Press Release

Paris, May 4, 2017

KEY FIGURES FOR THE PERIOD ENDING MARCH 31, 2017

(UNAUDITED IFRS FIGURES)

REVENUE GROWTH ACCELERATION CONFIRMED

RESULTS GROWTH IN LINE WITH OBJECTIVES

CONFIRMATION OF ANNUAL OBJECTIVES

- **REVENUE GREW 4.5%[1] TO €6,270 MILLION**
- **EBITDA UP 0.9%[1], TO €863 MILLION**
- **COST SAVINGS OF €63 MILLION**
- **CURRENT EBIT GROWTH OF 6.1%[1], TO €431 MILLION**
- **CURRENT NET INCOME – GROUP SHARE INCREASED 3.7%[1] TO €155 MILLION, AND UP 7%[1] EXCLUDING CAPITAL GAINS**

Antoine Frérot, Veolia Environnement's Chairman and CEO commented: *"First quarter results are satisfactory and reinforce our strategic plan. Revenue growth, which had resumed in the last quarter, recorded a significant acceleration. Results growth was also in line with our forecasts, despite some exceptional, though expected items. Our cost savings program, increased in order to support our results and offset these exceptional items, was also in line with our expectations. This solid start to the year allows us to remain confident in achieving our goals for the year as a whole."*

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[1] At constant exchange rates and after taking into account IFRIC 12 and IFRS 5 adjustments
At constant scope and FX, revenue growth amounts to +3.1%

- **Revenue posted strong growth of 4.6% to €6,270 million, compared with represented €5,995 million in the first quarter of 2016. At constant exchange rates, revenue growth was 4.5%.**

  The variation of exchange rates had no significant impact on the income statement.

  The strong increase in revenue by €275 million breaks down as follows:

  - In France, revenue declined by 1.5% to €1,303 million, but increased by 0.6% at constant consolidation scope after the divestiture of Bartin in the fourth quarter of 2016. Water revenue declined by 2.6%, with volumes down by 0.4%, a -0.3% price indexation impact and an impact of -0.3% related to contract renegotiations. In Waste, revenue was stable at current consolidation scope, but up 4.8% at constant consolidation scope. In France, the Group recorded a 6.8% increase in volumes landfilled, a solid performance in waste to energy activities and benefited from an increase in paper prices in Recycling activities.
  - The Europe excluding France segment recorded strong growth of 7.2% at constant exchange rates to €2,275 million. Revenue in the United Kingdom increased 6.1% at constant exchange rates due to the start of new contracts, good availability of PFI waste-to-energy plants and the increase in recycled raw material prices. Central and Eastern Europe revenue increased 9% at constant exchange rates, due to a favorable weather benefit for heating relative to 1Q2016, the integration of the Prague Left Bank district heating network and biomass cogeneration facilities in Hungary, as well as good water volumes. Revenue in Germany was up sharply by 11.1% due to good commercial momentum and the increase in recycled raw material prices in the Waste business.
  - Revenue growth was strong in the Rest of the World segment, with 11.8% growth at constant exchange rates to €1,648 million. The United States continued to benefit from the integration of the sulfuric acid regeneration activity and good trends in hazardous waste. Industrial Services revenue remains under pressure (-3%) and weather was not favorable in the energy business. Asia continues to record strong growth (+18% at constant exchange rates), mainly due to the contribution from the SINOPEC contract and continued good waste volume trends. Latin America revenue also increased significantly (+27% at constant exchange rates). Revenue in the Pacific zone was quasi-stable (-1.4% at constant exchange rates) and still penalized by industrial services performance. The Africa Middle East zone posted flat revenue (+0.5%) with growth in the Middle East and Morocco and a decline in Gabon.
  - Global Businesses revenue declined by 3.2% at constant exchange rates, with a further decline in revenue in the engineering business and the SADE business (-11.4% combined) partially offset by growth in hazardous waste revenue (+2.2%).
  - By business, at constant exchange rates, Water revenue declined by 0.9%, with on one hand good overall performance in the concessions and on the other hand the decline in construction revenue. Waste revenue increased 8.1% (+5.6% at constant consolidation scope and exchange rates), and Energy revenue increased 9.7% (+7.1% at constant consolidation scope and exchange rates).

- **EBITDA increased 0.9% to €863 million compared with represented €855 million in the first quarter of 2016.**

  The growth in EBITDA was driven by:

  - The resumption of revenue growth
  - Recurring cost savings, which amounted to €63 million in the quarter, mainly due to improved operational performance and purchasing optimization

- Weak tariff indexation
- And temporary additional costs, mainly related to commercial efforts, maintenance of certain facilities and cash charges related to self-insurance.

- **Current EBIT increased 5.9% at current consolidation scope and exchange rates (+6.1% at constant exchange rates) from represented €407 million in the first quarter of 2016 to €431 million.**
  - Growth in current EBIT resulted from the increase in EBITDA and the progression of the contribution from joint ventures and associates, as well as a net positive provision reversal, with its counterpart an offsetting self-insurance charge at the EBITDA level (€12M).

- **Current net income – Group share grew 4.8% (+3.7% at constant exchange rates) from represented €148 million in the first quarter of 2016 to €155 million. Excluding capital gains, current net income – Group share increased 7% at constant exchange rates.**

- **Net financial debt was up €164 million (+€122 million excluding exchange rate impacts) to €8,430 million at March 31, 2017, compared to represented €8,266 million at March 31, 2016. Net financial debt takes into account €327 million in financial transactions over the prior 12 months.**

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With respect to the satisfactory start to the 2017 year, the Group confirms its outlook.

- **2017 outlook***
  - Resumption of revenue growth
  - Stable EBITDA, or moderate EBITDA growth
  - Increased efforts to reduce costs: more than €250 million in cost savings
- **2018 outlook***
  - Continuation of revenue growth
  - Resumption of more sustained EBITDA growth
  - More than €300 million in cost savings
- **2019 objective***
  - Continuation of revenue growth and full impact of cost savings
  - EBITDA between €3.3bn and €3.5bn (excluding IFRIC 12)

**At constant exchange rates*

Veolia group is the global leader in optimized resource management. With over 163,000 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 2016, the Veolia group supplied 100 million people with drinking water and 61 million people with wastewater service, produced 54 million megawatt hours of energy and converted 30 million metric tons of waste into new materials and energy. Veolia Environnement *(listed on Paris Euronext: VIE)* recorded consolidated revenue of €24.39 billion in 2016. www.veolia.com

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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QUARTERLY FINANCIAL INFORMATION FOR THE PERIOD ENDED MARCH 31, 2017

A] KEY FIGURES

Overall results were as follows:

(in € million)	Three months ended March 31, 2016 published	IFRIC 12 and IFRS 5 (3) adjustments	**Three months ended March 31, 2016 represented**	**Three months ended March 31, 2017 including IFRIC 12**	Δ	Δ at constant exchange rates
Revenue	6,089	(94)	5,995	6,270	+4.6%	+4.5%
EBITDA	840	15	855	863	+0.9%	+0.9%
EBITDA margin	*13.8%*		*14.3%*	*13.8%*		
Current EBIT (1)	413	(6)	407	431	+5.9%	+6.1%
Current Net income – Group share	173	(25)	148	155	+4.8%	+3.7%
Current net income – Group share, excluding capital gains and losses on financial divestitures net of tax	170	(25)	145	156	+8.1%	+7.0%
Industrial capex	246	28	274	271		
Net Free cash-flow (2)	(343)	(31)	(374)	(391)		
Net financial debt	8,265	1	8,266	8,430		

(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 calculated by: the sum of EBITDA, dividends received, changes in operating working capital and operating cash flow from financing activities, less net interest expense, net industrial investments, taxes paid, renewal expenses, restructuring charges and other non-current expenses.

(3) Adjustments as of March 31, 2016 concern the application of IFRIC 12 and the transfer of activities in Lithuania to discontinued operations pursuant to IFRS 5 (see Appendix).

The main foreign exchange impacts were as follows:

Foreign exchange impacts *as of March 31, 2017, (vs. March 31, 2016 represented)*	*%*	*€M*
Revenue	*0.1%*	*3*
EBITDA	*-0.1%*	*(1)*
Current EBIT	*-0.2%*	*(1)*
Current net income	*1.1%*	*2*
Net financial debt (vs. March 2016 represented)	*0.5%*	*42*
Net financial debt (vs. December 2016)	*0.9%*	*70*

B] INCOME STATEMENT

1. Revenue

Group consolidated revenue for the three months ended March 31, 2017 was €6,269.8 million, compared with represented €5,995.1 million in Q1 2016, up +4.5% at constant exchange rates. Excluding Construction revenue[2] and the impact of energy prices, revenue increased +5.9% at constant exchange rates.

1.1. Revenue by segment

By segment, the change in revenue compared to March 31, 2016 breaks down as follows:

(in € million)	Three months ended March 31, 2016 represented	**Three months ended March 31, 2017**	*2016 / 2017 change* Δ	Δ at constant exchange rates	Δ at constant FX and excluding construction & energy prices
France	1,322.9	1,302.9	-1.5%	-1.5%	-1.7%
Europe, excluding France	2,171.6	2,274.6	+4.7%	+7.2%	+8.0%
Rest of the world	1,426.1	1,647.9	+15.6%	+11.8%	+11.2%
Global businesses	1,067.7	1,036.6	-2.9%	-3.2%	+3.6%
Other	6.8	7.8	-	-	-
Group Revenue	**5,995.1**	**6,269.8**	**+4.6%**	**+4.5%**	**+5.9%**

- Revenue declined slightly in **France** (-1.5% compared with Q1 2016 represented and +0.6% at constant consolidation scope): sluggish Water activities were offset by growth in the Waste business.
  - Water business revenue fell -2.6%, in line with the -0.4% decrease in volumes sold, the -0.3% reduction in tariff indexation and negative commercial impacts (loss of the Blois contract and an invoicing and collection services contract in Nice) ;
  - Waste business revenue was stable compared to represented Q1 2016, but grew 4.8% at constant consolidation scope, adjusted for the impact of the sale of Bartin Recycling on November 30, 2016. Strong incineration activities (start-up of the Nancy contract and work at the Synerval plant in Le Mans) and landfill volumes (+6.8%), higher recyclate prices (+10% for paper), an increase in municipal and commercial collection tariffs, were accompanied by continued vigorous commercial development, reflected by a high contract renewal rate and significant contract wins (Halluin contract in Lille, etc.)
- **Europe excluding France** (excluding Lithuania which was transferred to discontinued operations) reported revenue growth of +7.2% at constant exchange rates, with solid momentum in all key countries:
  - In the United Kingdom, revenue increased +6.1% at constant exchange rates to €484 million (compared with a decrease of -1.4% for the year ended December 31, 2016), thanks to good PFI performance (95% average incinerator availability), the positive impact of new Waste contracts in 2016 and 2017 (St Albans, Southend on Sea, HWRC, Army 2020), and higher recyclate prices (notably paper and ferrous and non-ferrous scrap metals);

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[2] *Construction activities concern the Group's engineering and construction businesses (mainly Veolia Water Technologies and SADE), as well as construction completed as part of operating contracts.*

  - In Northern Europe, the good revenue momentum was once again confirmed, with an increase of +10.2% at constant exchange rates versus represented figures for the quarter ended March 31, 2016. Germany reported a marked increase in revenue thanks to higher recyclate prices (paper), a rise in commercial collection volumes and the integration of new contracts (in particular the industrial sites purchased from Nuon in May 2016). The other Northern Europe countries benefited from an increase in plastic recycling activities in the Netherlands, the integration of Ferroweld in Sweden in 2016 and strong Construction activities;

  - In Central and Eastern Europe, revenue increased +9.0% at constant exchange rates to €864 million, driven by an overall favorable weather impact (+€17 million), an increase in heating and electricity volumes sold in Poland, a rise in water volumes invoiced, higher water tariffs in the Czech Republic and the impact of recent Group developments: Prague Left Bank (€14 million), Biomass cogeneration plants in Hungary and the new Water contract in Armenia. These items were mitigated by lower energy tariffs in Slovakia, Hungary and the Czech Republic.

- Strong revenue growth of +11.8% at constant exchange rates in the **Rest of the world** segment, reported across most regions.

  - Revenue rose +16.8% at constant exchange rates to €528 million in North America (flat in fiscal year 2016), benefiting from the integration of Chemours' Sulfur Products division assets (€52 million), the acquisition of a building energy services company (Enovity) in January 2017 and good hazardous waste performance. Gas prices rose in the Municipal Energy business, offsetting the decrease in heating volumes sold (due to a mild winter);

  - Strong revenue growth in Latin America (+27.2% at constant exchange rates) thanks to inflation-led tariff increases in Argentina, an increase in Waste volumes (notably related to the Buenos Aires contract in Argentina) the increase in Water volumes and construction work (under the Guayaquil contract in Ecuador), as well as the positive impact of the acquisition of the Pedreira landfill site in Brazil in May 2016;

  - In Asia, significant revenue growth of +18.0% at constant exchange rates was observed. In China, revenue rose sharply (+31.0%) resulting from the integration of Sinopec in 2016 in the Industrial Water sector and growth in volumes sold in Energy by the Harbin and Jiamusi heating networks and under industrial contracts (start-up of Hongda 2 contract) and an increase in Waste volumes. Revenue growth in Japan was also driven by the development of Municipal Water O&M and Customer service activities;

  - In the Pacific zone, revenue decreased by -1.4% at constant exchange rates (compared with -3.1% in fiscal year 2016). In the Waste business, the increase in collection prices and strong treatment activities were offset by the decline in collection activities and industrial services;

  - In Africa and the Middle East, revenue was stable (+0.5% at constant exchange rates).

- **Global Businesses:** -3.2% decline in revenue at constant exchange rates: dynamic Hazardous waste revenues were offset by continued downsizing in Engineering.

  - Solid growth in Hazardous Waste activities (+2.2% at constant exchange rates), tied particularly to strong industrial maintenance performance (increase in volumes and new contracts);

  - Design & Build activities slumped 11.4% at constant exchange rates, in line with business streamlining and a weaker backlog than in 2016. Bookings remain low, with some international delays.

The change in revenue between the first quarter of 2016 and 2017 breaks down **by main impact** as follows:

The **foreign exchange impact** on revenue amounted to €3.2 million (0.1% of revenue) and mainly reflects fluctuations in the UK pound sterling (-€60.2 million), the Australian dollar (+€19.8 million), the US dollar (+€18.5 million) and the Brazilian real (+€9.4 million).

The **consolidation scope impact** (+€87 million) mainly concerns developments in 2016: the integration of Chemours' Sulfur Products division assets in the United States (€52 million), Prague Left Bank in the Czech Republic (€14 million) and the Pedreira landfill site in Brazil (€10 million) as well as the sale of Bartin Recycling in the Waste business in France (-€39 million).

The decrease in **Construction** revenue (-€74 million, compared with -€117 million in Q1 2016) was mainly due to a more measured reduction in Veolia Water Technologies and SADE activities, and the end of the negative impact of lower construction revenue related to the completed PFI incinerators in the United Kingdom.

Group revenue benefited from an increase in **energy and recyclate prices** in the amount of +€27 million (compared with -€94 million in Q1 2016), following an increase in recyclate paper prices in Europe and energy prices in the United States, partially offset by a decrease in energy prices in Europe.

Commercial momentum improved significantly (**Commerce/Volumes** impact) to +€152 million (compared with +€98 million in Q1 2016):

- +€74 million increase in sales volume, in line with an increase in volumes sold in Germany (Energy) and Central Europe (Water and Energy), good growth in Waste in Germany, solid growth in Hazardous waste activities globally and good Energy and Waste volumes in China, partially offset by continued difficulties in industrial services in North America and Australia;
- A commercial impact of +€63 million thanks to numerous contract wins in Europe (in Waste in the United Kingdom and multi-utility industrial contracts) and good performance in Asia (including the Sinopec contract in China for €31 million);
- The weather impact of +€15 million is favorable in Central Europe and negative in the United States.

Favorable **price effects** are tied to tariff indexation which remains favorable (except in France), but very moderate, and the significant impact of higher Waste prices in Argentina.

1.2. Revenue by business

			2016 / 2017 change		
(in € million)	Three months ended March 31, 2016 represented	**Three months ended March 31, 2017**	Δ	Δ at constant exchange rates	Δ at constant FX and excluding construction & energy prices
Water	2,635	2,632	-0.1%	-0.9%	+2.5%
Waste	2,014	2,155	+7.0%	+8.1%	+8.1%
Energy	1,346	1,483	+10.1%	+9.7%	+9.3%
Group Revenue	**5,995**	**6,270**	**+4.6%**	**+4.5%**	**+5.9%**

WATER

Water revenue was stable at constant exchange rates, but increased +2.5% at constant exchange rates excluding Construction revenue and energy prices, compared with Q1 2016 represented figures. This increase can be explained as follows:

- Higher volumes and a positive commercial effect of 1.9%. The rise in water volumes invoiced in Central and Eastern Europe, was partly offset by a -0.4% decrease of volumes in France. Revenue also benefited from the impact of new industrial water developments, notably Sinopec in China (+€31 million);
- A slightly negative price effect of -0.2%;

- The decrease of construction activity by 2.8%: Veolia Water Technologies revenue remains down, although to a lesser extent than in 2016.

WASTE

Waste revenue rose +8.1% at constant exchange rates compared with represented Q1 2016 figures (+5.6% at constant consolidation scope and exchange rates), due to:

- A scope impact of +2.5%, mostly related to the integration of the Chemours Sulfur Products division's assets in the United States (+€52 million);
- Commercial and volume effects of +1.2%. Waste volumes increased in France (landfills, sorting & recycling), in Germany and in hazardous waste overall, but remained weak in Australia. Revenue also benefited from numerous commercial wins, in the United Kingdom and in Germany in particular;
- A positive price effect of 1.3%, notably in Latin America and in Germany;
- The impact of higher recyclate paper prices and volumes of recycled materials: +1.8%.

ENERGY

Energy revenue rose 9.7% at constant exchange rates compared with Q1 2016 represented figures (+7.1% at constant consolidation scope and exchange rates). This increase can be explained as follows:

- a scope impact of +2.7%, notably related to the acquisition of Prague left bank DHN in 2016 and of an energy efficiency business in the United States (Enovity) in 2017;
- a favorable weather impact of €15 million (+1.1%) mostly in Poland and Czech Republic;
- the positive volumes and commerce effect of 4.6%, due to higher volumes of energy sold in Central and Eastern Europe and in China, and new energy efficiency contracts;
- a slightly positive price effect of 0.6% : lower heat and electricity prices in Europe were more than offset by higher gas prices in the United States.

2. Other income statement items

2.1 EBITDA

Group consolidated EBITDA for the three months ended March 31, 2017 was €862.9 million, up 0.9% at constant exchange rates compared with Q1 2016 represented figures. The EBITDA margin decreased from 14.3% in Q1 2016 to 13.8% in Q1 2017.

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

- In **France,** EBITDA increased slightly during the quarter driven by cost savings:
  - In the Water business, EBITDA remained flat in Q1 2017, thanks to significant cost savings which offset ongoing unfavorable impacts: price squeeze as result of negative tariff indexation, negative impact of contractual negotiations and weak volumes (-0.4%);
  - In the Waste business, EBITDA increased 6% benefiting from significant cost savings, an increase in the price of paper and the impact of commercial developments.
- EBITDA continued to grow in **Europe excluding France** (excluding Lithuania), despite a number of mainly one-off negative impacts:

  - in Central and Eastern Europe, thanks to cost savings efforts and a favorable weather impact (+€8 million);
  - In the United Kingdom, thanks to strong overall business performance (tied to efficiency plans) and the favorable impact of the price of paper, offset by plant maintenance outage one-off costs;
  - In Germany, strong Waste performance was offset by the negative comparison related to non-recurring items in 2016.
- Double-digit growth in EBITDA in the **Rest of the world**:
  - Return to EBITDA growth in the United States (after a difficult 2016), despite an unfavorable weather impact in Energy, thanks to the implementation of efficiency measures and the successful integration of Chemours' Sulfur Products division assets;
  - Double-digit growth in EBITDA in China, tied to good performance in Municipal Energy (higher volumes, efficiency gains and favorable weather impact) and Industrial Water (Sinopec contract).
- In the **Global Businesses** segment, the benefits of restructuring at Veolia Water Technologies and the good performance of Hazardous waste activities were offset by some transitory headwinds. Veolia Water Technologies continues its transformation plan with the standardization of its offerings, purchasing savings and a decrease in selling and administrative costs.

The change in EBITDA between the first quarter of 2016 and 2017 breaks down **by main impact** as follows:

The **foreign exchange impact** on EBITDA was -€0.5 million and mainly reflects fluctuations in the UK pound sterling (-€7.9 million), the Brazilian real (+€2.2 million), the Australian dollar (+€1.6 million), the US dollar (+€1.5 million) and the Korean won (+€1.3 million).

The **consolidation scope impact** (+€20.5 million) mainly concerns developments in 2016: the integration of Chemours' Sulfur Products division assets in the United States, Prague Left Bank in the Czech Republic and the Pedreira landfill site in Brazil.

Commerce and volumes impacts amounted to +€16 million, thanks to a favorable weather impact in Europe, strong Hazardous waste performance, good Water and Energy volumes in Central and Eastern Europe and solid activity in Asia. These factors were nonetheless mitigated by ongoing difficulties in the Water business in France due to the negative impact of contractual negotiations and lower volumes and the start-up costs associated with the new contract in Armenia.

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

Cost-savings plans contributed €63 million, consistent with the annual objective of €250 million. They mainly cover operational efficiency (47%) and purchasing (30%) and were achieved across all geographic zones: France (30%), Europe excluding France (22%), Rest of the World (29%), Global Businesses (14%) and Corporate (5%).

Transitory costs and one-off items mainly concern insurance costs (offset by provision reversals), higher maintenance costs in Q1 (particularly in the United Kingdom) and an unfavorable comparison effect tied to favorable contract terminations in 2016.

2.2. Current EBIT

Group consolidated Current EBIT for the three months ended March 31, 2017 was €430.5 million, up +6.1% at constant exchange rates compared with Q1 2016 represented figures.

This strong growth in Current EBIT was mainly due to:

- the improvement in Group EBITDA;
- the increase in depreciation and amortization charges at constant exchange rates, in line with consolidation scope impacts, primarily in the Unites States following the acquisition of Chemours' assets in July 2016, as well as in Korea, China, Brazil and France Water;
- the favorable change in net operating provision reversals, in particular provisions for landfill site remediation in France and the United Kingdom, and captive insurance provisions (€12 million);
- impairment of property, plant and equipment, intangible assets and operating financial assets recognized in March 2016, particularly in the United Kingdom;
- the increase in the contribution of equity-accounted entities, notably in China.

The foreign exchange impact on Current EBIT was -€0.7 million and mainly reflects fluctuations in the UK pound sterling (-€4.6 million) and the Brazilian real (€1.8 million).

The reconciling items between EBITDA and Current EBIT as of March 31, 2017 and 2016 are as follows:

(in € million)	Three months ended March 31, 2016 represented	**Three months ended March 31, 2017**
EBITDA	**855.4**	**862.9**
Renewal expenses	(67.4)	(66.9)
Depreciation and amortization (*)	(401.4)	(416.2)
Provisions, fair value adjustments & other:	2.6	26.8
• Current impairment of property, plant and equipment, intangible assets and operating financial assets	(4.8)	1.0
• Net charges to operating provisions, fair value adjustments and other	2.1	22.5
• capital gains or losses on industrial divestitures	5.3	3.3
Share of current net income of joint ventures and associates	17.4	23.9
Current EBIT	**406.6**	**430.5**

(*) Including principal payments on operating financial assets (OFA) of -€37 million for the quarter ended March 31, 2017 (compared to -€44.2 million for the quarter ended March 31, 2016).

2.3. Current net income

Current net income attributable to owners of the Company rose by 3.7% at constant exchange rates to €154.8 million for Q1 2017, compared with represented €147.7 million for Q1 2016, driven by the growth in Current EBIT, stable net finance costs, capital gains and losses on financial divestitures that were lower in Q1 2017 than in Q1 2016 represented figures, and a high level of minority interests in 2017 (due to seasonality and good level of activity in Central & Eastern Europe).

Excluding capital gains and losses on financial divestitures net of tax, current net income attributable to owners of the Company rose 7.0% at constant exchange rates to €156.5 million from represented €144.8 million for Q1 2016.

C] FINANCING

(in € million)	Three months ended March 31, 2016 represented	**Three months ended March 31, 2017**
EBITDA	**855**	**863**
Net industrial investments	(259)	(262)
Change in operating WCR	(728)	(736)
Dividends received from equity-accounted entities and joint ventures	3	11
Renewal expenses	(67)	(67)
Other non-current expenses and restructuring costs	(6)	(17)
Interest on operating assets - IFRIC 12	(22)	(23)
Financial items (current cash financial expense, and operating cash flow from financing activities)	(98)	(109)
Taxes paid	(52)	(51)
Net free cash flow before dividend payment, financial investments and financial divestitures	**(374)**	**(391)**
Net financial debt at the beginning of the period	(8,170)	(7,811)
Net financial debt at the end of the period	**(8,266)**	**(8,430)**

Net free cash flow was -€391 million for the three months ended March 31, 2017, compared with represented -€374 million in Q1 2016.

Overall, **net financial debt** amounted to €8,430 million at March 31, 2017, compared with represented €8,266 million at March 31, 2016.

In addition to the change in net free cash flow, net financial debt was impacted by financial investments, which amount to -€143 million in Q1 2017 (including the acquisition of Uniken in Korea for -€70 million, and Enovity in the United States for -€28 million), as well as unfavorable exchange rate fluctuations in the amount of €70 million in the first three months of the year (€42 million compared to March 31, 2016).

APPENDIX

Reconciliation of 2016 published data and 2016 represented data[1]

In €M	Quarter ended March 31, 2016 published	IFRIC 12 Adjustment	IFRS 5 [(4)] Adjustment	Quarter ended March 31, 2016 Represented
Revenue	6,088.8	0,0	(93,7)	5 995,1
EBITDA (a)	840.3	50.5	(35,5)	855,4
Current EBIT [(2)]	413.2	23.2	(29,8)	406,6
Current net income- Group share	173.1	0.4	(25,8)	147,7
Gross industrial investments	(246,0)	(28,0)	0,3	(273,8)
of which Change in concession WCR (b)	*0,0*	*(28,0)*	*0,0*	*(28,0)*
Interest on operating assets - IFRIC 12 (c)	0,0	(22,4)	0,0	(22,4)
Net Free Cash Flow [(3)]	(342,9)	0,0	(31,3)	(374,2)
Net financial debt	-8 265	0,0	(0,9)	-8 266

(1) Unaudited figures
(2) Including the represented share of current net income of joint ventures and associates for the quarter ended March 31, 2016
(3) No impact related to IFRIC 12 adjustment on net Free Cash Flow ((a)+(b)+(c)=0)
(4) In order to ensure the comparability of periods, the quarter ended March 31, 2016 has been adjusted for the reclassification of the Group's activities in Lithuania to "Net income (loss) from discontinued operations" pursuant to IFRS 5.

IFRIC 12

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

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

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