

VEOLIA ENVIRONNEMENT
Form 424B5
May 22, 2008
Table of Contents

Filed pursuant to Rule 424(b)(5)
Registration Statement No. 333-151062

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities	Aggregate	Amount of
to be Registered	Offering Price	Registration
		Fee⁽¹⁾
Debt Securities	\$1,800,000,000	\$70,740

(1) The filing fee of \$70,740 is calculated in accordance with Rule 457(r) of the Securities Act of 1933.

Table of Contents

Prospectus Supplement
May 21, 2008
(To Prospectus dated May 21, 2008)

\$1,800,000,000

Veolia Environnement

\$700,000,000 5.250% Notes due 2013

\$700,000,000 6.000% Notes due 2018

\$400,000,000 6.750% Notes due 2038

The notes due June 3, 2013 (the 2013 notes) will bear interest at a rate of 5.250% per year, the notes due June 1, 2018 (the 2018 notes) will bear interest at a rate of 6.000% per year and the notes due June 1, 2038 (the 2038 notes) will bear interest at a rate of 6.750% per year. In this prospectus supplement, we refer to the 2013 notes, the 2018 notes and the 2038 notes collectively as the notes . Veolia Environnement will pay interest on the 2013 notes on June 3 and December 3 of each year, beginning on December 3, 2008, and on each of the 2018 and 2038 notes on June 1 and December 1 of each year, beginning on December 1, 2008.

At our option, we have the right to redeem one or more series of the notes, in whole or in part, at the redemption price set forth in this prospectus supplement under Description of the Notes Redemption Optional Redemption . We may also redeem all of the notes at any time at a price equal to 100% of their principal amount in the event of certain tax law changes requiring the payment of additional amounts as described herein. See Description of the Notes Redemption Tax Redemption in the attached prospectus. We will pay accrued and unpaid interest, if any, and any other amounts payable to the date of redemption. The notes will not be subject to any sinking fund requirement.

The notes will be unsecured and unsubordinated obligations of Veolia Environnement, and will rank equally with each other and with all present and future unsecured and unsubordinated debt obligations of Veolia Environnement.

We do not intend to list the notes on any securities exchange.

Investing in the notes involves risks. See Risk Factors beginning on page S-7 of this prospectus supplement and page 6 of the attached prospectus for a discussion of certain factors you should consider before investing in the notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the attached prospectus. Any representation to the contrary is a criminal offense.

	Price to Public⁽¹⁾	Underwriting Discounts and Commissions	Proceeds, Before Expenses, to Veolia Environnement⁽¹⁾⁽²⁾
Per 2013 Note	99.694%	0.350%	99.344%
Total for 2013 Notes	\$ 697,858,000	\$ 2,450,000	\$ 695,408,000
Per 2018 Note	99.620%	0.450%	99.170%
Total for 2018 Notes	\$ 697,340,000	\$ 3,150,000	\$ 694,190,000
Per 2038 Note	98.971%	0.875%	98.096%
Total for 2038 Notes	\$ 395,884,000	\$ 3,500,000	\$ 392,384,000
 Total	 \$ 1,791,082,000	 \$ 9,100,000	 \$ 1,781,982,000

(1) Plus accrued interest, if any, from May 27, 2008 if settlement occurs after that date.

(2) The proceeds shown do not give effect to expenses of the offering. See Underwriting .

The underwriters expect to deliver the notes in book-entry form through the facilities of The Depository Trust Company (DTC) and its participants, including Euroclear Bank S.A./N.V. (Euroclear) and Clearstream Banking, société anonyme (Clearstream, Luxembourg), against payment in New York, New York on or about May 27, 2008.

Joint Book-Running Managers

Banc of America Securities LLC

(Global Co-ordinator)

Credit Suisse

Deutsche Bank Securities

Merrill Lynch & Co.

Table of Contents**TABLE OF CONTENTS****Prospectus Supplement**

	Page
<u>Incorporation of Information We File with the SEC</u>	S-1
<u>Exchange Rate Information</u>	S-2
<u>Summary</u>	S-3
<u>The Offering</u>	S-4
<u>Risk Factors</u>	S-7
<u>Selected Historical Financial Data</u>	S-13
<u>Our Business</u>	S-14
<u>Use of Proceeds</u>	S-20
<u>Capitalization</u>	S-21
<u>Description of the Notes</u>	S-22
<u>Underwriting</u>	S-26
<u>Clearance and Settlement</u>	S-29
<u>Validity of Securities</u>	S-30
<u>Experts</u>	S-30

Prospectus

	Page
<u>About This Prospectus</u>	1
<u>Cautionary Statement About Forward-Looking Statements</u>	1
<u>Where You Can Find More Information</u>	1
<u>Incorporation by Reference</u>	2
<u>Enforceability of Certain Civil Liabilities</u>	3
<u>Prospectus Summary</u>	4
<u>Risk Factors</u>	6
<u>Capitalization</u>	8
<u>Ratio of Earnings to Fixed Charges</u>	9
<u>Use of Proceeds</u>	10
<u>Recent Developments</u>	11
<u>Description of Debt Securities We May Offer</u>	15
<u>Legal Ownership</u>	25
<u>Clearance and Settlement</u>	28
<u>Taxation</u>	32
<u>Plan of Distribution</u>	40
<u>Validity of Securities</u>	42
<u>Experts</u>	42

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the attached prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information appearing in this prospectus supplement and the attached prospectus, as well as information in documents incorporated by reference, is accurate as of any date other than the date on the front of these documents. Our business, financial condition, results of operations and prospects may have changed since that date.

Table of Contents

INCORPORATION OF INFORMATION WE FILE WITH THE SEC

We have filed with the SEC a registration statement on Form F-3 relating to the securities covered by this prospectus supplement and the attached prospectus. This prospectus supplement and the attached prospectus are a part of the registration statement and do not contain all the information in the registration statement. Whenever a reference is made in this prospectus supplement and the attached prospectus to a contract or other document of the Company, the reference is only a summary and you should refer to the exhibits that are a part of the registration statement for a copy of the contract or other document. You may review a copy of the registration statement at the SEC's public reference room in Washington, D.C., as well as through the SEC's Internet site.

The SEC allows us to incorporate by reference the information we file with them, which means that:

incorporated documents are considered part of this prospectus supplement and the attached prospectus;

we can disclose important information to you by referring to those documents; and

information that we file with the SEC in the future and incorporate by reference herein will automatically update and supersede information in this prospectus supplement and the attached prospectus and information previously incorporated by reference herein and therein.

The information that we incorporate by reference is an important part of this prospectus supplement and the attached prospectus.

Each document incorporated by reference is current only as of the date of such document, and the incorporation by reference of such documents shall not create any implication that there has been no change in our affairs since the date thereof or that the information contained therein is current as of any time subsequent to its date. Any statement contained in such incorporated documents shall be deemed to be modified or superseded for the purpose of this prospectus supplement and the attached prospectus to the extent that a subsequent statement contained in another document we incorporate by reference at a later date modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement and the attached prospectus.

We incorporate herein by reference:

Our Annual Report on Form 20-F for the year ended December 31, 2007 (the "Annual Report on Form 20-F") (File No.001-15248), filed with the SEC on May 7, 2008; and

Any document in the future filed with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement and the attached prospectus and until this offering is completed. Any report on Form 6-K that we furnish to the SEC after the date of this prospectus supplement (or portions thereof) is incorporated by reference in this prospectus supplement and the attached prospectus only to the extent that the report expressly states that we incorporate it (or such portions) by reference in this prospectus supplement and the attached prospectus.

You may also request a copy of documents incorporated by reference at no cost, by contacting us orally or in writing at the following address and phone number: Nathalie Pinon, 36-38, avenue Kléber, 75116 Paris, France, Tel: +33-1-71-75-01-67.

The Annual Report on Form 20-F and any other information incorporated by reference is considered to be a part of this prospectus supplement and the attached prospectus. The information in this prospectus supplement and the attached prospectus, to the extent applicable, automatically updates and supersedes the information in our Annual Report on Form 20-F.

You should rely only on the information that we incorporate by reference or provide in this prospectus supplement and attached prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where

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the offer is not permitted. You should not assume that the information in this prospectus supplement and the attached prospectus is accurate as of any date other than the date on the front of those documents.

S-1

Table of Contents**EXCHANGE RATE INFORMATION**

The following table shows the euro/U.S. dollar exchange rate from 2003 through April 2008 based on the noon buying rate expressed in U.S. dollars per euro. The information concerning the U.S. dollar exchange rate is based on the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York (the Noon Buying Rate). We provide the exchange rates below solely for your convenience. We do not represent that euros were, could have been, or could be, converted into U.S. dollars at these rates or at any other rate. For information regarding the effect of currency fluctuations on our results of operations, see Item 5. Operating and Financial Review and Prospects of our Annual Report on Form 20-F.

Month	Period End	Average Rate* U.S. \$/	High	Low
April 2008	1.56	1.57	1.60	1.56
March 2008	1.58	1.55	1.58	1.52
February 2008	1.52	1.48	1.52	1.45
January 2008	1.49	1.47	1.49	1.46
December 2007	1.47	1.46	1.48	1.43
November 2007	1.48	1.47	1.49	1.44
Year				
2007	1.47	1.38	1.49	1.29
2006	1.32	1.26	1.33	1.19
2005	1.18	1.24	1.35	1.17
2004	1.36	1.25	1.36	1.18
2003	1.26	1.13	1.26	1.04

* The average of the Noon Buying Rates on the last business day of each month (or portion thereof) during the relevant period for year average; on each business day of the month (or portion thereof) for monthly average.

Solely for the convenience of the reader, this annual report contains translations of certain euro amounts into U.S. dollars. These translations should not be construed as representations that the converted amounts actually represent such U.S. dollar amounts or could have been or will be converted into U.S. dollars at the rate indicated or at all. The translations from euro to U.S. dollars in this prospectus supplement are based on \$1.00 = 0.6793, the Noon Buying Rate on December 31, 2007. On May 21, 2008, the Noon Buying Rate was \$1.58 per euro.

Table of Contents

SUMMARY

This summary does not contain all of the information that may be important to you. You should read carefully the entire prospectus supplement, the attached prospectus and the additional documents incorporated by reference herein for more information on Veolia Environnement.

Unless the context otherwise requires, references in this prospectus supplement to Veolia Environnement or the issuer are references to Veolia Environnement without its subsidiaries, and references to Veolia, the Veolia group, we, our, ours and us are to Veolia Environnement and its consolidated subsidiaries.

Our Company

Veolia Environnement is a *société anonyme* incorporated under the laws of France. Shares in Veolia Environnement are listed on Euronext Paris and the New York Stock Exchange. We are an environmental services provider and are the only major provider to offer a complete range of services.¹ We are able to provide our clients with a full-service package tailored to fit their individual needs, which may include, for example, supplying water, recycling wastewater, collecting, treating and recycling waste, supplying heating and cooling services, and generally optimizing the industrial processes used in their facilities.

Our operations are conducted primarily through four divisions, each of which specializes in a single business sector: Veolia Eau (Water), Veolia Énergie (Dalkia) (Energy Services), Veolia Propreté (Environmental Services) and Veolia Transport (Transportation). Through these divisions, as of December 31, 2007, we provide drinking water to more than 78 million people and treat sewer water for 53 million people in the world, treat nearly 66 million tons of waste, satisfy the energy requirements of hundreds of thousands of buildings for our industrial, municipal and individual clients and transport approximately 2.7 billion passengers per year. We strive to offer services to clients combining those offered by each of our four divisions and which are packaged either in the form of a single multi-service contract, or several individual contracts.

Our principal executive office is located at 36-38, avenue Kléber 75116 Paris, France. Our telephone number is +33-1-71-75-00-00.

Our Strategy

Our aim is to continue to reinforce our position as the leading provider of environmental services. Our strategy focuses on developing the most appropriate environmental services solutions for our local and industrial clients; maintaining a geographically diverse area of activity; developing a significant presence in growth markets with high potential and accelerating synergies between our different businesses.

By strengthening our position as the leading provider of environmental services worldwide, we continue to implement our business model aimed at improving our economic and financial performance. This performance is a result of economies of scale and technological expertise, combined with significant levels of research investment, long-term commitments to clients and managed risk.

¹ Unless otherwise indicated, information and statistics presented herein regarding market trends and our market share relative to our competitors are based on our own research and various publicly available sources.

Table of Contents

The Offering

Please refer to Description of the Notes on page S-22 of this prospectus supplement and Description of Debt Securities We May Offer on page 15 of the attached prospectus for more information about the notes.

Issuer Veolia Environnement

Notes Offered \$700,000,000 in principal amount of 5.250% notes due 2013
\$700,000,000 in principal amount of 6.000% notes due 2018
\$400,000,000 in principal amount of 6.750% notes due 2038

In this prospectus supplement we refer to the 2013 notes, the 2018 notes and the 2038 notes, each of which are debt securities as such term is defined in the attached prospectus, collectively as the notes .

Maturity Date June 3, 2013 for the 2013 notes, June 1, 2018 for the 2018 notes and June 1, 2038 for the 2038 notes.

Ranking The notes will be unsecured and unsubordinated obligations of Veolia Environnement and will rank at least equally in right of payment among themselves and with all other present and future unsecured and unsubordinated obligations of Veolia Environnement.

Interest
 5.250% for the 2013 notes
 6.000% for the 2018 notes
 6.750% for the 2038 notes

Interest on the notes will accrue from May 27, 2008.

Interest Payment Dates Interest on the 2013 notes will be paid semi-annually in arrears on June 3 and December 3 of each year. Interest on each of the 2018 notes and 2038 notes will be paid semi-annually in arrears on June 1 and December 1 of each year.

First Interest Payment Date December 3, 2008 for the 2013 notes and December 1, 2008 for each of the 2018 notes and 2038 notes.

Payment of Additional Amounts Subject to certain exceptions and limitations, we will pay such additional amounts under the notes as are necessary in order that the net payment by us of the principal and interest on the notes, after deduction for any present or future French tax, assessment or governmental charge imposed by withholding with respect to any such payment, will

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not be less than the amount provided by the notes to be then due and payable. See Description of Debt Securities We May Offer Payment of Additional Amounts in the attached prospectus.

Optional Redemption

We have the right to redeem each series of the notes, in whole or in part, at any time and from time to time at a redemption price equal to the greater of (i) 100% of the principal amount of the notes to be redeemed and (ii) the sum of the present values of the applicable remaining scheduled payments discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of

S-4

Table of Contents

twelve 30 day-months or, in the case of an incomplete month, the number of days elapsed) at the Treasury Rate (as defined in this prospectus supplement), plus in the case of the 2013 notes, 35 basis points, in the case of the 2018 notes, 35 basis points and, in the case of the 2038 notes, 35 basis points, together with, in each case, accrued and unpaid interest, if any, on the principal amount of the notes to be redeemed to the redemption date. See Description of the Notes Redemption Optional Redemption.

Redemption for Tax Reasons

Under certain circumstances, each series of notes may be redeemed, in whole but not in part, at our option at a redemption price equal to 100% of the principal amount of the notes, together with any accrued but unpaid interest thereon to the date fixed for redemption, if we are required to pay certain additional amounts with respect to the notes. See Description of the Notes Redemption Tax Redemption.

Covenants and Events of Default

The terms and conditions of the notes provide for a limited negative pledge and restrictions on certain merger transactions, and for certain events of default. There are no covenants restricting the ability of our company or our subsidiaries to make payments, incur indebtedness, dispose of assets, issue and sell capital stock, enter into transactions with affiliates or engage in business other than our present business. For further information, see Description of Debt Securities We May Offer Special Situations Mergers and Similar Events and Description of Debt Securities We May Offer Negative Pledge and Description of Debt Securities We May Offer Default and Related Matters Events of Default in the attached prospectus.

Book-Entry Issuance, Settlement and Clearance

We will issue the notes in fully registered form in denominations of \$1,000. Each series of notes will be represented by one or more global securities registered in the name of a nominee of DTC. You will hold beneficial interests in the notes through DTC, and DTC and its direct and indirect participants (including Euroclear and Clearstream; Luxembourg) will record your beneficial interest on their books. We will not issue certificated notes except in limited circumstances that we explain under Legal Ownership in the attached prospectus. Settlement of the notes will occur through DTC in same day funds. For information on DTC's book-entry system, see Clearance and Settlement in the attached prospectus.

Further Issuances

We may, at our option, at any time and without the consent of the then existing noteholders issue additional notes in one or more transactions subsequent to the date of this prospectus supplement with terms (other than the issuance date, issue price and, possibly, the first interest payment date) identical to a series of notes issued hereby. These additional notes will be deemed to be part of the same series as the notes offered hereby and will provide the holders of these additional notes the rights to vote together with holders of the series of notes offered hereby.

Risk Factors

You should carefully consider all of the information in this prospectus supplement and the attached prospectus, which includes

Table of Contents

information incorporated by reference. In particular, you should evaluate the specific factors under "Risk Factors" on page S-7 of this prospectus supplement and on page 6 of the attached prospectus for risks involved with an investment in the notes and the risk factors included in the Annual Report on Form 20-F.

Rating	The notes are expected to receive a rating of A3 by Moody's and BBB+ by Standard & Poor's. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.
Trustee and Principal Paying Agent	Deutsche Bank Trust Company Americas.
Listing	We do not intend to list the notes on any securities exchange.
Governing Law	New York.
Use of Proceeds	We intend to use the net proceeds for general corporate purposes.
Timing and Delivery	We currently anticipate that delivery of the notes will occur on May 27, 2008.

Table of Contents

RISK FACTORS

We urge you to carefully review the risks described below, together with the risks described in any documents incorporated by reference herein, before you decide to buy securities. If any of these risks actually occur, our business, financial condition and results of operations could suffer, and the trading price and liquidity of the securities could decline, in which case you may lose all or part of your investment.

Risks Relating to an Investment in the Securities

We may be able to incur substantially more debt in the future.

We may be able to incur substantial additional indebtedness in the future, including in connection with future acquisitions, some of which may be secured by our assets. The terms of the securities will not limit the amount of indebtedness we may incur. Any such incurrence of additional indebtedness could exacerbate the risks that holders of the securities now face.

At any point in time there may or may not be an active trading market for our debt securities.

At any point in time there may or may not be an active trading market for our debt securities. If any of the debt securities are traded after their initial issuance, they may trade at a discount from their initial offering price. While we may decide to list a particular series of debt securities on one or more stock exchanges, we expect that many of our debt securities will not be listed on any exchange. Factors that could cause the debt securities to trade at a discount are:

an increase in prevailing interest rates;

a decline in our credit worthiness;

a weakness in the market for similar securities; and

declining general economic conditions.

Direct creditors of our subsidiaries will generally have superior claims to cash flows from those subsidiaries.

As a holding company, Veolia Environnement depends upon cash flow received from its subsidiaries to meet its payment obligations under the securities. Since the creditors of any of our subsidiaries generally would have a right to receive payment that is superior to the parent company's right to receive payment from the assets of that subsidiary, holders of the securities will be effectively subordinated to creditors of the subsidiaries insofar as cash flows from those subsidiaries are relevant to the securities. The terms and conditions of the securities do not limit the amount of liabilities that our group subsidiaries may incur. As of December 31, 2007, approximately 2.7 billion of total financing debt (excluding project finance indebtedness, financial indebtedness of proportionally consolidated entities and intra-group financial indebtedness) was incurred by our subsidiaries. In addition, certain of our subsidiaries are or may become subject to statutory or contractual restrictions on their ability to pay dividends or otherwise distribute or lend cash to our company.

Since the debt securities are unsecured, your right to receive payments may be adversely affected.

The debt securities that we are offering will be unsecured. The debt securities are not subordinated to any of our other debt obligations, and therefore they will rank equally with all our other unsecured and unsubordinated indebtedness. As of December 31, 2007, our total consolidated financial debt amounted to 18,212 million, and we had 634 million of property collateralizing debt. If we default on the debt securities, or after bankruptcy, liquidation or reorganization, then, to the extent the relevant obligor has granted security over its assets, the assets that secure the obligor's debts will be used to satisfy the obligations under that secured debt before the obligor can make payment on the debt securities. As a result, there may only be limited assets available to make

Table of Contents

payments on the debt securities in the event of an acceleration of the debt securities. If there are not enough assets to satisfy the obligations of the secured debt, then the remaining amounts on the secured debt would share equally in the remaining assets with all unsubordinated unsecured indebtedness.

We are not restricted in our ability to dispose of our assets by the terms of the debt securities.

The indenture governing our debt securities contains a negative pledge that prohibits us and our principal subsidiaries from pledging assets to secure other bonds or similar debt instruments, unless we make a similar pledge to secure the debt securities offered by this prospectus. However, we are permitted to pledge our assets with respect to debt other than bonds and similar debt instruments. We are also generally permitted to sell or otherwise dispose of substantially all of our assets to another corporation or other entity under the terms of the debt securities. If we decide to dispose of a large amount of our assets, you will not be entitled to declare an acceleration of the maturity of the debt securities, and those assets will no longer be available to support our debt securities.

Our credit ratings may not reflect all risks of an investment in the securities.

The credit ratings ascribed to us and the securities are intended to reflect our ability to meet our payment obligations in respect of the securities, and may not reflect the potential impact of all risks related to structure and other factors on the value of the debt securities. In addition, actual or anticipated changes in our credit ratings may generally be expected to affect the market value of the securities.

You may be unable to recover in civil proceedings for U.S. securities laws violations.

Veolia Environnement is a corporation organized under the laws of France. The majority of our directors are citizens and residents of countries other than the United States, and the majority of our assets are located outside of the United States. Accordingly, it may be difficult for investors to obtain jurisdiction over us or our directors in courts in the United States and enforce against us or them judgments obtained against them. In addition, we cannot assure you that civil liabilities predicated upon the federal securities laws of the United States will be enforceable in France. See [Enforceability of Certain Civil Liabilities](#).

Risks Related to Our Operations

We may suffer reduced profits or losses as a result of intense competition.

Our business is highly competitive and requires substantial human and capital resources. Large international competitors and local niche companies serve each of the markets in which we compete. Accordingly, we must make constant efforts to remain competitive and convince potential clients of the quality and cost value of our service offerings. Competitors may also introduce new technology or services that we would have to match in order to remain competitive, which could result in significant development costs.

In addition, we perform a substantial portion of our business under contracts, often of a long-term nature, with governmental authorities and clients from the industrial and commercial service sectors. These contracts are often awarded through competitive bidding, at the end of which we may not be retained even though we may have incurred significant expenses in order to prepare the bid.

Over the course of performing certain contracts, we may also be requested by our public or private clients to modify the terms of these contracts, whether called for under the contract or not. These modifications may alter the services provided under the contract, related investments required or billing terms.

Finally, our contracts may not be renewed at the end of their term, which in the case of important contracts may oblige us to undertake a costly reorganization or restructuring of assets and operations covered by the contract when the contract does not provide for the transfer of the related assets and employees to the succeeding operator and/or adequate indemnification to cover our costs of termination.

Table of Contents

Our business operations in some countries may be subject to additional risks.

While our operations are concentrated mainly in Europe and North America (sales generated outside of these regions represented approximately 12% of our total revenue in 2007), we conduct business in markets around the world. The risks associated with conducting business in some countries outside of Europe, the United States and Canada can include slower payment of invoices, which is sometimes aggravated by the absence of legal recourse for non-payment, nationalization, social, political and economic instability, increased currency exchange risk and currency repatriation restrictions, among other risks. We may not be able to insure or hedge against these risks. Furthermore, we may not be able to obtain sufficient financing for our operations in these countries. The establishment of public utility fees and their structure can be highly political, slowing and impeding for several years any increase in fees that no longer allow coverage of service costs and appropriate compensation for a private operator. The occurrence of unfavorable events or circumstances in certain countries may lead us to record exceptional provisions or depreciation charges in connection with our operations in these countries, which could have a material adverse effect on our results.

Changes in the prices of fuel and other commodities may reduce our profits.

The prices of our supplies of fuel and other commodities, which represent significant operating expenses for our businesses, are subject to sudden increases. Although most of our contracts contain tariff adjustment provisions that are intended to reflect possible variations in prices of our supplies using certain pricing formulas, such as our price index formulas, there may be developments that could prevent us from being fully protected against such increases, such as delays between fuel price increases and the time we are allowed to raise our prices to cover the additional costs (including taxes), or our failure to update an outdated cost structure formula. In addition, a sustained increase in supply costs and/or related taxes beyond the price levels provided for under our adjustment clauses could reduce our profitability to the extent that we are not able to increase our prices sufficiently to cover such additional costs.

We have conducted and may continue to conduct acquisitions, which could have a less favorable impact on our activities and results than anticipated, or which could affect our financial situation.

As part of our business strategy, we have conducted and continue to carry out acquisitions of varying sizes, some of which are significant at the Group level. These acquisitions involve numerous risks, including the following: (i) the assumptions used in the underlying business plans may not prove to be accurate, in particular with respect to synergies and expected commercial demand; (ii) we may not integrate acquired businesses, technologies, products, personnel and operations effectively; (iii) we may fail to retain key employees, customers and suppliers of the companies acquired; (iv) we may be required or wish to terminate pre-existing contractual relationships, which could be costly and/or on unfavorable terms; and (v) we may increase our indebtedness to finance these acquisitions. As a result, it is possible that the expected benefits of completed or future acquisitions may not materialize within the time periods or to the extent anticipated, or that such acquisitions may affect our financial condition.

Our business is affected by variations in weather conditions.

Certain of our businesses are subject to seasonal variations. Dalkia realizes the bulk of its operating results in the first and fourth quarters of the year, corresponding to periods in which heating is used in Europe. In the water sector, household water consumption tends to be higher between May and September in the northern hemisphere. Accordingly, these two businesses may be affected by significant deviations from seasonal weather norms. This risk is offset in certain cases, both by variable compensation terms in contracts, and by the geographical distribution of our businesses. The impact of weather conditions, together with the seasonal nature of our businesses, may affect our results.

Table of Contents

Our business operations are subject to geopolitical, criminal and terrorist risks.

Water is a strategic resource in terms of public health. Accordingly, our activities must comply with laws and regulations that seek to safeguard water resources, production sites and treatment facilities against criminal or terrorist acts. Our activities in the areas of waste management, energy services and public transportation are also subject to similar risks. We may also have employees who work or travel in areas where the risk of criminal acts, kidnapping or terrorism is either temporarily or permanently elevated. As a result, despite the safety measures that we have attempted to implement, any one of our activities may fall victim to criminal or terrorist acts in the future.

Our long-term contracts may limit our capacity to quickly and effectively react to general economic changes affecting our performance under those contracts.

The general circumstances or conditions under which we enter into a contract may change over the term of the contract, particularly in the case of long-term contracts. For example, changes in the prices of our supplies may increase beyond levels that were foreseen or foreseeable at the time the contract was entered into or changes in end user behavior may significantly affect our financial performance under the contract. Because our contracts generally do not allow us to unilaterally terminate them or interrupt or suspend the performance of our obligations under them, we attempt to foresee these possible changes at the time we negotiate our contracts and typically include adjustment mechanisms in our contracts (such as price index clauses or the right to initiate a review or modification process). However, we may not always be able to foresee all potential changes or to negotiate adjustment clauses that cover all possible scenarios. In addition, even if our contracts include these types of adjustment clauses, our ability to react to these changes is limited to the adjustments permitted by these clauses. For example, our long-term contracts typically provide for pre-determined fees or payments for our services (either from the client or from the end user according to a set price list), and we cannot adjust these fees or prices to reflect anticipated shifts in costs or product demand other than in accordance with the terms of the adjustment clause. Also, our right to initiate a review or modification process in respect of a contract may be subject to conditions, including the consent of the other parties to the contract or of a third party (such as a public authority). As a result, we may be required to continue performing our obligations under our contracts even if the general conditions or circumstances of our performance are different from those that had been foreseen and provided for at the time the contract was signed, which in some cases may alter the financial equilibrium of the contract and adversely affect our financial performance under the contract.

The rights of governmental authorities to terminate or modify our contracts unilaterally could have a negative impact on our revenue and profits.

Contracts with governmental authorities make up a significant percentage of our revenue. In numerous countries, including France, governmental authorities may modify or terminate contracts under certain circumstances, unilaterally but generally with indemnification. In other countries, however, we may not be entitled to or be able to obtain full indemnification in the event our contracts are terminated by governmental counterparties.

We may make significant investments in projects without being able to obtain the required approvals for the project.

To engage in business, we must in most cases obtain a contract and sometimes obtain, or renew, various permits and authorizations from regulatory authorities. The competition and/or negotiation process that must be followed in order to obtain such contracts is often long, costly, complex and hard to predict. The same applies to the authorization process for activities that may harm the environment which are often preceded by increasingly complex studies and public investigations. We may invest significant resources in a project or public tender without obtaining the right to engage in the desired business nor sufficient compensation or indemnities to cover the cost of our investments. These situations increase the overall cost of our activities and, if we do not obtain the desired business or are forced to withdraw from a public tender, our business may not grow as much or as profitably as we hope.

Table of Contents

We must comply with various environmental, health and safety laws and regulations, which is costly and may, in the event of any failure to comply on our part, cause us to incur liability under these laws and regulations.

We incur significant costs of compliance with various environmental, health and safety laws and regulations.

We have made and will continue to make significant capital and other expenditures to comply with our environmental, health and safety obligations. We are continuously required to incur expenditures to ensure that the installations that we operate comply with applicable legal, regulatory and administrative requirements, including general precautionary or preventative measures, or to advise our clients so that they undertake the necessary actions for the compliance of their installations. The costs related to these preventative measures are recorded as either operating expenses or as industrial investments. Our industrial investments in all areas totaled 2.642 billion in 2007.

Each of our operations, moreover, may become subject to stricter general or specific laws and regulations, and correspondingly greater compliance expenditures, in the future. If we are unable to recover these expenditures through higher tariffs, this could adversely affect our operations and profitability. Moreover, the scope of application of environmental, health, safety and other laws and regulations is becoming increasingly broad. These laws and regulations govern, among other things, any discharge in a natural environment, the collection, transport, treatment and disposal of all types of waste, and the rehabilitation of old sites at the end of operations, as well as ongoing operations at new or old facilities.

Our operations and activities may cause us to incur liability or other damages that we might be required to compensate.

The increasingly broad laws and regulations under which we operate expose us to greater risk of liability, in particular environmental liability, including in connection with assets that we no longer own and activities that have been discontinued. For example, a French law dated July 30, 2003, relating to the prevention of technological and environmental risks and the conduct of remediation activities, has strengthened the regulatory framework that applies to discontinued operations and closed sites and installations. In certain instances, it requires reserves to be established in respect of such discontinued operations. In addition, we may be required to pay fines, repair damage or undertake improvement works, even when we have conducted our activities with care and in total conformity with operating permits. Regulatory authorities may also require us to conduct investigations and undertake remedial activities, curtail operations or close facilities temporarily in connection with applicable laws and regulations, including to prevent imminent damage or in light of expected changes in those laws and regulations.

In addition, we often operate installations that do not belong to us, and therefore do not always have the power to make the investment decisions required to bring these installations into compliance with new regulatory norms. In instances where the client on whose behalf these installations are operated refuses to make the required investments, we may be forced to terminate our operating contracts.

In the event of an accident or other incident, we could also become subject to claims for personal injury, property damage or damage to the environment (including natural resources). These potential liabilities may not always be covered by insurance, or may be only partially covered. The obligation to compensate for such damages might have a material adverse effect on our activities or resources.

Specific measures are required in connection with certain technological risks.

As part of our outsourcing contracts, our subsidiaries may be involved in the operation of top-tier Seveso sites (AS classification under ICPE (Installations Classified for the Protection of the Environment) nomenclature) or lower-tier Seveso sites (or their foreign equivalent) for industrial clients (particularly petroleum or chemical industry sites). Seveso facilities are places where dangerous substances are present in quantities equal to or above thresholds specified in European Union Directive 96/82/EC (also known as the Seveso II Directive),

Table of Contents

relating to the control of major accident hazards involving dangerous substances. In these instances, we must handle the provision of services with even greater care, given the more dangerous nature of the products, waste, effluents and emissions to be treated, as well as the close proximity of the installations we manage to client sites. While the regulatory regime governing Seveso facilities applies only within the European Union, we operate several similar sites outside of this region. These sites are often subject to the same level of heightened regulation by foreign governments, exposing us to potentially substantial liabilities in the event of an accident. Among the facilities that we own and operate in France, one has been categorized as a lower-tier Seveso facility (not classified as AS under ICPE nomenclature). It is a hazardous waste incineration facility operated by SARP Industries (Veolia Propreté) at Limay (Yvelines). The manipulation of waste and hazardous products in this facility can, in the case of an accident, cause serious damage to the environment, neighbors or employees, exposing us to potentially substantial liabilities.

Currency exchange and interest rate fluctuations may negatively affect our financial results.

We hold assets, earn income and incur expenses and liabilities directly and through our subsidiaries in a variety of currencies. Our financial statements are presented in euro. Therefore, when we prepare our financial statements, we must translate our assets, liabilities, income and expenses in other currencies into euro at then-applicable exchange rates. Consequently, increases and decreases in the value of the euro in respect of these other currencies will affect the value of these items in our financial statements, even if their value has not changed in their original currency. For example, an increase in the value of the euro may result in a decline in the reported value, in euro, of our interests held in foreign currencies.

At December 31, 2007, our net financial debt excluding revaluation of hedging instruments amounted to 15.1 billion, of which 26% was subject to variable rates and 74% to fixed interest rates, including 9% subject to variable rates with caps. Our results of operations and financial condition may be affected by changes in prevailing market rates of interest. Fluctuations in interest rates may also affect our future growth and investment strategy, since a rise in interest rates may force us to finance acquisitions or investments or refinance existing debt at a higher cost in the future.

Table of Contents**SELECTED HISTORICAL FINANCIAL DATA**

You should read the following selected financial data together with Item 5. Operating and Financial Review and Prospects and our consolidated financial statements in our Annual Report on Form 20-F. Our consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (IFRS). We did not publish financial data in accordance with IFRS in 2003, because at the time our financial statements were required to be presented in conformity with French Generally Accepted Accounting Principles. For this reason, we have not provided selected financial data for 2003. See Item 5. Operating and Financial Review and Prospects in our Annual Report on Form 20-F for a discussion of accounting changes, business combinations and dispositions of business operations that affect the comparability of the information provided below.

	2007	At and for the Year Ended December 31,			2004
	(in US\$) ⁽¹⁾	2007	2006	2005	
		(in millions, except per share amounts)			
INCOME STATEMENT DATA:					
Revenue	48,032.1	32,628.2	28,620.4	25,570.4	22,792.4
Operating income	3,675.7	2,496.9	2,132.9	1,892.9	1,489.6
Net income from continuing operations	1,881.3	1,278.0	994.3	794.4	640.0
Net income (expense) from discontinued operations	(34.2)	(23.2)	0.6	0.7	(38.1)
Minority interest	481.2	326.9	236.2	172.9	212.1
Net income attributable to equity holders of the parent	1,366.0	927.9	758.7	622.2	389.8
Net income attributable to equity holders of the parent per share Basic ⁽²⁾	3.18	2.16	1.90	1.57	0.97
Net income attributable to equity holders of the parent per share Diluted ⁽³⁾	3.14	2.13	1.89	1.56	0.97
Group net income from continuing operations per share Basic ⁽²⁾	3.25	2.21	1.90	1.57	1.26
Group net income from continuing operations per share Diluted ⁽³⁾	3.22	2.19	1.88	1.56	1.26
Dividends per share	1.78	1.21 ⁽⁴⁾	1.05	0.85	0.68
Number of shares (adjusted to reflect changes in capital)	471,762,756	471,762,756	412,626,550 ⁽⁵⁾	407,872,606	406,421,983
BALANCE SHEET DATA (AT PERIOD END):					
Equity attributable to equity holders of the parent	11,207.0	7,612.9	4,360.8	3,790.2	3,211.2
Minority interest	3,794.8	2,577.8	2,192.6	1,888.0	1,728.7
Total assets	68,168.6	46,306.9	40,123.7	36,381.0	35,899.3
Total non-current assets	42,647.4	28,970.4	25,100.0	22,834.9	20,733.3
Total non-current liabilities	26,564.7	18,045.4	18,056.3	16,934.0	14,836.4
CASH FLOW DATA:					
Net cash flow from operating activities	5,350.5	3,634.6	3,389.6	3,163.7	3,384.3
Net cash from (used in) investing activities	(5,915.5)	(4,018.4)	(2,904.0)	(2,407.6)	318.9
Net cash from (used in) financing activities	1,385.0	940.8	(71.5)	(3,152.8)	(1,795.5)
Purchases of property, plant and equipment	(3,707.8)	(2,518.7)	(2,017.6)	(1,837.1)	(1,723.0)

- (1) For your convenience, we have converted the euro amounts of our selected financial data into U.S. dollars using the December 31, 2007 rate of \$1.00 = 0.6793. This does not mean that we actually converted, or could have converted, those amounts into U.S. dollars on this or any other date.
- (2) Based on the weighted average number of shares outstanding in each period for the calculation of basic earnings per share, equal to 430.0 million shares in 2007, 398.8 million shares in 2006, 395.6 million shares in 2005 and 401.5 million shares in 2004. Following the share capital increase in July 2007, the calculation of basic diluted earnings per share was adjusted retrospectively for all periods presented.
- (3) Based on the weighted average number of shares outstanding in each period for the calculation of diluted earnings per share, equal to 435.0 million shares in 2007, 402.4 million shares in 2006, 397.6 million shares in 2005 and 401.6 million shares in 2004. Following the share capital increase in July 2007, the calculation of diluted earnings per share was adjusted retrospectively for all periods presented.
- (4) Amount of dividend per share as approved by the Annual Shareholders Meeting of May 7, 2008.
- (5) The number of shares as of December 31, 2006 mentioned above includes the exercise of options to subscribe for shares of our company which occurred from July 1 to December 31, 2006. The share capital increase and the creation of shares resulting from such exercise of stock options were formally recorded by our board of directors on March 7, 2007.

Table of Contents**OUR BUSINESS**

Our operations are conducted primarily through four divisions, each of which specializes in a single business sector: Veolia Eau (Water), Veolia Énergie (Dalkia) (Energy Services), Veolia Propreté (Environmental Services) and Veolia Transport (Transportation). Through these divisions, as of December 31, 2007, we provide drinking water to more than 78 million people and treat sewer water for 53 million people in the world, treat nearly 66 million tons of waste, satisfy the energy requirements of hundreds of thousands of buildings for industrial, municipal and individual clients and transport approximately 2.7 billion passengers per year. We strive to offer our clients the combined services of each of our four divisions, which are packaged either in the form of a single multi-service contract, or several individual contracts.

The following table breaks down our consolidated revenue for 2007 by geographic market and division, after elimination of all inter-company transactions.

	Water	Environmental Services	Energy Services (in millions)*	Transportation	Total
Europe	8,190.5	6,889.4	6,566.1	4,291.8	25,937.8
<i>of which:</i>					
<i>France</i>	4,927.2	3,332.0	3,852.2	2,144.5	14,255.9
<i>Other Europe</i>	3,263.3	3,557.4	2,713.9	2,147.3	11,681.9
North America	582.5	1,449.0	19.3	738.9	2,789.7
Rest of the World	2,154.4	875.9	311.0	559.4	3,900.7
<i>of which:</i>					
<i>South America</i>	104.5	163.1	143.3	28.5	439.4
<i>Africa-Middle East</i>	1,017.3	100.7	56.3	17.8	1,192.1
<i>Asia-Pacific</i>	1,032.6	612.1	111.4	513.1	2,269.2
Total	10,927.4	9,214.3	6,896.4	5,590.1	32,628.2

* Revenue from ordinary activities under IFRS.

Water

Veolia Eau manages municipal drinking water and/or wastewater services on five continents thanks to a geographical organization with a strong local presence. Contracts with public authorities are typically long-term and range from 10 to 20 years in length, but may extend up to 50 years in certain circumstances. These contracts take various forms, all adapted to the needs and goals of the public authority, and may include outsourcing contracts, public-private partnerships, concessions, BOT (Build, Operate & Transfer) contracts, DBO (Design, Build & Operate) contracts and others. They are generally contracts that involve the operation, design or construction of installations, with the public authority usually remaining the owner of the assets (except in the United Kingdom) and the head of water policy. Recent legislative changes have enabled us to integrate more elaborate mechanisms into our contracts allowing us to share in the added value produced under the contract (e.g., productivity gains, improvement in the level of services, efficiency criteria, etc.). Public authorities often rely on Veolia Eau to manage customer relations; it has implemented specific services and information systems in response, which it continuously strives to improve.

In certain countries where public authorities have sought either to implement new water and wastewater treatment systems or improve the functioning of existing ones, Veolia Eau also offers feasibility studies and technical assistance, which may include research plans, network modeling and financial analysis.

Veolia Eau's outsourcing contracts with industrial and commercial services customers generally last from 3 to 10 years, although certain contracts have terms of up to 20 years.

Table of Contents

Environmental Services

Veolia Propreté furnishes environmental and logistical services, which include waste collection, waste treatment, cleaning of public spaces, offices and factories, maintenance of production equipment, soil decontamination, and management of waste discharge at industrial sites.

Veolia Propreté also conducts basic or more complex downstream waste treatment operations in order to reduce pollution and transform waste into a resource. Veolia Propreté:

sorts and treats waste in order to create new primary materials, otherwise referred to as recycling or material recovery;

transforms organic material into compost to be returned to the soil, otherwise referred to as composting or agronomic recovery;

returns waste to the natural environment in the least damaging way possible, through landfilling or incineration;

produces electricity or heat through landfilled or incinerated waste, otherwise referred to as waste-to-energy recovery.

The services referred to above fall into one of three large categories of activity conducted by Veolia Propreté: environmental services and logistics for local authorities and industrial companies, sorting and recycling of materials, and waste recovery and treatment through composting, incineration and landfilling.

Energy Services

Dalkia's business is currently facing three major challenges:

global warming and the need to reduce carbon dioxide emissions;

the increase in the prices of fossil fuels and their eventual scarcity; and

growing urban development and the related industrial development.

Dalkia's activity focuses on optimal energy management. Dalkia has progressively established a range of activities linked to energy management, including heating and cooling systems, thermal and multi-technical services, industrial utilities, installation and maintenance of production equipment, integrated facilities management and electrical services on public streets and roads. The health care sector is particularly important to Dalkia: in 2007, it won landmark contracts in that sector, such as Santa Casa de Misericordia in Brazil.

Dalkia provides energy management services to public and private clients with whom it has formed long-term partnerships. Dalkia's management contracts for the operation of urban heating or cooling systems are typically long-term, lasting up to 25 or 30 years, while its contracts for the operation of thermal and multi-technical installations for public or private clients may last up to 16 years. Contracts to provide industrial utilities services generally have shorter terms (6 to 7 years on average), while contracts in the facilities management sector generally last 3 to 5 years.

When possible, Dalkia offers its clients solutions utilizing renewable or alternative energy sources such as geothermal energy, biomass (organic material), heat recovered from household waste incineration, process heat (heat produced by industrial processes) and thermal energy produced by co-generation projects. A combination of energy sources may also be selected in order to take advantage of the complementary nature of each source. For instance, in 2007 Dalkia acquired PannonPower, the leading biomass plant in Hungary.

Transportation

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Veolia Transport primarily operates road and rail passenger transportation networks under contracts won through public bidding processes initiated by various public authorities. The public authorities with which Veolia

S-15

Table of Contents

Transport contracts generally own the heavy infrastructure used by Veolia Transport, and typically set schedules, routes and fare structures for the networks that Veolia Transport operates and manages. Veolia Transport primarily conducts its business through outsourced management of transportation activities under conditions and structures that differ from one country to another due to varying legal and regulatory requirements. Each contract between a public authority and Veolia Transport governs the relationships between the two parties, including payment to Veolia Transport and the risks to be borne by each party, and typically lasts for a fixed period. Because the fares Veolia Transport charges passengers on its transportation networks are usually insufficient to cover its costs, the public authority typically provides Veolia Transport with a payment or other compensation for services rendered. Moreover, in the case of certain contracts, Veolia Transport is paid a flat fee for its transportation services; consequently, it does not bear the risks associated with lower receipts or decreased passenger use (such contracts being referred to as Public Market contracts in France). Veolia Transport's management contracts generally last from 2 to 12 years, except for those that take the form of operating concessions, which last approximately 30 years on average.

Veolia Transport's activities can be broken down into four principal categories: (i) urban mass transportation (urban transport, suburban and other transportation services), (ii) intercity and regional transportation, (iii) industrial markets, and (iv) transportation management (passenger information services, clearinghouses and central telephone operators).

Recent Developments**First Quarter 2008 Financial Information (Unaudited, Prepared in Accordance with IFRS)****Revenue and Other Financial Information**

The following table shows a breakdown of our revenue for the three months ended March 31, 2008 and 2007:

Three Months Ended March 31,		% Change 2008/2007	Of Which	Of Which	Of Which
2008	2007		Organic Growth	External Growth	Currency Effect
<i>(in millions)</i>					
9,085.6	7,795.1	16.6%	11.0%	7.9%	(2.3)%

Veolia Environnement's consolidated revenue rose 16.6% (18.9% at constant exchange rates) to 9,085.6 million in the quarter ended March 31, 2008, compared with 7,795.1 million in the quarter ended March 31, 2007. Organic growth was 11.0%, led by the Company's strong commercial performance and boosted by the start-up of construction contracts in the water division. The rise in energy prices contributed 147 million to the increase in revenue in the energy services division.

External growth of 7.9% resulted, in particular, from the acquisitions made by Veolia Environmental Services (the waste management division) in Germany, Italy and France (total revenue contribution of 333 million), by Veolia Energy in the United States (113 million) and by Veolia Water mainly in the United Kingdom and Japan (total revenue contribution of approximately 100 million).

The share of revenue recorded outside France totaled 5,122.8 million in the first quarter of 2008, or 56.4% of the total compared with 53.3% in the first quarter of 2007.

The negative impact of currency fluctuations of 182 million primarily reflected the depreciation in the US dollar and the pound sterling in the UK against the euro, for a nearly equivalent amount.

Table of Contents*Water*

The following table shows a breakdown of our revenue within the water division for the three months ended March 31, 2008 and 2007:

Three Months Ended March 31,		% Change 2008/2007	Of Which Organic Growth	Of Which External Growth	Of Which Currency Effect
2008	2007				
<i>(in millions)</i>					
2,870.0	2,493.1	15.1%	12.9%	4.0%	(1.8)%

In France, organic growth was 5.1% (excluding works performed abroad by French subsidiaries) supported by a wider offering of services and strong growth in the engineering works business.

Outside France, excluding Veolia Water Solutions & Technologies, revenue grew 16.9% (up 12.4% at constant scope and exchange rates). In Europe, growth of 8.6% included the new non-regulated activities in the water division in the United Kingdom. Growth was also boosted by performances in the Africa/Middle East region where revenue increased by 14.2% (nearly 16% at constant exchange rates), in particular due to the BOT contract in Oman Sûr. In the Asia/Pacific region, the very strong revenue growth of nearly 68.7% (50% at constant scope and exchange rates), was driven to a large extent by the start-up of new contracts in China (including, among others, Lanzhou and Haikou) as well as growth in volumes and the expansion of the Shenzhen concession. In Australia, the Gold Coast contract as well as the desalination contract in Sydney also contributed to this growth.

Veolia Water Solutions & Technologies reported revenue of 495.1 million, an increase of 26.1% (26.4% at constant scope and exchange rates), largely due to continued robust growth in the Design and Build business for municipal and industrial customers, which experienced continued solid growth, in particular in the Middle East.

Operating income and cash flow from operations in the water division continued to increase. This increase takes into account the more rapid growth in the engineering and construction service business, which has a lower operating margin and is less capital intensive than other businesses. In France, productivity improvement efforts, the development of new services and the good level of activity in the works business contributed to the increase in operating income despite a slight decline in volumes delivered. Veolia Water Solutions & Technologies posted a further improvement in its margin and its operating income because of the start-up of new contracts in the Middle East. Lastly, the improvement in the operations in Gabon also contributed to the growth in operating income.

Environmental Services (Waste Management)

The following table shows a breakdown of our revenue within the environmental services division for the three months ended March 31, 2008 and 2007:

Three Months Ended March 31,		% Change 2008/2007	Of Which Organic Growth	Of Which External Growth	Of Which Currency Effect
2008	2007				
<i>(in millions)</i>					
2,415.9	2,033.3	18.8%	7.7%	16.4%	(5.3)%

In France, revenue rose 12.3% (7.8% at constant scope and exchange rates) as a result of the solid business levels in both the treatment of non-hazardous household and industrial waste (new contracts in the incineration business) and the sorting, recycling and trading of used paper, as well as the acquisition of Bartin Recycling Group completed in February of 2008.

Table of Contents

Outside France, revenues rose 23.0%, including organic growth of 7.6% resulting from increased revenues in all geographic regions. In North America, continued solid growth of 8.6% at constant scope and exchange rates (a decline of 5.3% at current exchange rates due to the impact of the U.S. dollar) was driven by an improved trend in pricing which more than offset a slight decline in volumes in solid waste, a strong level of business activity in industrial services and new contracts in the incineration business. Organic growth was also strong in the United Kingdom with, in particular, the impact of new integrated contracts. In Asia, the development of recent contracts made a significant contribution to the 8.6% organic revenue growth in operations. Lastly, in the Pacific region, the 21.3% growth (15.4% at constant scope and exchange rates) resulted from a substantial increase in the waste collection and treatment business (residual waste landfills).

The 16.4% external growth primarily reflected the acquisition of Sulo in Germany (consolidated since July 2, 2007), the activities of Bartin Recycling Group in France and VSA Tecnitalia (ex-TMT) in Italy.

Despite the negative impact of currency effects, growth in cash flow from operations benefited from the good contribution of business in North America and the United Kingdom as well as acquisitions. Despite the additional amortization linked to acquisitions made in 2007, a satisfactory increase in operating income at constant exchange rates was recorded, reflecting the good performance of the business as a whole.

Energy Services

The following table shows a breakdown of our revenue within the energy services division for the three months ended March 31, 2008 and 2007:

Three Months Ended		% Change 2008/2007	Of Which Organic Growth	Of Which External Growth	Of Which Currency Effect
2008	March 31, 2007				
2,377.7	1,955.6	21.6%	13.7%	7.9%	0.0%

Revenue grew 21.6%, in particular due to the further rise in energy prices (147 total contribution) and the acquisition at the end of 2007 of Thermal North America Inc. in the United States.

In France, revenue rose 14.7%, against a backdrop of more favorable weather conditions, despite average temperatures during the 2008 winter remaining above their thirty-year average.

Outside France, total growth in revenue amounted to 32.3%, or 13.0% at constant scope and exchange rates. The 7.9% external growth primarily reflected the acquisition of Thermal North America Inc. in the United States at the end of 2007 as well as, to a lesser extent, acquisitions of smaller companies in Central Europe.

Cash flow from operations and operating income increased in the first quarter of 2008, reflecting the positive impact of the rise in energy prices, the slightly more favorable weather conditions as well as the consolidation of the TNAI acquisition.

Table of Contents*Transportation*

The following table shows a breakdown of our revenue within the transportation division for the three months ended March 31, 2008 and 2007:

Three Months Ended		% Change 2008/2007	Of Which Organic Growth	Of Which External Growth	Of Which Currency Effect
2008	March 31, 2007				
1,422.0	1,313.1	8.3%	8.4%	2.2%	(2.3)%

Revenue in France grew 6.1% (5.7% at a constant consolidation scope), led by the ongoing increase in business in urban and interurban networks.

Outside France, revenue grew 9.7% (up 10.1% at constant scope and exchange rates) and reflected the full impact of the division's development in North America, in Germany (new contracts) as well as robust growth in the Australian business.

Operating income, which traditionally has a lower contribution in the first quarter of the year, benefited from the significant recovery in operating income in Germany and the good contribution of other Central European countries and Australia. These elements partially offset the negative impact of the increase in fuel prices, the increase in social costs in France and the difficulties encountered with certain contracts in the Netherlands.

Operating Income

Consolidated operating income increased to 701.2 million in the first quarter of 2008 compared with 654.8 million in the first quarter of 2007, a 7.1% increase at current exchange rates. Consolidated operating income increased 9.0% at constant exchange rates. In addition, as was the case in the second half of 2007, operating income reflected the increase in the non-cash amortization of intangibles linked to recent acquisitions.

Net Financial Debt

Net financial debt (defined as gross financial debt (long-term and short-term borrowings, bank overdrafts, and other cash position items), net cash and cash equivalents and excluding fair value adjustments to derivatives hedging debt) was 15.6 billion at March 31, 2008, compared with 15.1 billion at December 31, 2007. Our net financial debt increased in the first quarter of 2008 by approximately 0.5 billion compared to the December 31, 2007 figure of 15.1 billion. Net financial debt is a non-GAAP financial measure that we define in our Annual Report on Form 20-F in Item 5, Operating and Financial Review and Prospects Presentation of Information in this Section Non-GAAP Measures. This increase reflected the combined effects of a traditionally higher level of working capital requirements in the first quarter and Veolia Environnement's continued investments in large projects (BOT contract in Oman Sûr) in the water division, as well as the acquisition of Bartin Recycling Group in France and various smaller companies in the waste management business and Praterm (an operator of heating networks) in Poland in the energy division.

Other Recent Events

On May 7, 2008, the shareholders approved a payment of a dividend of 1.21 per share (or a total amount of 552.5 million) to be paid on May 27, 2008.

Table of Contents

USE OF PROCEEDS

We estimate that the net proceeds (after deducting underwriting discounts and commissions but before deducting estimated offering expenses) from the sale of the notes will be \$1,781,982,000. We intend to use the net proceeds for general corporate purposes.

S-20

Table of Contents**CAPITALIZATION**

The following table sets forth our current and long-term liabilities and total capitalization as of December 31, 2007 and as adjusted to give effect to the issuance of the securities offered hereby, after deducting commissions and estimated offering expenses, each prepared on the basis of IFRS.

	As at December 31, 2007	
	Actual	As Adjusted⁽¹⁾ <i>(in millions)</i>
Current Liabilities:		
Short-term interest bearing liabilities	4,264.4	4,264.4
Other current liabilities	13,806.4	13,806.4
Total current liabilities	18,070.8	18,070.8
Long-term Liabilities:		
Long-term debt	13,948.0	15,077.2
Of which guaranteed	98.7	98.7
Of which secured	634.0	634.0
Of which unguaranteed/unsecured	13,215.3	14,344.5
Non-interest bearing	4,097.4	4,097.4
Total long-term liabilities	18,045.4	19,174.6
Minority Interests:	2,577.8	2,577.8
Shareholders' Equity:		
Share capital	2,358.8	2,358.8
Treasury shares	(460.7)	(460.7)
Additional paid-in capital	9,179.5	9,179.5
Reserves and retained earnings	(3,464.7)	(3,464.7)
Total shareholders' equity	7,612.9	7,612.9
Total capitalization	46,306.9	47,436.1

(1) As adjusted to reflect the issuance of the notes offered pursuant to the prospectus supplement, after deducting commissions and estimated offering expenses, translated from U.S. dollars into euro using the Noon Buying rate of May 21, 2008 of 1 = \$1.5772 for a total amount of 1,129,173.2.

The total outstanding off balance sheet credit-related guarantees provided by the issuer for the benefit of unconsolidated companies and third parties as at December 31, 2007 was 355.6 million.

On May 7, 2008, the shareholders' meeting approved a dividend payment of 552.5 million which is expected to be paid on May 27, 2008.

Table of Contents

DESCRIPTION OF THE NOTES

The following description of the particular terms of the notes supplements the description of the general terms set forth in the attached prospectus under the heading "Description of Debt Securities We May Offer." It is important for you to consider the information contained in the attached prospectus and this prospectus supplement before making your decision to invest in the notes. If any specific information regarding the notes in this prospectus supplement is inconsistent with the more general terms of the notes described in the attached prospectus, you should rely on the information contained in this prospectus supplement.

General

We will offer the notes under an indenture among our company and Deutsche Bank Trust Company Americas, as trustee, to be dated as of May 27, 2008. The notes will be issued only in fully registered form without coupons in denominations of US\$1,000. The notes will be unsecured and will rank equally with all of our other existing and future unsecured and unsubordinated debt.

The notes are governed by and construed in accordance with the laws of the State of New York.

Principal and Interest

We will issue US\$700,000,000 principal amount of 5.250% notes due June 3, 2013 (the "2013 notes"), US\$700,000,000 principal amount of 6.000% notes due June 1, 2018 (the "2018 notes") and US\$400,000,000 principal amount of 6.750% notes due June 1, 2038 (the "2038 notes").

Each series of notes will bear interest from May 27, 2008 at the applicable rate per annum indicated on the cover page of this prospectus supplement. Interest on the 2013 notes will be payable on June 3 and December 3 of each year, commencing December 3, 2008 to the holders in whose names the notes are registered at the close of business on May 18 and November 18, as applicable, immediately preceding the related interest payment date. Interest on each of the 2018 and 2038 notes will be payable on June 1 and December 1 of each year, commencing December 1, 2008, to the holders in whose names the notes are registered at the close of business on May 15 and November 15, as applicable, immediately preceding the related interest payment date.

We will pay interest on the notes on the interest payment dates stated above and at maturity. Each payment of interest due on an interest payment date or at maturity will include interest accrued from and including the last date to which interest has been paid or made available for payment, or from the issue date, if none has been paid or made available for payment, to but excluding the relevant payment date. We will compute interest on the notes on the basis of a 360-day year of twelve 30-day months.

If any payment is due on the notes on a day that is not a business day, we will make the payment on the day that is the next business day. Payments postponed to the next business day in this situation will be treated under the indenture as if they were made on the original due date. Postponement of this kind will not result in a default under the notes or the indenture, and no interest will accrue on the postponed amount from the original due date to the next day that is a business day.

Business day means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking or trust institutions in the location of the paying agent are authorized generally or obligated by law, regulation or executive order to close.

Payment of Additional Amounts

We will make payments on the notes without withholding any taxes unless otherwise required to do so by law. If French law requires that payments of principal and interest in respect of the notes be subject to deduction or withholding in respect of any present or future taxes or duties levied by the Republic of France, we may be

Table of Contents

required to pay holders additional amounts so that the amount holders receive will be the amount they would have received had not such withholding or deduction been required, subject to certain exceptions set forth under Description of Debt Securities We May Offer Special Situations Payment of Additional Amounts in the attached prospectus.

Redemption

As explained below, we may redeem the notes before they mature in the circumstances and at the prices described below. This means we may repay them early. You have no right to require us to redeem the notes. Notes will stop bearing interest on the redemption date, even if you do not collect your money. We will give you between 30 and 60 days notice before the redemption date.

Optional Redemption

We have the right at our option to redeem the notes of any series, in whole or in part, at any time or from time to time prior to their maturity. If we only redeem some of the notes of a series, the Notes to be redeemed will be selected by the Trustee in accordance with the guidelines of the applicable clearing system, if any. We may redeem the notes at our option at a redemption price equal to the greater of (i) 100% of the principal amount of the notes to be redeemed, and (ii) the present value of the remaining scheduled payments of principal and interest thereon (excluding interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at a rate equal to the Treasury Rate plus the Applicable Redemption Margin for the notes to be redeemed. We will also pay you accrued interest on the principal amount of the notes that we redeem up to, but not including, the date of redemption.

Applicable Redemption Margin means (i) 0.350% per annum, with respect to the 2013 notes, (ii) 0.350% per annum, with respect to the 2018 notes, or (iii) 0.350% per annum, with respect to the 2038 notes.

Treasury Rate means, with respect to any redemption date and for any tranche of notes, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

Comparable Treasury Issue means, with respect to any tranche of notes, the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such notes.

Independent Investment Banker means one of the Reference Treasury Dealers appointed by the Issuer.

Comparable Treasury Price means, with respect to any redemption date (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and the lowest such Reference Treasury Dealer Quotations for such redemption date, or (2) if the trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

Reference Treasury Dealer means each of Banc of America Securities LLC, Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated and one other leading primary U.S. government securities dealer in New York City (each, a primary treasury dealer) designated by the Issuer. If any of the foregoing shall cease to be a primary treasury dealer, we will substitute another primary treasury dealer.

Reference Treasury Dealer Quotation means with respect to each Reference Treasury Dealer and any redemption date and tranche of notes, the average, as determined by the Trustee in consultation with the Issuer,

Table of Contents

of the bid and ask prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing or by email to the trustee by such Reference Treasury Dealer at 3:30 p.m. New York City time, on the third business day preceding such redemption date.

Tax Redemption

We have the option to redeem the notes prior to maturity if, upon the occurrence of any change in, or any change in the official application or interpretation of, French law (or the law of any jurisdiction in which the successor to, or substitute obligor, of our company is incorporated or is a resident for tax purposes), becoming effective after the issuance date of the notes (or in the case of a successor or substitute person of our company, the date on which such person assumed our obligations under the notes as described under *Description of Debt Securities We May Offer Special Situations Mergers and Similar Events* in the attached prospectus), we would be required to pay additional amounts as described under *Description of Debt Securities We May Offer Special Situations Payment of Additional Amounts* in the attached prospectus, in which case we may redeem the notes in whole but not in part at a redemption price equal to 100% of the principal amount of the notes plus accrued interest to the redemption date. The redemption price for the notes will be equal to the principal amount of the notes being redeemed plus accrued interest. Furthermore, the redemption notice may not be given more than 90 days before the latest practicable date on which we could make payment of principal and interest without withholding for such French taxes (or in the case of a successor or substitute person of our company, the taxes arising from the law of the jurisdiction of incorporation of such successor or substitute).

Prior to giving the notice of a tax redemption, we will deliver to the trustee

a certificate signed by a duly authorized officer stating that we are entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to our right to so redeem have occurred; and

an opinion of legal counsel stating that we are or would be obligated to pay additional amounts as a result of such change or amendment in the official application or interpretation of French law (or in the case of a successor or substitute person of our company, the taxes arising from the law of the jurisdiction of incorporation of such successor or substitute).

Covenants

Holders of the notes will benefit from certain covenants contained in the indenture and affecting our ability to incur liens and merge with other entities. You should read the information under the heading *Description of Debt Securities We May Offer Special Situations Negative Pledge* and *Description of Debt Securities We May Offer Special Situations Mergers and Similar Events* in the attached prospectus.

Events of Default

Holders of the notes will have special rights if an event of default occurs. You should read the information under the heading *Description of Debt Securities We May Offer Default and Related Matters Events of Default* in the attached prospectus.

Further Issuances

We reserve the right, from time to time, without the consent of the holders of the notes, to issue additional notes on terms and conditions identical to those of any tranche of notes (except for the issuance date, the date upon which interest begins to accrue and, in some cases, the first interest payment date), which additional notes shall increase the aggregate principal amount of, and shall be consolidated and form a single series with, the relevant tranche of notes. We may also issue other securities under the indenture that have different terms from the notes.

Table of Contents

Form of Notes, Clearance and Settlement

Each tranche of notes will be issued as one or more global securities. You should read [Legal Ownership Global Securities](#) in the attached prospectus for more information about global securities. We will not issue physical certificates representing the notes except in the limited circumstances we explain under [Legal Ownership Global Securities Special Situations in Which a Global Security Will Be Terminated](#) in the attached prospectus.

The notes will be issued in the form of global securities deposited in DTC. Beneficial interests in the notes may be held through DTC, Clearstream, Luxembourg or Euroclear. For more information about global securities held by DTC through DTC, Clearstream, Luxembourg or Euroclear, you should read [Clearance and Settlement](#) in the attached prospectus.

It is expected that delivery of the notes will be made against payment for them on or about May 27, 2008.

The notes have been accepted for clearance through the DTC, Euroclear and Clearstream systems with the following codes: 2013 notes: CUSIP 92334N AA1 and ISIN US92334NAA19; 2018 notes: CUSIP 92334N AB9 and ISIN US92334NAB91; and 2038 notes: CUSIP 92334N AC7 and ISIN US92334NAC74.

Notices

As long as notes in global form are outstanding, notices to be given to holders of the notes will be given to DTC, in accordance with its applicable procedures from time to time.

Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder.

Series

For purposes of giving consents or other matters in respect of which holders of our debt securities can vote or otherwise take action, each tranche of notes will be considered a separate series. See [Description of Debt Securities We May Offer Special Situations Modification and Waiver](#) and [Description of Debt Securities We May Offer Default and Related Matters Events of Default](#) in the attached prospectus.

Trustee

The trustee under our indenture is Deutsche Bank Trust Company Americas. See [Description of Debt Securities We May Offer Regarding the Trustee](#) and [Description of Debt Securities We May Offer Default and Related Matters](#) in the attached prospectus for a description of the trustee's procedures and remedies available in the event of default.

Table of Contents**UNDERWRITING**

We intend to offer notes through Banc of America Securities LLC, as global co-ordinator joint book-running manager and representative, and Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as joint book-running managers and representatives of the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus supplement (the underwriting agreement), each underwriter named below has severally agreed to purchase, and we have agreed to sell to that underwriter, the respective principal amounts of 2013 notes, 2018 notes and 2038 notes set forth opposite the underwriter's name:

Underwriters	Principal Amount of 2013 Notes	Principal Amount of 2018 Notes	Principal Amount of 2038 Notes
Banc of America Securities LLC	\$ 175,000,000	\$ 175,000,000	\$ 100,000,000
Credit Suisse Securities (USA) LLC	\$ 175,000,000	\$ 175,000,000	\$ 100,000,000
Deutsche Bank Securities Inc.	\$ 175,000,000	\$ 175,000,000	\$ 100,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	\$ 175,000,000	\$ 175,000,000	\$ 100,000,000
Total	\$ 700,000,000	\$ 700,000,000	\$ 400,000,000

The underwriting agreement provides that the obligations of the underwriters to purchase the notes included in this offering are subject to certain conditions. The underwriters are obligated to purchase all the notes if they purchase any of the notes. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

The underwriters propose to offer the notes initially at the public offering prices set forth on the cover page of this prospectus supplement.

The underwriters may offer such notes to selected dealers at the public offering price minus a selling concession of 0.175% of the principal amount of the 2013 notes, 0.225% of the principal amount of the 2018 notes and 0.400% of the principal amount of the 2038 notes. In addition, the underwriters may allow, and these selected dealers may reallow, a selling concession to certain other dealers of up to 0.150% of the principal amount of the 2013 notes, 0.200% of the principal amount of the 2018 notes and 0.250% of the principal amount of the 2038 notes. If all the notes are not sold at the applicable public offering price, the underwriters may change such offering price and the other selling terms.

We estimate that our total expenses for this offering will be \$3 million. The underwriters have agreed to reimburse us \$1,950,000 for certain of our expenses associated with this offering and for other items.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

Price Stabilization and Short Positions

In connection with the offering, the underwriters may purchase and sell notes in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions and stabilizing purchases.

Short sales involve secondary market sales by the underwriters of a greater number of notes than they are required to purchase in the offering.

Table of Contents

Covering transactions involve purchases of notes in the open market after the distribution has been completed in order to cover short positions.

Stabilizing transactions involve bids to purchase notes so long as the stabilizing bids do not exceed a specified maximum.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because another underwriter has repurchased notes sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market prices of the notes. They may also cause the prices of the notes to be higher than the prices that would otherwise exist in the open market in the absence of these transactions. The underwriters may conduct these transactions in the over-the-counter market or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

Settlement and Delivery

It is expected that delivery of the notes will be made against payment therefor on or about the date specified in the last paragraph of the cover page of this prospectus supplement, which will be the third day following the date of the pricing of the notes.

Selling Restrictions

European Economic Area

In relation to each Member of the European Economic Area which has implemented the Prospectus Directive (each, a *Relevant Member State*), no offer of notes is being made to the public in any Relevant Member State prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, make an offer of notes to the public in that Relevant Member State at any time:

to legal entities which are authorized or regulated to operate in the financial markets and non-authorized or non-regulated entities, whose corporate purpose is solely to invest in securities;

to any legal entity which fulfils at least two of the following criteria (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than 43,000,000 and (iii) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;

to fewer than 100 natural or legal persons (other than *qualified investors* as defined in the Prospectus Directive), subject to the prior written consent of the Company and the joint bookrunning managers; or

in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression *an offer of notes to the public* in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offering and the notes so as to enable an investor to decide whether to subscribe for the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State. The expression *Prospectus Directive* means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Table of Contents

France

In the underwriting agreement, each underwriter will severally represent and agree that it has not offered or sold and will not offer or sell, directly or indirectly, the notes to the public in France (*appel public à l'épargne*), and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this prospectus supplement and the attached prospectus or any other offering material relating to the notes, and that such offers, sales and distributions have been and will only be made in France through an international syndicate to qualified investors (*investisseurs qualifiés*), as defined in, and in accordance with, Articles L.411-2 II. 4, D. 411-1, D.411-2, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French *Code monétaire et financier*, except that qualified investors shall not include individuals.

United Kingdom

This prospectus supplement is for distribution only to persons who (i) are outside of the United Kingdom, (ii) have professional experience in matters relating to investments and fall within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the Financial Promotion Order), or (iii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations etc) of the Financial Promotion Order, (all such persons mentioned in (i), (ii); and (iii) together being referred to as relevant persons). The notes are directed only at relevant persons and any investment or investment activity to which this prospectus supplement relates is available only to relevant persons and will be engaged in only with relevant persons.

Japan

The notes have not been and will not be registered under the Securities and Exchange Law of Japan and will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, or otherwise in compliance with, the Securities and Exchange Law of Japan and any other applicable laws, regulations and ministerial guidelines of Japan.

Other relationships

Certain underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory, investment and commercial banking and other services for us or our affiliates, for which they have received or will receive customary fees and expenses. In particular, Banc of America Securities LLC or an affiliate thereof has been Lead Arranger on the 4 billion Multi-Currency Credit Facility of April 2005, on the \$1.5 billion Letter of Credit Facility of December 2004 and on the 3.5 billion Credit Facility of February 2004; an affiliate of Deutsche Bank Securities Inc. is a lender under the syndicated loan and letter of credit facilities; and Merrill Lynch Pierce, Fenner & Smith Incorporated or an affiliate thereof is a lender in the CZK 12 billion 2 tranche syndicated loan facility.

Table of Contents

CLEARANCE AND SETTLEMENT

The notes will be issued in the form of registered global notes that will be deposited with DTC on the closing date. This means that we will not issue certificates to each holder. We will issue one global note with respect to each series of notes to DTC and DTC will keep a computerized record of its participants (for example, your broker) whose clients have purchased the notes. The participant will then keep a record of its clients who purchased the notes. Unless it is exchanged in whole or in part for a certificated note, a global note may not be transferred; except that DTC, its nominees, and their successors may transfer a global note as a whole to one another. We will not issue certificated notes except in limited circumstances that we explain under Legal Ownership Global Securities Special Situations When the Global Security Will Be Terminated in the attached prospectus.

Beneficial interests in the global notes will be shown on, and transfers of the global notes will be made only through, records maintained by DTC and its participants. A description of DTC and its procedures is set forth under Clearance and Settlement in the attached prospectus.

We will wire principal and interest payments to DTC's nominee. We and the Trustee will treat DTC's nominee as the owner of the global notes for all purposes. Accordingly, we, the Trustee and any paying agent will have no direct responsibility or liability to pay amounts due on the global notes to owners of beneficial interests in the global note.

It is DTC's current practice, upon receipt of any payment of principal or interest, to credit direct participants' accounts on the payment date according to their respective holdings of beneficial interest in the global note as shown on DTC's records. In addition, it is DTC's current practice to assign any consenting or voting right to direct participants whose accounts are credited with notes on a record date, by using an omnibus proxy. Payments by participants to owners of beneficial interest in the global note, and voting by participants, will be governed by the customary practices between the participants and owners of beneficial interest, as is the case with notes held for the account of customers registered in street name. However, payments will be the responsibility of the participants and not of DTC, the Trustee or us.

Settlement for the notes will be made by the underwriters in immediately available funds. All payments of principal and interest will be made in immediately available funds, except as otherwise indicated in this section.

The notes have been accepted for clearance through the DTC, Euroclear and Clearstream systems with the following codes: 2013 notes: CUSIP 92334N AA1 and ISIN US92334NAA19; 2018 notes: CUSIP 92334N AB9 and ISIN US92334NAB91; and 2038 notes: CUSIP 92334N AC7 and ISIN US92334NAC74.

Table of Contents

VALIDITY OF SECURITIES

The validity of the securities offered hereby will be passed upon by Jones Day, French and U.S. counsel for Veolia Environnement. Cleary Gottlieb Steen & Hamilton LLP will pass upon the validity of the debt securities as to French law and New York law for the underwriters.

EXPERTS

The consolidated financial statements of Veolia Environnement as of and for the years ended December 31, 2007, 2006 and 2005, and the effectiveness of internal control over financial reporting as of December 31, 2007, have been audited by KPMG SA and Ernst & Young et Autres, independent registered public accounting firms, as set forth in their reports thereon incorporated by reference herein. Such financial statements are incorporated by reference herein in reliance upon the reports of KPMG SA and Ernst & Young et Autres pertaining to such financial statements and the effectiveness of internal control over financial reporting as of the respective dates given upon authority of such firms as experts in accounting and auditing.

S-30

Table of Contents

Prospectus

VEOLIA ENVIRONNEMENT

Debt Securities

We may offer and sell debt securities from time to time. Each time we sell any of the debt securities described in this prospectus, we will provide one or more supplements to this prospectus that will contain specific information about those securities and their offering. You should read this prospectus and any applicable prospectus supplement(s) carefully before you invest.

We may sell these debt securities to or through underwriters and also to other purchasers or through agents. The names of any underwriters or agents will be stated in an accompanying prospectus supplement.

*Investing in these securities involves certain risks. See **Risk Factors** on page 6.*

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Prospectus dated May 21, 2008

Table of Contents

TABLE OF CONTENTS

	Page
<u>About This Prospectus</u>	1
<u>Cautionary Statement About Forward-Looking Statements</u>	1
<u>Where You Can Find More Information</u>	1
<u>Incorporation by Reference</u>	2
<u>Enforceability of Certain Civil Liabilities</u>	3
<u>Prospectus Summary</u>	4
<u>Risk Factors</u>	6
<u>Capitalization</u>	8
<u>Ratio of Earnings to Fixed Charges</u>	9
<u>Use of Proceeds</u>	10
<u>Recent Developments</u>	11
<u>Description of Debt Securities We May Offer</u>	15
<u>Legal Ownership</u>	25
<u>Clearance and Settlement</u>	28
<u>Taxation</u>	32
<u>Plan of Distribution</u>	40
<u>Validity of Securities</u>	42
<u>Experts</u>	42

Table of Contents

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed on May 21, 2008 with the U.S. Securities and Exchange Commission using the shelf registration process. We may sell the securities described in this prospectus in one or more offerings.

This prospectus provides you with a general description of the securities that we may offer. Each time we sell securities, we will provide one or more prospectus supplements that will contain specific information about the terms of those securities and their offering. The prospectus supplements may also add, update or change information contained in this prospectus. You should read both this prospectus and any applicable prospectus supplement(s) together with the additional information described under the heading **Where You Can Find More Information** prior to purchasing any of the securities offered by this prospectus.

Unless otherwise indicated, information and statistics presented herein regarding market trends and our market share relative to our competitors are based on our own research and various publicly available sources.

Unless the context otherwise requires, references in this prospectus to Veolia Environnement or the issuer are references to Veolia Environnement without its subsidiaries, and references to Veolia, the Veolia group, we, our, ours and us are to Veolia Environnement and its consolidated subsidiaries.

CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

We make some forward-looking statements in this prospectus, including in the documents incorporated by reference herein. When we use the words aim(s), expect(s), feel(s), will, may, believe(s), anticipate(s) and similar expressions in this document, we are intending to identify statements as forward-looking. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this document. In particular, from time to time in this document we state our expectations in terms of revenue to be generated under new contracts recently won or awarded or from new investments made and new assets or operations acquired, though we may have not yet commenced operations under these new contracts nor begun operating these new assets and operations at the time we make these statements. Some of these revenue estimates are based on our management's current assumptions regarding future sales volumes and prices, which are subject to a number of risks and uncertainties that may cause actual sales volumes and prices to differ materially from those projected. As a result, actual revenue recorded under these new contracts or from these new investments, assets and operations may differ materially from those set forth in this document. Other than in connection with applicable securities laws, we undertake no obligation to publish revised forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. We urge you to carefully review and consider the various disclosures we make concerning the factors that may affect our business, including the disclosures made in **Item 3. Key Information Risk Factors**, **Item 5. Operating and Financial Review and Prospects**, and **Item 11. Quantitative and Qualitative Disclosures About Market Risk** in our Annual Report on Form 20-F.

WHERE YOU CAN FIND MORE INFORMATION

Veolia Environnement is subject to the informational reporting requirements of the Securities Exchange Act of 1934 (the **Exchange Act**) applicable to foreign private issuers and files annual and other information with the SEC. You may read and copy any document that Veolia Environnement files with the SEC at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. In addition, Veolia Environnement's SEC filings are available to the public at the SEC's web site at <http://www.sec.gov>. For further information, please call the SEC at 1-800-SEC-0330 or log on to <http://www.sec.gov>. However, if we satisfy the applicable conditions set forth in the SEC rules, we may seek to suspend or terminate our Exchange Act reporting obligations.

Table of Contents

Veolia Environnement's shares are listed on Euronext Paris and the New York Stock Exchange, the latter in the form of American Depository Shares (ADS). You can consult reports and other information about Veolia Environnement that is filed pursuant to the rules of Euronext Paris and the New York Stock Exchange at these exchanges.

INCORPORATION BY REFERENCE

We have filed with the SEC a registration statement on Form F-3 relating to the securities covered by this prospectus. This prospectus is a part of the registration statement and does not contain all the information in the registration statement. Whenever a reference is made in this prospectus to a contract or other document of the Company, the reference is only a summary and you should refer to the exhibits that are a part of the registration statement for a copy of the contract or other document. You may review a copy of the registration statement at the SEC's public reference room in Washington, D.C., as well as through the SEC's Internet site.

The SEC allows us to incorporate by reference the information we file with them, which means that:

incorporated documents are considered part of this prospectus,

we can disclose important information to you by referring to those documents, and

information that we file with the SEC in the future and incorporate by reference herein will automatically update and supersede information in this prospectus and information previously incorporated by reference herein.

The information that we incorporate by reference is an important part of this prospectus.

Each document incorporated by reference is current only as of the date of such document, and the incorporation by reference of such documents shall not create any implication that there has been no change in our affairs since the date thereof or that the information contained therein is current as of any time subsequent to its date. Any statement contained in such incorporated documents shall be deemed to be modified or superseded for the purpose of this prospectus to the extent that a subsequent statement contained in another document we incorporate by reference at a later date modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We incorporate herein by reference:

Our Annual Report on Form 20-F for the year ended December 31, 2007 (the Annual Report on Form 20-F) (File No.001-15248), filed with the SEC on May 7, 2008, and

Any document filed in the future with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and until this offering is completed. Any report on Form 6-K that we furnish to the SEC after the date of this prospectus (or portions thereof) is incorporated by reference in this prospectus only to the extent that the report expressly states that we incorporate it (or such portions) by reference in this prospectus.

You may also request a copy of documents incorporated by reference at no cost, by contacting us orally or in writing at the following address and telephone number: Nathalie Pinon, 36-38, avenue Kléber, 75116 Paris, France, Tel: +33-1-71-75-01-67.

The Annual Report on Form 20-F and any other information incorporated by reference is considered to be a part of this prospectus. The information in this prospectus, to the extent applicable, automatically updates and supersedes the information in our Annual Report on Form 20-F.

You should rely only on the information that we incorporate by reference or provide in this prospectus or any applicable prospectus supplement(s). We have not authorized anyone to provide you with different

Table of Contents

information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of those documents.

ENFORCEABILITY OF CERTAIN CIVIL LIABILITIES

Veolia Environnement is a corporation organized under the laws of France. All of our directors are citizens and residents of countries other than the United States, and the majority of our assets are located outside of the United States. Accordingly, it may be difficult for investors:

to obtain jurisdiction over our company or our directors in courts in the United States in actions predicated on the civil liability provisions of the U.S. federal securities laws;

to enforce judgments obtained in such actions against us or our directors;

to enforce against us or our directors in non-U.S. courts judgments of courts in the United States predicated upon the civil liability provisions of the U.S. federal securities laws.

Actions brought in France for enforcement of judgments of U.S. courts rendered against French persons, including some directors of our company, would require those persons to waive their right to be sued in France under Article 15 of the French Civil Code. In addition, actions in the United States under the U.S. federal securities laws could be affected under certain circumstances by the French law of July 16, 1980, which may preclude or restrict the obtaining of evidence in France or from French persons in connection with those actions. Each of the foregoing statements applies to our auditors as well.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus or incorporated by reference into this prospectus as further described above under "Where You Can Find More Information". This summary does not contain all the information that you should consider before investing in the securities being offered by this prospectus. You should carefully read the entire prospectus, the documents incorporated by reference into this prospectus, and the final term sheet, if any, and prospectus supplement relating to the particular securities being offered.

VEOLIA ENVIRONNEMENT

Veolia Environnement is a *société anonyme* incorporated under the laws of France. Shares in Veolia Environnement are listed on Euronext Paris and the New York Stock Exchange. We are an environmental services provider and are the only major provider to offer a complete range of services.¹ We are able to provide our clients with a full-service package tailored to fit their individual needs, which may include, for example, supplying water, recycling wastewater, collecting, treating and recycling waste, supplying heating and cooling services, and generally optimizing the industrial processes used in their facilities.

Our operations are conducted primarily through four divisions, each of which specializes in a single business sector: Veolia Eau (Water), Veolia Énergie (Dalkia) (Energy Services), Veolia Propreté (Environmental Services) and Veolia Transport (Transportation). Through these divisions, as of December 31, 2007, we provide drinking water to more than 78 million people and treat sewer water for 53 million people in the world, treat nearly 66 million tons of waste, satisfy the energy requirements of hundreds of thousands of buildings for our industrial, municipal and individual clients and transport approximately 2.7 billion passengers per year. We strive to offer services to clients combining those offered by each of our four divisions and which are packaged either in the form of a single multi-service contract, or several individual contracts.

Our principal executive office is located at 36-38, avenue Kléber 75116 Paris, France. Our telephone number is (011)-33-1-71-75-00-00.

Debt Securities

For any particular debt securities we may offer, the applicable final term sheet, if any, and the applicable prospectus supplement will describe the title of the debt securities, the aggregate principal or face amount and the purchase price; the stated maturity; the amount or manner of calculating the amount payable at maturity; the rate or manner of calculating the rate and the payment dates for interest, if any; the redemption or repurchase terms; and any other specific terms. The debt securities will be issued pursuant to an indenture (the "Indenture") entered into between us and Deutsche Bank Trust Company Americas, which acts as Trustee (the "Trustee").

When we use the term "securities" or "debt securities" in this prospectus, we mean any of the securities we may offer with this prospectus. This prospectus, including this summary, describes the general terms that may apply to the securities; the specific terms of any particular securities that we may offer will be described in the prospectus supplement.

¹ Unless otherwise indicated, information and statistics presented herein regarding market trends and our market share relative to our competitors are based on our own research and various publicly available sources.

Table of Contents

Form of Securities

The securities of a series may be offered in the form of one or more global certificates in bearer or registered form that will be deposited with a depository, such as The Depository Trust Company (DTC), Euroclear Bank S.A./N.V. (Euroclear) or Clearstream Banking, société anonyme (Clearstream, Luxembourg), as specified in the applicable prospectus supplement.

Listing

If any securities are to be listed or quoted on a securities exchange or quotation system, the applicable prospectus supplement will say so.

Table of Contents

RISK FACTORS

We urge you to carefully review the risks described below, together with the risks described in the documents incorporated by reference into this prospectus, before you decide to buy securities. In particular, you should review the risks relating to our business included in the Annual Report on Form 20-F, incorporated by reference herein. If any of these risks actually occur, our business, financial condition and results of operations could suffer, and the trading price and liquidity of the securities offered by this prospectus could decline, in which case you may lose all or part of your investment.

Risks relating to an investment in the securities

We may be able to incur substantially more debt in the future.

We may be able to incur substantial additional indebtedness in the future, including in connection with future acquisitions, some of which may be secured by our assets. The terms of the securities will not limit the amount of indebtedness we may incur. Any such incurrence of additional indebtedness could exacerbate the risks that holders of the securities now face.

At any point in time there may or may not be an active trading market for our debt securities.

At any point in time there may or may not be an active trading market for our debt securities. If any of the debt securities are traded after their initial issuance, they may trade at a discount from their initial offering price. While we may decide to list a particular series of debt securities on one or more stock exchanges, we expect that many of our debt securities will not be listed on any exchange. Factors that could cause the debt securities to trade at a discount are:

an increase in prevailing interest rates;

a decline in our credit worthiness;

a weakness in the market for similar securities; and

declining general economic conditions.

Direct creditors of our subsidiaries will generally have superior claims to cash flows from those subsidiaries.

As a holding company, Veolia Environnement depends upon cash flow received from its subsidiaries to meet its payment obligations under the securities. Since the creditors of any of our subsidiaries generally would have a right to receive payment that is superior to the parent company's right to receive payment from the assets of that subsidiary, holders of the securities will be effectively subordinated to creditors of the subsidiaries insofar as cash flows from those subsidiaries are relevant to the securities. The terms and conditions of the securities do not limit the amount of liabilities that our group subsidiaries may incur. As of December 31, 2007, approximately 2.7 billion of total financing debt (excluding project finance indebtedness, financial indebtedness of proportionally consolidated entities and intra-group financial indebtedness) was incurred by our subsidiaries. In addition, certain of our subsidiaries are or may become subject to statutory or contractual restrictions on their ability to pay dividends or otherwise distribute or lend cash to our company.

Since the debt securities are unsecured, your right to receive payments may be adversely affected.

The debt securities that we are offering will be unsecured. The debt securities are not subordinated to any of our other debt obligations, and therefore they will rank equally with all our other unsecured and unsubordinated indebtedness. As of December 31, 2007, our total consolidated financial debt amounted to 18,212 million, and we had 634 million of property collateralizing debt. If we default on the debt securities, or after bankruptcy, liquidation or reorganization, then, to the extent the relevant obligor has granted security over its assets, the assets that secure the obligor's debts will be used to satisfy the obligations under that secured debt before the

Table of Contents

obligor can make payment on the debt securities. As a result, there may only be limited assets available to make payments on the debt securities in the event of an acceleration of the debt securities. If there are not enough assets to satisfy the obligations of the secured debt, then the remaining amounts on the secured debt would share equally in the remaining assets with all unsubordinated unsecured indebtedness.

We are not restricted in our ability to dispose of our assets by the terms of the debt securities.

The indenture governing our debt securities contains a negative pledge that prohibits us and our principal subsidiaries from pledging assets to secure other bonds or similar debt instruments, unless we make a similar pledge to secure the debt securities offered by this prospectus. However, we are permitted to pledge our assets with respect to debt other than bonds and similar debt instruments. We are also generally permitted to sell or otherwise dispose of substantially all of our assets to another corporation or other entity under the terms of the debt securities. If we decide to dispose of a large amount of our assets, you will not be entitled to declare an acceleration of the maturity of the debt securities, and those assets will no longer be available to support our debt securities.

Our credit ratings may not reflect all risks of an investment in the securities.

The credit ratings ascribed to us and the securities are intended to reflect our ability to meet our payment obligations in respect of the securities, and may not reflect the potential impact of all risks related to structure and other factors on the value of the debt securities. In addition, actual or anticipated changes in our credit ratings may generally be expected to affect the market value of the securities.

You may be unable to recover in civil proceedings for U.S. securities laws violations.

Veolia Environnement is a corporation organized under the laws of France. The majority of our directors are citizens and residents of countries other than the United States, and the majority of our assets are located outside of the United States. Accordingly, it may be difficult for investors to obtain jurisdiction over us or our directors in courts in the United States and enforce against us or them judgments obtained against them. In addition, we cannot assure you that civil liabilities predicated upon the federal securities laws of the United States will be enforceable in France. See Enforceability of Certain Civil Liabilities.

Table of Contents**CAPITALIZATION**

The following table sets forth our current and long-term liabilities and total capitalization as of December 31, 2007 prepared on the basis of International Financial Reporting Standards as issued by the International Accounting Standards Board and adopted by the European Union (IFRS).

	As at December 31, 2007 <i>(in millions)</i>
Current Liabilities:	
Short-term interest bearing liabilities	4,264.4
Other current liabilities	13,806.4
Total current liabilities	18,070.8
Long-term Liabilities:	
Long-term debt	13,948.0
Of which guaranteed	98.7
Of which secured	634.0
Of which unguaranteed/unsecured	13,215.3
Non-interest bearing	4,097.4
Total long-term liabilities	18,045.4
Minority Interests:	2,577.8
Shareholder s Equity:	
Share capital	2,358.8
Treasury shares	(460.7)
Additional paid-in capital	9,179.5
Reserves and retained earnings	(3,464.7)
Total shareholders equity	7,612.9
Total capitalization	46,306.9

The total outstanding off balance sheet credit-related guarantees provided by the issuer for the benefit of unconsolidated companies and third parties as at December 31, 2007 was 355.6 million.

On May 7, 2008, the shareholder s meeting approved a dividend payment of 552.5 million which is expected to be paid on May 27, 2008.

Table of Contents**RATIO OF EARNINGS TO FIXED CHARGES**

The following table shows the ratios of our earnings to fixed charges for each of the four years ended December 31, 2007, computed on the basis of IFRS.

	Year Ended December 31,			
2007	2006	2005⁽¹⁾	2004⁽¹⁾	
2.5x	2.5x	2.4x	1.8x	

(1) The ratios for the years 2004 and 2005 are based on restated financial information as set forth in our consolidated financial statements for the year ended December 31, 2006, reclassified to reflect our early adoption of IFRIC 12 (the IFRS interpretation on concession arrangements).

In 2003, earnings were insufficient to cover fixed charges and, as a result, the ratio of earnings to fixed charges, calculated under French generally accepted accounting principles (French GAAP) was negative (please see Exhibit 12.1 of the Registration Statement filed with the Securities and Exchange Commission in connection with this offering) because of a write down of 2.2 billion of goodwill and intangible assets, resulting from impairment charges in respect of our subsidiary U.S. Filter.

In calculating the ratio of earnings to fixed charges, we used the following definitions:

The term **fixed charges** means the sum of the following: (a) interest expensed and capitalized, (b) amortized premiums, discounts and capitalized expenses related to indebtedness, (c) an estimate of the interest within rental expense, and (d) preference security dividend requirements of consolidated subsidiaries.

The term **earnings** is the amount resulting from adding and subtracting the following items:

Add the following:

(a) Pre-tax income from continuing operations before adjustment for minority interests in consolidated subsidiaries or income or loss from equity investees, (b) fixed charges, (c) amortization of capitalized interest, (d) distributed income of equity investees, and (e) your share of pre-tax losses of equity investees for which charges arising from guarantees are included in fixed charges.

From the total of the added items, subtract the following:

(a) interest capitalized, (b) preference security dividend requirements of consolidated subsidiaries, and (c) the minority interest in pre-tax income of subsidiaries that have not incurred fixed charges.

Table of Contents

USE OF PROCEEDS

Unless otherwise indicated in an accompanying prospectus supplement, we will use the net proceeds from the sale of the securities for general corporate purposes. General corporate purposes may include working capital, the repayment of existing debt (including debt of acquired companies), financing capital investments or acquisitions and any other purposes that may be stated in a prospectus supplement.

Table of Contents**RECENT DEVELOPMENTS****First Quarter 2008 Financial Information (Unaudited, Prepared in Accordance with IFRS)****Revenue and Other Financial Information**

The following table shows a breakdown of our revenue for the three months ended March 31, 2008 and 2007:

Three Months Ended		% Change 2008/2007	Of Which Organic Growth	Of Which External Growth	Of Which Currency Effect
March 31, 2008	March 31, 2007				
<i>(in millions)</i>					
9,085.6	7,795.1	16.6%	11.0%	7.9%	(2.3)%

Veolia Environnement's consolidated revenue rose 16.6% (18.9% at constant exchange rates) to 9,085.6 million in the quarter ended March 31, 2008, compared with 7,795.1 million in the quarter ended March 31, 2007. Organic growth was 11.0%, led by the Company's strong commercial performance and boosted by the start-up of construction contracts in the water division. The rise in energy prices contributed 147 million to the increase in revenue in the energy services division.

External growth of 7.9% resulted, in particular, from the acquisitions made by Veolia Environmental Services (the waste management division) in Germany, Italy and France (total revenue contribution of 333 million), by Veolia Energy in the United States (113 million) and by Veolia Water mainly in the United Kingdom and Japan (total revenue contribution of approximately 100 million).

The share of revenue recorded outside France totaled 5,122.8 million in the first quarter of 2008, or 56.4% of the total compared with 53.3% in the first quarter of 2007.

The negative impact of currency fluctuations of 182 million primarily reflected the depreciation in the US dollar and the pound sterling in the UK against the euro, for a nearly equivalent amount.

Water

The following table shows a breakdown of our revenue within the water division for the three months ended March 31, 2008 and 2007:

Three Months Ended		% Change 2008/2007	Of Which Organic Growth	Of Which External Growth	Of Which Currency Effect
March 31, 2008	March 31, 2007				
<i>(in millions)</i>					
2,870.0	2,493.1	15.1%	12.9%	4.0%	(1.8)%

In France, organic growth was 5.1% (excluding works performed abroad by French subsidiaries) supported by a wider offering of services and strong growth in the engineering works business.

Outside France, excluding Veolia Water Solutions & Technologies, revenue grew 16.9% (up 12.4% at constant scope and exchange rates). In Europe, growth of 8.6% included the new non-regulated activities in the water division in the United Kingdom. Growth was also boosted by performances in the Africa/Middle East region where revenue increased by 14.2% (nearly 16% at constant exchange rates), in particular due to the BOT contract in Oman Sûr. In the Asia/Pacific region, the very strong revenue growth of nearly 68.7% (50% at constant scope and exchange rates) was driven to a large extent by the start-up of new contracts in China (including, among others, Lanzhou and Haikou) as well as growth in volumes and the expansion of the Shenzhen concession. In Australia, the Gold Coast contract as well as the desalination contract in Sydney also contributed to this growth.

Table of Contents

Veolia Water Solutions & Technologies reported revenue of 495.1 million, an increase of 26.1% (26.4% at constant scope and exchange rates), largely due to continued robust growth in the Design and Build business for municipal and industrial customers, which experienced continued solid growth, in particular in the Middle East.

Operating income and cash flow from operations in the water division continued to increase. This increase takes into account the more rapid growth in the engineering and construction service business, which has a lower operating margin and is less capital intensive than other businesses. In France, productivity improvement efforts, the development of new services and the good level of activity in the works business contributed to the increase in operating income despite a slight decline in volumes delivered. Veolia Water Solutions & Technologies posted a further improvement in its margin and its operating income because of the start-up of new contracts in the Middle East. Lastly, the improvement in the operations in Gabon also contributed to the growth in operating income.

Environmental Services (Waste Management)

The following table shows a breakdown of our revenue within the environmental services division for the three months ended March 31, 2008 and 2007:

Three Months Ended		% Change	Of Which	Of Which	Of Which
March 31,					
2008	2007	2008/2007	Growth	Growth	Effect
<i>(in millions)</i>					
2,415.9	2,033.3	18.8%	7.7%	16.4%	(5.3)%

In France, revenue rose 12.3% (7.8% at constant scope and exchange rates) as a result of the solid business levels in both the treatment of non-hazardous household and industrial waste (new contracts in the incineration business) and the sorting, recycling and trading of used paper, as well as the acquisition of Bartin Recycling Group completed in February of 2008.

Outside France, revenues rose 23.0%, including organic growth of 7.6% resulting from increased revenues in all geographic regions. In North America, continued solid growth of 8.6% at constant scope and exchange rates (a decline of 5.3% at current exchange rates due to the impact of the U.S. dollar) was driven by an improved trend in pricing which more than offset a slight decline in volumes in solid waste, a strong level of business activity in industrial services and new contracts in the incineration business. Organic growth was also strong in the United Kingdom with, in particular, the impact of new integrated contracts. In Asia, the development of recent contracts made a significant contribution to the 8.6% organic revenue growth in operations. Lastly, in the Pacific region, the 21.3% growth (15.4% at constant scope and exchange rates) resulted from a substantial increase in the waste collection and treatment business (residual waste landfills).

The 16.4% external growth primarily reflected the acquisition of Sulo in Germany (consolidated since July 2, 2007), the activities of Bartin Recycling Group in France and VSA Tecnitalia (ex-TMT) in Italy.

Despite the negative impact of currency effects, growth in cash flow from operations benefited from the good contribution of business in North America and the United Kingdom as well as acquisitions. Despite the additional amortization linked to acquisitions made in 2007, a satisfactory increase in operating income at constant exchange rates was recorded, reflecting the good performance of the business as a whole.

Table of Contents*Energy Services*

The following table shows a breakdown of our revenue within the energy services division for the three months ended March 31, 2008 and 2007:

Three Months Ended		% Change	Of Which	Of Which	Of Which
March 31,	2007				
2008		2008/2007	Growth	Growth	Effect
<i>(in millions)</i>					
2,377.7	1,955.6	21.6%	13.7%	7.9%	0.0%

Revenue grew 21.6%, in particular due to the further rise in energy prices (147 million total contribution) and the acquisition at the end of 2007 of Thermal North America Inc. in the United States.

In France, revenue rose 14.7%, against a backdrop of more favorable weather conditions, despite average temperatures during the 2008 winter remaining above their thirty-year average.

Outside France, total growth in revenue amounted to 32.3%, or 13.0% at constant scope and exchange rates. The 7.9% external growth primarily reflected the acquisition of Thermal North America Inc. in the United States at the end of 2007 as well as, to a lesser extent, acquisitions of smaller companies in Central Europe.

Cash flow from operations and operating income increased in the first quarter of 2008, reflecting the positive impact of the rise in energy prices, the slightly more favorable weather conditions as well as the consolidation of the TNAI acquisition.

Transportation

The following table shows a breakdown of our revenue within the transportation division for the three months ended March 31, 2008 and 2007:

Three Months Ended		% Change	Of Which	Of Which	Of Which
March 31,	2007				
2008		2008/2007	Growth	Growth	Effect
<i>(in millions)</i>					
1,422.0	1,313.1	8.3%	8.4%	2.2%	(2.3)%

Revenue in France grew 6.1% (5.7% at a constant consolidation scope), led by the ongoing increase in business in urban and interurban networks.

Outside France, revenue grew 9.7% (up 10.1% at constant scope and exchange rates) and reflected the full impact of the division's development in North America, in Germany (new contracts) as well as robust growth in the Australian business.

Operating income, which traditionally has a lower contribution in the first quarter of the year, benefited from the significant recovery in operating income in Germany and the good contribution of other Central European countries and Australia. These elements partially offset the negative impact of the increase in fuel prices, the increase in social costs in France and the difficulties encountered with certain contracts in the Netherlands.

Operating Income

Consolidated operating income increased to 701.2 million in the first quarter of 2008 compared with 654.8 million in the first quarter of 2007, a 7.1% increase at current exchange rates. Consolidated operating income increased 9.0% at constant exchange rates. In addition, as was the case in the second half of 2007, operating income reflected the increase in the non-cash amortization of intangibles linked to recent acquisitions.

Table of Contents

Net Financial Debt

Net financial debt (defined as gross financial debt (long-term and short-term borrowings, bank over drafts, and other cash position items), net cash and cash equivalents and excluding fair value adjustments to derivatives hedging debt) was 15.6 billion at March 31, 2008, compared with 15.1 billion at December 31, 2007. Our net financial debt increased in the first quarter of 2008 by approximately 0.5 billion compared to the December 31, 2007 figure of 15.1 billion. Net financial debt is a non-GAAP financial measure that we define in our Annual Report on Form 20-F in Item 5, Operating and Financial Review and Prospects Presentation of Information in this Section Non-GAAP Measures. This increase reflected the combined effects of a traditionally higher level of working capital requirements in the first quarter and Veolia Environnement's continued investments in large projects (BOT contract in Oman Sûr) in the water division, as well as the acquisition of Bartin Recycling Group in France and various smaller companies in the waste management business and Praterm (an operator of heating networks) in Poland in the energy division.

Other Recent Events

On May 7, 2008, the shareholders approved a payment of a dividend of 1.21 per share (or a total amount of 552.5 million) to be paid on May 27, 2008.

Table of Contents

DESCRIPTION OF DEBT SECURITIES WE MAY OFFER

General

We may issue debt securities using this prospectus. As required by U.S. federal law for all bonds and notes of companies that are publicly offered, the debt securities that we may issue are governed by a contract between us and Deutsche Bank Trust Company Americas, as trustee, called an indenture.

The trustee under the indenture has two main roles:

first, it can enforce your rights against us if we default. There are some limitations on the extent to which the trustee acts on your behalf, described under [Default and Related Matters](#) [Events of Default](#) [Remedies If an Event of Default Occurs](#) below; and