



VEOLIA ENVIRONNEMENT

(Established as a société anonyme with limited liability 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 4 May 2007 granted visa n°07-141 on 3 May 2007 by the *Autorité des marchés financiers* (the “**AMF**”), as supplemented on 16 May 2007 (visa AMF n°07-151), 16 October 2007 (visa AMF n°07-360) and 16 January 2008 (visa AMF n°08-010) (the base prospectus together with these supplements: the “**Base Prospectus**”), 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**”). Terms defined in the Base Prospectus have the same meaning when used 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 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**”).

This Supplement has been prepared pursuant to article 16.1 of the Prospectus Directive and article 212-25 of the AMF’s General Regulations for the purposes of incorporating the 31 Décembre 2007 annual results of Veolia Environnement as well as further additional information as set out in this Supplement.

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) and on the website of the Issuer (www.veoliaenvironnement.com), and copies may be obtained 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.



In accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement 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°08-057 on 21 March 2008. This document may be used for the purposes of a financial transaction only if it is completed 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 comprehensible, 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

Having taken all reasonable measures for this purpose, we declare that the information contained in this Supplement is true to our knowledge. All the information necessary for investors to be able to base their judgment on the business, activity, financial situation, income and outlook of the Issuer and on the rights attached to the Notes is included in the Supplement (when read together with the Base Prospectus), and there has been no omission of material facts.

Veolia Environnement

36-38 avenue Kléber
75116 Paris

duly represented by Henri Proglia
Chairman of the Board and CEO

2. STATUTORY AUDITORS

Statutory auditors:

KPMG SA

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

54 avenue Marceau, 75008 Paris

AUDITEX

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

3. SUPPLEMENTAL INFORMATION

Chapter 7 Information about the Issuer

7.1.5 Recent developments affecting the Issuer's solvency

Veolia Water wins contract to upgrade and extend the Czajka wastewater treatment plant in Warsaw, Poland

On 11 February 2008, Veolia Water announced that it had won, via its subsidiary Veolia Water Solutions & Technologies, a contract in a consortium including Warbud, the Polish civil engineering company, and WTE, the German water company, to upgrade and extend the Czajka wastewater treatment plant in Warsaw, Poland. Attributed by Warsaw's public water and wastewater authority following an international call for tenders, the contract is worth an estimated amount of approximately €500 million for the consortium, of which approximately €148 million is for Veolia Water.

Veolia Environmental Services delivers a new PFI with success in Southwark, United Kingdom

On 13 February 2008, UK waste management market leader, Veolia Environmental Services (UK) Plc, announced that it had delivered a new 25 years PFI with success in Southwark (London) following its appointment by the Shropshire Waste Partnership four months ago. The contract represents cumulative total revenues for Veolia Environmental Services (UK) of almost 900 million euros. It targets an ambitious 50% recycling rate for an inner London borough by 2021.

Dalkia strengthens positions in Poland with successful completion of the Praterm offer

On 18 February 2008, Dalkia announced that following completion of its public offer launched last 17 December, it had become, with 97.9 % of the shares, the majority shareholder of Praterm, a Polish district heating company.

The transaction strengthens Dalkia's positions in Poland, where it already owns and operates two of the country's largest heating networks, in Poznan and Lodz. With 260 kilometres of small and mid-sized heating networks, Praterm produces and distributes heat to nearly 520,000 people and is expected to generate an estimate revenue of €55 million in 2008.

Launched last 17 December, the offer was approved by the Polish competition authorities on 7 February. It represents a total investment of €142 million for Dalkia.

Veolia Environmental services delivers a new PFI with success, in West Berkshire, United Kingdom

On 17 March 2008, West Berkshire Council announced that it had awarded to Veolia Environmental Services (UK) Plc a 25-year integrated PFI waste contract representing cumulative total revenues of 667 million euros and is targeting a long-term 49% recycling rate as part of a major boost to recycling in the area. This decision strengthens Veolia's position as the UK PFI waste market leader and follows its nomination by the Council as preferred bidder on 30 May 2007.

Chapter 15 Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses

15.3 Significant change in the issuer's financial or trading position

Paris, March 7, 2008

Results for the 2007 fiscal year
Continuation of profitable growth
22.3% increase in net income

Revenue¹: €32.6 billion, up 14% at current exchange rates

Cash flow from operations: €4,219.4 million, up 9.8%

Operating income: €2,496.9 million, up 17.1%

Recurring operating income²: €2,469.2 million, up 11.1%
(up 11.9% at constant exchange rates)

Recurring net income³: €333.2 million, up 22.5%

After-tax return on average capital employed: 10.9%

Net earnings per share⁴: €2.16, up 13.7%

Dividend per share⁵: €1.21, up 15.2%

Meeting on March 6, 2008, the Board of Directors examined and finalized Veolia Environnement's financial statements for 2007.

¹ Revenue from ordinary activities under IFRS.

² See the Table entitled "From recurring operating income to operating income".

³ Recurring net income attributable to equity holders of the parent corresponds to the recurring part of operating income, cost of net financial debt, other financial income and expenses, the equity in net income of affiliates, and after minority interests and recurring income tax.

⁴ Non-diluted from options but adjusted for the increase in capital completed on July 10, 2007.

⁵ Subject to approval by the Annual Shareholders Meeting on May 7, 2008. Dividend to be paid starting from May 27, 2008 and shares will be traded ex-rights on the Euronext Paris as from May 22, 2008.

STRONG INTERNAL GROWTH (+7.8%) AND STRATEGY OF TARGETED EXTERNAL GROWTH (+7.1%)

Total consolidated revenue amounted to €32,628.2 million compared to €28,620.4 million for the year ended December 31, 2006, an increase of 14% at current exchange rates (14.9% at constant exchange rates).

Veolia Environnement continued its growth and development in all its business sectors. The company won and renewed multiple contracts in its priority development zones, including:

- **France:** Mâcon, Abbeville, Aix-en-Provence and Sainte-Maxime in the Water division, Lyon (with the Leslys airport shuttle) in the Transport division and Lille in the Energy division (organic recovery center);
- **Europe:** Shropshire in the United Kingdom in the Environmental Services (waste management) division, Rogaland in Scandinavia in the Transport division and Campo de Dalías in Spain in the Water division. Key industrial and tertiary contracts were also awarded to the company in Europe, including ST Microelectronics in Italy and in France and Novartis in Switzerland;
- **North America:** Milwaukee and Tampa Bay in the Water division and Pinellas in the Environmental Services division;
- **The Asia/Pacific region:** Tianjin-Shibeï in China and Sydney in Australia in the Water division, Jiujiang in China in the Environmental Services division and Melbourne in the Transport division;
- and **the Middle East:** Marafiq in Saudi Arabia and Fujairah in the United Arab Emirates in the Water division.

Veolia Environnement also made targeted acquisitions during the year that enabled the company to expand its business lines and its presence in certain countries. The company significantly strengthened its position in Germany with the acquisition of Sulo in the area of waste management. In addition, the company acquired several relatively small companies in the energy services business in Central and Eastern Europe. In the United Kingdom, Veolia Environnement acquired non-regulated business contracts in the water business. Finally, in the United States, through the acquisition of Thermal North America Inc. in energy services, Veolia Environnement completed its global offering of environmental services with key positions across each of its four business lines.

FURTHER INCREASE IN OPERATING INCOME

Operating income totaled €2,496.9 million in 2007 compared to €2,132.9 million in 2006, up 17.1% at current exchange rates.

Recurring operating income rose 11.1% at current exchange rates (up 11.9% at constant exchange rates), increasing to €2,469.2 million in 2007 compared to €2,222.2 million in 2006. This increase was the result of business growth, continued productivity improvement and the increased maturity of the portfolio of contracts over the course of the past several years. The recurring operating margin went from 7.8% in 2006 to 7.6% in 2007, largely due to the fast growth in engineering operations in the water business as well as in service activities in the energy business.

Growth in recurring operating income by division was as follows:

- **Veolia Water's recurring operating income** rose to €1,265.7 million (up 9.3% at constant exchange rates). Operating income increased to €1,267.7 million (up 9.2% at current exchange rates).

In France, the productivity improvement efforts, the development of new services and the good performance of the works business offset the decline in delivered volumes linked to unfavorable weather conditions during the summer.

In Europe, the operating income benefited from the maturity of contracts as well as from the satisfactory conclusion of litigation with the Land of Berlin concerning drainage operations and a dilution capital gain stemming from the equity participation by the EBRD in Veolia Voda, the holding company for Central and Eastern European activities. In Asia, growth in operating income was driven by the dual effect of the expansion of existing contracts (Shenzhen in China) and by the full-year effect of others (Kunming, Sinopec, Urumqi and Changzhou in China). In Africa/Middle East, the increase in operating income was satisfactory, despite certain circumstantial difficulties in Gabon. Growth in the Technological Solutions business also contributed to the increase in operating income.

- **Veolia Environmental Service's (the waste management division) recurring operating income** increased to €803.5 million in 2007 (up 26.4% at constant exchange rates). Operating income rose to €803.5 million in 2007 (up 23.9% at current exchange rates).

The operating performance in France benefited from the dual effect of the increase in volumes treated, particularly for incineration activities and waste going to landfills, as well as a very good performance of the hazardous waste business.

Outside France, the increase in operating income was particularly robust in the UK market due to the full year consolidation of Cleanaway UK, which was initially consolidated in the fourth quarter of 2006, and the good performances of the integrated municipal waste management contracts in this country. In Germany, the operations of Sulo (henceforth Veolia Umwelt Services) have been consolidated since July 2, 2007. In the United States, operating income increased significantly due to strong growth in the industrial services business and continued strength in pricing in solid waste. In Asia-Pacific, operating performance was sustained, particularly in Australia.

- **Veolia Energy's recurring operating income** reached €388.2 million in 2007 (up 1.8% at constant exchange rates). Operating income increased to €398.7 million in 2007 (up 5.6% at current exchange rates).

Operating income was impacted by the mild weather in the first months of the year in Europe as well as by the smaller contribution from sales of excess CO₂ emission rights.

In France, profitability benefited from the improvement in the works business and in specialization subsidiaries that partly offset the effects of the mild weather.

In Europe, results improved significantly in Central Europe thanks to the strong increase in energy prices and the effect of acquisitions made during the year (Hungary). In Southern Europe, operating income benefited from the expansion of operations in Italy.

- **Veolia Transport's recurring operating income** increased to €15.1 million in 2007 (up 13.9% at constant exchange rates). Operating income amounted to €30.3 million in 2007 compared to €13.6 million in 2006.

Operating income in 2006 was negatively impacted by non-recurring losses of €6.5 million related to the operation of the Marschbahn rail contract in Germany.

In France, profitability in the business improved, in particular in the inter-urban business and in Ile-de-France. Operating income also increased due to the consolidation of SNCM, which posted results in-line with expectations.

Outside France, the solid performances recorded in Belgium and Australia, the recovery in the transit business and the development of the Transportation on Demand business in North America (in particular the Supershuttle business) and the turnaround in German operations offset the impacts of the start-up of the Limburg and Brabant contracts in the Netherlands.

Following a review of its various assets in order to enhance its profitability, Veolia Transport completed the disposal of its business in Denmark and a significant part of its operations in Spain.

COST OF NET FINANCIAL DEBT KEPT UNDER CONTROL

The cost of net financial debt rose from €701.0 million in 2006 to €817.1 million in 2007. This higher cost was due to a change in the average debt, the increase in interest rates and the longer maturity of the debt, which increased the weighted average cost of borrowing from 5.07% in 2006 to 5.49% in 2007.

Other financial income totaled €1.4 million in 2007 compared to an expense of €4 million in 2006. This was due to the positive impact from the revaluation of derivatives included in some contracts, the increase in net gains on loans and receivables offset by the unwinding of the discount for provisions.

STRONG INCREASE IN NET INCOME

Driven by the combined effect of good operating results, the leveling-off in tax expenses (as the effective tax rate decreased from 29.3% to 25.0%, benefiting primarily from lower tax charges in Germany and the United Kingdom) and the tight control of the net costs of borrowing, net income increased to €27.9 million in 2007 from €758.7 million in 2006 (up 22.3%).

Consolidated recurring net income rose 22.5% to €33.2 million in 2007 versus €62.0 million in 2006.

Net non-recurring items (-€5.3 million) in 2007 mainly included the impacts on operating income from the start of consolidation of SNCM for income of €20.5 million and a net loss of €3.2 million from discontinued operations.

Net income per share¹ rose 13.7% to €1.16.

STRONG CASH FLOW GENERATION

Cash flow from operations before tax and interest expense² from continuing operations³, amounted to €4,220.9 million versus €3,852.4 million at December 31, 2006, a 9.6% increase that reflects the growth of the business, the increased maturity of contracts and productivity improvement efforts.

After taking into account the repayment of operating financial assets (€95 million compared to €438.1 million at December 31, 2006), total cash generation was €4,614.4 million compared to €4,282.5 million in 2006. The company, furthermore, continued its active asset management policy and disposed of assets and equity interests amounting to €366 million. It also implemented a policy aimed at diversifying its risks, by allowing third parties, in particular multilateral organizations, to acquire equity interests in some of its subsidiaries.

As such, the cash flow generated was able to cover financial expenses and current tax, all maintenance capital expenditures (€1,590 million), current growth and development capital expenditures that totaled €1,001 million and the new operating financial assets (€334 million) as well as the change in the working capital requirement resulting from the business growth.

Accordingly, free cash flow before new projects amounted to €906 million.

The company continued to pursue its growth by investing in new projects and targeted acquisitions which together amounted to €3,973 million. A significant part of this capital was for the acquisitions of Sulo in Germany and VES Tecnitalia (former TMT) in Italy in the waste management business, Thermal North America Inc. in the energy services business, for the award of the Lanzhou, Haikou, and Tianjin Shibe contracts in China and the acquisition of the non-regulated activities of Thames Water in the water business in the United Kingdom, as well as to acquire People Travel Group in Sweden in the transportation business

In support of its growth strategy, Veolia Environnement successfully launched, on June 12, 2007, a €2.6 billion capital increase. The rights issue, completed on July 10, 2007, enabled the company to strengthen its capital position and improve its financial flexibility.

¹ Non-diluted from options, but including the capital increase completed on July 10, 2007

² Cash flow from operations & interest expenses, as defined by the Conseil National de Comptabilité's (CNC) recommendation dated October 27, 2004

³ Cash flow from discontinued operations totaled (€1.5m) in 2007 and (€3m) in 2006

After these investments, and taking into account the capital increase and the payment of dividends, net financial debt¹ amounted to €15.1 billion at December 31, 2007 compared to €14.7 billion at December 31, 2006.

Thus, the company was able to finance all its growth while improving its financial structure: the ratio of net financial debt / (cash flow from operations + repayment of operating financial assets) improved and stood at 3.3x at December 31, 2007 compared 3.4x at December 31, 2006.

IMPROVEMENT IN AFTER-TAX RETURN ON AVERAGE CAPITAL EMPLOYED: 10.9%

In line with the objectives set by the company, the after-tax return on capital employed further increased from 10.8% to 10.9% due to the combined impact of the increased maturity of contracts, the continued efforts to drive efficiencies and the control of capital employed, despite the dilutive effect in the first few years of certain growth investments and acquisitions.

DIVIDEND

In view of these results, the Board of Directors has decided to propose **a dividend per share of €1.21, representing a 15.2% increase, to be paid on May 27, 2008**, to the Annual Shareholders Meeting to be held on May 7, 2008.

OUTLOOK

Following the Board of Directors meeting, Veolia Environnement Chairman and Chief Executive Officer Henri Proglia stated:

“In 2007 we continued to demonstrate improvement to our results despite rather unfavorable weather conditions and a deterioration in the economic environment in the second half of the year. This performance is the result of the strategic choices made by the company in the last several years. Veolia Environnement’s business model, focused mainly on long-term contracts, a balanced geographic exposure and a positive evolution of its business mix, bolsters the company in its leadership position in Environmental Services worldwide. Despite a more challenging economic environment, these elements enable us to target growth of at least 10% in our revenue, cash flow from operations and net income in 2008.”

In the medium-term, the company will continue to pursue its growth and development and maintains its growth of objective of between 8% and 10% per year while maintaining its objective of an after tax return on capital employed (ROCE) of 10% (excluding the potential effect related to the timing of acquisitions). This progression is based on the organic growth of existing contracts, on new contracts won in robust markets in the company’s priority geographical regions for its business: Europe, North America and select countries in the Asia-Pacific region and in the Middle East, and on a selective policy of value-creating acquisitions in the environmental sector.

¹ Net financial debt = C+D+E+F-A-B (see Table below)

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET: ASSETS (€m)			
	31/12/2007	31/12/2006	31/12/2005
Goodwill	6,913.2	5,705.0	4,752.3
Intangible assets linked to concessions	2,989.2	2,345.6	2,091.8
Other intangible assets	1,706.4	1,379.8	1,281.4
Tangible assets	9,203.2	7,918.7	6,885.7
Investments accounted for using the equity method	292.1	241.0	201.5
Non-consolidated investments	256.1	181.7	209.5
Long-term operating financial assets	5,272.4	5,133.4	5,337.4
Derivative instruments - Assets	123.7	201.6	249.0
A Of which revaluation of treasury instruments	-	28.8	161.1
Other long-term financial assets	746.0	637.5	691.6
Deferred tax – Asset	1,468.1	1,355.7	1,134.7
Non-current assets	28,970.4	25,100.0	22,834.9
Inventories and work-in-progress	839.4	731.8	635.2
Accounts receivable	12,459.4	10,968.7	10,083.3
Short-term operating financial assets	355.2	326.2	208.0
Other short-term financial receivables	330.0	205.3	221.2
Marketable securities	-	66.4	60.7
Short-term derivative instruments - Assets	114.4	-	-
B Cash and cash equivalents	3,115.6	2,658.0	2,336.1
Current assets	17,214.0	14,956.4	13,544.5
Assets held for sale	122.5	67.3	1.6
TOTAL ASSETS	46,306.9	40,123.7	36,381.0
CONSOLIDATED BALANCE SHEET: LIABILITIES (€m)			
	31/12/2007	31/12/2006	31/12/2005
Share capital	2,358.8	2,063.1	2,039.4
Additional paid-in capital	9,179.5	6,641.2	6,499.1
Retained earnings and net income	-3,925.4	-4,343.5	-4,748.3
Minority interests	2,577.8	2,192.6	1,888.0
Shareholders' equity	10,190.7	6,553.4	5,678.2
Non-current provisions	2,138.9	2,196.6	1,648.0
Other long-term debt	-	207.3	203.7
C Long-term financial debt	13,948.0	14,001.6	13,722.8
Derivative instruments – Liability	163.8	145.9	154.5
Deferred tax – Liability	1,794.7	1,504.9	1,205.0
Non-current liabilities	18,045.4	18,056.3	16,934.0
Accounts payable	12,944.8	11,268.6	10,369.8
Current provisions	825.7	825.9	754.0
D Short-term financial debt	3,805.0	2,904.1	2,138.2
Short-term derivative instruments – Liability	34.0	-	-
E Of which revaluation of treasury instruments	27.7	-	-
F Bank overdrafts	459.4	456.0	506.8
Current liabilities	18,068.9	15,454.6	13,768.8
Liabilities held for sale	1.9	59.4	-
Total liabilities	46,306.9	40,123.7	36,381.0

Net financial debt = C+D+E+F-A-B

Given the evolution of the company, certain line item details in the balance sheet have been modified to allow for a more pertinent analysis of the accounts and one which is consistent with the evolution of the accounting standards in the past years. These modifications do not impact the shareholders equity or net income of the company.

CONSOLIDATED INCOME STATEMENT

(€m)	31/12/2007	31/12/2006	31/12/2005
Revenue from ordinary activities	32,628.2	28,620.4	25,570.4
(of which revenue from operating financial assets)	345.1	351.0	325.8
Costs of sales	-26,929.6	-23,427.1	-20,869.9
Selling costs	-551.3	-515.2	-478.5
General and administrative costs	-2,757.0	-2,611.2	-2,394.9
Other costs and operating income	106.6	66.0	65.8
Operating income	2,496.9	2,132.9	1,892.9
Cost of financial debt	-969.6	-783.8	-774.0
Income from financial debt	152.5	82.8	63.3
Other financial income and expenses	1.4	-34.0	28.1
Income tax expense	-420.1	-409.6	-422.4
Equity in net income of affiliates	16.9	6.0	6.5
Income before earnings from discontinued operations and minority interests	1,278.0	994.3	794.4
Net income from discontinued operations	-23.2	0.6	0.7
Net income before minority interests	1,254.8	994.9	795.1
Minority interests	326.9	236.2	172.9
Net income	927.9	758.7	622.2
Net earnings per share (€) ⁽¹⁾			
Diluted	2.13	1.89	1.56
Non-diluted	2.16	1.90	1.57
Net earnings per share from continuing operations (€) ⁽¹⁾			
Diluted	2.19	1.88	
Non-diluted	2.21	1.90	
Average number of diluted shares (in millions)	435.0	402.4	
Average number of non-diluted shares (in millions)	430.0	398.8	

(1) Following the increase in capital completed on July 10, 2007, the earnings per share calculation, for both the basic and diluted, has been adjusted retroactively for all periods given in compliance with the IAS33 standard.

CONSOLIDATED CASH FLOW STATEMENT (€m)	31/12/2007	31/12/2006	31/12/2005
Net income attributable to equity holders of the parent	927.9	758.7	622.2
Share of minority interests	326.9	236.2	172.9
Operating depreciation, amortization, provisions & impairment losses	1,816.7	1,831.0	1,690.7
Financial amortization & impairment losses	8.0	9.4	-21.0
Capital gains/losses on disposals and dilution	-173.5	-73.3	-70.0
Share of net income of associates	-16.9	-6.0	-14.9
Dividends received	-8.8	-9.7	-6.5
Cost of net financial debt	817.1	701.0	712.4
Income tax expense	420.1	357.1	422.4
Other (including IFRS 2)	101.9	40.0	33.7
Cash flow from operations	4,219.4	3,844.4	3,541.9
Of which cash flow from discontinued operations	-1.5	-8.0	4.3
Change in net working capital requirements	-167.1	-111.8	-39.4
Tax paid	-417.7	-343.0	-338.8
Cash flow provided by operating activities	3,634.6	3,389.6	3,163.7
Purchase of intangible, property, plant and equipment	-2,518.7	-2,017.6	-1,837.1
Proceeds on disposals of intangible, property, plant and equipment	212.9	141.3	168.8
Financial investments	-1,835.4	-1,291.5	-944.1
Proceeds from sale of financial assets	181.7	206.7	154.0
Operating financial assets:			
New operating financial assets	-404.1	-360.6	-513.4
Principal payments on operating financial assets	360.7	438.1	320.6
Dividends received	15.3	13.8	16.8
New long-term loans granted	-65.0	-69.4	-62.1
Principal payments on long-term loans	61.6	29.2	55.7
Change in short-term loans	-27.4	2.6	115.0
Purchases / sales of marketable securities	-	3.4	118.2
Cash flow provided by investing activities	-4,018.4	-2,904.0	-2,407.6
Change in short-term financial debt	-1,534.5	-239.2	-2,936.2
New loans and other long-term debt	2,060.4	1,997.2	3,134.8
Principal payments on loans and other long-term debt	-1,362.9	-1,000.8	-2,319.6
Increases in capital	3,039.2	246.5	81.0
Purchase of treasury shares	18.9	0.4	-
Dividends paid	-564.3	-479.2	-374.0
Interest paid	-716.0	-596.4	-738.8
Cash flow provided by financing activities	940.8	-71.5	-3,152.8
Opening cash and cash equivalents position	2,202.0	1,829.3	4,240.2
Currency effects and miscellaneous	-102.8	-41.4	-14.2
Closing cash and cash equivalents position	2,656.2	2,202.0	1,829.3
Cash and cash equivalents	3,115.6	2,658.0	2,336.1
- Bank overdrafts and other cash position items	459.4	456.0	506.8
Closing cash and cash equivalents position	2,656.2	2,202.0	1,829.3

FROM RECURRING OPERATING INCOME TO OPERATING INCOME

(€m)	31/12/07	31/12/06	Δ current FX rates
Recurring operating income	2,469	2,222	+11.1%
Non-recurring items			
▪ Provisions booked in transportation in Germany	-	-86	
▪ Transportation	+15	-	
▪ Other (incl. Energy Poland in 2007)	+13	-3	
Operating income	2,497	2,133	+17.1%

FROM RECURRING NET INCOME TO NET INCOME

(in €m)	2007
Recurring net income attributable to equity holders of the parent	933
▪ Non-recurring operating income impact	+28
▪ Disposal of discontinued operations (Transport in Denmark)	-23
▪ Non-recurring tax	+11
▪ Other (including minority interests on items above)	-21
Net income attributable to equity holders of the parent	928