

INVESTOR DAY

October 22nd, 2008



Important Disclaimer

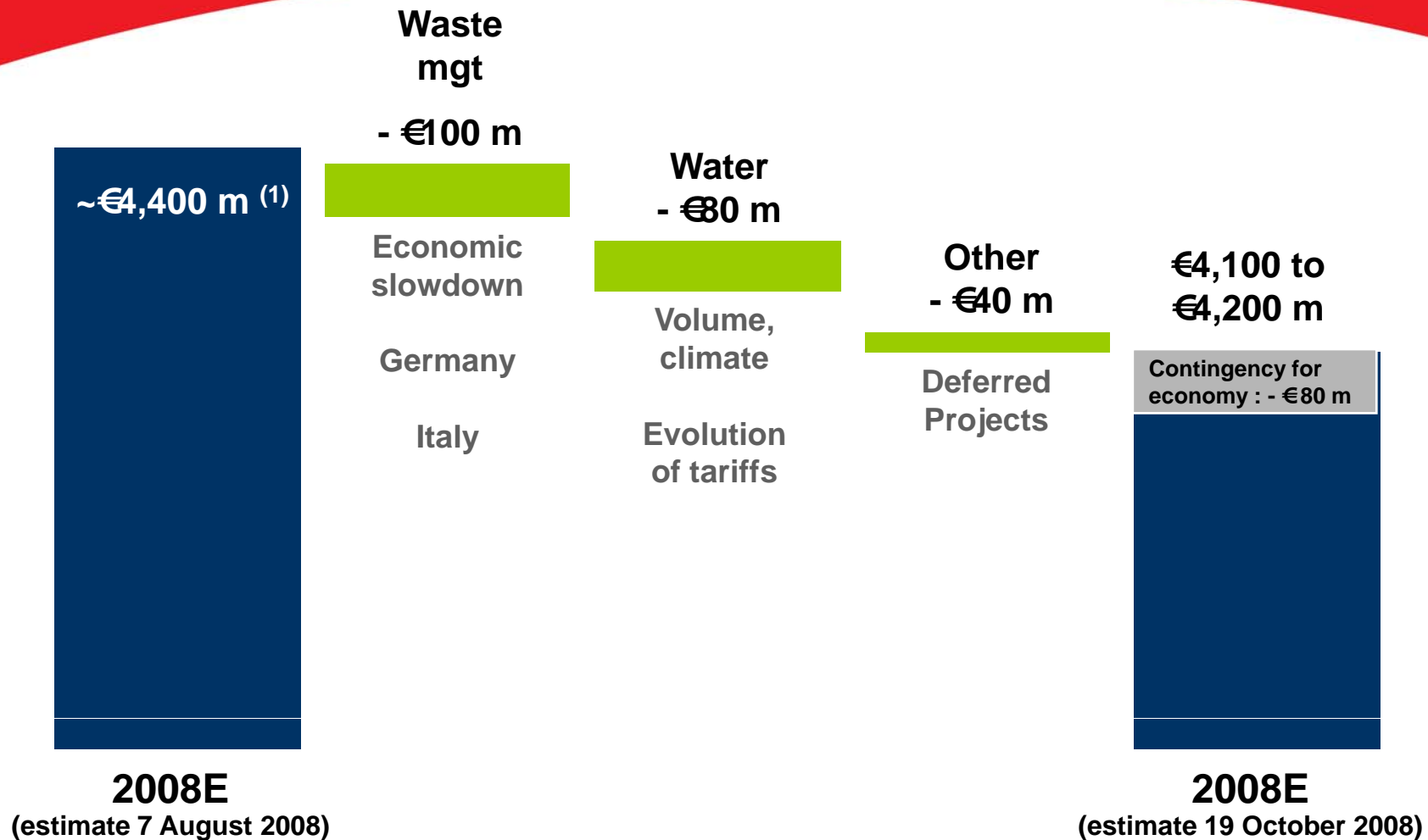
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2008 overview and outlook

Jérôme Contamine

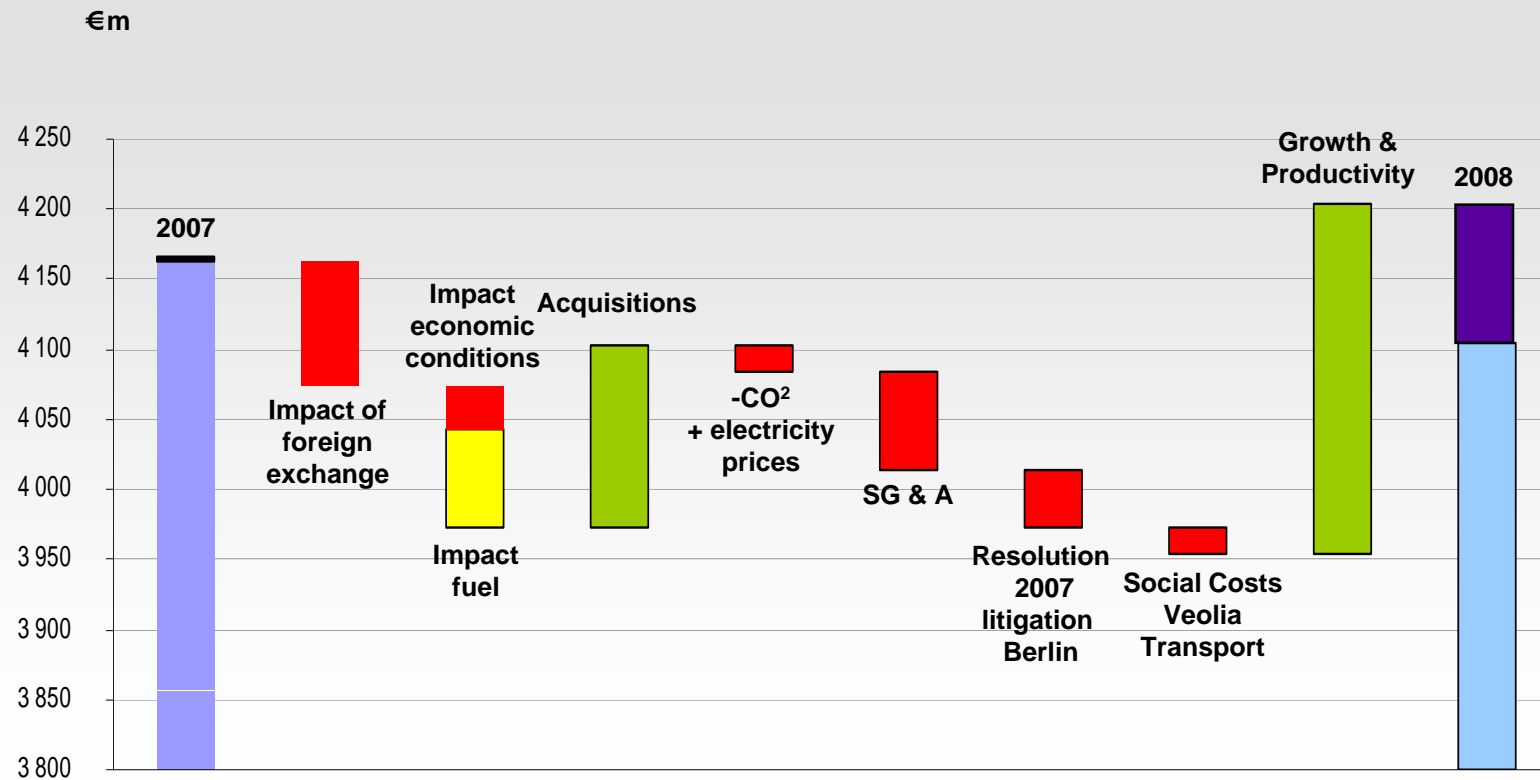
2008 Operating cash flow



⁽¹⁾ +6% in operating cash flow from discontinuing activities



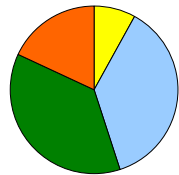
From 2007 to 2008 Cash Flow from operations



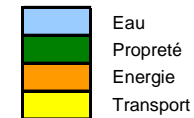
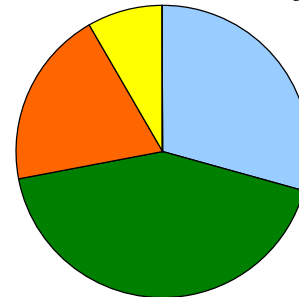
2008 – slowdown in investments and acceleration of disposals

- Net investments in 2008 estimated at €3.9 B versus €6 B in 2007.

2008 net investments by business



2007 net Investments by business



- A disposal program completed or committed to in the area of €1 B by the end of 2008

In € mlns	2006	2007	Completed 30-06-08	Cômpleted July/August 2008	Committed	Decided	Total 2008 decided to date
Industrial disposals	141	213	197	39		108	344
Financial disposals	214	202	63	61	374	65	563
Total disposals	355	415	260	100	374*	173	907

- 2008 ROCE after tax of around 8.5%



Strong financial stability

Secure / Flexible

● A secure debt profile

- No bond maturity > €100 m before February 2012 (€1 Bn),
- No bond maturity above €1.5 Bn,
- Average net financial debt duration of nearly 10 years (9.6 years at 30 June 2008),
- A debt ratio ⁽¹⁾ below 4x (3.4x at 30 June 2008),
- Stable ratings:
 - Moody's: A3/P-2 Stable
 - Standard & Poor's: BBB+/A-2 Stable.

2008e cost of borrowing:
5.7 / 5.8% versus 5.49% at 31/12/2007

⁽¹⁾ = net financial debt/(cash flow from operations+principal repayment of operating financial assets)

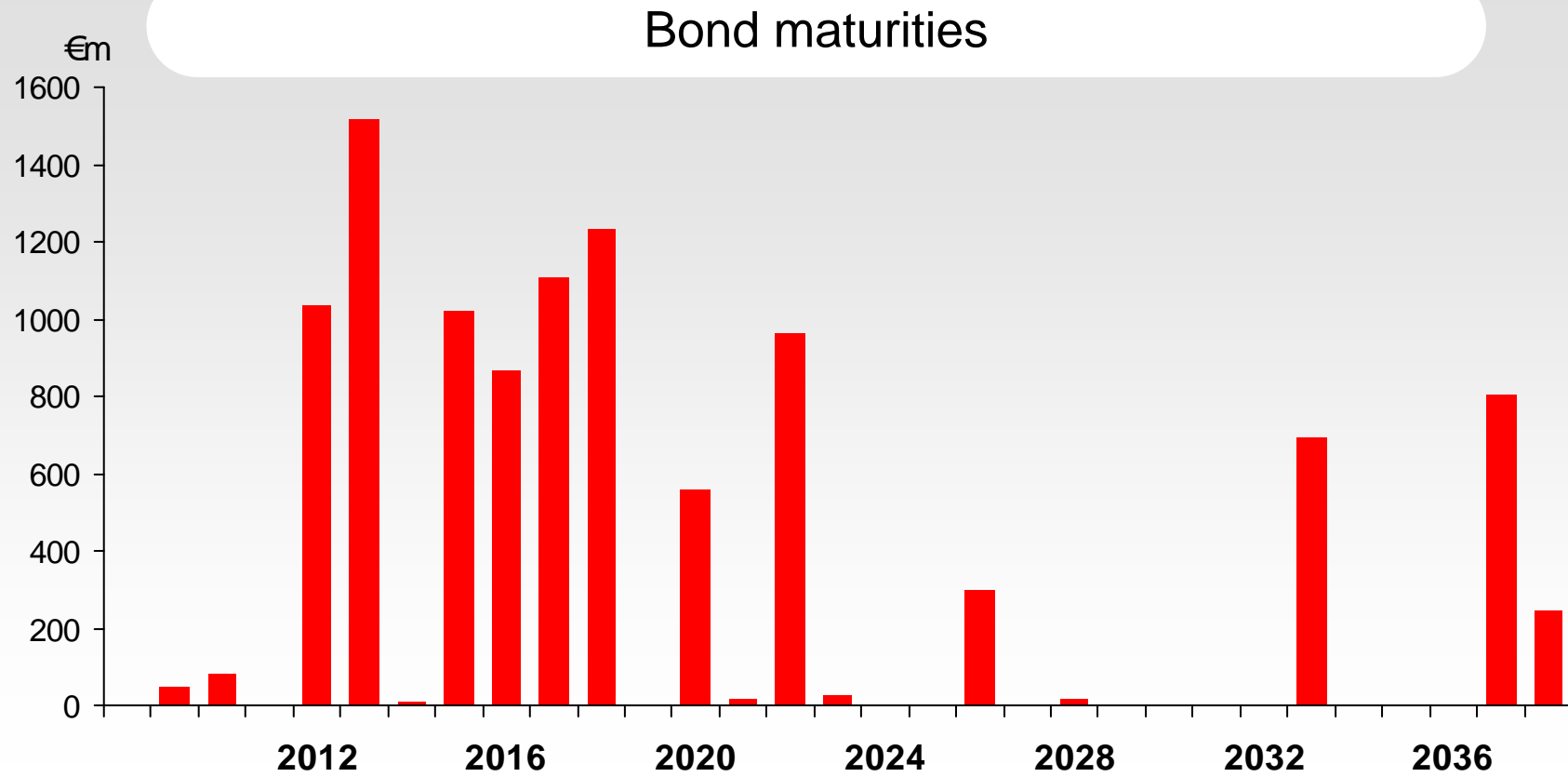


Liquidity position

(Data in € B)	VE SA Amounts at 20 Oct. '08	Subsidiary Amounts at 30 June '08	Total
Cash and equivalents	2.1	1.7	3.8
Undrawn confirmed lines	3.9	0.0	3.9
Liquidity position	6.0	1.7	7.7
Short-term financial debt	1.6	2.2	3.8

Strong financial stability

Bond maturities



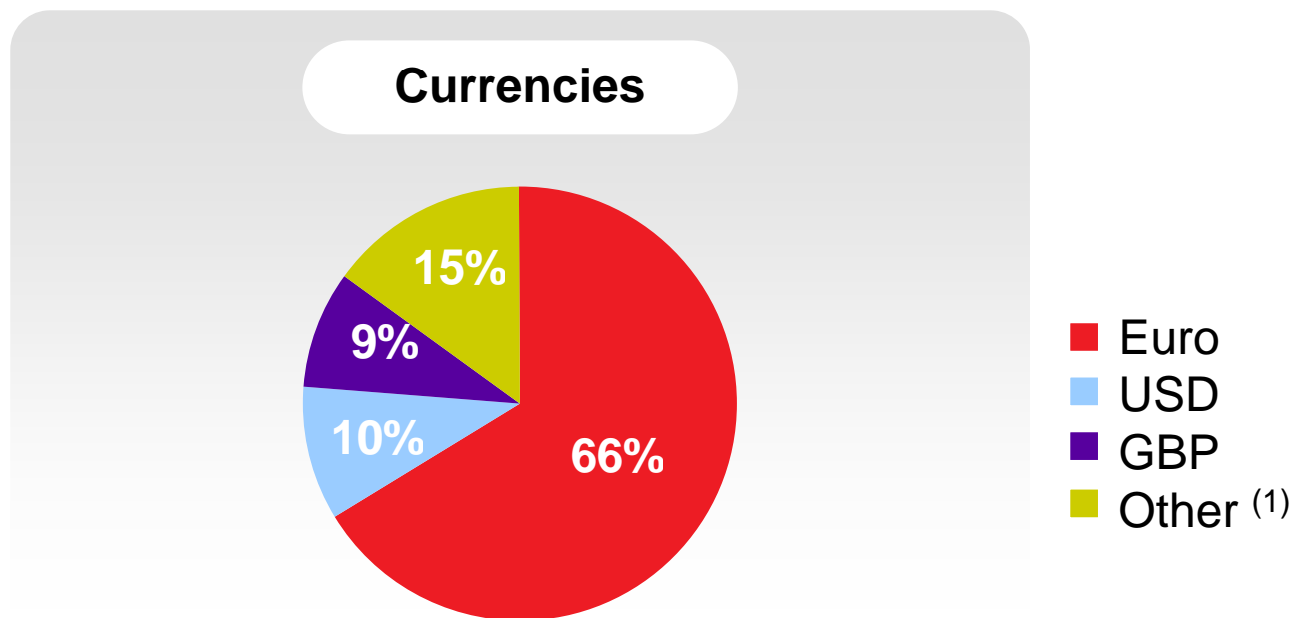
Data at 30 June 2008 - (amount of €10,803 m at 30 June 2008)

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Strong financial stability

Net financial debt after hedging

- Fixed rate: 64%
 - Of which Euro : 72%
 - Of which Dollar : 39%
 - Of which Pound sterling : 84%
- Variable rate: 36%



Data at 30 June 2008

(1) Of which Zloty : 2% and Yuan : 2%

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Strong financial stability

Reference points for Veolia in € since 2003 as compared with the conditions for issues (A- average at 10 years)



- Rate for the issue
- Conditions for A- average at 10 years
- Average financing rate for Veolia



Detail of confirmed undrawn credit lines

Banks	Amounts in €m	Maturities
Syndicated Credit (45 banks)	2,850	20 April 2012
SOCIETE GENERALE	75	23 December 2008
DEUTSCHE BANK	100	29 December 2008
NATIXIS	200	9 February 2009
BNP PARIBAS	150	3 March 2009
CALYON	100	4 January 2010
CIC	100	15 November 2010
ABN AMRO	125	20 December 2010
SOCIETE GENERALE	75	23 December 2010
RBS	100	29 December 2010
Total	3,875	

N. B. : The documentation does not contain any disruptive covenants

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ENVIRONNEMENT

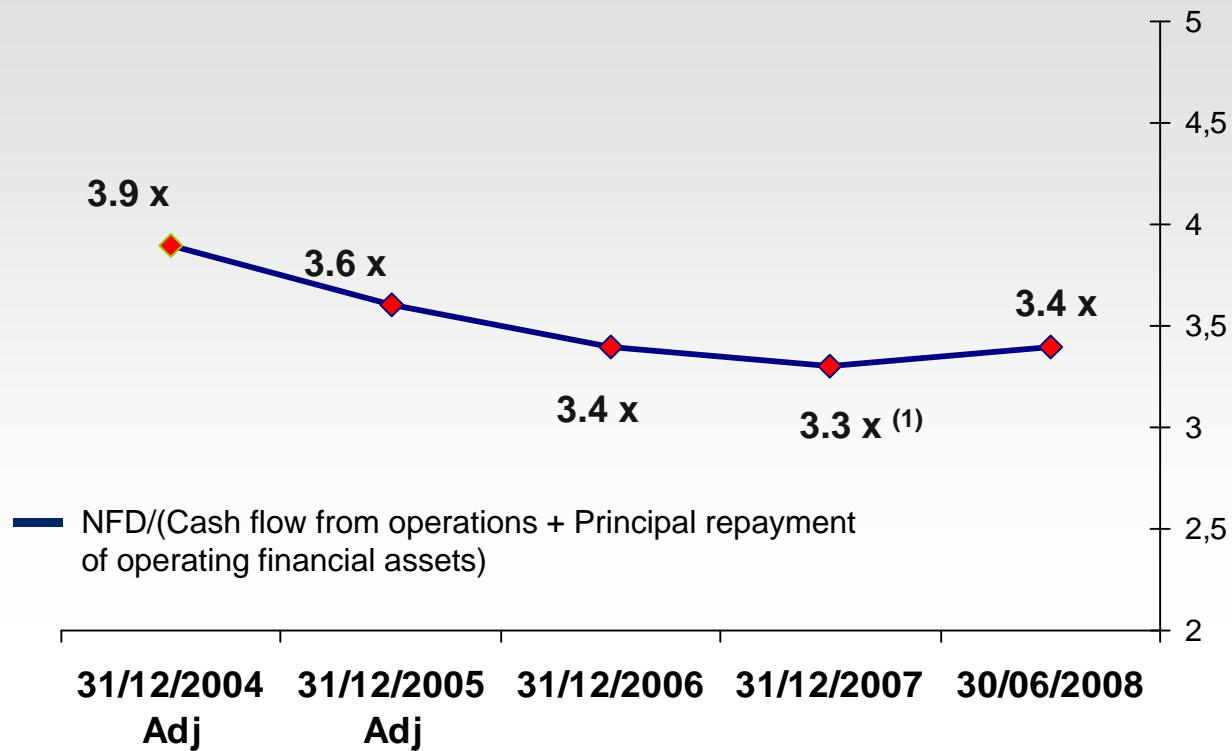
Strong financial stability Control / Optimization

- A centralized debt
 - at 80 % in VE SA (excluding proportionally consolidated companies and project financing companies),
 - VE SA : only rated entity, with the ability to raise very long-term funds, in €/\$/£ (with the exception of Three Valleys, the British Water subsidiary)
 - allowing for a control and an optimization of the cost of borrowing:
 - through the management of the split of fixed rate / variable rate debt,
 - by a balance/match by currency and maturity between debt and cash flows.
- A highly developed system of international cash pooling
 - deployed in France, Germany, Great Britain and the Czech Republic and the United States, and in the implementation process in Italy and Benelux (the overall group of these countries representing 88% of the company`s revenue),
 - Daily management of Veolia Environnement cash positions through automated fund management system at the level of VE SA,
 - VE is responsible for the selection of banks and the negotiation of banking conditions (2008 renegotiation: €1.7 m of savings per year).



Strong financial stability

Ratios



- Moody's A3/P-2 Stable (cf. September 2008 report)
- Standard & Poor's BBB+/A-2 Stable (cf. October 2008 report)

(1) 3,83 x before taking into account the capital increase announced on 12 June 2007