Press Release

Paris, February, 26, 2015

2014 RESULTS SUPERIOR TO GUIDANCE

UTMOST CONFIDENCE FOR THE 2015 OUTLOOK

- **GOOD REVENUE MOMENTUM: €23,880M (+4.9% AT CONSTANT EXCHANGE RATES AND +1.6% AT CONSTANT SCOPE AND EXCHANGE RATES)**
- **ONGOING REBALANCING BETWEEN THE GROUP'S CLIENT BASE: 61% MUNICIPAL AND 39% INDUSTRIAL**
- **AJUSTED OPERATING CASH FLOW INCREASED 17.3%[1] TO €2,164M, WHILE THAT OF THE COMBINED WATER AND WASTE ACTIVITIES INCREASED 13.2%[1]**
- **ADJUSTED OPERATING INCOME INCREASED 23% TO €1,108M**
- **ADJUSTED NET INCOME INCREASED 79% TO €326M**
- **2015 DIVIDEND OF €0.70 PER SHARE PAID IN CASH. IN 2016, DIVIDEND AT LEAST EQUAL TO €0.70 PER SHARE**
- **DIVIDEND TO BE COVERED BY 2015 CURRENT NET INCOME AND FREE CASH FLOW EXCLUDING NET FINANCIAL DIVESTMENTS**

Antoine Frérot, Veolia's Chairman and Chief Executive Officer indicated*: "2014 results were particularly satisfying and exceeded our objectives. All of our financial indicators recorded steady growth and the Group's margins improved significantly. These excellent results were made possible by the collective efforts of the entire Group, whose hard work and commitment I would like to acknowledge. The solid 2014 performance allows the Group to approach 2015 with utmost confidence and to confirm all of our objectives. After the summer this year, we plan on presenting the details of our new 2016-2018 strategic plan. The plan will be focused on profitable growth in our traditional markets and new industrial markets, while we will continue to optimize efficiency, with priority given to improved efficiency of our industrial assets and increasing purchasing savings. This balance between growth and operational efficiency should allow Veolia to grow revenue at least 3% per year and grow adjusted operating cash flow at least 5% per year in the coming years."*

---

[1] At constant exchange rates. At current exchange rates, adjusted operating cash flow grew 17.1%, while that of the combined Water and Waste activities grew 13.1%.

Revenue increased 4.6% (+4.9% at constant exchange rates) to €23,880 million compared with re-presented[2] €22,820 million for the year ended December 31, 2013.

Revenue in the combined Water and Waste activities increased 5.6% at constant exchange rates (+3.3% at constant consolidation scope and exchange rates.)

- In France revenue declined slightly (-1.4% at constant scope), with Water revenue also slightly down due the combined impact of contractual erosion and lower price indexation (+1.2% in 2014 versus +2.2% in 2013) related to lower inflation. Revenue was stable in Waste activities.
- Revenue in the Europe excluding France region increased 35.9% at constant exchange rates due to the consolidation of Dalkia International. At constant consolidation scope and exchange rates, revenue was stable (-0.2%), with good momentum in Waste activities in the United Kingdom but a decline in revenue in Germany due to the negative weather effect on the Braunschweig contract.
- The rest of the World segment recorded steady growth at constant consolidation scope and exchange rates (+6.7%), with particularly good performance in the United States (+5.8%), Asia (+6.6%), the Pacific region (+6.1%) and in Africa Middle East (+9.3%). The segment also benefitted from the integration of Proactiva's Water and Waste activities in Latin America, contributing to 23.8% growth at constant exchange rates.
- Global businesses revenue growth returned (+9.7% at constant consolidation scope and exchange rates), with 3.9% growth at SARP Industries, +13.5% in engineering and +9.5% at Sade.

By business, Water activities recorded 3.8% growth at constant consolidation scope and exchange rates, Waste activities recorded 2.0% growth at constant consolidation scope and exchange rates, while Energy revenue declined 5.4% constant consolidation scope and exchange rates due to the negative impact of weather.

Pro forma[3] revenue, i.e. revenue excluding Dalkia France and with Dalkia International fully consolidated over the 12-month period, increased 2.4% at constant exchange rates and +1.0% at constant consolidation scope and exchange rates to €24,408 million, despite the impact of weather.

- **Veolia continues to experience good commercial results, with nearly €9 billion in large contracts won or renewed in 2014.**

Veolia's commercial efforts in 2014 in its new strategic growth markets have been successful. Large contract awards were evenly divided, with roughly half of contracts awarded in strategic growth markets (the oil & gas, food & beverage, mining and metal, circular economy, treatment of hazardous pollution and dismantling sectors). These efforts put the Group on track to rebalance its client revenue mix from 61%/39% municipal/industrial today to 50%/50%.

- **Strong adjusted operating cash flow growth of 17.3% at constant exchange rates to €2,164 million, with 13.2% growth at constant exchange rates in the combined Water and Waste activities**
  - Adjusted operating cash flow performance benefited from the acceleration of the cost savings plan (€232 million in gross savings generated in 2014) which contributed to 11.7% growth at

[2] An overview of re-presented financial accounts for the period ended December 31, 2013 in which the Morroco Water operations were reclassified to continuing operations is presented on page 27 of this release.
[3] Throughout this press release, when referring to pro forma figures, these figures exclude Dalkia France operations and assume full consolidation of Dalkia International operations for the comparative 12-month periods.

constant exchange rates to €930 million in Water activities and 11.3% growth at constant exchange rates to €943 million in Waste activities. Energy activities recorded €335 million in adjusted operating cash flow, up 46.6% due to the consolidation of Dalkia International. In addition, adjusted operating cash flow benefited from the full consolidation of Proactiva.

  - By segment and at constant exchange rates: In France, adjusted operating cash flow was stable excluding restructuring charges. In the Europe excluding France segment, adjusted operating cash flow posted very strong growth due to good performance in the United Kingdom, and in Germany, the benefit from prior restructuring efforts, while the segment also benefited from the consolidation of Dalkia International activities. The Rest of the World segment recorded 49.6% growth driven by the increase in Energy results in the United States and in China, and Water activities in Australia and the Middle East. The Global Businesses segment recorded 12% adjusted operating cash flow growth, with solid growth in Hazardous Waste activities, and strong growth at VWT due to a favorable base effect in engineering activities.
  - Adjusted operating cash flow includes €99 million in restructuring charges (€78 million in 2013).
  - On a pro forma basis, adjusted operating cash flow increased 8.4% at constant exchange rates.

- **Adjusted operating income grew 23.2% at constant exchange rates to €1,108 million compared to re-presented €901 million in 2013 due to the strong growth in adjusted operating cash flow, and despite a €60 million increase in depreciation and amortization, the reduced net contribution from the share of joint ventures and associates (divestment of Marius Pedersen and full consolidation of Dalkia International beginning in the second half of 2014) and the decline in net capital gains (€47 million in 2014 versus €123 million in 2013).**

- **Very strong increase in adjusted net income, +79% to €326 million compared with re-presented €182 million in 2013.**
  - The re-presented cost of net financial debt declined more than €60 million from the prior year.
  - The adjusted tax rate was reduced to 31.7% versus re-presented 43% in 2013.
  - Adjusted net income attributable to non-controlling interests increased slightly to €122.9 million versus €116.5 million in 2013.
  - Net income attributable to shareholders of the company amounted to €246 million versus a re-presented net loss of €153 million in 2013.

- **Significant improvement in net free cash flow generation to €330 million versus re-presented €87 million in 2013, which is an increase of 243 million driven by the strong improvement in adjusted operating cash flow, and continued capex discipline and working capital improvement.**
  - Gross industrial investments increased due to the impact of the consolidation of Dalkia International and Proactiva but remain under control at €1,555 million in 2014 versus re-presented €1,469 million in 2013, and representing 6.5% of revenue (6.4% in 2013). Growth industrial investments accounted for €885 million in 2014.
  - Continued working capital improvement (+€73 million)

- **Net financial debt amounted to €8,311 million at December 31, 2014, down from re-presented €8,444 million at December 31, 2013, despite a negative foreign exchange impact of €390 million, the delay**

in closing the divestment of Israel activities to the first half of 2015 and the impact of not selling the Moroccan activities.

- **Dividend of €0.70 per share, associated with the 2014 fiscal year, to be paid entirely in cash.**
  - At the Combined Shareholders' Meeting scheduled for April 22, 2015, the Board of Directors will propose a dividend payment of €0.70 per share in respect of the 2014 fiscal year, payable in cash. The ex-dividend date is fixed for May 5, 2015. The 2014 dividend will be paid beginning May 7, 2015.
  - For 2016, in respect of the 2015 fiscal year, the Board of Directors indicated that the dividend will be at least €0.70 per share.

****

- **2015 objectives**
  - Growth in revenue
  - Growth in EBITDA and current operating income
    - Continued strong operational performance
    - Cost savings benefits resulting from the continued execution of the €750 million cost savings plan
  - Continued capex discipline
  - The dividend and hybrid coupon payment to be covered by current net income and paid by free cash flow excluding net financial divestments
  - Net financial debt management

- **Investor Day planned for the second half of 2015**
  - Veolia will present its new strategic plan for the 2016 to 2018 period via an investor day after the summer.

****

The definition of all financial indicators used in this communication can be found at the end of this press release.

****

Veolia group is the global leader in optimized resource management. With over 179,000 employees* worldwide, the Group designs and provides water, waste and energy management solutions that contribute to the sustainable development of communities and industries. Through its three complementary business activities, Veolia helps to develop access to resources, preserve available resources, and to replenish them.
In 2014, the group Veolia supplied 96 million people with drinking water and 60 million people with wastewater service, produced 52 million megawatt hours of energy and converted 31 million metric tons of waste into new materials and energy. Veolia Environnement *(listed on Paris Euronext: VIE and NYSE: VE)* recorded consolidated revenue of €24.4 billion* in 2014.
www.veolia.com
(*) 2014 pro-forma figures including Dalkia International (100%) and excluding Dalkia France

Important disclaimer

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

Contacts

Group Media Relations
Laurent Obadia
Sandrine Guendoul
Tel: + 33 (0)1 71 75 12 52
sandrine.guendoul@veolia.com

Analyst & Investor Relations
Ronald Wasylec - Ariane de Lamaze
Tel: + 33 (0)1 71 75 12 23 / 06 00
Terri Anne Powers (USA)
Tel: + 1 312 552 2890

FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2014

A] INCOME STATEMENT

1. Revenue

1.1 General comments

(€ million)	**Year ended December 31, 2014**	**Year ended December 31, 2013 re-presented**	% Change	% Change at constant consolidation scope and exchange rates
Revenue, published	23,879.6	22,819.7	+4.6%	+1.6%
Water and Waste revenue	20,370.0	19,340.3	+5.3%	+3.3%
Pro forma revenue	24,408.4	23,952.7	+1.9%	+1.0%

Group consolidated revenue rose by 1.6% at constant consolidation scope and exchange rates (+4.6% at current consolidation scope and exchange rates) to €23,879.6 million for the year ended December 31, 2014, compared to re-presented €22,819.7 million for the year ended December 31, 2013.

Changes in **consolidation scope** had a positive impact on revenue for the year ended December 31, 2014 of €755.5 million, including:

- +€433.8 million relating to the acquisition of control of Proactiva at the end of November 2013. Proactiva has since been fully consolidated in the Group accounts,
- +€301 million relating to the acquisition of the Dalkia International entities net of the impact of the divestiture of Dalkia France.

The **foreign exchange impact** of -€68.9 million primarily reflects the appreciation of the euro against the Australian dollar (-€63.4 million), the Czech crown (-€36.3 million), the Japanese yen (-€27.1 million), the Brazilian real (-€12.6 million), and the Canadian dollar (-€12.4 million). The pound sterling appreciated against the euro for an impact of €106.7 million on revenue.

For the combined Water and Waste activities, revenue increased by +5.3% at current consolidation scope and exchange rates and +3.3% at constant consolidation scope and exchange rates, compared to re-presented December 31, 2013 figures.

Pro forma Group consolidated revenue rose by +1.9% at current consolidation scope and exchange rates (+2.4% at constant exchange rates) to €24,408.4 million for the year ended December 31, 2014, compared to re-presented €23,952.7 million for the year ended December 31, 2013.

The change in quarterly revenue at constant consolidation scope and exchange rates is a follows:

	Q1			Q2			H1		
	2013	2014	Change at constant consolidation scope and exchange rates	2013	2014	Change at constant consolidation scope and exchange rates	2013	2014	Change at constant consolidation scope and exchange rates
Revenue, published	5 872,5	5 811,0	**-1,6%**	5 440,1	5 671,4	**3,1%**	11 312,5	11 482,4	**0,7%**
Water and Waste, published	4 693,9	4 876,8	**3,2%**	4 795,4	5 053,4	**4,0%**	9 489,3	9 930,1	**3,6%**
Pro forma revenue	6 203,0	6 151,5	**0,0%**	5 750,3	5 863,5	**2,2%**	11 953,4	12 015,0	**1,0%**

	Q3			Q4			TOTAL 2014		
	2013	2014	Change at constant consolidation scope and exchange rates	2013	2014	Change at constant consolidation scope and exchange rates	2013	2014	Change at constant consolidation scope and exchange rates
Revenue, published	5 215,7	5 758,4	**2,8%**	6 291,4	6 638,8	**2,4%**	22 819,7	23 879,6	**1,6%**
Water and Waste, published	4 754,5	5 036,7	**3,2%**	5 096,5	5 403,3	**3,0%**	19 340,3	20 370,1	**3,3%**
Pro forma revenue	5 553,6	5 754,1	**1,3%**	6 445,7	6 639,3	**0,6%**	23 952,7	24 408,4	**1,0%**

The change in revenue over 2014 benefited:

- in France, from the good resilience of Water and Waste activities. Waste revenue in France remained stable, while Water revenue contracted slightly;
- in Europe excluding France, from steady growth due to solid momentum in the UK (+4.9% at constant consolidation scope and exchange rates) related to the commissioning of Waste assets;
- in the Rest of the World, substantial growth (+6.7% at constant consolidation scope and exchange rates) in all regions and specifically industrial contracts in Asia and Australia and favorable price impacts in Australia and the United States. The segment also benefited from the consolidation of the Water and Waste activities of Proactiva Medio Ambiente in Latin America;
- in the Global Businesses segment, from solid momentum, with substantial revenue growth (+9.7% at constant consolidation scope and exchange rates) made possible by the start-up of major engineering-construction projects at Veolia Water Technologies and SADE.

1.2 Revenue by segment

Revenue (€ million)						
	Year ended December 31, 2014	Year ended December 31, 2013 re-presented	% change 2014/2013	Internal growth	External growth	Foreign exchange impact
France	5,556.7	5,627.4	-1.3%	-1.4%	+0.1%	n/a
Europe, excluding France	6,623.3	4,830.9	+37.1%	-0.2%	+36.1%	+1.2%
Rest of the World	4,595.4	3,789.6	+21.3%	+6.7%	+17.1%	-2.5%
Global Businesses	4,517.7	4,162.5	+8.5%	+9.7%	-0.4%	-0.8%
Other	2,586.5	4,409.3	-41.3%	-4.5%	-37.0%	+0.2%
Group	**23,879.6**	**22,819.7**	**+4.6%**	**+1.6%**	**+3.3%**	**-0.3%**

France

Revenue in France was stable overall at -1.4% at constant consolidation scope, compared to re-presented December 31, 2013 figures.

- Water activities reported a 2.3% contraction in revenue (at current and constant consolidation scope). Revenue benefited from tariff indexation increases (+1.2%), which partially offset contractual erosion, as well as the -0.7% decrease in volumes sold and lower construction activity due to shrinkage in the public works market.

- Waste activities reported relatively stable revenue (+0.1% at current consolidation scope, -0.3% at constant consolidation scope). A slightly favorable volume effect (+0.4%) and an increase in net prices (+0.7% excluding materials), were offset by lower recycled raw material prices and volumes.

Europe, excluding France

Revenue of the Europe, excluding France segment grew +37.1% at current consolidation scope and exchange rates (-0.2% at constant consolidation scope and exchange rates). The external growth impact is mainly related to the acquisition of control of the Dalkia International subsidiaries in Europe at the end of July 2014 in the amount of €1,742.1 million. At constant consolidation scope and exchange rates, the change is largely related to:

- in the United Kingdom: revenue rose substantially by +15.4% at current consolidation scope and exchange rates (+4.9% at constant consolidation scope and exchange rates) due to the contribution of integrated contracts in Waste operations (higher business volumes relating to the start-up of the PFI in Staffordshire and the increase in construction revenue, particularly in Leeds) and the increase in commercial collection, hazardous waste and industrial services volumes;
- in the Central and Eastern European countries: revenue grew 0.2% at constant consolidation scope and exchange rates (+73.5% at current consolidation scope and exchange rates) in line with tariff increases in the Water business (mainly in the Czech Republic and Romania), offset by a decrease in construction activities in Romania (Water);
- these impacts were partially offset by declining revenue in Germany of nearly -5.4% at constant consolidation scope and exchange rates, primarily due to the continuing decline in commercial collection and sorting-recycling volumes in the Waste business, as well as the unfavorable weather impact in the first and fourth quarters of 2014 for the Braunschweig contract.

Rest of the World

Revenue of the Rest of world segment increased +21.3% at current consolidation scope and exchange rates (+6.7% at constant consolidation scope and exchange rates).

This increase was driven primarily by sustained revenue growth:

- in the United States, where revenue rose sharply by +8.5% at current consolidation scope and exchange rates (+5.8% at constant consolidation scope and exchange rates) mainly due to revenue growth in Energy activities (attributable to harsh weather conditions in the first half, new projects and higher natural gas and diesel prices);
- in Australia, where revenue grew by +6.2% at constant consolidation scope and exchange rates (+3.1% at current consolidation scope and exchange rates), due primarily to higher commercial collection tariffs and new contract wins in Water (QGC).

The external growth impact is mainly related to the acquisition of control of Proactiva Medio Ambiente at the end of November 2013 in the amount of €433.8 million.

Global Businesses

Revenue of the Global Businesses segment grew +8.5% at current consolidation scope and exchange rates (+9.7% at constant consolidation scope and exchange rates). The increase was mainly due to the following changes:

- +13.5% at constant consolidation scope and exchange rates and +11.0% at current consolidation scope and exchange rates for Veolia Water Technologies. This solid momentum in revenue was primarily driven by the start-up of major projects in the industrial Design and Build sector (particularly the Az Zour North and Sadara desalination projects in the Middle East);

- +9.5% at constant consolidation scope and exchange rates and +9.3% at current consolidation scope and exchange rates for SADE. The increase is mainly related to international revenue growth (Ivory Coast, Hungary, Bulgaria, Moldavia, Peru) and growth in telecom activities in France;

- +5.1% at current consolidation scope and exchange rates and +3.9% at constant consolidation scope and exchange rates for SARPI, with an increase in hazardous waste landfill and treatment volumes (used oil regeneration) and biogas recovery activities.

Other
The Other segment comprises the contribution of Dalkia France up to the date of the unwinding of the Dalkia joint venture on July 25, 2014, Water activities in Morocco and industrial multiservice contracts.

The significant fall in revenue over the period (-41.3% at current consolidation scope and exchange rates, -4.5% at constant consolidation scope and exchange rates) is essentially due to the unfavorable impacts of the 2014 winter in Dalkia France and the scheduled end of gas cogeneration contracts in France over the first half of 2014.

The external growth impact is mainly related to the deconsolidation of Dalkia France as of July 25, 2014.

1.3 Revenue by business

Revenue (€ million)						
	Year ended December 31, 2014	Year ended December 31, 2013 re-presented	% change 2014/2013	Internal growth	External growth	Foreign exchange impact
Water	**11,215.1**	10,741.4	+4.4%	+3.8%	+1.5%	-0.9%
Waste	**8,506.3**	8,099.7	+5.0%	+2.0%	+2.6%	+0.4%
Energy (*)	**3,926.1**	3,756.5	+4.5%	-5.4%	+9.9%	+0.0%
Other	**232.1**	222.1	+4.5%	+0.0%	+4.5%	n/a
Group	**23,879.6**	**22,819.7**	**+4.6%**	**+1.6%**	**+3.3%**	**-0.3%**

(*) Energy activities mainly include the contribution of TNAI in the United States, Dalkia France until July 25, 2014, as well as the entities of Dalkia International fully consolidated on the same date.

Revenue benefited from:

- In Water:
  - stable Operations activities (+0.4% at constant consolidation scope and exchange rates and +2.0% at current consolidation scope and exchange rates), with the consolidation scope impact mainly corresponding to the consolidation of the Water activities of Proactiva Medio Ambiente;
  - growth in Technologies and Networks activities (Veolia Water Technologies & SADE) of +11.4% at constant consolidation scope and exchange rates (+9.7% at current consolidation scope and exchange rates) in line with the start-up of major projects at Veolia Water Technologies, mainly in the industrial Design and Build sector (particularly desalination projects in the Middle East) and the growth in the international activities of SADE;
- In Waste, growth of 2.0% at constant consolidation scope and exchange rates (including +0.6% for volumes and +0.9% for price increases), primarily due to:
  - in the United Kingdom, the contribution of integrated contracts (particularly Leeds and Staffordshire) and solid momentum in commercial collection;
  -in Australia (higher commercial collection tariffs);
  - the consolidation scope impact mainly corresponds to the consolidation of the Waste activities of Proactiva Medio Ambiente.
- Energy revenue fell -5.4% during the period at constant consolidation scope and exchange rates (compared to an increase of +4.5% at current consolidation scope and exchange rates). This decline was mainly due to the negative weather impact of the 2013-2014 winter compared with the particularly harsh weather the year before and the impact of the scheduled end of gas cogeneration contracts in France over the first half of 2014. The revenue growth of +4.5% at current consolidation scope and exchange rates is mainly attributable to:
  - the positive impact of TNAI activities in North America (price increases indexed to gas prices over the first half of 2014),
  - the consolidation scope impact of the unwinding of the Dalkia joint venture from the third quarter of 2014, and therefore the full consolidation of the Dalkia International activities, net of the removal of the Dalkia France entities.

The Other segment essentially comprises revenue from industrial multiservice contracts.

2. Adjusted operating cash flow

(€ million)	**Year ended December 31, 2014**	**Year ended December 31, 2013 re-presented**	% Change	% Change at constant exchange rates
Adjusted operating cash flow, published	2,164.3	1,847.6	+17.1%	+17.3%
Water and Waste adjusted operating cash flow	1,885.1	1,667.0	+13.1%	+13.2%
Pro forma adjusted operating cash flow	2,308.1	2,138.1	+8.0%	+8.4%

Adjusted operating cash flow amounted to €2,164.3 million for the year ended December 31, 2014, compared to re-presented €1,847.6 million for the year ended December 31, 2013, up +17.3% at constant exchange rates (+17.1% at current consolidation scope and exchange rates).

For the *combined Water and Waste activities*, adjusted operating cash flow rose +13.1% at current consolidation scope and exchange rates and +13.2% at constant exchange rates.

The *foreign exchange impact* on adjusted operating cash flow was limited to -€2.2 million and mainly reflects the appreciation of the euro against the Australian dollar (-€7 million) and the Czech crown (-€4.5 million). The pound sterling appreciated against the euro for €12 million.

In 2014, the increase in adjusted operating cash flow benefited from:

- the sizeable contribution of cost savings plans;

- stability in France, excluding restructuring costs;
- significant growth in Europe excluding France, particularly for Waste activities in the United Kingdom and Germany;
- strong momentum in the Rest of the World, particularly for Energy activities in the United States and China, and Water activities in Australia, Gabon and the Middle East;
- sustained growth of Global Businesses, particularly at Veolia Water Technologies and in hazardous waste;
- positive consolidation scope impacts relating to the consolidation of Dalkia International, and the full consolidation of Proactiva Medio Ambiente in Latin America.

Conversely, adjusted operating cash flow was negatively impacted by:

- in France, the change in recycled metal prices in Waste, contractual erosion in Water activities, and French Water restructuring charges relating to the voluntary departure plan in the amount of -€41 million, recorded in non-recurring items within operating income;
- lower profits for the Braunschweig contract in Germany, due to an unfavorable weather impact;
- a difficult first half of 2014 for Dalkia in France, due to unfavorable weather conditions and the impact of the scheduled end of gas cogeneration contracts.

*Changes in adjusted operating cash flow **by segment** were as follows:*

(€ million)	**Adjusted operating cash flow**			
			% Change	
	Year ended December 31, 2014	Year ended December 31, 2013 re-presented	at current exchange rates	at constant exchange rates
France	537.0	576.9	-6.9%	-6.9%
Europe, excluding France	691.6	495.6	+39.6%	+38.3%
Rest of the World	543.8	367.9	+47.8%	+49.6%
Global Businesses	206.3	185.6	+11.1%	+12.0%
Other (*)	185.6	221.6	-16.2%	-16.2%
Adjusted operating cash flow	**2,164.3**	**1,847.6**	**+17.1%**	**+17.3%**
Adjusted operating cash flow margin	**9.1%**	**8.1%**		

(*) The Other segment essentially comprises the activities of Dalkia in France up to the unwinding of the Dalkia joint venture on July 25, 2014.

As of the second half of 2014 and in tandem with the reorganization and acquisition of control of Dalkia International, the Group decided to review and standardize its policy for chargebacks of centralized corporate costs to the subsidiaries in France and internationally retroactively from January 1, 2014. These impacts have no impact at Group level on the financial indicators presented below. In order to make appropriate year over year comparisons, they have been cancelled out in the 2013 comparative period in the analysis by segment of adjusted operating cash flow, adjusted operating income, and operating income after share of net income (loss) of equity-accounted entities.

Changes in adjusted operating cash flow ***by business*** *were as follows:*

(€ million)	Adjusted operating cash flow			
	Year ended December 31, 2014	Year ended December 31, 2013 re-presented	% Change at current exchange rates	% Change at constant exchange rates
Water	930.0	838.9	+10.9%	+11.7%
Waste	942.7	842.9	+11.8%	+11.3%
Energy (*)	335.3	228.7	+46.6%	+46.6%
Other	(43.7)	(62.9)	+30.5%	+30.5%
Adjusted operating cash flow	**2,164.3**	**1,847.6**	**+17.1%**	**+17.3%**
Adjusted operating cash flow margin	**9.1%**	**8.1%**		

(*)Energy activities mainly include the contribution of TNAI in the United States, Dalkia France until July 25, 2014, as well as the entities of Dalkia International fully consolidated on the same date.

3. Operating income after share of net income (loss) of equity-accounted entities and adjusted operating income

The **reconciliation of adjusted operating cash flow with adjusted operating income** for the years ended December 31, 2014 and 2013 re-presented is as follows:

(€ million)	**Year ended December 31, 2014**	**Year ended December 31, 2013 re-presented**	% Change	% Change at constant exchange rates
Adjusted operating cash flow	2,164.3	1,847.6	+17.1%	+17.3%
Depreciation and amortization	(1,246.8)	(1,187.4)		
Adjusted net capital gains on disposals	46.7	122.6		
Operating provisions, fair value adjustments and other	50.5	(13.4)		
Share of adjusted net income of joint ventures and associates (excluding capital gains on disposals)	93.7	131.4		
Adjusted operating income	**1,108.4**	**900.8**	**+23.0%**	**+23.2%**

The increase in depreciation and amortization charges is primarily due to the consolidation of Dalkia International activities as of July 25, 2014 and the full-year impact of the Proactiva depreciation and amortization charges, including in both cases the depreciation and amortization impacts relating to the purchase price allocation process.

Adjusted net capital gains on disposals for the year ended December 31, 2014 include the impact of the June 2014 sale of Marius Pedersen for €48.9 million. For the year ended December 31, 2013, the item mainly related to capital gains on industrial divestitures (specifically the sale of the SADE head office), and the impact of the deconsolidation of the Italian Waste entities.

The change in operating provisions includes the change in non-recurring cash restructuring costs between 2014 and 2013 for €20.6 million. Other than this impact, the decrease in charges to operating provisions is attributable to the absence of asset impairment charges that were recorded in the Africa Middle East region in 2013, offset by a negative comparison impact of approximately -€27 million in VE S.A. regarding reversals of senior executive pension provisions.

The change in adjusted operating income breaks down as follows:

(€ million)	Adjusted operating income			
	Year ended December 31, 2014	**Year ended December 31, 2013 re-resented**	% Change	% Change at constant exchange rates
France	223.3	206.8	+8.0%	+8.0%
Europe, excluding France	308.0	211.7	+45.5%	+44.4%
Rest of the World	300.7	148.1	+103.1%	+103.8%
Global Businesses	99.7	113.3	-12.0%	-10.9%
Other (*)	176.7	220.9	-20.1%	-19.3%
Total	**1,108.4**	**900.8**	**+23.0%**	**+23.2%**

(*)The Other segment essentially comprises the activities of Dalkia in France, which were sold in July 2014.

For the years ended December 31, 2014 and December 31, 2013 re-presented, **the reconciliation of operating income after share of net income (loss) of equity-accounted entities and adjusted operating income** is as follows:

Year ended December 31, 2014 *(€ million)*	Operating income after share of net income (loss) of equity-accounted entities (A)	Adjustments [1] (B)	Adjusted operating income (C)
France	227.4	4.1	223.3
Europe, excluding France	(120.3)	(428.3)	308.0
Rest of the World	243.3	(57.4)	300.7
Global Businesses	99.6	(0.1)	99.7
Other	617.2	440.5	176.7
Total	**1,067.2**	**(41.2)**	**1,108.4**

(C) = (A)-(B)

[1] For the year ended December 31, 2014, the items that are not included in adjusted operating income include:

- The capital gain related to the unwinding of the Dalkia joint venture for €494.7 million,
- Goodwill impairments of -€299.1 million on Energy activities in Central Europe, and goodwill impairments for entities consolidated under the equity method for -€12.5 million,
- Non-current asset impairments amounting to -€180.0 million, in particular in Central and Eastern Europe, as well as in China,
- Restructuring costs of -€29.5 million relating to the head office voluntary departure plan, as well as in French Water operations, the United Kingdom, North America and Poland.

Year ended December 31, 2013 re-presented		Adjustments		
(€ million)	Operating income after share of net income (loss) of equity-accounted entities (A)	Impairment losses on goodwill [(1)] (B)	Other [(2)] (C)	Adjusted operating income (D)
France	109.7	-	(97.1)	206.8
Europe, excluding France	30.4	(168.3)	(13.0)	211.7
Rest of the World	125.1	(0.2)	(22.8)	148.1
Global Businesses	108.4	-	(4.9)	113.3
Other	274.4	-	53.5	220.9
Total	**648.0**	**(168.5)**	**(84.3)**	**900.8**

(D) = (A)-(B)-(C)

(1) For the re-presented year ended December 31, 2013, this item comprised -€168.0 million in goodwill impairment for Waste activities in Germany and Poland.

(2) Restructuring costs relating to the voluntary departure plan in Water activities in France (in the amount of -€97 million) and the headquarters, as well as income of +€82 million relating to the fair value remeasurement of the interest previously held in Proactiva are reclassified in "Other" adjustments in operating income. The impairment losses on the securities of equity-accounted companies are also presented in the "Other" adjustments column, i.e. -€12.2 million for China, -€4.9 million for India and -€8.4 million for Dalkia in the United Kingdom and Latin America.

4. Analysis by segment of adjusted operating cash flow and adjusted operating income

FRANCE

(€ million)	**Year ended December 31, 2014**	Year ended December 31, 2013 re-presented	% Change at current exchange rates	% Change at constant exchange rates
Adjusted operating cash flow	**537.0**	576.9	-6.9%	-6.9%
Adjusted operating cash flow margin	***9.7%***	*10.3%*		
Adjusted operating income *	**223.3**	206.8	+8.0%	+8.0%

* including the share of adjusted net income (loss) of joint ventures and associates.

Adjusted operating cash flow decreased by 6.9% at constant and current exchange rates to €537.0 million for the year ended December 31, 2014, compared with re-presented €576.9 million for the year ended December 31, 2013.

The decline in the adjusted operating cash flow of Water activities in France was primarily due to the restructuring costs generated by the voluntary departure plan of -€41 million for the year ended December 31, 2014, in addition to contractual erosion and the decrease in volumes.

Regarding Waste activities, adjusted operating cash flow was hindered by:
- the trend in scrap metal prices,
- the decrease in tonnage landfilled.

Adjusted operating cash flow in France nevertheless benefited from the positive impact of the cost cutting program.

Adjusted operating income increased by 8.0% at constant and current exchange rates to €223.3 million for the year ended December 31, 2014, compared with re-presented €206.8 million for the year ended December 31, 2013.

The adjusted operating income of Waste activities in France declined compared with re-presented December 31, 2013 figures, in line with the change in adjusted operating cash flow.

The adjusted operating income of Water activities in France increased, mainly due to lower depreciation and amortization charges. This decline was primarily attributable to the exceptional rise in net depreciation and amortization charges recognized in 2013 due to the planned reorganization of Water activities and its impact on information systems.

EUROPE EXCLUDING FRANCE

(€ million)	**Year ended December 31, 2014**	Year ended December 31, 2013 re-presented	% Change at current exchange rates	% Change at constant exchange rates
Adjusted operating cash flow	**691.6**	495.6	+39.6%	+38.3%
Adjusted operating cash flow margin	***10.4%***	*10.3%*		
Adjusted operating income *	**308.0**	211.7	+45.5%	+44.4%

* including the share of adjusted net income (loss) of joint ventures and associates.

Adjusted operating cash flow in Europe excluding France increased by 38.3% at constant exchange rates (39.6% at current exchange rates) to €691.6 million for the year ended December 31, 2014, compared with re-presented €495.6 million for the year ended December 31, 2013. It includes the contribution of the Dalkia International business in Europe as of July 25, 2014.

For the year ended December 31, 2014, growth in adjusted operating cash flow was particularly marked for Waste operations in the United Kingdom, mainly due to the contribution of integrated contracts. It also benefited from the net impact of cost reduction plans.

The adjusted operating cash flow of Waste activities in Germany sharply improved, whereas the Braunschweig contract was penalized by unfavorable weather conditions in the first quarter of 2014, which negatively impacted electricity, gas and heating margins.

Adjusted operating income increased by 44.4% at constant exchange rates (45.5% at current exchange rates) to €308.0 million for the year ended December 31, 2014, compared with re-presented €211.7 million for the year ended December 31, 2013.

This increase was attributable to the rise in adjusted operating cash flow, offset by:

- movements in operating provisions relating to the fair value remeasurement of Waste assets in the course of divestiture in Poland for around -€20 million;
- the increase in net depreciation and amortization charges, in line with the consolidation of the Dalkia International entities from the third quarter of 2014.

REST OF THE WORLD

(€ million)	**Year ended December 31, 2014**	Year ended December 31, 2013 re-presented	% Change at current exchange rates	% Change at constant exchange rates
Adjusted operating cash flow	**543.8**	367.9	+47.8%	+49.6%
Adjusted operating cash flow margin	***11.8%***	*9.7%*		
Adjusted operating income *	**300.7**	148.1	+103.1%	+103.8%

* including the share of adjusted net income (loss) of joint ventures and associates.

Adjusted operating cash flow increased by 49.6% at constant exchange rates and 47.8% at current exchange rates to €543.8 million for the year ended December 31, 2014, compared with re-presented €367.9 million for the year ended December 31, 2013.

This steady growth in adjusted operating cash flow primarily involved:
- Energy activities in the United States;
- the full consolidation of Proactiva Medio Ambiente since November 28, 2013;
- China, which benefited from favorable volume and commercial impacts in Energy activites;
- the solid momentum of Water activities in Australia, mainly due to the performance of new contracts; and
- the robust performance of Water activities in Gabon and the Middle East.

Adjusted operating income increased to €300.7 million for the year ended December 31, 2014, compared with re-presented €148.1 million for the year ended December 31, 2013, due to the improvement in adjusted operating cash flow and positive movements in operating provisions, particularly in the United States and Gabon.

The increase in adjusted operating income was partially offset by:
- the increase in net depreciation and amortization charges, particularly for the Proactiva Medio Ambiente entities, which have been fully consolidated since the end of November 2013;
- the decline in the share of net income of joint ventures, particularly for Water activities in China due to asset impairment provisions recognized in 2014.

GLOBAL BUSINESSES

(€ million)	**Year ended December 31, 2014**	Year ended December 31, 2013 re-presented	% Change at current exchange rates	% Change at constant exchange rates
Adjusted operating cash flow	**206.3**	185.6	+11.1%	+12.0%
Adjusted operating cash flow margin	***4.6%***	*4.5%*		
Adjusted operating income *	**99.7**	113.3	-12.0%	-10.9%

* including the share of adjusted net income (loss) of joint ventures and associates.

Adjusted operating cash flow increased by 12.0% at constant exchange rates (11.1% at current exchange rates) to €206.3 million for the year ended December 31, 2014, compared with re-presented €185.6 million for the year ended December 31, 2013, in line with:

- the rise in the hazardous waste volumes treated and landfilled via the increase in authorized capacity,
- the steady growth of Veolia Water Technologies, due to the start-up of major industrial Design and Build projects and the decrease of the losses arising from the construction of the sludge incineration plant in Hong Kong,

- the net impact of cost reduction plans.

Adjusted operating income declined by 10.9% at constant exchange rates (-12.0% at current exchange rates) to €99.7 million for the year ended December 31, 2014, compared with re-presented €113.3 million for the year ended December 31, 2013. This decrease in adjusted operating income was due to the recognition of disposal gains in 2013, mainly relating to Water activities in Portugal (€15.6 million) and the SADE headquarters (€23.6 million).

OTHER

(€ million)	**Year ended December 31, 2014**	Year ended December 31, 2013 re-presented	% Change at current exchange rates	% Change at constant exchange rates
Adjusted operating cash flow	**185.6**	221.6	-16.2%	-16.2%
Adjusted operating income *	**176.7**	220.9	-20.1%	-19.3%

* including the share of adjusted net income (loss) of joint ventures and associates.

Adjusted operating cash flow of the Other segment, including Dalkia France, decreased by 16.2% at constant and current exchange rates to €185.6 million for the year ended December 31, 2014, compared with re-presented €221.6 million for the year ended December 31, 2013.

Excluding Dalkia France, the adjusted operating cash flow of the Other segment improved, particularly due to:
- the robust performance of the Moroccan subsidiaries in Water,
- the impact of cost reductions following the regrouping of the corporate headquarters facilities completed since July 2013,
- the favorable variation in head office restructuring costs (voluntary departure plans) between December 31, 2013 and December 31, 2014.

Dalkia France adjusted operating cash flow fell by 38.3% at constant and current exchange rates for the half-year ended June 30, 2014. This decrease was mainly due to particularly unfavorable weather conditions, the impact of the programmed cessation of gas cogeneration contracts and unfavorable movements in energy prices.

Adjusted operating income decreased by 19.3% at constant exchange rates (-20.1% at current exchange rates) to €176.7 million for the year ended December 31, 2014, compared with re-presented €220.9 million for the year ended December 31, 2013.
Excluding Dalkia France, the segment’s adjusted operating income was slightly down compared to 2013.

Changes, excluding Dalkia France, were impacted by:

- reversals of pension provisions following modifications to VE S.A. executive management pension plans, which fell by €27 million compared with re-presented December 31, 2013;
- the negative comparison impact relating to capital gains on financial divestments realized in 2013, particularly the deconsolidation of the Italian Waste entities;
- the write-down of the financial receivable on an industrial multi-service agreement in Portugal in 2014. Veolia’s residual exposure under this multi-service agreement totaled €74 million as of December 31, 2014.

Nevertheless, it benefited from the impact of the divestiture of Marius Pedersen in June 2014 in the amount of €48.9 million and the absence of asset impairment charges recorded in the Africa-Middle East region in 2013.

Selling, general and administrative costs

Selling, general and administrative expenses declined from re-presented €3,017.8 million for the year ended December 31, 2013 to €2,996.7 million for the year ended December 31, 2014, representing a decrease of 0.7% at current consolidation scope and exchange rates.

The ratio of selling, general and administrative expenses on sales fell from re-presented 13.2% for the year ended December 31, 2013 to 12.5% for the year ended December 31, 2014.

At constant consolidation scope, method and exchange rates, and excluding non-recurring items, selling, general and administrative expenses decreased by nearly 5%.

This decrease is due to the asset optimization policy and the cost reduction program implemented by the Group since 2012.

5. Net finance costs

The financing rates for the years ended December 31, 2014 and December 31, 2013 re-presented break down as follows:

(€ million)	**Year ended December 31, 2014**		Year ended December 31, 2013 re-presented	
Net finance costs	(543.9)		(594.5)	
Re-presented net finance costs	(468.2)	5.31%	(494.1)	5.11%
Impact of the consolidation of Proactiva and Morocco debts		**-0.14%**		
Impact of the Dalkia transaction		**-0.30%**		
Net finance costs re-presented, excluding these scope impacts	**(431.1)**	**4.87%**	**(494.1)**	**5.11%**

Net finance costs (re-presented for the finance costs of discontinued operations, and excluding bond buyback costs in 2013 and 2014 treated as a non-recurring item) declined by nearly €60 million in 2014, compared with 2013.

On a comparable scope basis, the financing rate for the year ended December 31, 2014 fell sharply to 4.87%, compared with re-presented 5.11% for the year ended December 31, 2013:
- before inclusion of the external debt of the Dalkia International activities which have been fully consolidated since July 25, 2014;
- before reconsolidation of the external debt of Morocco Water activities at the end of 2014 in application of IFRS 5 and;
- before the full-year impact of the consolidation of Proactiva's external debt following the acquisition of control at the end of 2013.

Other financial income and expenses break down as follows:

Other financial income and expenses *(€ million)*	Year ended December 31, 2014	Year ended December 31, 2013 re-presented
Revenue from financial assets	+62.8 [(1)]	+118,8
Unwinding of the discount on provisions (non-cash)	(45.3)	(41.7)
Other	(30.7)	(25.0)
Adjusted other income and expenses	**(13.2)**	**+52.1**

[(1)] Including the decline in interest paid on Dalkia International loans of -€53 million following the buyback of EDF's share and the change in consolidation method.

6. Tax expense

For the year ended December 31, 2014, the income tax expense totaled -€167.3 million, compared with re-presented -€119.4 million for the year ended December 31, 2013.

Excluding certain non-recurring items, the adjusted tax rate dropped to 31.7% for the year ended December 31, 2014, compared with re-presented 43.0% for the year ended December 31, 2013. This significant decrease in the tax rate was mainly due to the improved results of the French tax group, which is still reporting a loss (with no impact on the tax expense as losses are not activated for the French tax group).

Year ended December 31, 2014 (€ million)	Pre-tax income/(loss)	Income tax expense	Tax rate
Effective	417.3	(167.3)	40.1%
Adjustment of non-recurring items			
Bond buyback costs	62.3	-	
Impact of Dalkia transaction	(3.7)	4.7	
Restructuring	29.5	(2.1)	
Other	15.0	-	
Adjusted rate	520.4	(164.7)	31.7%

7. Net income (loss) from discontinued operations

The net loss from discontinued operations was €21.9 million for the year ended December 31, 2014, compared with re-presented net income of €34.0 million for the year ended December 31, 2013 and includes equity-accounted entities divested or in the course of divestiture.

The re-presented net income from discontinued operations for the year ended December 31, 2013 mainly concerned global urban lighting activities (Citelum) in Energy activities and the investment in Berliner Wasser divested in early December 2013.

8. Net income (loss) of other equity-accounted entities

Net income of other equity-accounted entities (Transdev Group) totaled €11.5 million for the year ended December 31, 2014, compared with a re-presented net loss of €51.5 million for the year ended December 31, 2013. It includes the contribution of the Transdev Group shareholding in SNCM and reflects the fair assessment of the residual financial risk related to the Group's exposure in the context of bankruptcy proceedings, and with respect to its indirect shareholding in SNCM.

9. Net income (loss) attributable to non-controlling interests

The net income attributable to non-controlling interests was €85.3 million for the year ended December 31, 2014, compared with re-presented €107.8 million for the year ended December 31, 2013. This decrease was mainly due to the downturn in the performance of Dalkia International and Dalkia France in the first half of 2014 and the unwinding of the Dalkia joint venture on July 25, 2014.

10. Net income (loss) attributable to owners of the Company

Net income attributable to owners of the Company was €246.1 million for the year ended December 31, 2014, compared with a re-presented net loss of €153.4 million for the year ended December 31, 2013. Adjusted net income attributable to owners of the Company was €326.1 million for the year ended December 31, 2014, compared with re-presented €182.0 million for the year ended December 31, 2013.

Given the weighted average number of shares outstanding of 543.0 million in 2014 (basic and diluted) and re-presented 524.4 million in 2013 (basic and diluted), earnings per share attributable to owners of the Company (basic and diluted) were €0.33 for the year ended December 31, 2014, compared with -€0.32 for the year ended December 31, 2013. Adjusted net income per share attributable to owners of the Company (basic and diluted) was €0.60 for the year ended December 31, 2014, compared with re-presented €0.35 for the year ended December 31, 2013.

Adjusted net income for the year ended December 31, 2014 breaks down as follows:

Year ended December 31, 2014 (€ million)	Adjusted	Adjustments	Total
Operating income (loss) after share of net income (loss) of equity-accounted entities	1,108.4	(41.2)(*)	1,067.2
Net finance costs	(481.6)	(62.3)(**)	(543.9)
Other financial income and expenses	(13.2)	(1.0)	(14.2)
Income tax expense	(164.6)	(2.7)	(167.3)
Net income (loss) of other equity-accounted entities	-	11.5	11.5
Net income (loss) of discontinued operations	-	(21.9)	(21.9)
Non-controlling interests	(122.9)	37.6	(85.3)
Net income (loss) attributable to owners of the Company	**326.1**	**(80.0)**	**246.1**

* Adjustments to operating income are presented in paragraph 3.
** Costs related to bond buybacks.

Re-presented adjusted net income for the year ended December 31, 2013 breaks down as follows:

Year ended December 31, 2013 re-presented (€ million)	Adjusted	Adjustments	Total
Operating income (loss) after share of net income (loss) of equity-accounted entities	900.8	(252.8)(*)	648.0
Net finance costs	(521.4)	(73.1)(**)	(594.5)
Other financial income and expenses	52.1	(14.3)	37.8
Income tax expense	(133.0)	13.6	(119.4)
Net income (loss) of other equity-accounted entities	-	(51.5)	(51.5)
Net income (loss) of discontinued operations	-	34.0	34.0
Non-controlling interests	(116.5)	8.7	(107.8)
Net income (loss) attributable to owners of the Company	**182.0**	**(335.4)**	**(153.4)**

* Adjustments to operating income are presented in paragraph 3.
** Costs related to bond buybacks.

The Group's return on capital employed (ROCE) after tax is as follows:

(€ million)	Net income from operations	Average capital employed	ROCE after tax
2014	**814.7**	**13,420.8**	**6.1%**
2013	637.5	12,686.3	5.0%

The increase in the return on capital employed between 2013 and 2014 was primarily due to improved operating performance.

B] FINANCING

The following table summarizes the statement of change in net financial debt for the years ended December 31, 2014 and December 31, 2013 re-presented.

(€ million)	**Year ended December 31, 2014**	**Year ended December 31, 2013 re-presented**
Adjusted operating cash flow (*)	2,172	1,848
Principal payments on operating financial assets excluding discontinued operations	131	160
Industrial investments including operating financial assets, excluding discontinued operations	(1,533)	(1,411)
Industrial divestitures	63	120
Dividends received from equity-accounted entities and joint ventures and non-consolidated investments	80	115
Change in operating WCR excluding discontinued operations	73	14
Operating Free Cash Flow before Financial Acquisitions and Divestitures (*)	**986**	**846**
Interest paid	(497)	(645)
Operating cash flow from financing activities	48	88
Taxes paid	(207)	(202)
Net Free Cash Flow (*)	**330**	**87**
Financial investments and financial divestitures	143	864
Total impact of unwinding Dalkia joint venture 2014 and 2013 **(**)**	348	-
Change in receivables and other financial assets	136	(45)
Dividends paid (to shareholders, minority interests and deeply subordinated security coupons)	(330)	(208)
Issues of deeply subordinated securities	-	1,470
Other cash flows	(19)	(1)
Non-cash flows (foreign exchange, remeasurement and other)	(475)	211
Change in net financial debt	**133**	**2,378**
Net financial debt/Net cash at the beginning of the period	**(8,444)**	**(10,822)**
Net financial debt/Net cash at the end of the period	**(8,311)**	**(8,444)**

(*) Before impact of unwinding the Dalkia joint venture

(**)Total impact of +€348M debt reduction; including €155M recorded as of 12/31/2013 (Dalkia France external debt moved to liabilities held for sale)

Operating cash flow before changes in working capital totaled €2,174.6 million for the year ended December 31, 2014, compared with re-presented €1,960.0 million for the year ended December 31, 2013, including adjusted operating cash flow of €2,164.3 million (compared with re-presented €1,847.6 million in 2013), operating cash flow from financing activities of €48.3 million (compared with re-presented €88.7 million in 2013) and operating cash flow from discontinued operations of -€38 million (compared with re-presented €23.7 million in 2013).

An analysis of adjusted operating cash flow was previously presented.

The **cash increase associated with operating working capital requirements** (including discontinued operations in the amount of €33 million) totaled €94 million for the year ended December 31, 2014, compared with re-presented €6 million for the year ended December 31, 2013 (including discontinued operations in the amount of -€8 million). Beyond the scope impacts, this increase was primarily due to the seasonality of Energy activities in Asia.

Industrial investments, including discontinued operations, break down by segment as follows:

(€ million)	**Year ended December 31, 2014**	**Year ended December 31, 2013 re-presented**
France	(296)	(313)
Europe (excluding France)	(597)	(365)
Rest of the World	(376)	(268)
Global Businesses	(131)	(121)
Other	(133)	(344)
Total industrial investments excluding discontinued operations	**(1,533)**	**(1,411)**
Industrial investments of discontinued operations	(22)	(58)
Total industrial investments	**(1,555)**	**(1,469)**

Changes in industrial investments (including discontinued operations) in the year ended December 31, 2014, compared with re-presented December 31, 2013, was mainly attributable to the full-year impact of the consolidation of Proactiva, the consolidation of Dalkia International activities (+€214 million) and the exit of Dalkia France in the second half of 2014 (-€180 million).

Growth industrial investments (including operating financial assets) for the year ended December 31, 2014, amounted to €885 million, compared with re-presented €914 million for the year ended December 31, 2013. Maintenance-related industrial investments in the year ended December 31, 2014, amounted to €670 million, compared with re-presented €555 million for the year ended December 31, 2013.

The Group monitors the net free cash flow indicator, a non-GAAP indicator defined at the end of this press release.

Net free cash flow for the year ended December 31, 2014 (before payment of the dividend) improved significantly, amounting to €330 million, compared with re-presented €87 million for the year ended December 31, 2013, and excluding the issuance (at the beginning of January 2013) of deeply subordinated perpetual securities denominated in euros and pound sterling in the amount of €1,454.0 million.

The increase in net free cash flow for the year ended December 31, 2014 reflects the improvement in adjusted operating cash flow and the tight control over industrial investments and working capital requirements.

Financial investments for the year ended December 31, 2014 included:

- the buyout of the International Finance Corporation (IFC) minority interest in Water activities in Central and Eastern Europe in the amount of €90.9 million,
- the acquisition of Kendall in the United States for a consideration of €19 million,
- the buyout of IFC and PROPARCO minority interests in Africa and the Middle East in the amount of €34.8 million.

In 2014, **financial divestitures** (in enterprise value and excluding the impact of the unwinding of the Dalkia joint venture) amounted to €355 million (including transactions between shareholders) and primarily included the divestiture of the investment in Marius Pedersen for €240 million.

For the record, in 2013, financial divestitures concerned:

- the divestiture of the 24.95% stake in Berliner Wasser for €636 million;
- the divestiture of Water activities in Portugal in the first half of 2013 for an enterprise value of €91 million;
- the divestiture of 19.25% of the shares held by the Group in the Sharqiyah Desalinisation Company following the initial public offering on the Oman market of 35% of this company's shares, which had a €89 million impact on Group net financial debt;
- the deconsolidation of practically all the Group's Waste activities in Italy following the approval of the entity's voluntary liquidation plan ("Concordato preventivo di gruppo"), which had a €90 million impact on Group net financial debt.

C] PRO FORMA FINANCIAL INFORMATION

Pro forma figures in connection with the shareholder restructuring of Energy activities

These figures include the 12 months' contribution of Dalkia International at 100% and exclude Dalkia operations in France. These figures do not include any restatement of internal chargebacks between the various entities or the impact of any net synergies:

	Year ended December 31, 2014 *pro forma*	Year ended December 31, 2013 re-presented *pro forma*	% Change	% Change at constant exchange rates
Revenue	**24,408.4**	23,952.7	+1.9%	+2.4%
Adjusted operating cash flow	**2,308.1**	2,138.1	+8.0%	+8.4%
Industrial investments (including operating financial assets)	**1,567.4**	1,459.1	+7.4%	n/a

Adjusted operating cash flow improved overall compared with 2013 re-presented figures, due to the sharp improvement in the profitability of Water and Waste activities, particularly outside of France and despite the unfavorable weather conditions in 2014 for Dalkia International activities.

Pro forma segment reporting in 2014 and 2013

These figures include the 12 months' contribution of Dalkia International at 100% and exclude Dalkia operations in France. These figures do not include any restatement of internal chargebacks between the various entities or the impact of any net synergies:

Revenue in *€ millions*	**Year ended December 31, 2014 pro forma**	**Year ended December 31, 2013 re-presented pro forma**	% Change	% Change at constant exchange rates
France	5,573.2	5,656.6	-1.5%	-1.5%
Europe, excluding France	8,476.7	8,786.4	-3.5%	-3.9%
Rest of the world	4,770.0	4,264.0	+11.9%	+14.5%
Global businesses	4,538.9	4,198.6	+8.1%	+9.0%
Other	1,049.6	1,047.1	+0.2%	-0.1%
Total	**24,408.4**	**23,952.7**	**+1.9%**	**+2.4%**

Adjusted operating cash flow in *€ millions*	**Year ended December 31, 2014 pro forma**	**December 31, 2013 re-presented pro forma**	% Change	% Change at constant exchange rates
France	537.0	576.9	-6.9%	-6.9%
Europe, excluding France	935.2	960.6	-2.6%	-2.6%
Rest of the world	564.2	401.4	+40.6%	+42.3%
Global businesses	206.3	185.6	+11.2%	+12.1%
Other	65.4	13.6	-	-
Total	**2,308.1**	**2,138.1**	**+8.0%**	**+8.4%**

Industrial investments *in € millions*	**Year ended December 31, 2014 pro forma**	**Year ended December 31, 2013 re-presented[1] pro forma**	% Change
France	295.7	312.8	-5.5%
Europe, excluding France	689.6	616.1	+11.9%
Rest of the world	387.9	313.6	+23.7%
Global businesses	130.9	121.3	7.9%
Other	63.3	95.3	-33.6%
Total	**1,567.4**	**1,459.1**	**+7.4%**

D] NEW FINANCIAL INDICATORS

For the dual purpose of better presentation of operating performance and comparability with other sector companies, the Group decided to introduce new financial indicators starting fiscal year 2015 which will be utilized to communicate the Group's financial results.

These new indicators are:

- **EBITDA**,
- **Current Operating Income**, **(COI)** and
- **Current Net Income**.

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

To calculate **Current Operating Income**, the following items will be excluded from operating income:

- Goodwill impairments of fully controlled subsidiaries and equity-accounted entities,
- Restructuring charges,
- Capital gains on financial divestments, which will now be considered as an item within net finance costs,
- One-time and/or significant impairment of non-current assets (tangible, intangible and operating financial assets , and
- Impacts relating to the application of IFRS 2 “Share-based payment”.

Current Operating Income replaces Adjusted Operating Income. The Group wished to replace the current indicator by current operating income to allow for the definition of a level of operating performance that can be used to adopt a forecast approach.

The following table shows the transition from **EBITDA** to **Current Operating Income**.

EBITDA	
–	Renewal costs
–	Principal payments on operating financial assets
+	Share of net income (loss) of equity-accounted entities, excluding goodwill impairment and gains or losses on disposal of equity-accounted entities
–	Depreciation and amortization charges
–	Net charges to operating provisions, (excluding impairment of non-current assets)
+	Gains or losses on industrial divestitures
–	Fair value and other adjustments
Current Operating Income	

EBITDA and Current Operating Income will be included in the aggregates for the publication of our segment reporting as from fiscal 2015.

Current Net Income, which will replace Adjusted Net Income, will comprise the sum of the following items:

- **Current Operating Income**,
- Current net finance cost items,
- Other current financial income and expenses, including capital gains or losses on financial divestments (of which gains or losses included in the share of net income of equity-accounted entities),
- Current income tax items, and
- Minority interests (excluding the portion of minority interests relative to non-current items in the income statement).

The share of net income of other equity-accounted entities is not viewed as an extension of the Group’s core activities and net income of discontinued operations will be excluded from Current Net Income.
Where necessary, the items used to describe the Group’s financial performance will be compared with the indicators defined by IFRS.

These new financial indicators do not change the definition of the Group’s net Free Cash Flow, net financial debt, published net income or gross industrial investments.

Based on *pro forma* figures for the year ended December 31, 2014, these new indicators are as follows:

- EBITDA €2,763.3 million
- Current Operating Income €1,074.0 million
- Current Net Income €314.5 million

The transition between the current indicators and these new indicators is presented in the following tables:

Transition from Adjusted operating cash flow to EBITDA *€ million*	**Year ended December 31, 2014 pro forma**
Adjusted operating cash flow	**2,308.1**
Excluded items:	
Renewal costs	+263.5
Restructuring charges	+78.6
Included items:	
Principal payments on operating financial assets	+113.1
EBITDA	**2,763.3**

Transition from Adjusted operating income to Current operating income *€ million*	**Year ended December 31, 2014 pro forma**
Adjusted operating income	**1,106.0**
Excluded items:	
Impairment of property, plant and equipment, intangible assets, and operating financial assets	+9.1
Gains (losses) on disposals of financial assets	(42.2)
Other	+1.1
Current Operating Income	**1,074.0**

Transition from EBITDA to Current Operating Income *€ million*	**Year ended December 31, 2014 pro forma**
EBITDA	**2,763.3**
Depreciation & Amortization	(1,369,4)
Provisions, fair value adjustments and other	(11.9)
Share of net income of JVs and associates	68.6
Renewal expenses	(263.5)
Principal payments on operating financial assets	(113.1)
Current Operating Income	**1,074.0**

Transition from Adjusted net income to Current Net Income *€ million*	**Year ended December 31, 2014 pro forma**
Adjusted net income (attributable to owners of the Company)	**304.3**
Excluded items:	
Impairment of property plant and equipment, intangible assets and operating financial assets	+9.1
Other	+1.1
Current Net Income (attributable to owners of the Company)	**314.5**

APPENDICES

1. Reconciliation of previously published and re-presented data for the year ended December 31, 2013

€ million	Year ended December 31, 2013 published	IFRS 5 restatements [1]	Year ended December 31, 2013 re-presented
Revenue	22,314.8	504.9	22,819.7
Adjusted operating cash flow	1,796.3	51.3	1,847.6
Operating income	490.5	(21.2)	469.3
Operating income after share of net income (loss) of equity-accounted entities [2]	669.2	(21.2)	648.0
Adjusted operating income [3]	921.9	(21.1)	900.8
Net income attributable to owners of the Company	(135.3)	(18.1)	(153.4)
Adjusted net income attributable to owners of the Company	223.2	(41.2)	182.0
Gross investments	1,738.0	-	1,738.0
Net financial debt	8,176.7	267.7	8,444.4
Loans granted to joint ventures	2,725.0	-	2,725.0
Adjusted net financial debt	5,451.7	267.7	5,719.4

(1) Recognition of Morocco activities in continuing operations
(2) Including the re-presented share of net income (loss) of joint ventures and associates for the year ended December 31, 2013
(3) Including the re-presented share of adjusted net income (loss) of joint ventures and associates for the year ended December 31, 2013

2. Accounting definitions

- GAAP (IFRS) indicators

Operating cash flow before changes in working capital, as presented in the consolidated cash flow statement, is comprised of three components: operating cash flow from operating activities (referred to as “adjusted operating cash flow” and known in French as “capacité d’autofinancement opérationnelle”) consisting of operating income and expenses received and paid (“cash”), operating cash flow from financing activities including cash financial items relating to other financial income and expenses and operating cash flow from discontinued operations composed of cash operating and financial income and expense items classified in net income from discontinued operations pursuant to IFRS 5. Adjusted operating cash flow does not include the share of net income attributable to equity-accounted entities.

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

Net income (loss) from discontinued operations is the total of income and expenses, net of tax, related to businesses divested or in the course of divestiture, in accordance with IFRS 5.

- Non-GAAP indicators

The new standards, IFRS 10, 11 and 12, have modified existing indicators or created new indicators that are described below:

- Following application of the new standards, inter-company loans granted to joint ventures are no longer deducted from net financial debt. Non-eliminated inter-company loans are presented in the balance sheet in loans and financial receivables. As these loans and receivables are not included in the Group definition of cash and cash equivalents and these joint ventures no longer generate strictly operating flows in the consolidated financial statements, the Group now uses in addition to net financial debt, the indicator adjusted net financial debt. Adjusted net financial debt is therefore equal to net financial debt less loans and receivables to joint ventures.

The other indicators were not impacted by the new standards and are defined as follows:

- The term "internal growth" (or "growth at constant consolidation scope and exchange rates") includes growth resulting from:
  - the expansion of an existing contract, primarily resulting from an increase in prices and/or volumes distributed or processed,
  - new contracts, and,
  - the acquisition of operating assets allocated to a particular contract or project.
- The term "external growth" includes growth through acquisitions (performed in the period or which had only partial effect in the prior period), net of divestitures, of entities and/or assets deployed in different markets and/or containing a portfolio of more than one contract;
- The term "change at constant exchange rates" represents the change resulting from the application of exchange rates of the prior period to the current period, all other things being equal;
- Adjusted operating income is equal to net income after the share of adjusted net income (loss) of equity-accounted entities, adjusted to exclude the impact of goodwill impairment and certain special items. Special items include items such as gains and losses from asset divestitures that substantially change the economics of one or more cash-generating units;
- Adjusted net income attributable to owners of the Company is equal to net income attributable to owners of the Company adjusted to exclude goodwill impairment, share of net income of other equity-accounted entities and certain special items. Special items include items such as gains and losses from asset divestitures that substantially change the economics of one or more cash-generating units;
- Net financial debt (NFD) represents gross financial debt (non-current borrowings, current borrowings, bank overdrafts and other cash position items), net of cash and cash equivalents and excluding fair value adjustments to derivatives hedging debt;
- The financing rate is defined as the ratio of net finance costs (excluding fair value adjustments to instruments not qualifying for hedge accounting) to average monthly net financial debt for the period, including net finance costs of discontinued operations;
- The adjusted operating cash flow margin is defined as the ratio of adjusted operating cash flow to revenue from continuing operations;
- Net free cash flow before net financial divestments and after payment of financial expense and taxes corresponds to free cash flow from continuing operations, and is calculated by: the sum of adjusted operating cash flow and principal payments on operating financial assets, dividends received from joint ventures, operating cash flow from financing activities, and changes in working capital for operations, less net industrial investments, cash financial expense and cash taxes paid.
- Net investment, as presented in the statement of change in net financial debt, includes industrial investments, net of industrial asset divestitures (purchases of intangible assets and property, plant and equipment net of divestitures), financial investment net of financial divestitures (purchases of financial assets net of divestitures, including the net financial debt of companies entering or leaving the scope of consolidation), partial purchases net of sales resulting from transactions with non-controlling interests where there is no change in control, new operating financial assets and principal payments on operating financial assets. The net investment concept also takes into account issues of share capital by non-controlling interests.

  The Group considers growth investments, which generate additional cash flows, separately from maintenance-related investments, which reflect the replacement of equipment and installations used by the Group;

- The return on capital employed is defined as the ratio of:

- net income from operations after tax, plus the share of net income from associates, less net operational income, after tax, from operating financial assets (return on operating financial assets net of tax allocated to this activity), to
- average capital employed during the year, where
- capital employed excludes operating financial assets and net income from operations excludes the related income.

CONSOLIDATED INCOME STATEMENT

(€ million)	**2014**	**2013[1]**
Revenue	**23,879.6**	**22,819.7**
o/w Revenue from operating financial assets	*169.0*	*175.9*
Cost of sales	(20,459.7)	(19,446.1)
Selling costs	(517.4)	(536.0)
General and administrative expenses	(2,479.3)	(2,481.8)
Other operating revenue and expenses	(9.1)	113.5
Operating income	**414.1**	**469.3**
Share of net income (loss) of equity-accounted entities	**653.1**	**178.7**
o/w share of net income (loss) of joint ventures	632.3	160.3
o/w share of net income (loss) of associates	20.8	18.4
Operating income after share of net income (loss) of equity-accounted entities	**1,067.2**	**648.0**
Finance costs	(592.1)	(640.9)
Income from cash and cash equivalents	48.2	46.4
Other financial income and expenses	(14.2)	37.8
Income tax expense	(167.3)	(119.4)
Share of net income (loss) of other equity-accounted entities	11.5	(51.5)
Net income (loss) from continuing operations	**353.3**	**(79.6)**
Net income (loss) from discontinued operations	(21.9)	34.0
Net income (loss) for the year	**331.4**	**(45.6)**
Attributable to owners of the Company	**246.1**	**(153.4)**
Attributable to non-controlling interests	85.3	107.8
(in euros)		
NET INCOME (LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE [2]		
Diluted	0.33	(0.32)
Basic	0.33	(0.32)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE [2]		
Diluted	0.35	(0.39)
Basic	0.35	(0.39)
NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO OWNERS OF THE COMPANY PER SHARE [2]		
Diluted	(0.02)	0.07
Basic	(0.02)	0.07

(1) Pursuant to IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations, the income statements of discontinued operations divested i.e. European wind energy activities divested in February 2013 and the share of net income (loss) of the Berlin Water associate to December 2, 2013, are presented in a separate line, Net income (loss) from discontinued operations, for the year ended December 31, 2013.

Furthermore:

- *the contribution of the Transdev Group was transferred to continuing operations in fiscal year 2013;*
- *The contribution of Water activities in Morocco is no longer recognized in Net income (loss) from discontinued operations and was transferred to continuing operations in the 2013 comparative period.*

(2) The weighted average number of shares outstanding at December 31, 2014, is 543.0 million (basic and diluted) - See Note 28, Earnings per share. Basic earnings per share is calculated by dividing adjusted net income attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the fiscal year. Pursuant to IAS 33.9 and IAS 12, net income attributable to owners of the Company has been adjusted to take into account the cost of the coupon payable to holders of deeply subordinated securities issued by Veolia.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: ASSETS

(€ million)	**As of December 31, 2014**	**As of December 31, 2013 (1)**
Goodwill	4,499.4	3,486.3
Concession intangible assets	2,750.5	2,487.9
Other intangible assets	990.1	737.3
Property, plant and equipment	6,637.5	4,171.5
Investments in joint ventures	2,043.2	2,905.2
Investments in associates	454.9	385.0
Non-consolidated investments	54.7	40.5
Non-current operating financial assets	1,882.5	1,698.1
Non-current derivative instruments - Assets	101.9	258.3
Other non-current financial assets	866.7	2,492.0
Deferred tax assets	1,137.3	884.5
Non-current assets	**21,418.7**	**19,546.6**
Inventories and work-in-progress	729.9	443.2
Operating receivables	8,650.4	7,127.6
Current operating financial assets	127.2	97.9
Other current financial assets	203.1	640.9
Current derivative instruments - Assets	103.0	60.7
Cash and cash equivalents	3,148.6	4,282.4
Assets classified as held for sale	343.6	4,008.2
Current assets	**13,305.8**	**16,660.9**
TOTAL ASSETS	**34,724.5**	**36,207.5**

(1) *Pursuant to IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations, the contribution of Water activities in Morocco is no longer recognized in Assets classified as held for sale and Liabilities directly associated with assets classified as held for sale. Comparative figures for fiscal year 2013 have been reclassified accordingly.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION: LIABILITIES & EQUITY

(€ million)	**As of December 31, 2014**	**As of December 31, 2013** (1)
Share capital	2,811.5	2,744.4
Additional paid-in capital	7,165.6	7,851.1
Reserves and retained earnings attributable to owners of the Company	(1,685.2)	(2,408.2)
Total equity attributable to owners of the Company	**8,291.9**	**8,187.3**
Total equity attributable to non-controlling interests	1,167.2	1,472.2
Equity	**9,459.1**	**9,659.5**
Non-current provisions	1,958.8	1,706.5
Non-current borrowings	8,324.5	9,729.5
Non-current derivative instruments - Liabilities	112.5	144.0
Deferred tax liabilities	1,135.3	806.8
Non-current liabilities	**11,531.1**	**12,386.8**
Operating payables	9,697.6	8,209.7
Current provisions	552.9	451.3
Current borrowings	3,003.1	2,950.5
Current derivative instruments - Liabilities	128.5	37.9
Bank overdrafts and other cash position items	216.4	221.1
Liabilities directly associated with assets classified as held for sale	135.8	2,290.7
Current liabilities	**13,734.3**	**14,161.2**
TOTAL EQUITY AND LIABILITIES	**34,724.5**	**36,207.5**

(1) Pursuant to IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations, the contribution of Water activities in Morocco is no longer recognized in Assets classified as held for sale and Liabilities directly associated with assets classified as held for sale. Comparative figures for fiscal year 2013 have been reclassified accordingly.

CONSOLIDATED CASH FLOW STATEMENT

(€ million)	**2014**	**2013** [(2)]
Net income (loss) for the year	331.4	(45.6)
Operating depreciation, amortization, provisions and impairment losses	1,727.0	1,530.8
Financial amortization and impairment losses	15.0	19.3
Gains (losses) on disposal and dilution	(0.1)	(181.4)
Share of net income (loss) of joint ventures	(641.7)	(109.3)
Share of net income (loss) of associates	(20.9)	(28.0)
Dividends received	(3.1)	(3.1)
Net finance costs	547.0	599.6
income tax expense	165.5	123.5
Other items	54.5	54.2
Operating cash flow before changes in working capital	**2,174.6**	**1,960.0**
Changes in operating working capital	94.1	6.2
Income taxes paid	(219.3)	(203.1)
Net cash from operating activities	**2,049.4**	**1,763.1**
Including Net cash from operating activities of discontinued operations [(1)]	***(5.9)***	***15.6***
Industrial investments	(1,380.4)	(1,226.9)
Proceeds on disposal of intangible assets and property plant and equipment	63.0	120.2
Purchases of investments (*)	172.8	(79.8)
Proceeds on disposal of financial assets (**)	357.0	807.1
Operating financial assets		
New operating financial assets	(159.9)	(224.2)
Principal payments on operating financial assets	133.5	202.1
Dividends received (including dividends received from joint ventures and associates)	79.7	115.2
New non-current loans granted	(268.2)	(698.3)
Principal payments on non-current loans	215.6	307.3
Net decrease/increase in current loans	188.8	345.7
Net cash used in investing activities	**(598.1)**	**(331.6)**
Including Net cash from investing activities of discontinued operations [(1)]	***173.7***	***649.4***
Net increase/decrease in current borrowings	(912.3)	(1,389.0)
New non-current borrowings and other debts	124.8	164.0
Principal payments on non-current borrowings and other debts	(829.4)	(1,577.1)

Proceeds on issue of shares	7.6	13.2
Share capital reduction	-	-
Transactions with non-controlling interests: partial purchases	(130.6)	(15.3)
Transactions with non-controlling interests: partial sales	1.2	2.7
Issues of deeply subordinated securities	-	1,470.2
Coupon on deeply subordinated securities	(68.0)	(16.6)
Purchases of/proceeds from treasury shares (***)	5.8	-
Dividends paid	(261.3)	(191.3)
Interest paid	(529.3)	(693.1)
Net cash used in financing activities	**(2,591.5)**	**(2,232.3)**
Including Net cash from (used in) financing activities of discontinued operations [1]	***0.5***	***(7.8)***
NET CASH AT THE BEGINNING OF THE YEAR	**4,061.3**	**4,771.2**
Effect of foreign exchange rate changes and other	11.1	90.9
NET CASH AT THE END OF THE YEAR	**2,932.2**	**4,061.3**
Cash and cash equivalents	3,148.6	4,282.4
Bank overdrafts and other cash position items	216.4	221.1
NET CASH AT THE END OF THE YEAR	**2,932.2**	**4,061.3**

(*) Purchases of investments in the Consolidated Cash Flow Statement primarily include the impact of the Dalkia transaction in the amount of €229.9 million. This impact comprises the cash payment to EDF (-€660.8 million), the cash and cash equivalents of Dalkia International entered into the scope of consolidation (€175.4 million), the cash and cash equivalents of Dalkia France removed from the scope of consolidation (-€22.2 million) and finally the repayment of internal financing granted to Dalkia France (€737.5 million).

(**) Proceeds on disposal of financial assets in the Consolidated Cash Flow Statement include financial disposals, cash and cash equivalents, bank overdrafts and other cash position items removed from the scope of consolidation.

(**) This line includes the initial investment of beneficiaries of the Management Incentive Plan in the amount of €5.7 million, mainly corresponding to the sale of 439,952 shares at €13.04 per share to beneficiaries

(1) Net cash flows attributable to discontinued operations as defined in IFRS 5 mainly concern:
   a. Global urban lighting activities (Citelum), divested on July 25, 2014;
   b. European wind energy activities, divested in February 2013;
   c. The Berlin Water associate to December 2, 2013.

(2) Pursuant to IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations, the contribution of Water activities in Morocco is no longer recognized in Assets classified as held for sale and Liabilities directly associated with assets classified as held for sale. Comparative figures for fiscal year 2013 have been reclassified accordingly.