amounting to €8,977 million due to a negative currency impact of €433 million. Excluding this impact, net financial debt would have declined by €365 million.

- **Improvement in net Free Cash Flow of €195 million**

- Net Free Cash Flow generated during the first nine months of 2015 improved by €195 million to -€12 million compared to pro forma -€207 million for the same period in 2014, due to strong growth in EBITDA and good capex discipline (industrial investments were €877 million in the first nine months of 2015 compared to pro forma €950 million for first nine months of 2014).

- **2015 Objectives confirmed:**
  - Revenue growth
  - EBITDA and Current EBIT growth
    - Continued strong operational performance
    - Cost savings benefit: continued execution of the €750 million cost savings plan
  - Continued capex discipline
  - The dividend and hybrid coupon payment to be covered by current net income and paid by Free Cash Flow excluding net financial divestments
  - Net financial debt under control

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- **Investor Day scheduled for December 14, 2015**
  - Veolia will present its strategic plan for 2016-2018 during an Investor Day scheduled for December 14, 2015.

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Definitions of all key financial indicators mentioned can be found at the end of this press release.

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Veolia group is the global leader in optimized resource management. With over 179,000 employees* worldwide, the Group designs and provides water, waste and energy management solutions that contribute to the sustainable development of communities and industries. Through its three complementary business activities, Veolia helps to develop access to resources, preserve available resources, and to replenish them. In 2014, the group Veolia supplied 96 million people with drinking water and 60 million people with wastewater service, produced 52 million megawatt hours of energy and converted 31 million metric tons of waste into new materials and energy. Veolia Environnement (listed on Paris Euronext: VIE) recorded consolidated revenue of €24.4 billion* in 2014. www.veolia.com

(*) 2014 pro-forma figures including Dalkia International (100%) and excluding Dalkia France

Important disclaimer

Veolia Environnement is a corporation listed on the Euronext Paris. This press release contains "forward-looking statements" within the meaning of the provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements are not guarantees of future performance. Actual results may differ materially from the forward-looking statements as a result of a number of risks and uncertainties, many of which are outside our control, including but not limited to: the risk of suffering reduced profits or losses as a result of intense competition, the risk that changes in energy prices and taxes may reduce Veolia Environnement's profits, the risk that governmental authorities could terminate or modify some of Veolia Environnement's contracts, the risk that acquisitions may not provide the benefits that Veolia Environnement hopes to achieve, the risks related to customary provisions of divesture transactions, the risk that Veolia Environnement's compliance with environmental laws may become more costly in the future, the risk that currency exchange rate fluctuations may negatively affect Veolia Environnement's financial results and the price of its shares, the risk that Veolia Environnement may incur environmental liability in connection with its past, present and future operations, as well as the other risks described in the documents Veolia Environnement has filed with the Autorités des Marchés Financiers (French securities regulator). Veolia Environnement does not undertake, nor does it have, any obligation to provide updates or to revise any forward looking statements. Investors and security holders may obtain from Veolia Environnement a free copy of documents it filed (www.veolia.com) with the Autorités des Marchés Financiers.

This document contains "non-GAAP financial measures". These "non-GAAP financial measures" might be defined differently from similar financial measures made public by other groups and should not replace GAAP financial measures prepared pursuant to IFRS standards.

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FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015[4]

In this press release, the Group refers to two comparative scopes related to the unwinding of the Dalkia joint venture:

- one referred to as "GAAP", with Dalkia France fully consolidated and Dalkia International equity-accounted in the first-half of 2014 and then from July 2014, Dalkia International fully consolidated and excluding Dalkia France,
- the other referred to as "Pro forma", with Dalkia International fully consolidated as of January 1, 2014 and excluding Dalkia France.

A] INCOME STATEMENT

1. Revenue

1.1 Revenue by segment

Revenue (€ million)						
	Nine months ended September 30, 2015	Nine months ended September 30, 2014 Pro forma	Δ 2015/2014	Internal growth	External growth	Foreign exchange impact
France	4,090.2	4,160.5	-1.7%	-1.9%	+0.2%	-
Europe, excluding France	6,180.1	6,099.5	+1.3%	-1.7%	+0.1%	+2.9%
Rest of the World	4,387.5	3,866.9	+13.5%	+4.8%	-0.5%	+9.2%
Global Businesses	3,535.8	3,484.9	+1.5%	-2.2%	+0.4%	+3.3%
Other	94.2	151.4	-37.8%	+8.0%	-46.0%	+0.2%
Group	**18,287.6**	**17,763.2**	**+3.0%**	**-0.3%**	**-0.4%**	**+3.7%**

[4] A summary of re-presented figures for the nine months ended September 30, 2014 are shown in the appendix of this press release.

Quarterly revenue trends break down as follows:

	Q1 2015	Q2 2015	Q3 2015
Pro forma variations	*At constant consolidation scope and exchange rates*		
France	**-3.6%**	**-1.6%**	**-0.5%**
Europe excluding France	**-3.5%**	**-0.7%**	**-0.4%**
Rest of the World	**+2.4%**	**+4.5%**	**+7.7%**
Global Businesses	**+2.1%**	**-7.9%**	**-0.1%**
Group	**-1.4%**	**-1.2%**	**+1.7%**
Group excluding Global Businesses	**-2.1%**	**+0.5%**	**+2.1%**

❖ **France**

Revenue in the France segment for the nine months ended September 30, 2015 decreased 1.7% (-1.9% at constant consolidation scope) to €4,090.2 million compared with pro forma figures for the nine months ended September 30, 2014. At constant consolidation scope, third quarter revenue decreased 0.5% compared with -3.6% in the first quarter and -1.6% in the second quarter of 2015.

- Revenue in the Water business declined 4.0% at both current and constant consolidation scopes compared with pro forma figures for the nine months ended September 30, 2014. Water revenue in France remained almost stable in the third quarter of 2015 (-0.6% at constant consolidation scope, compared with a decline in the first and second quarters) thanks to higher volumes sold tied to favorable weather conditions in the summer months which offset the impact of contractual erosion.
- Revenue in the Waste business grew 0.7% at constant consolidation scope (+1.2% at current consolidation scope). The Waste business remained stable in the third quarter (after an improvement of 3.8% in the second quarter and a decrease of 1.4% in the first quarter). Commercial wins, higher commercial collection tariffs and good momentum of incineration activities were partially offset by lower landfill volumes and commercial and municipal collection volumes as well as the decrease in ferrous scrap metal volumes.

❖ **Europe, excluding France**

Revenue in the Europe excluding France segment for the nine months ended September 30, 2015 increased 1.3% (-1.7% at constant consolidation scope and exchange rates) to €6,180.1 million compared with pro forma figures for the nine months ended September 30, 2014. Revenue remained almost stable in the third quarter of 2015 as in the second quarter, following a 3.5% decrease at constant consolidation scope and exchange rates in the first quarter of 2015.

This change can be explained as follows:

- Central European countries: revenue increased 2.4% at constant consolidation scope and exchange rates, thanks to generally favorable weather conditions (in the second quarter) and higher tariffs combined with positive volume effects. Revenue growth accelerated in the third quarter (+4.4% at constant consolidation scope and exchange rates compared with +0.2% in the first quarter and +3.8% in the second quarter) driven by favorable volume effects.
- The United Kingdom and Ireland: 3.1% decline in revenue at constant consolidation scope and exchange rates. As in the first and second quarters, third quarter revenue fell in line with the decrease in construction revenue from PFI contracts, despite the increase in commercial collection volumes and recycled raw material volumes (paper, ferrous and non-ferrous scrap metal) and growth in the Water business.

- Germany: revenue fell 6.9% at constant consolidation scope and exchange rates, following a decrease in gas and electricity volumes sold, lower energy prices and a decrease in the solid waste business.
- Italy: Energy business revenue fell 7.5% at current and constant consolidation scope in the nine months ended September 30, 2015 and declined 4.0% in the third quarter following the restructuring of the commercial portfolio.
- Other European countries: increase in revenue at constant consolidation scope and exchange rates, driven by business growth particularly in the Netherlands and Iberia.

❖ Rest of the World

Revenue in the Rest of the World segment for the nine months ended September 30, 2015 increased 13.5% (+4.8% at constant consolidation scope and exchange rates) to €4,387.5 million compared with pro forma figures for the nine months ended September 30, 2014. In the third quarter of 2015, revenue increased 7.7% at constant consolidation scope and exchange rates compared with 2.4% in the first quarter and 4.5% in the second quarter.

Revenue in the Rest of the World segment reflects solid growth in the following regions:

- In Latin America (+11.6% and +17.1% at constant consolidation scope and exchange rates), in particular, in Argentina (Buenos Aires contract and tariff revisions) and Ecuador;
- Revenue in Asia improved in all geographies, with the exception of Korea due to the end of an industrial contract. In China, revenue increased 36.6% (+16.6% at constant consolidation scope and exchange rates), primarily due to the construction of hazardous waste incinerators and the increase in volumes sold in the Energy business. The industrial Water market in China also benefited from new contract wins;
- In Africa and the Middle East, revenue growth (+14.5% and +9.9% at constant consolidation scope and exchange rates) was boosted by the progression of the Water business in Morocco (volumes and price) and Gabon and by the Construction business in the Middle East.

This substantial growth was mitigated by a decline in revenue in North America of 4.9% at constant consolidation scope and exchange rates (+13.9% at current consolidation scope and exchange rates), mainly tied to the impact of the decrease in energy prices in the first and second quarters which stabilized in the third quarter of 2015.

❖ Global Businesses

Revenue in the Global Businesses segment for the nine months ended September 30, 2015 increased 1.5% (-2.2% at constant consolidation scope and exchange rates) to €3,535.8 million compared with pro forma figures for the nine months ended September 30, 2014.

This evolution was mainly due to:

- project delays in the VWT business and completion of the construction of the Hong Kong Sludge plant: the backlog is nonetheless €2.5 billion compared with €2.4 billion as of September 30, 2014;
- the negative impact of oil prices in the hazardous waste business.

1.2 Revenue by business

Revenue (€ million)						
	Nine months ended September 30, 2015	Nine months ended September 30, 2014 Pro forma	Δ 2015/2014	Internal growth	External growth	Foreign exchange impact
Water	8,345.2	8,144.2	+2.5%	-0.4%	-0.2%	+3.1%
Waste	6,448.6	6,301.5	+2.3%	-0.6%	-1.5%	+4.4%
Energy	3,493.8	3,317.4	+5.3%	+0.1%	+1.6%	+3.6%
Group	**18,287.6**	**17,763.2**	**+3.0%**	**-0.3%**	**-0.4%**	**+3.7%**

❖ **Water**

Revenue in the Water business increased by 2.5% and was stable at constant consolidation scope and exchange rates compared with pro forma figures for the nine months ended September 30, 2014. A marked improvement in revenue was observed in the third quarter (+2.4% at constant consolidation scope and exchange rates) after a decrease of 0.1% and 3.3% in the first and second quarters respectively.

This stability at constant consolidation scope and exchange rates was due to a combination of several factors:

- Increased volumes in France and Central Europe despite continued contractual erosion in France,
- Sustained growth in Asia and Australia,
- The decline in Construction activity, with delays in industrial projects at VWT, despite an improvement in the backlog and the commissioning of the Hong Kong plant.

❖ **Waste**

Revenue in the Waste business increased by 2.3% and was stable (-0.6%) at constant consolidation scope and exchange rates compared with pro forma figures for the nine months ended September 30, 2014. Quarter after quarter, the business has demonstrated resilience.

The variation in Waste revenue is due to:

- An increase in volumes (+0.6%) and higher services prices (+0.6%);
- Good resilience in France and the United Kingdom;
- The decline in PFI construction revenue in the United Kingdom;
- The decrease in solid waste volumes, particularly in Germany;
- Lower recycled raw material prices (impact of €19 million).

❖ **Energy**

Revenue in the Energy business increased by 5.3% and was stable at constant consolidation scope and exchange rates compared with pro forma figures for the nine months ended September 30, 2014. Third quarter revenue for 2015, in the same way as second quarter revenue, increased at constant consolidation scope and exchange rates by 4.1%, after second quarter growth of 3.7% and a decline in the first quarter (-4.4%).

The increase in revenue since the second quarter is due to a more favorable weather impact and good volumes sold in China and Central Europe, reduced by the unfavorable impact of the price of energy sold particularly in North America, which decreased in the third quarter.

2. Other income statement items

2.1 EBITDA

EBITDA for the nine months ended September 30, 2015 increased 14.1% (+10.5% at constant exchange rates), compared with GAAP figures for the nine months ended September 30, 2014.

For the nine months ended September 30, 2015, Group consolidated EBITDA increased 10.1% (+6.4% at constant consolidation scope and exchange rates) to €2,148.0 million, compared with pro forma figures for the nine months ended September 30, 2014.

This strong growth in EBITDA is due to cost savings totaling €164 million in the first nine months of 2015.

By segment:

- EBITDA was stable in France:
  - in the Water business, EBITDA was stable due to cost reductions and despite commercial erosion:
    - Good volumes of water sold in the third quarter offset the negative impact of price changes (decrease in indexation to +0.3%)
    - Contract renegotiations (Marseille, Lyon, Nice, etc.) had an impact of -€60 million in the nine months ended September 30, 2015
  - in the Waste business, EBITDA was stable due to cost savings plans, a decrease in fuel prices and the favorable impact of the litigation settlement and despite lower landfill volumes and a decrease in the price of ferrous and non-ferrous scrap metals.
- Continued good momentum in the Group's activities in Europe excluding France, particularly in Central and Eastern Europe (mainly due to a significant decrease in costs);
- Strong growth in the Rest of the World: in the United States thanks to good performance in the Municipal and Commercial sectors and growth in hazardous Waste in the industrial sector. Good growth in EBITDA in emerging markets (Latin America, China, and Africa Middle East);
- Finally, EBITDA decreased in the Global Businesses segment, penalized in particular by the impact of the fall in crude oil prices.

2.2 Current EBIT

For the nine months ended September 30, 2015, Group consolidated current EBIT increased 32.0% (+23.5% at constant consolidation scope and exchange rates) to €941.5 million, compared with pro forma figures for the nine months ended September 30, 2014. Current EBIT increased 32.3% (+26.2% at constant exchange rates), compared with GAAP figures for the nine months ended September 30, 2014.

The significant increase in current EBIT was driven primarily by:

- the significant improvement in EBITDA;
- a decrease in net charges to depreciation and amortization despite an unfavorable foreign exchange impact of €30 million;

- the favorable change in net charges to provisions, in particular in the Water business in France related to provision reversals for contractual risks related to Water contracts where the "Olivet" principle applies and reversals of provisions for URSSAF social-security risks;
- an increase in the current net income of joint ventures and associates and particularly our Water concessions in China.

The foreign exchange impact on current EBIT amounted to +€48.1 million, and mainly reflects fluctuations in the value of the euro against the U.S. dollar (+€18.3 million), the U.K. pound sterling (+€11.3 million) and the Chinese yuan (+€14.3 million).

The reconciling items between EBITDA and Current EBIT for the nine months ended September 30, 2015 and 2014 are as follows:

(€ million)	**Nine months ended September 30, 2015**	Nine months ended September 30, 2014 Pro forma	Nine months ended September 30, 2014 GAAP
EBITDA	**2,148.0**	**1,951.8**	**1,882.2**
Renewal expenses	(206.4)	(188.5)	(243.9)
Principal payments on operating financial assets (OFAs)	(111.4)	(88.1)	(106.2)
Net depreciation and amortization	(1,022.1)	(1,034.7)	(915.5)
Share of current net income of joint ventures and associates	80.8	72.7	95.7
Provisions, fair value adjustments & other:	52.6	-	(0.6)
- Current impairment of property, plant and equipment, intangible assets and operating financial assets	(4.0)	(47.9)	(44.4)
- Capital gains (losses) on industrial divestitures	9.4	1.7	6.9
- Net charges to operating provisions, fair value adjustments and other	47.2	46.2	36.9
Current EBIT	**941.5**	**713.2**	**711.7**

2.3 Current net income

Current net income attributable to owners of the Company increased significantly from pro forma €203.2 million for the nine months ended September 30, 2014 to €409.7 million for the nine months ended September 30, 2015, due to:

- current EBIT growth,
- the reduction in net finance costs, as well as,
- an improvement in the tax rate (which was 30% at the end of September 2015).

Capital gains (losses) on financial divestitures for the nine months ended September 30, 2015 totaled +€73.6 million and mainly comprised of the €40.4 million capital gain realized on the sale of Group's activities in Israel. Pro forma capital gains on financial divestitures for the nine months ended September 30, 2014 totaled €57.4 million.

Current net income also includes -€16 million in respect of application of IFRIC 21.

B] FINANCING

(€ million)	Nine months ended September 30, 2015	Nine months ended September 30, 2014 Pro forma	Nine months ended September 30, 2014 GAAP
EBITDA	**2,148.0**	**1,951.8**	**1,882.2**
Net industrial investments	(808.2)	(906.0)	(871.0)
Change in operating WCR	(659.5)	(613.7)	(573.9)
Dividends received from equity-accounted entities and joint ventures	71.4	66.3	62.7
Renewal expenses	(206.5)	(188.5)	(244.0)
Restructuring charges	(64.5)	(24.5)	(24.5)
Financial items (current cash financial expense, and operating cash flow from financing activities)	(310.6)	(324.1)	(280.7)
Taxes paid	(181.9)	(168.5)	(164.6)
Net free cash flow before dividend payment, financial investments and financial divestitures	**(11.6)**	**(207.3)**	**(213.6)**
Opening Net financial debt	(8,311.1)		(8,444.4)
Closing Net financial debt	**(8,977.1)**		**(8,909.4)**

Changes in net free cash flow

Net free cash flow amounted to -€11.6 million for the nine months ended September 30, 2015, versus pro forma -€207.3 million for the nine months ended September 30, 2014. This improvement was attributable to the improvement in EBITDA, solid industrial investment discipline (decrease of €107 million at constant exchange rates) and a reduction in finance costs, despite a deterioration in the change in operating working capital requirements of -€45.8 million and an increase in renewal expenses and restructuring charges.

Net financial debt

Overall, net financial debt amounted to €8,977 million, compared with €8,909 million in GAAP figures as of September 30, 2014. At constant exchange rates (impact of -€433 million) net financial debt would have been down €365 million compared to September 30, 2014.

Net financial debt is €291.1 million higher than at December 31, 2014, excluding a foreign exchange impact of €375 million, due to seasonal factors.

APPENDICES

1. Reconciliation of previously published and re-presented data for the nine months ended September 30, 2014

1.1. Main "GAAP" re-presented figures for the nine months ended September 30, 2014 [1]

In €M – Figures presented under published scope [2]	9M 2014 published	IFRS 5 Adjustment (3)	IFRIC 21Adjustment (4)	9M 2014 Re-presented
Revenue	16,844.5	+396.3	-	17,240.8
Adjusted operating cash flow	1,450.9	+65.3	-20.8	1,495.4
Adjusted operating income [5]	711.2	+41.0	-20.8	731.4
Gross industrial investments	936.9	-	-	936.8
Free cash flow	280.0	-63.7	-	216.3
Net financial debt	8,618	+291	-	8,909
EBITDA	N/A	N/A	N/A	1,882.2
Current EBIT	N/A	N/A	N/A	711.7
Current net income – Group Share	N/A	N/A	N/A	221.3

(1) Non-audited figures
(2) Published scope: including fully consolidated Dalkia France and equity-accounted Dalkia International in the first half of 2014
(3) Reclassification of Morocco Water operations to continuing operations
(4) See Appendix 1.3.
(5) Including the share of adjusted net income (loss) of joint ventures and associates for the nine months ended September 30, 2014

1.2. Main"Pro forma" re-presented figures for the nine months ended September 30, 2014[(1)]

In €M – Figures presented under pro forma scope[(2)]	9M 2014 published	IFRS 5 Adjustment (3)	IFRIC 21 Adjustment (4)	9M 2014 Re-presented
Revenue	17,372.8	+396.3	-5,9	17,763.2
Adjusted operating cash flow	1,594.9	+65.3	-14,3	1,645.9
Gross industrial investments	949.8	-	-	949.8
EBITDA	N/A	N/A	N/A	1,951.8
Current EBIT	N/A	N/A	N/A	713.2
Current net income – Group Share	N/A	N/A	N/A	203.2

(1) Non-audited figures
(2) Pro forma scope : excluding Dalkia France and Dalkia International fully consolidated in the first half of 2014
(3) Reclassification of Morocco Water operations to continuing operations
(4) See Appendix 1.3.

1.3. IFRIC 21 (Taxes)

- An interpretation that clarifies the accounting for taxes, duties and other levies falling within the scope of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, and which are specifically excluded from the scope of IAS 12, *Income Taxes*.

- Recognition of the obligation now associated with the obligating event, which requires payment of the tax by the company.

  - The timing of recognition of a liability for the tax or levy is determined based on the exact wording of the law governing collection.
  - The entire tax liability shall be recognized when the obligating event giving rise to the tax as defined by the law occurs. Thus, if a tax is payable when an entity operates a business as of January 1, Y, the liability representing the tax for the year in its entirety must be recorded on such date.

➔ Thus, for the majority of impacted taxes considered as "operating income":
Before application of IFRIC 21: evenly expensed over 12 months
After application of IFRIC 21: full amount recorded at the time of the obligating event giving rise to the tax

- Mandatory retrospective application as of January 1, 2015 for both interim and annual financial statements.

- The impact of the application of IFRIC 21 essentially lies in a different allocation of the expense at interim closings. Accordingly, the annual consolidated financial statements will not be significantly impacted by the application of this interpretation.

IFRIC 21 impacts (€ million)	Nine months ended September 30, 2015	Nine months ended September 30, 2014 GAAP	Nine months ended September 30, 2014 Pro forma
EBITDA	-17.8	-20.5	-13.8
Current EBIT	-17.8	-20.5	-13.8
Current Net Income	-16.1	-17.4	-13.0

2. Reconciliation of prior and new financial indicators used by the Group

The reconciliation of operating cash flow before changes in working capital and adjusted operating cash flow with the new financial indicator EBITDA is as follows:

(€ million)	**Nine months ended September 30, 2015**	Nine months ended September 30, 2014 Pro forma	Nine months ended September 30, 2014 GAAP
Operating cash flow before changes in working capital	**1,764.0**	**1,661.3**	**1,542.4**
• Operating cash flow from financing activities	+1.3	15.4	47.0
• **Adjusted operating cash flow**	**1,762.7**	**1,645.9**	**1,495.4**
Excluding:			
Renewal expenses	+206.4	+188.5	+243.9
Restructuring charges (1)	+64.5	+24.5	+24.5
Share acquisition and disposal costs	+3.0	+4.8	+12.2
Including:			
Principal payments on operating financial assets	+111.4	+88.1	+106.2
EBITDA	**2,148.0**	**1,951.8**	**1,882.2**

(1) Cash restructuring charges for the nine months ended September 30, 2015 primarily related to the French Water voluntary departure program in the amount of €37.7 million. In the nine months ended September 30, 2014, they concerned the head office voluntary departure plan in the amount of €22 million.

In addition, the reconciliation of Current EBIT with Operating Income is as follows

(€ million)	**September 30, 2015**	September 30, 2014 Pro forma	September 30, 2014 GAAP
Current EBIT	**941.5**	**713.2**	**711.7**
Impairment losses on goodwill and negative goodwill	+0.3	+0.9	(608.6)
Restructuring charges	(6.6)	(24.3)	(24.3)
Personnel costs – share-based payments	(5.6)	-	-
Non-current impairment of property, plant and equipment, intangible assets and operating financial assets	(0.3)	(35.5)	(35.5)
Share acquisition costs, with or without acquisition of control	(0.8)	-	-
Operating income after share of net income of equity-accounted entities	**928.5**	**654.3**	**43.3**

3. Definitions

- **GAAP (IFRS) indicators**

Net finance costs represent the cost of gross debt, including related gains and losses on interest rate and currency hedges, less income on cash and cash equivalents.

- **Non-GAAP indicators**

- The term "internal growth" (or "growth at constant consolidation scope and exchange rates") includes growth resulting from:
  - the expansion of an existing contract, primarily resulting from an increase in prices and/or volumes distributed or processed,
  - new contracts, and,
  - the acquisition of operating assets allocated to a particular contract or project.

- The term "external growth" includes growth through acquisitions (performed in the period or which had only partial effect in the prior period), net of divestitures, of entities and/or assets deployed in different markets and/or containing a portfolio of more than one contract.

- The term "change at constant exchange rates" represents the change resulting from the application of exchange rates of the prior period to the current period, all other things being equal.

- Net financial debt (NFD) represents gross financial debt (non-current borrowings, current borrowings, bank overdrafts and other cash position items), net of cash and cash equivalents and excluding fair value adjustments to derivatives hedging debt.

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

New indicators used by the Group as from the 1st quarter of 2015:

- EBITDA, which replaces Adjusted operating cash flow, will comprise the sum of all operating income and expenses received and paid (excluding restructuring costs, renewal expenses and share acquisition and disposal costs) and principal payments on operating financial assets.

- Current EBIT replaces Adjusted Operating Income. To calculate Current EBIT, the following items will be deducted from operating income:
  - Goodwill impairments of fully controlled subsidiaries and equity-accounted entities,
  - Restructuring charges,
  - Capital gains on financial divestments, which will now be considered as an item within net finance costs,
  - One-time and/or significant impairment of non-current assets (PP&E, intangible assets and operating financial assets),
  - Impacts relating to the application of IFRS 2 *Share-based payment*,
  - Share acquisition and disposal costs.

- Current Net Income, which will replace Adjusted Net Income, will comprise the sum of the following items:
  - Current EBIT,
  - Current net finance cost items,
  - Other current financial income and expenses, including capital gains or losses on financial divestitures (of which gains or losses included in the share of net income of equity-accounted entities),
  - Current tax items, and
  - Minority interests (excluding the portion of minority interests relative to non-current items in the income statement).

Former indicators used by the Group until December 31, 2014:

- Adjusted operating cash flow includes operating income and expenses received and paid (“cash”).

- Adjusted operating income is equal to operating income after the share of adjusted net income (loss) of equity-accounted entities, adjusted to exclude the impact of goodwill impairment, negative goodwill recognized in net income and certain special items. Special items are items that are not expected to recur each year and that substantially change the economics of one or more cash-generating units.