VEOLIA ENVIRONNEMENT

(Established as a société anonyme *in the Republic of France)*

EURO 12,000,000,000
EURO MEDIUM TERM NOTE PROGRAMME

This supplement (the "**Supplement**") is supplemental to and must be read in conjunction with the base prospectus dated 1 August 2008 granted visa n°08-163 on 1 August 2008 by the *Autorité des marchés financiers* (the "**AMF**"), as supplemented with a supplement dated 22 October 2008 which was granted visa n°08-220 on 22 October 2008 by the AMF (the base prospectus together with its supplement, the "**Base Prospectus**"), which has been prepared by Veolia Environnement ("**Veolia Environnement**" or the "**Issuer**") with respect to its Euro 12,000,000,000 Euro Medium-Term Note Programme (the "**Programme**"). Unless otherwise defined, terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement has been prepared pursuant to article 16.1 of the Directive 2003/71/EC of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the "**Prospectus Directive**") and article 212-25 of the AMF's General Regulations for the purposes of incorporating the 30 September 2008 turnover figures of Veolia Environnement as well as further additional information as set out in this Supplement.

Application has been made for approval of this Supplement to the AMF in France in its capacity as competent authority pursuant to article 212-2 of its General Regulations (*Règlement Général*) which implements the Prospectus Directive.

Copies of this Supplement are available without charge from the specified office of the Fiscal Agent or each of the Paying Agents, on the website of the AMF (www.amf-france.org), on the website of the Issuer (www.veolia-finance.com), and from Veolia Environnement, 36-38 avenue Kléber, 75116 Paris.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Base Prospectus.

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

In accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulations (*Réglement Général*) of the *Autorité des marchés financiers* (AMF), in particular articles 212-31 to 212-33, the AMF has granted to this Supplement its visa n°08-286 on 15 December 2008. This document may be used for the purposes of a financial transaction only if it is supplemented by final terms. It was prepared by the Issuer and its signatories assume responsibility for it. In accordance with article L.621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of "whether the document is complete and understandable, and whether the information it contains is consistent". It does not imply that the AMF has verified the accounting and financial data set out herein. This visa has been granted subject to the publication of final terms in accordance with article 212-32 of the AMF's General Regulations, setting out the terms of the securities to be issued.

1. PERSONS RESPONSIBLE FOR THE SUPPLEMENT

1.1 Persons responsible for the Supplement

Veolia Environnement, 36-38 avenue Kléber, 75116 Paris.

1.2 Declaration by persons responsible for the Supplement

We declare, having taken all reasonable measures for this purpose and to the best of our knowledge, that the information contained in this Supplement is in accordance with the facts and that it contains no omission which could affect its import.

Veolia Environnement
36-38 avenue Kléber
75116 Paris

duly represented by Henri Proglio
Chairman of the Board and CEO

2. STATUTORY AUDITORS

Statutory auditors:

KPMG SA, member of KPMG international
Commissaire aux comptes
member of the *Compagnie régionale de Versailles*
represented by Mr. Jay NIRSIMLOO and Mr. Baudouin GRITON
1 cours Valmy, 92923 Paris La Défense Cedex

ERNST & YOUNG ET AUTRES
Commissaire aux comptes
member of the *Compagnie régionale de Versailles*
represented by Mr. Jean BOUQUOT and Mr. Patrick GOUNELLE
41 rue Ybry, 92576 Neuilly-sur-Seine Cedex,

Alternate auditors:

Mr. Philippe MATHIS
1 cours Valmy, 92923 Paris La Défense Cedex

AUDITEX
Tour Ernst & Young, Faubourg de l'Arche, 92037 La Défense Cedex

7. INFORMATION ABOUT THE ISSUER

7.1.5 Recent developments affecting the Issuer's solvency

Consolidated revenue at September 30, 2008

On 12 November 2008, Veolia Environnement released its consolidated revenue at 30 September 2008 in unaudited IFRS data.

At September 30, 2008 (€m)	At September 30, 2007[1] (€m)	% change 2008/2007	Of which organic growth	Of which external growth	Of which currency effect
26,316.6	22,821.0	15.3%	10.9%	7.1%	-2.7%

Revenue

Veolia Environment's consolidated revenue rose 15.3% (18.0% at constant exchange rates) to €26,316.6 million at September 30, 2008, as compared with €22,821.0 million at September 30, 2007.

Organic growth came in at 10.9%, driven by the strong commercial development of the Group in all its businesses and the start-up of engineering and construction contracts in the Water business, as well as the benefit from tariff indexations. The increase in energy prices contributed around €240 million to revenue growth in the Energy business.

External growth of 7.1% resulted, in particular, from the acquisitions made by Veolia Environmental Services (the waste management division) in Germany, Italy and France (with a total contribution of €791 million), by Veolia Energy in the United States (€230 million) and by Veolia Water mainly in the United Kingdom and Japan (total contribution of around €205 million).

The share of revenue posted outside France totaled €15,826.1 million at September 30, 2008, or 60.1% of the total, as compared with 56.7% at September 30, 2007 [1].

The negative impact from the translation of non-euro currencies into euros was €604.0 million at September 30, 2008, and was primarily due to the depreciation of the US dollar against the euro, which accounted for €252.9 million and of the depreciation of the pound sterling against the euro for €300.9 million, offset to some extent by the appreciation of the Czech crown (positive impact of €95.2 million).

[1] The aggregates published on September 30, 2007 were adjusted to ensure comparability between reporting periods with respect to the business activity of Clemessy and Crystal in the Energy division, booked from the third quarter of 2008 according to the IFRS5 standard and thus presented in the income statement under "net income from discontinued operations".

Results

Operating cash flow totaled €3,068.3 million at September 30, 2008, versus €2,947.6 million [(1)] at September 30, 2007, an increase of 6.7% at constant exchange rates and 4.1% at current exchange rates. In the third quarter, operating cash flow growth was limited in the Water business by the lower contribution of operations in Germany and Central Europe, and in the Waste management business by the weaker economic and business environment as well as by lower contribution in Germany than reported last year.

Consolidated operating income increased 1.3%, to €1,770.0 million versus €1,746.9 million[(1)] at September 30, 2007. **Recurring operating income amounted to €1,763.6 million versus €1,713.3 million[(1)], an increase of 5.9% at constant exchange rates (up 2.9% at current exchange rates).**

Net financial debt[(2)] was €16,679 million at September 30, 2008 as compared with €16,332 million at June 30, 2008, essentially due to the investment and capital expenditure program (mainly from organic growth and including operating financial assets) in the amount of €885 million. The Company's strong financial solidity is underscored by its strong liquidity position, the absence of any significant bond repayments prior to 2012 and an average debt maturity of more than 9 years.

The implementation of the plan to control investments and an asset disposal program, announced on August 7th of this year, have begun to have an impact. The plan will lead to an amount of total investment, net of disposals, of around €4 billion in 2008 to be compared with €6.1 billion in 2007.

For 2008, the Company announced that it expects operating cash flow to be between €4,100 million and €4,200 million, thus approximately the same level as the operating cash flow generated in 2007, which totaled €4,163 million[(3)].

Analysis by division

Water

At September 30, 2008 (€m)	At September 30, 2007 (€m)	% change 2008/2007	Of which organic growth	Of which external growth	Of which currency effect
9,127.1	7,939.9	15.0%	13.7%	3.5%	-2.2%

- In **France**, organic growth was 4.2%[(4)] supported by tariff indexations, a wider offering of services and by growth in engineering works, that offset the decline in distributed volumes of approximately 1.2%.

(1) The aggregates published on September 30, 2007 were adjusted to ensure comparability between reporting periods with respect to the business activity of Clemessy and Crystal in the Energy division, booked from the third quarter of 2008 according to the IFRS5 standard and thus presented in the income statement under "net income from discontinued operations".

(2) Gross financial debt (non-current and current financial debt and bank overdrafts) net of cash and cash equivalents and excluding the revaluation of debt-hedging derivatives.

(3) Operating cash flow totaled €4.178m - €15m from discontinued operations.

(4) Excluding subsidiaries and foreign works companies.

- **Outside France**, excluding Veolia Water Solutions & Technologies, revenue grew 17.7% (up 13.9% at constant consolidation scope and exchange rates). In Europe, growth of 13.9% takes into account the new non-regulated water operations acquired in the United Kingdom as well as the conclusion of engineering works linked to the Brussels facility. Business activity was also boosted by the Africa/Middle East region, where it increased by nearly 17.9% at constant consolidation scope and exchange rates, in particular due to the contracts in Oman Sûr and Mauritania. In Asia-Pacific, the robust 32.5% growth in business at constant consolidation scope and exchange rates was driven to a large extent by the start-up of new municipal and industrial contracts in China (Lanzhou, Haikou and Tianjin), by the increase in volumes and the expansion of the Shenzen concession as well as an important volume of works in Australia (the Gold Coast contract and the desalination contract in Sydney). In the United States, the 5.9% growth at constant consolidation scope and exchange rates was primarily due to the start-up of the Milwaukee contract and the good level of engineering works activities in Indianapolis.

- **Veolia Water Solutions & Technologies** posted revenue of €1,716.6 million, up 34.6% at constant consolidation scope and exchange rates, largely due to the "Design and Build" municipal and industrial business, in particular in the Middle East.

At September 30, 2008, the Water division's operating cash flow increased despite a decline in delivered volumes of water in Europe, a delay in certain tariff increases and a negative impact of foreign currency translated to euros. Its growth was boosted by the positive effects of the conclusion of engineering works linked to the Brussels facility, productivity improvement efforts as well as the improvement in Veolia Water Solutions & Technologies' profit margin. Operating income of the Water division was stable at constant exchange rates.

Waste

At September 30, 2008 (€m)	At September 30, 2007 (€m)	% change 2008/2007	Of which organic growth	Of which external growth	Of which currency effect
7,712.5	6,678.3	15.5%	7.9%	12.6%	-5.0%

- **In France,** revenue rose 14.3% (up 5.8% at a constant consolidation scope). External growth resulted from the acquisition of Bartin Recycling Group finalized in February 2008. Organic growth benefited from brisk business in the treatment of non-hazardous household and industrial waste (landfills and incineration) while the sorting-recycling and trading business was affected by the economic slowdown in the third quarter.

- **Outside France**, all geographical regions contributed to the 8.8% organic growth. Despite the economic slowdown, solid growth was achieved in North America (up 8.9% at constant consolidation scope and exchange rates) due to the price increases in the solid waste business that offset the decline in volumes as well as the good performance of the hazardous waste busines and industrial services. Strong growth was also achieved in the United Kingdom (up 10.3% at constant consolidation scope and exchange rates) with, in particular, the contribution of new integrated contracts. In Germany, revenue contracted in the third quarter in comparison with last year, notably in the DSD sector (packaged waste) and industrial businesses. In Asia, the development of recent contracts made a significant contribution to organic growth of 23.0%. Lastly, in the Pacific region, the 22.0% growth (19.2% at constant consolidation scope and exchange rates) resulted from a substantial increase in the waste collection and treatment business (residual waste landfills) and industrial services.

- The 12.6% external growth primarily reflected the acquisition of Sulo in Germany (consolidated since July 2, 2007) for a contribution to revenue of €522 million, of VSA Tecnitalia (formerly TMT) in Italy for a contribution of €59 million as well as the operations of Bartin Recycling Group in France (effective since February 2008) for a contribution of €210 million.

Operating cash flow and operating income were stable as compared with 2007. They benefited from the satisfactory contribution from operations in the United States, the United Kingdom and Australia and were negatively impacted by the translation of foreign currency into euros, by the difficulties in Germany, as well as, in the third quarter, by the initial signs of the economic slowdown, particularly in France.

Energy

At September 30, 2008 (€m)	At September 30, 2007[1] (€m)	% change 2008/2007	Of which organic growth	Of which external growth	Of which currency effect
4,962.0	4,066.9	22.0%	12.5%	9.6%	-0.1%

- Revenue grew 22.0%, largely due to the increase in energy prices (€240 million) and the acquisition of Thermal North America Inc. (TNAI) in the United States at the end of 2007.
- In France**,** revenue grew 11.7% (at constant consolidation scope) due to the increase in energy prices, in the context of slightly colder weather conditions versus 2007 despite average temperatures during the 2008 winter remaining higher than their thirty-year average, and the satisfactory business growth recorded by the specialized subsidiaries (particularly installation facilities).
- **Outside France**, total revenue grew 31.8%, including 12.4% at constant consolidation scope and exchange rates, also due to the increase in energy prices.
- External growth of 9.6% mainly reflected the acquisition of TNAI in the United States in late 2007, which contributed €230 million to revenue, as well as, to a lesser extent, the acquisition of Praterm in Poland and smaller companies in Central and Southern Europe.

The strong increase in operating cash flow and operating income reflected the positive impact of the rise in energy prices, the slightly more favorable weather conditions than in 2007, as well as the consolidation of TNAI.

[1] The aggregates published on September 30, 2007 were adjusted to ensure comparability between reporting periods with respect to the business activity of Clemessy and Crystal in the Energy division, booked from the third quarter of 2008 according to the IFRS5 standard and thus presented in the income statement under "net income from discontinued operations”.

Transportation

At September 30, 2008 (€m)	At September 30, 2007 (€m)	% change 2008/2007	Of which organic growth	Of which external growth	Of which currency effect
4,515.0	4,135.9	9.2%	8.6%	2.7%	-2.1%

- Revenue in **France** grew 6.2% at a constant consolidation scope, lifted by the ongoing increase in business in the urban and interurban networks.
- **Outside France**, revenue grew 10.9% (up 10.2% at constant consolidation scope and exchange rates) and reflected the full impact of the division's development in North America and Germany (new contracts) as well as robust growth in business activity in Australia.
- External growth in revenue of 2.7% was mainly accounted for by the acquisition of People Travel Group in Sweden in 2007.

Operating cash flow and recurring operating income were stable in comparison with 2007. Productivity improvement efforts and the good contribution of business activity in Germany, Australia and the United States offset the negative effects of fuel price increases and the end of reduced social contribution costs in France.

Veolia Water wins two major contracts in plans for growing infrastructure needs in Ireland

On 6 November, 2008, Veolia Water announced that it had been awarded two Design, Build & Operate contracts for major wastewater treatment plants in Mullingar and Castlebar in Ireland. The two contracts form part of wider plans for the sustainable development of both towns, and are worth an estimated cumulative turnover of around €74 million for Veolia Water over 22 years.

Veolia Water will be overseeing the design and build part of the projects and will be responsible for the entire duration of the operation and maintenance phases of both projects. The company will be working with Ascon Ltd, as civil design-build subcontractor.

Veolia Transport pursues expansion in Asia with signature of first contract in China

On 8 December 8, 2008, Veolia Transport announced that Veolia Transport China Limited, its Chinese subsidiary, has signed a partnership agreement with Nanjing Zhongbei. The agreement covers the creation of a joint venture (of which Veolia Transport will hold 49%) to operate the transportation systems in six Chinese cities for a period of 30 years.

Nanjing Zhongbei is a company specializing in public transportation and real estate development. It has been listed on the Shenzhen stock exchange since 1996 and its main shareholder is the City of Nanjing.

For 2009, the joint venture is expected to generate revenue of over 400 million yuan, or €40 million (nearly €20 million for Veolia Transport) approximately.

This joint venture will enable Veolia Transport to enter into the public transportation market in China. With the country's cities continuing to grow (45% of Chinese now live in urban areas) and mobility increasing by 10% per year, public transportation has become a priority for the population and for the government.