Press Release

Paris, 1st of August 2019

2019[1] FIRST HALF RESULTS: CONTINUED SUSTAINED REVENUE AND PROFITS GROWTH

- **REVENUE : €13,324 MILLION, + 5.5%, CONTINUED SUSTAINED GROWTH, DRIVEN BY ROBUST COMMERCIAL MOMENTUM**
- **EBITDA : €2,002 MILLION, + 5.4% (+7.3% IN Q2 BETTER THAN THE +3.8% IN Q1)**
- **COST SAVINGS OF €121 MILLION AHEAD OF THE GROUP'S ANNUAL OBJECTIVE OF MORE THAN €220 MILLION**
- **CURRENT EBIT: €857 MILLION, +5.7%**
- **CURRENT NET INCOME GROUP SHARE: €352 MILLION, UP +7.2%**
  PUBLISHED NET INCOME GROUP SHARE: €331 MILLION UP +46%
- **SIGNING OF THE DIVESTITURE OF OUR US DISTRICT ENERGY ACTIVITIES FOR $1.25 BILLION: EV/EBITDA 2019[e] MULTIPLE OF 14.2X**
- **2019 OBJECTIVES FULLY CONFIRMED**

Un-audited data – Audit in Process

Antoine Frérot, Veolia's Chairman and CEO indicated: *"The first half of 2019 activity and results are fully in line with our sustained and profitable growth trajectory. Veolia has achieved strong revenue growth in all of its geographies, an evidence of the pertinence and coherence of our choices, of our capacity to capture the best opportunities for profitable growth. The commercial momentum has remained very solid. Growth of our new businesses has been very strong, particularly hazardous waste, up 13%, as well as plastic recycling, up 30%. Results also progressed at a very good rhythm, driven by sales growth and by cost reduction efforts achieved in the first semester, ahead of the annual objective, thanks to numerous operational efficiency and synergy actions. These strong first half results allow us to confirm all our objectives for the full year and to prepare our new 2020-2023 strategic plan, with a great confidence in the Group's capacity to continue to achieve a solid, profitable and sustainable growth."*

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[1] At constant exchange rates. At current exchange rates: Revenue growth of 5.8%, EBITDA growth of 5.4%, Current EBIT growth of 5.4% and current net income Group share excluding capital gains up 7.5%.

- **Group consolidated revenue was €13,324 million during the first half of 2019 compared to represented €12,588 million in H1 2018, up 5.5% at constant exchange rates (+5.8% at current rates) and +4.2% at constant scope and exchange rates.**

Veolia once again registered solid revenue growth in the first semester, with acceleration in the second quarter. At constant exchange rates, Q2 revenue is up +6.3%, after +4.8% in Q1.

Revenue growth was driven by a continued robust commercial momentum, good volumes, in both waste and water, and price increases (with a positive impact of +1.4% on top line growth, vs. +0.9% in the first half of 2018).

Exchange rate variations had a small impact of €38 million on revenue for the semester.

The scope effect was positive for €168M, principally the effect of small tuck in acquisitions completed in 2018 (mainly Grupo Sala in Colombia) and in the beginning of 2019, net of the impact of the divestiture of SCVK in Czech Republic.

High energy prices had an overall positive impact of +€96M on revenue, while recycled material prices had a neutral effect, the 5% decrease in paper prices being offset by plastic prices (up 17%).

Weather weighed negatively on sales for an amount of -€38M in the first half, due to a mild winter in Central and Eastern Europe and in the United States, and a more favorable spring, which allowed to reduce the adverse Q1 impact of -€77M.

At constant exchange rates, the variations in revenue recorded during the first half of 2019 were as follows:

- In France, activity was up +3.9% in the first half. Water revenue was up 1.5% as a result of price indexation of +1.4%, good contract wins and volume growth of +1.1%. The Waste business progressed by +6.7% (+4.2% excluding construction revenue), with volumes up 0.7% (increase in volumes treated but lower municipal collection) and prices up 2.2%.
- Europe excluding France grew by 5.9%. All of the areas exhibited growth. Central and Eastern Europe is up 7.8% due to strong growth in Energy and good water volumes (+2.5%), compensating the impact of the divestment of SCVK in Water in Czech Republic. UK/Ireland grew by 4.3% thanks to very good availability rates for PFIs (93%) and good commercial wins with industrial customers. Northern Europe grew by +2.7%. Southern Europe registered strong growth (+11.5%), +9.5% in Italy, +14.5% in Iberia with the benefit of the integration of the Waste assets of Renascimento in Portugal.
- Rest of the World grew by +7.8%. Latin America rose 23.9% with price increases, sales development, and the integration in May 2018 of the activities of Grupo Sala, leader in toxic and municipal waste in Colombia. Asia grew by 10.6%. China was up 16.9% with good toxic waste volumes, strong development of plastic recycling activities and the extension of the district heating network in Harbin. The Pacific zone progressed by 7.0% thanks to the restart of the Sydney desalination plant, and good treated volumes in waste. Africa Middle East was up 4.1% with notably the good performance of Energy Services in the Middle East, and higher volumes in water and electricity in Morocco.
- Global businesses increased by 3.6%. Toxic waste continued to exhibit strong growth thanks to good sales momentum, and increased prices. Veolia Water Technologies revenue declined by -5.0% but the order backlog is up 4.6%, with the booking of two desalination plants in Saudi Arabia and Bahrain. Revenue is up 10.3% at SADE, with a particularly good performance in France and in the Telecom network segment.

By activity, at constant exchange rates, Water revenue increased by 2.2%. Waste exhibited strong growth of 7.2% for the first half, with volumes up 1.9% (+2.5% in Q1 and +1.1% in Q2, even compared to a very strong Q2, 2018, when volumes grew by 4.9%) and prices up 2.5%. Energy rose 9.1% with favorable volumes, a price effect of +2.3% with the increase in heating and electricity prices in Central and Eastern Europe, and a slightly negative weather impact of -0.9%.

- **EBITDA improved by 5.4% at constant exchange rates to €2,002M compared to represented €1,900M in H1 2018. (+5.4% at current exchange rates).**
    - At constant exchange rates, sustained activity growth combined with cost savings ahead of the annual objective (€121M) resulted in EBITDA growth of 5.4% for the semester. Weather weighed in slightly for an amount of -€6M. Energy and recycled prices weighed in for -€14M in the growth of EBITDA (-€11M for energy and -€3M for recycled material prices).
    - EBITDA variances at constant exchange rates break down as follows: In France, EBITDA was up by +3.3% thanks to the good performance of Water. In Europe outside of France, EBITDA was stable (-0.1%). Central and Eastern Europe was penalized by the divestment of SCVK and the slightly unfavorable weather impact, partially offset by commercial momentum and cost savings. Excluding the impact of the SCVK disposal, EBITDA in Rest of Europe rose by 4.4%. Rest of the World posted strong EBITDA growth, up +8.5% alongside solid revenue progression. In Global Businesses, EBITDA was sharply up, +15.7%, due to the benefit of the restructuring actions taken at Veolia Water Technologies in 2018, the improvement at SADE, and the continued strong performance of the hazardous waste business.
- **Current EBIT reached €857 million compared to represented €813 million in H1 2018, up 5.7% at constant exchange rates (and +5.4% at current exchange rates).**
    - Exchange rate variation had a negative impact of -€2M on Current EBIT.
    - Current EBIT growth is a result of EBITDA growth partially offset by higher depreciation (including principal repayment on operating financial assets) expense of €1,073M vs. €1,031M in represented H1 2018, in line with activity growth. The aggregate provisions balance, fair value adjustments, and capital gains on industrial disposals are down to +€11M vs. +€22M in represented H1 2018. The contribution of equity-accounted joint ventures and associates to current net income is stable at €56M vs. €58M in represented H1 2018, which included a €15.9M capital gain in the US.
- **Current Net Income Group share was €352 million compared to represented €328 million in H1 2018, an increase of 7.2% at constant exchange rates (and +7.5% at current exchange rates).**
    - Cost of net financial debt was up, at -€222M, including an €6.5M carrying cost of the recently issued bonds (end 2018 and early 2019). The net cost of borrowing decreased by 9 basis points, to 4.31%.
    - Other current financial expenses and income were -€91M vs. -€88M in H1 2018 represented.
    - Capital gains on financial disposals are stable, €18M vs. €19M in H1 2018 represented.
    - The current tax rate was 24%.
    - Non-controlling interests are stable, €89M vs. €87M in H1 2018 represented.
    - The current net income Group Share progressed by 7.2% at constant exchange rates to €352M.
    - Published net income Group share was €331M compared to represented €226M in H1 2018 (growth of +46% at constant exchange rates).

- **Net Financial Debt reached €12,478M on June 30, 2019 including €1,731M of IFRS16 lease debt, almost stable vs. €12,398M for June 30, 2018 represented.**

- **Signing of the divestiture of our US district energy activities to Antin Infrastructure Partners for a total consideration of $1.25 billion**

    - On 31 July 2019 Veolia signed an agreement for the divestment of its municipal energy activities in the US.

    - Price of $1.25 billion is equivalent to an EV/EBITDA 2019^{e} multiple of 14.2x.

    - Closing is expected in Q4 2019.

    - Once the divestiture is completed, net financial debt at 31 December 2019 is expected to be around €11 billion (including €1.7 billion of IFRS16 lease debt).

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- **In light of the very strong first half results, 2019 objectives* are fully confirmed:**
    - Continuation of Revenue growth
    - Cost savings of at least €220 million
    - EBITDA between €3.9billion and €4.0 billion including IFRS16 impacts
    - Dividend growth in line with that of current net income

** At constant exchange rates (based on rates at the end of 2018)*

Veolia group is the global leader in optimized resource management. With over 171,000 employees worldwide, the Group designs and provides water, waste and energy management solutions which 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 2018, the Veolia group supplied 95 million people with drinking water and 63 million people with wastewater service, produced nearly 56 million megawatt hours of energy and converted 49 million metric tons of waste into new materials and energy. Veolia Environnement *(listed on Paris Euronext: VIE)* recorded consolidated revenue of €25.91 billion in 2018 (USD 30.6 billion). 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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FINANCIAL INFORMATION FOR THE HALF-YEAR ENDED JUNE 30, 2019

A] PREFACE

CHANGE IN LEASE STANDARD

The Group applies the new lease standard, IFRS 16, with effect from January 1, 2019. The standard is applied using the full retrospective method (recalculation of the asset and the debt as if the standard had been applied from inception of the lease).

The adjustments resulting from the application of this standard in the income statement are significant, with an increase in EBITDA due to the cancellation of the lease expense, offset by an increase in depreciation in current EBIT and in interest (see Appendix).

GABON

On February 18, 2019, Gabon and Veolia Africa signed a settlement agreement providing for the transfer of 51% of SEEG shares held by Veolia Africa to the Société de Patrimoine du Service public de l'eau potable, de l'énergie électrique et de l'assainissement, a company owned by Gabon, for a price of €45 million. Subject to the fulfillment of conditions precedent and the signature of the protocol by the SEEG, Gabon and the Group shall request the discontinuance of the pending proceeding before the ICSID and shall mutually and definitively release all claims and actions arising from the concession agreement terminated by Gabon.
On March 29, 2019, the ICSID noted in its award that the arbitration procedure between the Group and the Gabonese State had ended, thus enabling the settlement protocol to be implemented.
A down payment of 4.5 million euros was made to Veolia Africa upon the signing of the settlement agreement. The outstanding balance has been divided into 6 monthly installments and the last shall be due in October 2019. .
As of June 30, 2019, the Group recognized the first 3 payments received at the issuing date of the present document (payments will be recognized in the income statement as they are settled).

LITHUANIA

Activities in Lithuania were recorded in discontinued operations (Vilnius contract) and activities held for sale (Litesko contract) as of December 31, 2018. Recent discussions during Q1 2019 were unable to agree a process committing to the divestiture of these Group activities. Accordingly, the Litesko assets and liabilities and the Vilnius and Litesko income statements were transferred to continuing operations. The financial statements for the half-year ended June 30, 2018 were re-presented as a result of this reclassification to ensure comparability.

ENERGY ASSETS IN THE UNITED STATES

As part of the regular review of its asset portfolio, the Group has decided to sell its heating network activities in the United States. Following discussions in the first half of the year, these assets were transferred to assets and liabilities classified as held for sale in the Group financial statements in the amount of €578 million.

DISCONTINUATION OF EPC INTERNATIONAL BUSINESS

On January the 1st, the Group has decided to stop its EPC (Engineering, Procurement and Construction) international activities. Results of this activity are from now on classified in discontinued operations pursuant to IFRS 5.

B] KEY FIGURES

(in € million)	*Half-year ended June 30, 2018 published*	*Half-year ended June 30, 2018 re-presented* [(1)]	***Half-year ended June 30, 2019***	Δ	*Δ at constant exchange rates*
Revenue	12,565	12,588	13,324	5.8%	5.5%
EBITDA	1,673	1,900	2,002	5.4%	5.4%
EBITDA margin	13.3%	15.1%	15.0%		
Current EBIT [(2)]	792	813	857	5.4%	5.7%
Current net income - Group share	329	328	352	7.5%	7.2%
Net income – Group share	225	226	331	46.5%	46.0%
Industrial investments	(712)	(928)	(1,005)		
Net free cash flow [(3)]	(321)	(322)	(473)		
Net financial debt (incl. hybrid debt and IFRS 16 lease liabilities)	(10,609)	(12,398)	(12,478)		

(1) The restatements at 30 June 2018 relate to the application of IFRS 16 and the reinstatement of the accounts of Lithuania presented as 'Income from discontinued operations' in 2018.

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

(3) Net free cash flow corresponds to the free cash flow from continuing operations, i.e. the sum of EBITDA, dividends received, change in operating working capital, cash flow from operations, less net financial expenses, net industrial investments, taxes paid, renewal expenses, restructuring expenses and other non-current expenses.

The main foreign exchange impacts were as follows:

FX impacts for the half-year ended June 30, 2019 (vs June 30, 2018 re-presented [(1)])	%	(in € million)
Revenue	0.3%	38
EBITDA	-0.1%	(1)
Current EBIT	-0.2%	(2)
Current net income	0.4%	1
Net financial debt	-0.2%	(20)

C] INCOME STATEMENT

1. GROUP CONSOLIDATED REVENUE

Group consolidated revenue for the half-year ended June 30, 2019 **increased 5.5% at constant exchange rates** to €13,323.9 million, compared to re-presented €12,587.9 million for the half-year ended June 30, 2018.
As in the first quarter, revenue growth was marked by favorable momentum in the second quarter of 2019:

∆ at constant exchange rates	*Q1 2019*	*Q2 2019*	*H1 2019*
France	2.8%	5.0%	3.9%
Europe, excluding France	4.7%	7.2%	5.9%
Rest of the world	6.6%	9.0%	7.8%
Global businesses	4.7%	2.6%	3.6%
Group	**4.8%**	**6.3%**	**5.5%**

The acceleration in France and internationally reflects continued commercial momentum and higher volumes, an increase in construction as well as improved weather conditions in Europe in the second quarter.

By segment, the change in revenue compared to re-presented figures for the half-year ended June 30, 2018 breaks down as follows:

			Change 2018 / 2019		
(in € million)	*Half-year ended June 30, 2018 re-presented (1)*	*Half-year ended June 30, 2019*	*∆*	*∆ at constant exchange rates*	*∆ at constant scope and exchange rates*
France	2,655.9	2,759.2	3.9%	3.9%	3.4%
Europe, excluding France	4,540.0	4,789.3	5.5%	5.9%	4.5%
Rest of the world	3,191.8	3,484.3	9.2%	7.8%	5.1%
Global businesses	2,185.2	2,275.7	4.1%	3.6%	3.3%
Other	15.0	15.3	1.7%	-	-
Group	**12,587.9**	**13,323.9**	**5.8%**	**5.5%**	**4.2%**

– Revenue increased +3.9% in **France** compared to re-presented figures for the half-year ended June 30, 2018: Water revenue increased +1.5% and Waste revenue +6.7%:

  - Water revenue rose by +1.5% compared to re-presented figures for the first-half of 2018, with improved tariff indexation of +1.4% (+0.6% in H1 2018) and volumes up +1.1%, with notably good volumes distributed in the South of France.
  - Waste revenue improved +6.7% on re-presented figures for the first-half of 2018, including +2.5% attributable to increased Construction activities for incinerators. Excluding Construction activities, the +4.2% increase is due to higher tariffs (+2.2%) and higher volumes (+0.7%) notably in the Commercial and Industrial segments, partially offset by the non-renewal of contracts for municipal collection, with a

limited impact on revenue from the continued decline in paper prices, offset by sales of other recycled materials.

- **Europe excluding France** grew 5.9% at constant exchange rates compared to re-presented figures for the half-year ended June 30, 2018, with solid momentum in the majority of regions:
  - in Central and Eastern Europe, revenue increased +7.8% at constant exchange rates compared to re-presented figures for the half-year ended June 30, 2018 to €1,709.9 million. Growth was driven by:
    - in Energy (+14.1% at constant exchange rates), higher prices and tariffs for energy sold, with a slightly negative weather impact of -€8 million that greatly improved in Q2,
    - in Water, the revenue impact of changes to the ScvK water contract in the Czech Republic (-€63 million) was partially offset by higher tariffs and volume growth of +2.5%;
  - in Northern Europe, revenue increased +2.7% at constant exchange rates compared to the re-presented prior-year period, to €1,372.5 million. Germany, the main contributor (€932.6 million), benefited from strong growth in Waste volumes offset by lower energy sales notably due to a mild winter. Tuck-in activities (industrial services in Belgium and plastic recycling in the Netherlands) also contributed to activity growth in Northern Europe.
  - In the United Kingdom/Ireland, revenue increased +4.3% at constant exchange rates to €1,138.7 million, thanks to good waste volumes (+2%), an excellent incinerator utilization rate (93%) and higher electricity selling prices. Recyclate prices had only a limited impact, with lower paper prices offset by higher plastic prices.
- Strong growth in the **Rest of the world** of 7.8% at constant exchange rates compared to re-presented figures for the half-year ended June 30, 2018:
  - Strong revenue growth in Latin America (+23.9% at constant exchange rates), driven by tariff increases in Argentina tied to inflation and the acquisition of Grupo Sala in Colombia, consolidated since May 1, 2018 (impact of €42 million);
  - Revenue increased +1.1% at constant exchange rates to €1,056.3 million in North America, mainly due to favorable commercial impacts in Water and Waste and continued growth in hazardous waste volumes processed, partially offset by the sale of the Industrial Services division in Q1 2018 (-€11 million) and a fall in Energy revenue (weather impact of -€18 million);
  - Revenue in Asia increased by +10.6% at constant exchange rates. This increase benefits from revenue growth of +16.9% at constant exchange rate in China to €539 million, mainly generated by the Waste business (incineration of hazardous waste, plastic recycling), higher heating sales (Harbin) and the increase in industrial water activity. Japan contributed to the strong development of this region with organic growth of +4.9%, driven by contractual developments in municipal water;
  - The Pacific zone recorded +7.0% growth at constant exchange rates for the half-year ended June 30, 2019, due to higher waste volumes processed and the restart of the Sydney desalination plant in Water;
  - In Africa/Middle East, revenue increased +4.1% at constant exchange rates, thanks to commercial developments in energy services in the Middle East and good water and electricity volumes in Morocco.
- **Global businesses:** revenue increased +3.6% at constant exchange rates versus the re-presented prior-year period:

- Hazardous Waste activities increased by +6.4% at constant exchange rates, with strong commercial momentum and increases in volumes processed and processing prices;

- Construction activities are up by 2.0% at constant exchange rates. Veolia Water Technologies recorded orders of €1,005 million in the half-year, increasing the backlog as of June 30, 2019 to €2,005 million, up +4.6% compared to December 31, 2018. This increase was achieved thanks to the signing of two desalination plant construction contracts in the Middle East, representing cumulative revenue of €283 million, and strong municipal activity in France. With revenue growth of 10.3% in the half-year ended June 30, 2019, SADE enjoys sustained activity in France and notably in Telecoms.

The increase in revenue between June 2018 and June 2019 breaks down **by main impact** as follows

- The **foreign exchange impact** totaled +€38.1 million (0.3% of revenue) and includes fluctuations in the US dollar (+€78.2 million), the pound sterling (+€7.6 million), the Japanese yen (+€14.1 million), the Argentine peso (-€62.5 million) and the Polish zloty (-€9.9 million).

- **The consolidation scope impact** of +€168.1 million mainly relates to:
  - developments in 2018: integration of Grupo Sala in Colombia (+€42 million), PPC industrial assets in Slovakia (+€27 million) and HCI in Belgium (+€28 million) and the divestiture of the Industrial Services division in the United States in February 2018 (-€11 million), the divestiture of ScVK in the Czech Republic and the consolidation of SCS in the context of the new water contract (-€63 million);
  - 2019 transactions, including the acquisitions of Levice in Slovakia (+€18 million), Renascimento in Portugal (+€12 million) and Huafei in China (+€19 million).

- **Energy and recyclate prices** (+€95 million) are linked to higher energy tariffs (+€96 million), notably in Europe for +€122 million (sales of heat and electricity in Central Europe and Germany), offset by an unfavorable price effect in North America of -€26 million (lower electricity and natural gas prices). Recyclate prices in France, the United Kingdom and Germany had a limited impact (-€1 million, compared to -€46 million in the half-year ended June 30, 2018).

- The **weather impact** is -€38 million (vs -€22 million in H1 2018), an improvement on the first quarter (-€77 million in Q1 2019), thanks to winter extending into the beginning of the second quarter in Central and Eastern Europe.

- Commercial momentum remains strong (**Commerce/Volumes** impact) contributing +€355 million (compared to +€329 million in the first-half of 2018):
  - volume increase of +€187 million, in line with sustained volumes in Waste (+1.9%) and in Water in France (+1.1%) and Central Europe (+2.5%), as well as in the Rest of the world (Morocco, Australia, with the start-up of the Sydney desalination plant).
  - a commercial impact of +€68 million, thanks to industrial and municipal contract wins in Water and hazardous waste in Asia and in energy services and industrial utilities in Southern Europe, Asia and the Middle East;
  - Construction activities contributed €100 million (compared to +€48 million in the first-half of 2018), including +€47 million in Europe (notably in Waste in France) and +€50 million in Global businesses thanks to SADE's growth in France, in telecoms, and thanks to the recovery of international activities.

- Favorable **price effects** (+€181 million) are tied to tariff increases in Waste (+2.5%), notably in France, the United Kingdom, and Latin America and in hazardous waste activities, and better tariff indexation in Water (in France, Central Europe and Latin America).

By business, the change in revenue compared with represented June 30, 2018 breaks down as follows:

(in € million)	*Half-year ended June 30, 2018 re-presented*	***Half-year ended June 30, 2019***	*Change 2018 / 2019* ∆	∆ *at constant exchange rates*	∆ *at constant scope and exchange rates*
Water	5,187.6	5,357.2	3.3%	2.2%	3.0%
Waste	4,687.9	5,010.5	6.9%	7.2%	4.6%
Energy	2,712.4	2,956.2	9.0%	9.1%	5.9%
Group	**12,587.9**	**13,323.9**	**5.8%**	**5.5%**	**4.2%**

WATER

Water revenue increased by +2.2% at constant exchange rates and +3.0% at constant scope and exchange rates compared to re-presented figures for the half-year ended June 30, 2018. This improvement can be explained by:

- A positive commerce / volume impact of +1.2%, due to commercial momentum in the Rest of the World (primarily Asia) and higher volumes in France (1.1%) and Central Europe (+2.5%);
- A positive price impact of +1.1% with higher tariffs notably in Central Europe and Latin America, as well as better tariff indexation in France (+1.4% compared to +0.6% for H1 2018);
- Increased construction activity (+1.1%), with strong performance by SADE in France.

WASTE

Waste revenue rose +7.2% at constant exchange rates compared to re-presented figures for the half-year-ended June 30, 2018 (+4.6% at constant consolidation scope and exchange rates), due to:

- A scope impact of +2.6% due to acquisitions in Northern Europe and Colombia (Grupo Sala);
- A commerce / volume impact of +1.9%, with higher volumes processed, notably in France and Germany and strong growth in hazardous waste volumes processed (+4.4%), as well as a high contract renewal rate;
- A positive price effect of +2.5% (mainly in France, the United Kingdom and Latin America and in hazardous waste);
- The limited impact of recycled paper prices (mainly due to a fall in paper prices in Europe, partially offset by higher prices for other recyclates, including plastic).

ENERGY

Energy revenue rose +9.1% at constant exchange rates compared to re-presented figures for the half-year ended June 30, 2018 (+5.9% at constant consolidation scope and exchange rates). This improvement can be explained by:

- A positive price effect (+2.3%) with a strong increase in heating and electricity prices, mainly in Central Europe;
- growth in energy volumes sold and contract wins, notably energy efficiency contracts in Italy and Africa and the Middle East;
- a slightly negative weather impact (i.e. -0.9%), mainly in the United States.

2. EBITDA

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

(in € million)	Half-year ended June 30, 2018 re-presented [1]	Half-year ended June 30, 2019	Change 2018 / 2019 Δ	Δ at constant exchange rates
France	421.6	435.5	3.3%	3.3%
EBITDA margin	*15.9%*	*15.8%*		
Europe, excluding France	807.4	802.8	-0.6%	-0.1%
EBITDA margin	*17.8%*	*16.8%*		
Rest of the world	500.0	545.6	9.1%	8.5%
EBITDA margin	*15.7%*	*15.7%*		
Global businesses	149.5	172.2	15.2%	15.7%
EBITDA margin	*6.8%*	*7.6%*		
Other	21.0	45.8		
Group	**1,899.5**	**2,001.9**	**5.4%**	**5.4%**
EBITDA margin	**15.1%**	**15.0%**		

Group consolidated EBITDA for the half-year ended June 30, 2019 was €2,001.9 million, up 5.4% at constant exchange rates and including IFRS 16 impacts, compared to re-presented figures for H1 2018. The IFRS 16 impact is €230 million in H1 2019 compared to €224 million in H1 2018 re-presented.

The margin rate is stable at 15.0%.

– **In France**, EBITDA growth was strong at +3.3%:

  - In Water, EBITDA grew 5.5% out-pacing revenue growth (+1.5%), thanks to increased efficiency gains and, particularly, the full year impact of the voluntary departure plan launched last year. This offset the price squeeze which was also more moderate than last year,
  - In Waste, EBITDA fell slightly following a further decrease in recycled paper prices (-13% fall in the average selling price of recycled paper and cardboard compared to June 2018, representing an impact of -€2 million) and additional insurance and maintenance costs;

– Stable EBITDA in **Europe excluding France** (-0.1% at constant exchange rates) as the result of several impacts:

  - In Central and Eastern Europe, in Energy the progressive pass on of higher fuel and CO2 costs to the price of heating and electricity and a slightly unfavorable weather effect (-€3 million) produced a fall in

EBITDA. In Water, the sale of our distribution company, SCVK, in Bohemia Moravia and a contractual shift towards a service contract also led to reduced EBITDA.

These impacts were partially offset by operating efficiency gains.

- Continued good operating performance in the United Kingdom, thanks to the excellent availability of incineration plants and efficiency gains,
- Increased EBITDA in Northern Europe, tied to further small scope acquisitions in Waste, strong plastic recycling activities in the Netherlands, Germany and Scandinavia and further operating efficiency gains, partially offset by an unfavorable weather impact in Energy in Germany;

– Strong EBITDA growth in the **Rest of the world** of +8.5% at constant exchange rates:

- Lower EBITDA in the United States, mainly due to unfavorable Q1 impacts in Energy (mild weather and fall in heating and electricity prices),
- Marked increase in EBITDA in Latin America, mainly thanks to the impact of Grupo Sala in Waste in Colombia (consolidated from May 1, 2018), tariff increases in Waste and efficiency gains,
- Strong EBITDA growth in Asia driven by robust revenue growth, particularly in China where EBIDTA increased 28.2% in the half-year ended June 30, 2019, fueled by the ramp-up of hazardous waste processing facilities, the development of heating networks and strong growth in industrial contracts,
- Growth in Australia, with good waste volumes, the start-up of the Sydney desalination plant, and favorable contractual changes in wastewater treatment;

– In the **Global businesses** segment, marked 15.7% upturn in EBITDA at constant exchange rates:

- Continued excellent hazardous waste performance, with EBITDA up 14%,
- And a strong improvement in Construction profitability, thanks to efficiency gains resulting from restructuring measures implemented last year and to excellent performances of Sade.

The increase in EBITDA between 2018 and 2019 breaks down **by impact** as follows

- The **foreign exchange impact** on EBITDA was slightly negative at -€1.0 million and mainly reflects fluctuations in the US dollar (+€8.8 million), the pound sterling (+€1.2 million), the Japanese yen (+€1.1 million), the Argentine peso (-€8.4 million) and the Polish zloty (-€2.1 million).
- The **consolidation scope impact** of +€6.0 million mainly relates to developments in 2019 and notably the integration of Levice industrial assets and Renascimento assets in Portugal, as well as 2018 acquisitions in Colombia (Grupo Sala) and Slovakia (PPC), the disposal of ScvK and contractual changes to water contracts in North Bohemia.
- Favorable **commerce and volume** impacts totaled +€53 million, thanks to good Waste growth and strong commercial momentum across all zones.
- The **weather (energy)** impact on EBITDA was slightly unfavorable at -€6 million (-€13 million in the first-half of 2018) of which -€24 million in Q1 2019, with a marked Q2 improvement in Central Europe; the weather impact was -€5 million in Germany and -€5 million in the United States. The weather impact was slightly favorable in China (+€6 million).
- Once again, **energy and recyclate prices** had an unfavorable impact on EBITDA, but significantly less than in H1 2018: -€14 million (compared to -€42 million in the half-year ended June 30, 2018), including -€11 million in Energy, with a gradual pass-through of fuel and CO2 costs into the price of energy sold, and -€3 million in Waste, with recycled paper prices still falling in Europe.

- The **price squeeze** had an impact of -€57 million, an improvement on H1 2018 (-€63 million), thanks to higher tariff indexations in Water and Waste.

- **Cost-savings plans** contributed €121 million, slightly ahead of the €220 million annual objective. These savings mainly concern operating efficiency (57%) and purchasing (29%) and were achieved across all geographical zones: France (28%), Europe excluding France (29%), Rest of the world (31%), Global businesses (6%) and Corporate (7%).

3. CURRENT EBIT

Group consolidated current EBIT for the half-year ended June 30, 2019 was €857.3 million, up 5.7% at constant exchange rates on the half-year ended June 30, 2018 re-presented.

EBITDA reconciles with current EBIT for the half-years ended June 30, 2019 and June 30, 2018 as follows:

(in € million)	*Half-year ended June 30, 2018 re-presented* [(1)]	***Half-year ended June 30, 2019***
EBITDA	**1,899.5**	**2,001.9**
Renewal expenses	(135.0)	(138.9)
Depreciation and amortization [(1)]	(1,031.1)	(1,073.3)
Provisions, fair value adjustments & other	21.5	11.3
Share of current net income of joint ventures and associates	58.1	56.3
Current EBIT	**813.1**	**857.3**

(*) Including principal payments on operating financial assets (OFA)

The improvement in current EBIT at constant exchange rates reflects:

- EBITDA growth;
- the favorable change in net reversals of operating provisions and net asset impairments (compared to H1 2018, which was marked by one-off charges in the United Kingdom, Korea and Australia);

Offset by:

- the increase in principal payments on operating financial assets in 2019;
- a slight decrease in the contribution of equity-accounted entities, following the recognition in 2018 of a gain on disposal in the United States (capital gain of +€15.9 million), partially offset by an increased contribution from the Chinese concessions.

The foreign exchange impact on Current EBIT was -€1.9 million and mainly reflects fluctuations in the Argentine peso (-€5.8 million) and the Polish zloty (-€1.4 million), partially offset by positive fluctuations in the US dollar (+€4.0 million) and the Chinese renminbi (+€0.4 million).

Selling, general and administrative expenses impacting Current EBIT are stable from €1,387.5 million for the half-year ended June 30, 2018 re-presented to €1,392.6 million for the half-year ended June 30, 2019 the ratio of selling, general and administrative expenses to revenue strongly improved from re-presented 11% for the half-year ended June 30, 2018 to 10.5% for the half-year ended June 30, 2019. This decline reflects the continuation of the cost savings plan.

Changes in current EBIT **by segment** were as follows:

(in € million)	*Half-year ended June 30, 2018 re- (1)*	***Half-year ended June 30, 2019***	*Change 2018 / 2019*	
			Δ	*Δ at constant exchange rates*
France	53.3	68.0	27.6%	27.6%
Europe, hors France	435.5	426.9	-2.0%	-1.5%
Rest of the world	278.7	290.0	4.1%	3.5%
Global businesses	54.2	67.4	24.4%	26.6%
Other	-8.6	5.0	n/a	n/a
Group	**813.1**	**857.3**	**5.4%**	**5.7%**

4. NET FINANCIAL EXPENSE

(in € million)	*Half-year ended June 30, 2018 re-presented (1)*	***Half-year ended June 30, 2019***
Cost of net financial debt (1)	**(199.6)**	**(222.5)**
Net gains / losses on loans and receivables	5.7	6.7
Net income (loss) on available-for-sale assets	1.6	1.0
Assets and liabilities at fair value through the Consolidated Income Statement	(0.1)	0.2
Foreign exchange gains (losses)	(3.0)	0.5
Unwinding of the discount on provisions	(12.1)	(15.9)
Interest on concession liabilities	(45.5)	(40.3)
Interest on IFRS 16 lease liabilities	(23.4)	(22.8)
Other	(11.3)	(20.0)
Other current financial income and expenses (2)	**(88.1)**	**(90.6)**
Gains (losses) on disposals of financial assets (*)	18.8	18.3
Current net financial expense (1)+(2)	**(268.9)**	**(294.8)**
Other non-current financial income and expenses (2)	-	32.7
Net financial expense	**(268.9)**	**(262.1)**

(*) including financial asset disposal costs

(**)Essentially related to the impact of the divestiture of 30% of Transdev Group.

The **cost of net financial debt** totaled €222.5 million for the half-year ended June 30, 2019, compared to €199.6 million for the half-year ended June 30, 2018 re-presented. This unfavorable change is mainly due to higher volumes and rates for non-euro denominated debt (widening difference between euro/non-euro rates), as well as the €6.5 million temporary impact of carrying the €750 million bond issue performed at the beginning of January 2019 in anticipation of the bond redemption at the end of April.
The financing rate, excluding IFRS 16, is 4.31% as of June 30, 2019, compared to 4.40% as of June 30, 2018 re-presented, mainly due to improved investment performance tied to more favorable UCITS remuneration conditions.

Other financial income and expenses totaled -€90.6 million for the half-year ended June 30, 2019, compared to -€88.1 million for the half-year ended June 30, 2018 re-presented.
This heading includes interest on concession liabilities (IFRIC 12) of -€40.3 million, interest on the IFRS 16 lease liabilities of -€22.8 million and the unwinding of discounts on provisions of -€15.9 million. It also includes capital gains or losses on financial divestitures of €18.3 million for the half-year ended June 30, 2019, compared to €18.8 million for the half-year ended June 30, 2018 re-presented . In 2019, capital gains on financial divestitures notably include the capital gain on the sale of the Foshan landfill in China (€36.7 million), partially offset by the negative earn-out regarding the sale of a North American contract in energy (-€16.4 million).

5. INCOME TAX EXPENSE

The *current* income tax expense for the half-year ended June 30, 2019 is -€121.0 million, compared to -€129.2 million for the half-year ended June 30, 2018 re-presented.

The current tax rate for the half-year ended June 30, 2019 is lower at 23.9% (versus 26.6% for the half-year ended June 30, 2018 re-presented) after adjustment for the impact of financial divestitures, non-recurring items within net income of fully-controlled entities and the share of net income of equity-accounted companies.

(in € million)	*Half-year ended June 30, 2018 re-(1)*	***Half-year ended June 30, 2019***
Current income before tax (a)	**544.0**	**562.5**
Of which share of net income of joint ventures & associates (b)	58.1	56.3
Re-presented current income before tax: (d)=(a)-(b)-(c)	**485.9**	**506.2**
Re-presented tax expense (e)	**(129.2)**	**(121.0)**
Re-presented tax rate on current income (e)/(d)	**26.6%**	**23.9%**

The *total* income tax expense for the half-year ended June 30, 2019 is -€98.8 million, compared to -€123.7 million for the half-year ended June 30, 2018 re-presented (see thereafter)

6. CURRENT NET INCOME / NET INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY

The share of net income attributable to non-controlling interests totaled €88.1 million for the half-year ended June 30, 2019, compared to €87.0 million for the half-year ended June 30, 2018 re-presented.

Net income attributable to owners of the Company was €331.4 million for the half-year ended June 30, 2019, compared to €226.1 million for the half-year ended June 30, 2018 re-presented.

Current net income attributable to owners of the Company was €352.4 million for the half-year ended June 30, 2019, compared to €327.6 million for the half-year ended June 30, 2018 re-presented an increase of 7.2% at constant exchange rates.

Based on a weighted average number of outstanding shares of 553,150 thousand (basic), and 577,741 thousand (diluted), for the half-year ended June 30, 2019, compared to 550,687 thousand (basic) and 574,478 thousand (diluted) for the half-year ended June 30, 2018, **net income attributable to owners of the Company per share for the half-year ended June 30, 2019** was €0.60 (basic) and €0.57 (diluted) compared to €0.29 (basic) and €0.28 (diluted), for the half-year ended June 30, 2018 re-presented.

Current net income attributable to owners of the Company per share was €0.64 (basic) and €0.61 (diluted) for the half-year ended June 30, 2019, compared to €0.60 (basic) and €0.57 (diluted) for the half-year ended June 30, 2018 re-presented.

The dilutive effect taken into account in the above earnings per share calculation concerns the OCEANE bonds convertible into and/or exchangeable for new and/or existing shares issued in March 2016 and the performance share plan implemented from July 1st, 2018 to May 2021

Net income (loss) attributable to owners of the Company for the half-year ended **June 30, 2019** breaks down as follows:

(in € million)	*Current*	*Non-current*	***Total***
EBIT	857.3	(60.9)	796.4
Cost of net financial debt	(222.5)		(222.5)
Other financial income and expenses	(72.3)	32.7	(39.6)
Pre-tax net income (loss)	**562.5**	**(28.2)**	**534.3**
Income tax expense	(121.0)	22.2	(98.8)
Net income (loss) of other equity-accounted entities	0.0	0.0	0.0
Net income (loss) from discontinued operations	0.0	(15.9)	(15.9)
Attributable to non-controlling interests	(89.0)	0.9	(88.1)
Net income (loss) attributable to owners of the Company	**352.4**	**(21.0)**	**331.4**

For the re-presented half-year ended June 30, 2018, net income (loss) attributable to owners of the Company breaks down as follows:

(in € million)	*Current*	*Non-current*	*Total*
EBIT	813.1	(62.7)	750.3
Cost of net financial debt	(199.6)		(199.6)
Other financial income and expenses	(69.3)	0	(69.3)
Pre-tax net income (loss)	**544.1**	**(62.7)**	**481.4**
Income tax expense	(129.2)	5.5	(123.7)
Net income (loss) of other equity-accounted entities	0	-	-
Net income (loss) from discontinued operations	0	(44.6)	(44.6)
Attributable to non-controlling interests	(87.3)	0.3	(87.0)
Net income (loss) attributable to owners of the Company	**327.6**	**(101.5)**	**226.1**

Income from discontinued operations consists of the residual impacts in 2019 of the sale of the Group's activities in Gabon in 2018 and of the income from discontinued operations of EPC international business.

Current EBIT reconciles with operating income, as shown in the income statement, as follows:

(in € million)	*Half-year ended June 30, 2018 re-presented*	***Half-year ended June 30, 2019***
Current EBIT	**813.1**	**857.3**
Impairment losses on goodwill and negative goodwill	(0.1)	-
Net charges to non-current provisions	8	15.3
Restructuring costs	(41.8)	(20.9)
Non-current impairment losses on WCR	0.7	(0.2)
Personnel costs - share-based payments	(6.2)	(8.8)
Non-current provisions and impairment of property, plant and equipment, intangible assets, operating financial assets and other	(20.7)	(44.8)
Share acquisition costs, with or without acquisition of control	(2.5)	(1.6)
Total non-current items	**(62.7)**	**(60.9)**
Operating income after share of net income of equity-accounted entities	**750.3**	**796.4**

Restructuring charges for the half-year ended June 30, 2019 are mainly due to Veolia Water Technologies business for –€11 million. The impact of restructuring in Water France is non-significant on operating income, as incurred costs are offset by equivalent provisions reversals.

Non-current provisions and impairment of property, plant and equipment, intangible assets, operating financial assets and other notably cover the fair value adjustment of the Swordfish ship.

D] FINANCING

The following table summarizes the change in net financial debt and net free cash flow:

(in € million)	*Half-year ended June 30, 2018 re-presented*	***Half-year ended June 30, 2019***
EBITDA	**1,900**	**2,002**
Net industrial investments	(899)	(969)
Change in operating WCR	(787)	(908)
Dividends received from equity-accounted entities and joint ventures	95	61
Renewal expenses	(135)	(139)
Other non-current expenses and restructuring charges	(119)	(73)
Interest on concession liabilities (I12)	(46)	(40)
Interest on right-of-use (IFRS 16)	(23)	(23)
Financial items (current interest paid and operating cash flow from financing activities)	(203)	(242)
Taxes paid	(104)	(142)
Net free cash flow before dividend payment, financial investments and financial divestitures	**(322)**	**(473)**
Dividends paid	(618)	(620)
Net financial investments	(303)	116
Change in receivables and other financial assets	(48)	(45)
Issue / redemption of deeply subordinated securities	0	0
Proceeds on issue of shares	(13)	0
Free cash flow	**(1,304)**	**(1,022)**
Effect of foreign exchange rate movements and other (*)	(1,470)	31
Change	**(2,773)**	**(991)**
Net financial debt at the beginning of the period	(9,626)	(11,487)
Net financial debt at the end of the period	**(12,398)**	**(12,478)**

(*) The effect of foreign exchange rate and other movements as of June 30, 2018 includes the redemption of the hybrid debt in the amount of €1,452 million and the favorable impact of the Polish zloty and the Brazilian real, offset by the unfavorable impact of the Hong Kong dollar, the US dollar and the Chinese renminbi

Net free cash flow before dividend payments and net financial investments was -€473 million for the half-year ended June 30, 2019 (versus -€322 million for the half-year ended June 30, 2018 re-presented).

The change in net free cash flow compared to the re-presented figure for the half-year ended June 30, 2019 primarily reflects improved EBITDA, offset by greater net industrial investments driven by an increase in growth projects finalized compared to the first-half of 2018, and by a less favorable change in operating working capital requirements, of -€908 million vs. -€787 million for the half-year ended June 30, 2018 re-presented (in line with the development of Group activities).

The change in operating working capital requirements compared to December 31, 2018, is mainly due to seasonal effects.

Overall, **Net financial debt** is -€12,478 million, compared to -€12,398 million as of June 30, 2018 re-presented (including the redemption of the hybrid debt in April 2018 in the amount of €1,452 million).

In addition to the change in net free cash flow, net financial debt was also impacted by negative exchange rate fluctuations of -€20 million in H1 2019.

1. INDUSTRIAL AND FINANCIAL INVESTMENTS

1.1 Industrial investments

Total Group gross industrial investments, including new operating financial assets, amounted to €1,005 million for the half-year ended June 30, 2019, compared to €928 million for the half-year ended June 30, 2018 re-presented.
Industrial investments, excluding discontinued operations, break down by segment as follows:

Half-year ended June 30, 2019 (in € million)	*Maintenance and contractual requirements (1)*	*Discretionary growth*	***Total gross industrial investments (2)(3)***
France	225	4	**229**
Europe, excluding France	279	51	**330**
Rest of the world	233	97	**330**
Global businesses	95	7	**102**
Other	14	0	**14**
Group	**846**	**159**	**1,005**

(1) Including maintenance investments of €530 million (IFRS16 included) and contractual investments of €316 million.
(2) Including new OFA in the amount of €70.5 million.
(3) The amount of industrial disposal is €37 million and includes receivables on the sale of operating assets, bringing the total amount of net industrial investments to €969 million for the half-year ended June 30, 2019

Half-year ended June 30, 2018 re-presented (in € million)	*Maintenance and contractual requirements (1)*	*Discretionary growth*	***Total gross industrial investments (2)(3)***
France	212	9	**221**
Europe, excluding France	286	26	**312**
Rest of the world	217	79	**296**
Global businesses	80	7	**87**
Other	12	0	**12**
Group	**807**	**121**	**928**

(1) Including maintenance investments of €504 million and contractual investments of €303 million.
(2) Including new OFA in the amount of €55.5 million.
(3) The amount of industrial disposal is €29 million and includes receivables on the sale of operating assets, bringing the total amount of net industrial investments to €899 million for the half-year ended June 30, 2018

At constant exchange rates, gross industrial investments increased 8% on the first-half of 2019, due to the +31% increase in discretionary growth industrial investments compared to the half-year ended June 30, 2018 re-presented.
These investments concern, among others, biomass development projects in Asia, the incineration of hazardous waste and energy services to industrial companies, as well as the development of connections to heating networks and the extension of drinking and wastewater network in Central Europe The ratio of maintenance investments (€530 million) to revenue remains steady (4%).

1.2 Financial investments and divestitures

Financial investments amounted to €264 million for the half-year ended June 30, 2019 (including acquisition costs and net financial debt of new entities) and notably include the impacts arising from the acquisition of Levice in Slovakia (€71 million), Renascimento in Portugal (€38 million) as well as the acquisition of 66% of shares in Huafei which specializes in plastic recycling in China for a consideration of €22 million.

Financial divestitures totaled €381 million for the half-year ended June 30, 2019 (including disposal costs) and mainly include the disposal of Transdev Group for a consideration of €334 million and the sale of the Group's participation in Foshan landfill in China for €26 million. Financial divestitures in the half-year ended June 30, 2018 (€129 million) include the sale of the Industrial Services division in the United States (€94 million) and the payment of the receivable relating to the sale of the Group's activities in Israel in 2015 (€25 million).

3. EXTERNAL FINANCING

3.1 Structure of net financial debt

(in € million)	*As of June 30, 2018 re-presented (1)*	*As of June 30, 2019*
Non-current borrowings	10,393	11,722
Current borrowings	5,032	4,753
Bank overdrafts and other cash position items	261	333
Sub-total borrowings	**15,686**	**16,808**
Cash and cash equivalents	(2,929)	(3,836)
Fair value gains (losses) on hedge derivatives	3	(29)
Liquid assets and financing financial assets	(361)	(467)
Net financial debt	**12,398**	**12,478**

As of June 30, 2019, net financial debt after hedging is borrowed 94% at fixed rates and 6% at floating rates. The average bond issue maturity was 7.2 years as of June 30, 2019 compared to 8 years as of June 30, 2018.

3.2 Group liquidity position

Liquid assets of the Group as of June 30, 2019 break down as follows:

(in € million)	*As of June 30, 2018 re-presented (1)*	*As of June 30, 2019*
Veolia Environnement:		
Undrawn syndicated loan facility	3,000.0	3,000.0
Undrawn MT bilateral credit lines	925.0	925.0
Undrawn ST bilateral credit lines	-	-
Letters of credit facility	66.6	87.0
Cash and cash equivalents (1)	2,190.9	2,767.2
Subsidiaries:		
Cash and cash equivalents (1)	1,099.5	1,535.0
Total liquid assets	**7,282.0**	**8,314.2**
Current debt, bank overdrafts and other cash position items		
Current debt	5,032.6	4,754.8
Bank overdrafts and other cash position items	261.4	333.2
Total current debt and bank overdrafts	**5,294.0**	**5,088.0**
Total liquid assets net of current debt and bank overdrafts and other cash position items	**1,988.0**	**3,226.2**

(1) Including liquid assets and financing financial assets included in net financial debt.

The increase in net liquid assets mainly reflects two successive bond issues in December 2018 and January 2019 of a total nominal amount of €1.5 billion, and a bond issue on the Chinese domestic market on August 9, 2018 of a nominal amount of 1 billion renminbi (€128 million equivalent), less the redemption in April 2019 of a euro-denominated bond line in the nominal amount of €462 million.

Veolia Environnement may draw on the multi-currency syndicated loan facility and all credit lines at any time.

On November 6, 2015, Veolia Environnement signed a multi-currency syndicated loan facility in the amount of €3 billion, initially maturing in 2020 and extended to 2022 in October 2017, with the possibility for drawdowns in Eastern European currencies and Chinese renminbi. This syndicated loan facility was not drawn as of June 30, 2019.

Furthermore, Veolia Environnement has euro bilateral credit lines for a total undrawn amount of €925 million as of June 30, 2019.

As of June 30, 2019, the US dollar bilateral letters of credit facility was drawn by US$86 million. The portion that may be drawn in cash of US$99 million (€87 million equivalent), is undrawn and recorded in the liquidity table above.

APPENDIX

RECONCILIATION OF GAAP INDICATORS AND THE INDICATORS USED BY THE GROUP

The reconciliation of Current EBIT with operating income, as shown in the income statement, is presented earlier in the document, as well as the reconciliation of current net income with net income attributable to owners of the Company.
The reconciliation of Net cash from operating activities of continuing operations (included in the Consolidated Cash Flow Statement) with net free cash flow is as follows:

(in € million)	*Half-year ended June 30, 2018 re-presented (1)*	***Half-year ended June 30, 2019***
Net cash from operating activities of continued operations	***590.4***	***558.4***
Including:		
Industrial investments, net of grants	(576.0)	(672.6)
Proceeds on disposal of intangible assets and property plant and equipment	29.1	36.6
New operating financial assets	(55.5)	(70.5)
Principal payments on operating financial assets	71.6	102.2
New finance lease obligations	(223.9)	(210.3)
Dividends received	94.9	61.0
Interest paid	(286.9)	(292.6)
Excluding:		
Share acquisition and disposal costs and other items	34.3	15.1
Free cash flow net	**(322.0)**	**(472.7)**

The reconciliation of Industrial investments, net of grants (included in the Consolidated Cash Flow Statement) with industrial capex is as follows:

In € million	*Half-year ended June 30, 2018 re-*	***Half-year ended June 30, 2019***
Industrial investments, net of grants	**(576.0)**	**(672.6)**
New finance lease obligations	(223.9)	(210.3)
Change in concession working capital requirements	(72.9)	(51.8)
New operating financial assets	(55.5)	(70.5)
Industrial investments	**(928.3)**	**(1,005.2)**

RECONCILIATION OF 2018 PUBLISHED DATA FOR THE SIX MONTHS ENDED JUNE 30, 2018 WITH REPRESENTED DATA[(1)]

(in €m)	June 2018 published	IFRS 5 Adjustement[(3)]	IFRS 16 Adjustment	June 2018 represented
Revenue	12 564.5	23.4	0.0	12 587.9
EBITDA	1 672.8	3.2	223.5	1 899.5
Current EBIT[(2)]	791.7	-2.0	23.3	813.1
Operating Income	729.0	-2.0	23.3	750.3
Current net income – Group share	328.9	-2.0	0.8	327.6
Current net income	225.4	0.0	0.8	226.2
Gross industrial investments	-711.8	0.0	-216.0	-928
Net free cash-flow	-321	4.0	-4.0	-322
Net financial debt	-10 609	0.0	-1 789	-12 398

(1) *Unaudited figures*
(2) *Including the share of current net income of joint ventures and associates for the half-year ended June 30, 2018 re-presented.*
(3) *In order to ensure the comparability of periods, the accounts ending June 30, 2018 have been represented for the reclassification of Lithuania from discontinued operations to full consolidation in June 2018 represented.*

(in €m)	June 2018 published	IFRS 5 Adjustment	IFRS 16 Adjustment	June 2018 represented
France	2 655.9	0.0	0.0	2 655.9
Europe excluding France	4 516.6	23.4	0.0	4 540.0
Rest of the World	3 191.8	0.0	0.0	3 191.8
Global businesses	2 185.2	0.0	0.0	2 185.2
Other	15.0	0.0	0.0	15.0
Total Revenue	12 564.5	23.4	0.0	12 587.9

(in €m)	June 2018 published	IFRS 5 Adjustment	IFRS 16 Adjustment	June 2018 represented
France	373.5	0.0	48.1	421.6
Europe excluding France	746.1	3.2	58.1	807.4
Rest of the World	445.0	0.0	55.0	500.0
Global businesses	105.7	0.0	43.8	149.5
Other	2.5	0.0	18.6	21.1
Total EBITDA	1 672.8	3.2	223.5	1 899.5

(in €m)	June 2018 published	IFRS 5 Adjustment	IFRS 16 Adjustment	June 2018 represented
France	49.8	0.0	3.6	53.3
Europe excluding France	430.3	-2.0	7.1	435.5
Rest of the World	270.9	0.0	7.8	278.7
Global businesses	51.1	0.0	3.1	54.2
Other	-10.3	0.0	1.6	-8.6
Total Current EBIT	791.7	-2.0	23.3	813.1

CONSOLIDATED INCOME STATEMENT

(€ million)	**Half-year ended June 30, 2018 represented (*)**	**Half-year ended June 30, 2019**
Revenue	**12,587.9**	**13,323.9**
Cost of sales	-10,439.8	-11,134.5
Selling costs	-297.9	-305.5
General and administrative expenses	-1,090.1	-1,089.6
Other operating revenue and expenses	-67.8	-54.1
Operating income before share of net income (loss) of equity-accounted entities	**692.2**	**740.1**
Share of net income (loss) of equity-accounted entities	**58.1**	**56.3**
o/w share of net income (loss) of joint ventures	29.9	37.8
o/w share of net income (loss) of associates	28.2	18.5
Operating income after share of net income (loss) of equity-accounted entities	**750.3**	**796.4**
Net finance costs	-199.6	-222.5
Other financial income and expenses	-69.3	-39.6
Pre-tax net income (loss)	**481.4**	**534.3**
Income tax expense	-123.7	-98.9
Share of net income (loss) of other equity-accounted entities	-	-
Net income (loss) from continuing operations (1)	**357.8**	**435.4**
Net income (loss) from discontinued operations (1)	-44.6	-15.9
Net income (loss) for the period	**313.1**	**419.5**
Attributable to owners of the Company	**226.1**	**331.4**
Attributable to non-controlling interests	87.0	88.1
NET INCOME (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE	**-**	**-**
Diluted	0.29	0.60
Basic	0.28	0.57
NET INCOME (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE	-	-
Diluted	0.37	0.63
Basic	0.36	0.60
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE	-	-
Diluted	-0.08	-0.03
Basic	-0.08	-0.03

(*)2018 adjustments concern the application of IFRS 16 and the inclusion of the Lithuania accounts previously presented in discontinued operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - ASSETS

(€ million)	**As of December 31, 2018**	**As of December 31, 2018 represented (*)**	**As of June 30, 2019**
Goodwill	5,107.7	5,107.7	5,069.8
Concession intangible assets	3,467.3	3,467.3	3,357.0
Other intangible assets	1,116.3	1,116.3	1,163.5
Property, plant and equipment	7,856.8	7,856.8	7,290.5
Rights of use (net)	-	1,621.9	1,638.5
Investments in joint-ventures	1,517.1	1,511.1	1,522.4
Investments in associates	370.2	370.2	369.5
Non-consolidated investments	44.3	44.3	46.6
Non-current operating financial assets	1,387.1	1,387.1	1,349.3
Non-current derivative instruments - Assets	31.6	31.6	45.8
Other non-current financial assets	332.8	332.8	362.1
Deferred tax assets	1,028.3	1,058.4	1,077.7
Non-current assets	**22,259.5**	**23,905.5**	**23,292.7**
Inventories and work-in-progress	818.0	818.0	841.6
Operating receivables	9,016.3	9,010.0	9,216.8
Current operating financial assets	99.3	99.3	94.9
Other current financial assets	432.2	432.2	748.1
Current derivative instruments - Assets	69.2	69.2	45.7
Cash and cash equivalents	4,556.5	4,556.5	3,835.5
Assets classified as held for sale	341.8	341.8,	853.3
Current assets	**15,333.3**	**15,327.0**	**15,635.9**
TOTAL ASSETS	**37,592.8**	**39,232.5**	**38,928.6**

( ) 2018 adjustments concern the application of IFRS 16 and the inclusion of the Lithuania accounts previously presented in discontinued operations.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - EQUITY AND LIABILITIES

(€ million)	As of December 31, 2018	As of December 31, 2018 represented (*)	As of June 30, 2019
Share capital	2,828.0	2,828.0,	2,829.1,
Additional paid-in capital	7,182.5	7,182.5	7,181.3,
Reserves and retained earnings attributable to owners of the Company	-4,025.1	-4,126.4	-4,387.5
Total equity attributable to owners of the Company	**5,985.4**	**5,884.1**	**5,622.8**
Total equity attributable to non-controlling interests	1,158.9	1,152.1	1,172.8
Equity	**7,144.3**	**7,036.2**	**6,795.6**
Non-current provisions	1,790.3	1,800.6	1,817.7
Non-current borrowings	9,655.5	9,517.6	10,295.1
Non-current lease debt (IFRS 16)	-	1,479.4	1,426.9
Non-current derivative instruments - Liabilities	55.8	55.8	44.0
Concession liabilities - non current	1,350.4	1,350.4	1,286.4
Deferred tax liabilities	1,042.6	1,042.6	995.2
Non-current liabilities	**13,894.6**	**15,246.4**	**15,865.3**
Operating payables	10,964.9	10,964.9	10,180.7
Current lease debt (IFRS 16)	-	425.2	426.7
Concession liabilities - current	117.9	118.0	106.3
Current provisions	530.1	529.7	513.0
Current borrowings	4,622.5	4,593.6	4,328.1
Current derivative instruments - Liabilities	83.7	83.7	104.3
Bank overdrafts and other cash position items	215.7	215.7	333.2
Liabilities directly associated with assets classified as held for sale	19.1	19.1	275.4
Current liabilities	**16,553.9**	**16,949.9**	**16,267.7**
TOTAL EQUITY AND LIABILITIES	**37,592.8**	**39,232.5**	**38,928.6,**

( ) 2018 adjustments concern the application of IFRS 16 and the inclusion of the Lithuania accounts previously presented in discontinued operations.*

CONSOLIDATED CASH-FLOW STATEMENT

(€ million)	Half-year ended June 30, 2018 represented	Half-year ended June 30, 2019
Net income (loss) for the period	**313.2**	**419.5**
Net income (loss) from continuing operations	***357.8***	***435.4***
Net income (loss) from discontinued operations	***-44.6***	***-15.9***
Operating depreciation, amortization, provisions and impairment losses	884.5	943.3
Financial amortization and impairment losses	1.2	-0.3
Gains (losses) on disposal of operating assets	-3.9	-0.8
Gains (losses) on disposal of financial assets	-25.3	-59.1
Share of net income (loss) of joint ventures	-29.9	-37.8
Share of net income (loss) of associates	-28.2	-18.5
Dividends received	-1.6	-1.0
Net finance costs	199.6	222.5
Income tax expense	123.7	98.8
Other items	76.5	77.6
Operating cash flow before changes in operating working capital	**1,554.3**	**1,660.2**
Change in operating working capital requirements	-786.9	-907.5
Change in concession working capital requirements	-72.9	-51.8
Income taxes paid	-104.1	-142.4
Net cash from operating activities of continuing operations	**590.4**	**558.4**
Net cash from operating activities of discontinued operations	***-1.0***	***-24.4***
Net cash from operating activities	**589.3**	**534.1**
Industrial investments, net of grants	-576.0	-672.6
Proceeds on disposal of industrial assets	29.1	36.7
Purchases of investments	-259.3	-194.6
Proceeds on disposal of financial assets	132.4	377.7
Operating financial assets	-	-
New operating financial assets	-55.4	-70.5
Principal payments on operating financial assets	71.6	102.2
Dividends received (including dividends received from joint ventures and associates)	94.9	61.0
New non-current loans granted	-66.7	-78.6
Principal payments on non-current loans	58.9	55.5
Net decrease/increase in current loans	-40.5	-21.9
Net cash used in investing activities of continuing operations	**-610.9**	**-405.1**
Net cash used in investing activities of discontinued operations	**-**	**-**
Net cash used in investing activities	**-610.9**	**-405.1**
Net increase (decrease) in current borrowings	-550.4	-291.5

(€ million)	Half-year ended June 30, 2018 represented (*)	Half-year ended June 30, 2019
Fluctuation of current lease debt (IFRS 16)	-214.5	-226.2
Repayment of hybrid debt	-1,452.1	-
Repayment of new non-current lease debt (IFRS 16)	-14.2	-39.3
New non-current borrowings and other debts	133.9	830.5
Principal payments on non-current borrowings and other debts	-71.6	-30.0
Change in liquid assets and financing financial assets	-185.8	-273.8
Proceeds on issue of shares	2.1	2.1
Share capital reduction	-	-
Transactions with non-controlling interests: partial purchases	-86.3	-2.5
Transactions with non-controlling interests: partial sales	1.3	8.4
Proceeds on issue of deeply subordinated securities	-	-
Coupons on deeply subordinated securities	-66.4	-
Purchases of/proceeds from treasury shares	-13.4	-0.1
Dividends paid	-550.9	-620.4
Interest paid	-218.0	-229.8
Interest on operating assets - IFRIC 12	-45.5	-40.3
Interest on lease debt (IFRS 16)	-23.4	-22.8
Net cash from (used in) financing activities of continuing operations	***-3,355.4***	***-974.4***
Net cash from financing activities of discontinued operations	***-***	***-***
Net cash from (used in) financing activities	**-3,355.4**	***-974.4***
Effect of foreign exchange rate changes and other	-10.3	5.9
Increase (decrease) in external net cash of discontinued operations	-	1.0
Net cash at the beginning of the year	**6,056.1**	**4,340.8**
Net cash at the end of the year	**2,668.8**	**3,502.3**
Cash and cash equivalents	2,929.4	3,835.5
Bank overdrafts and other cash position items	261.4	333.2
Net cash at the end of the year	**2,668.8**	**3,502.3**

(*)2018 adjustments concern the application of IFRS 16 and the inclusion of the Lithuania accounts previously presented in discontinued operations.