

PROSPECTUS dated 23 April 2008



VEOLIA ENVIRONNEMENT

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

EUR 275,000,000 1.75 per cent. Bonds indexed on the Harmonised Index of Consumer Prices, excluding tobacco, for the Euro-zone due 2015

to be consolidated and form a single series with

the existing EUR 600,000,000 1.75 per cent. Bonds indexed on the Harmonised Index of Consumer Prices, excluding tobacco, for the Euro-zone due 2015 issued on 17 June 2005

(Series 15 Tranche 1)

issued pursuant to the Issuer's EUR 12,000,000,000 Euro Medium Term Note Programme

Issue price: 90.788 per cent. of the Aggregate Nominal Amount of the Tranche plus an amount of EUR 4,381,476.20 corresponding to accrued interest for the period from, and including, 17 June 2007 to, but excluding, 25 April 2008

**SERIES N°: 15
TRANCHE N°: 2**

This document constitutes a prospectus (the "**Prospectus**") for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and the relevant implementing measures in the Grand Duchy of Luxembourg.

This Prospectus contains information relating to the issue by Veolia Environnement ("**Veolia Environnement**" or the "**Issuer**") of its EUR 275,000,000 1.75 per cent. Bonds indexed on the Harmonised Index of Consumer Prices, excluding tobacco, for the Euro-zone due 2015 (the "**Bonds**") that are identical in all respects (save as to issue date and issue price) and will be consolidated and form a single series with the Issuer's EUR 600,000,000 1.75 per cent. Bonds indexed on the Harmonised Index of Consumer Prices, excluding tobacco, for the Euro-zone due 2015 issued on 17 June 2005 (the "**Original Bonds**"), upon certification as to non-US beneficial ownership, on or around the 40th day after the issue date of the Bonds.

The Bonds bear interest from, and including, 17 June 2007 at a rate per annum equal to 1.75 per cent. of the aggregate principal amount of the Bonds indexed on the Harmonised Index of Consumer Prices, excluding tobacco, for the Euro-zone payable annually in arrear on 17 June of each year. The first payment of interest will be made on 17 June 2008 for the period from, and including, 17 June 2007 to, but excluding, 17 June 2008.

The Bonds will be redeemed at maturity in whole on 17 June 2015 in accordance with their terms.

The Bonds constituting *obligations* are deemed to be issued outside France for the purpose of article 131 *quater* of the *Code Général des Impôts*.

Application has been made to the *Commission de surveillance du secteur financier* in Luxembourg (the "**CSSF**") for approval of this Prospectus in its capacity as competent authority under the *loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005 which implements the Prospectus Directive and for the Bonds to be admitted to the official list of the Luxembourg Stock Exchange and to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange. The Regulated Market of the Luxembourg Stock Exchange is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC (a "**Regulated Market**"). This Prospectus (together with any documents incorporated by reference therein) is available on the Luxembourg Stock Exchange website (www.bourse.lu).

The Bonds will be issued in bearer form and initially be represented by a Temporary Global Note, without interest coupons, which will be deposited with Euroclear France acting as Central Depository on or about 25 April 2008.

Investors should have regard to the factors described under the section headed "Risk Factors" set out or incorporated by reference in this Prospectus.

DEALER

Société Générale Corporate & Investment Banking

This Prospectus (together with all documents incorporated by reference herein - see “Documents incorporated by reference” below) comprises a Prospectus for the purposes of the Prospectus Directive and the relevant implementing measures in the Grand Duchy of Luxembourg and for the purposes of giving information with regard to the Issuer, the Issuer and its subsidiaries and affiliates taken as a whole (the “**Group**”) and the Bonds which, according to the particular nature of the Issuer and the Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer. The Issuer accepts responsibility accordingly.

This Prospectus has been prepared on the basis that any offer of Bonds in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Bonds. Accordingly any person making or intending to make an offer in that Relevant Member State of Bonds which are the subject of the offering contemplated in this Prospectus may only do so in circumstances in which no obligation arises for the Issuer or Société Générale (the “**Dealer**”) to publish a prospectus pursuant to Article 3 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the Dealer have authorised, nor do they authorise, the making of any offer of Bonds in circumstances in which an obligation arises for the Issuer or the Dealer to publish a prospectus for such offer.

This Prospectus is to be read and construed in conjunction with the documents incorporated by reference in this Prospectus (except to the extent so specified in, or to the extent inconsistent with, this Prospectus) which have been simultaneously published and filed with the CSSF and shall be deemed to form part of this Prospectus (see “Documents incorporated by reference”).

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealer. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that the information therein is correct as of any time subsequent to its date.

The distribution of this Prospectus and the offering or sale of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Dealer to inform themselves about and to observe any such restriction. The Bonds have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States and the Bonds are subject to U.S. tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Bonds and on distribution of this Prospectus, see “Subscription and Sale”.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealer to subscribe for, or purchase, any Bonds.

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PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

The Issuer accepts responsibility for the information given in this Prospectus (together with all documents incorporated by reference therein - see “Documents incorporated by reference” below). The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

Veolia Environnement

36-38 avenue Kléber

75116 Paris

France

Duly represented by Henri Proglia

Chairman of the Board and CEO

SUMMARY

This summary must be read as an introduction to this Prospectus. Any decision to invest in the Bonds should be based on a consideration of this Prospectus as a whole (including the documents incorporated by reference). Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated. No civil action may be brought in liability against the Issuer solely on the basis of this Summary, including its translation, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.

Words and expressions defined in “Terms and Conditions of the Bonds” below shall have the same meanings in this Summary.

I. KEY INFORMATION RELATING TO THE BONDS

| | |
|-----------------------------|--|
| Issuer: | Veolia Environnement. |
| Description: | EUR 275,000,000 1.75 per cent. Bonds indexed on the Harmonised Index of Consumer Prices, excluding tobacco, for the Euro-zone due 2015 (the “ Bonds ”) to be consolidated and form a single series with the existing EUR 600,000,000 1.75 per cent. Bonds indexed on the Harmonised Index of Consumer Prices, excluding tobacco, for the Euro-zone due 2015 issued on 17 June 2005 (the “ Original Bonds ”). |
| Issue Price: | 90.788 per cent. of the Aggregate Nominal Amount of the Tranche plus an amount of EUR 4,381,476.20 corresponding to accrued interest for the period from, and including, 17 June 2007 to, but excluding, 25 April 2008. |
| Dealer: | Société Générale. |
| Method of Issue: | Non syndicated. |
| Denomination: | EUR 1,000. |
| Maturity: | 17 June 2015. |
| Form of Bonds: | Bearer Bonds, initially represented by a temporary Global Note exchangeable for a permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note. |
| Status of the Bonds: | Unsubordinated Bonds. |
| Negative Pledge: | There will be a negative pledge in respect of the Bonds. |
| Events of Default: | There will be events of default including a cross-default |

| | |
|---|---|
| | in respect of the Bonds. |
| Interest: | The Bonds will bear interest from, and including, 17 June 2007 at a rate per annum equal to 1.75 per cent. of the aggregate principal amount of the Bonds indexed on the Harmonised Index of Consumer Prices, excluding tobacco, for the Euro-zone payable annually in arrear on 17 June of each year. The first payment of interest will be made on 17 June 2008 for the period from, and including, 17 June 2007 to, but excluding, 17 June 2008. |
| Listing and admission to trading: | Application has been made to the <i>Commission de Surveillance du Secteur Financier</i> for approval of the Prospectus, and for the listing of the Bonds on the official list of the Luxembourg Stock Exchange and admission to trading of the Bonds on the Regulated Market of the Luxembourg Stock Exchange. |
| Early Redemption for Tax Reasons: | For tax reasons, in certain circumstances, the Issuer may, and in certain circumstances the Issuer shall be required to, redeem the Bonds in whole (but not in part), at their principal amount multiplied by the inflation index ratio as further set out in the Terms and Conditions of the Bonds, together with any accrued interest. Such redemption may take place at any time, subject to having given not less than 30 nor more than 60 days' prior notice to the Bondholders, as more fully set out in the Terms and Conditions of the Bonds. |
| Withholding Tax: | The Bonds constituting <i>obligations</i> under French law are deemed to be issued outside the Republic of France for the purposes of Article 131 <i>quater</i> of the French tax code. Consequently, interest and other revenues paid by the issuer of the Bonds with respect to the Bonds will benefit from the exemption from the withholding tax set out under Article 125 A III of the French tax code. |
| Central Depository: | Euroclear France. |
| Clearing Systems: | Euroclear France, Euroclear and Clearstream Luxembourg. |
| Governing Law: | The Bonds will be governed by English law. |
| Fiscal Agent and Principal Paying Agent: | BNP Paribas Securities Services, Luxembourg Branch 33, rue de Gasperich Howald-Hesperange L-2085 Luxembourg |

Selling Restrictions:

For the description of certain restrictions on offers, sales and deliveries of Bonds and on the distribution of offering material, see “Subscription and Sale”.

II. KEY INFORMATION ABOUT THE ISSUER

Veolia Environnement is a *société anonyme à conseil d’administration* incorporated in 1995 pursuant to the French commercial code for a term of 99 years. Its registered office is located at 36-38 avenue Kléber, 75116 Paris, France. Veolia Environnement is the leading company of an independent group of companies which specialises in the supply of environmental management services.

Veolia Environnement is the only market player to offer such a complete range of services in the field of environmental services. It has the necessary skills to provide its clients with tailored solutions fitting their individual needs, including, for instance, supplying water, recycling wastewater, collecting, treating and recycling waste, supplying heating and cooling services, and generally optimising the industrial processes used in their facilities.

Through its four divisions, each of which specialises in a single business sector: Veolia Eau, Veolia Energie (Dalkia), Veolia Propreté and Veolia Transport. Veolia Environnement currently provides drinking water to more than 78 million people and treats sewer water for 53 million people in the world, treats about 66 million tons of waste, satisfies the energy requirements of hundreds of thousands of buildings for its industrial, municipal and individual clients and transports approximately 2.7 billion passengers per year. Veolia Environnement strives to offer services to clients combining those offered by each of its four divisions, and which are packaged either in the form of a single multi-service contract, or several individual contracts.

III. RISK FACTORS**A. Essential risks associated with Veolia Environnement**

The Issuer specialises in the supply of environmental management services and is therefore subject to certain risks in relation to its business activity. To make payments on the Bonds issued under the Programme, the Issuer depends on the income it receives from its business operations. The Issuer’s profitability may be adversely affected by a large number of factors.

These factors include:

- intense competition in the various business segments of the Group;
- business operations in countries involving additional risks;
- a sensitivity to changes in prices of fuel and other commodities;
- acquisitions made by the Issuer which may prove to have less favorable consequences than anticipated or which could affect its financial situation;
- the impact of variations in weather conditions on certain of the Group’s businesses;
- an exposure to geopolitical, criminal or terrorist risks;
- long-term contracts which may limit the Issuer’s capacity to quickly and effectively

- react to adverse economic changes;
- the right of public authorities to terminate or modify contracts with the Group unilaterally;
- significant investments in projects for which the requisite approvals are not obtained;
- significant costs of compliance with various environmental health and safety laws and regulations
- potential liability for damages caused by the Issuer’s operations and activities;
- technological risks that require additional care from the Group;
- an exposure to the risk of currency and interest rate fluctuations.

B. Essential risks associated with the Bonds to be issued by Veolia Environnement

An investment in the Bonds involves certain risks which are material for the purpose of assessing the market risks associated with investing in the Bonds issued. While all of these risk factors are contingencies which may or may not occur, potential investors should be aware that the risks involved with investing in the Bonds may lead to a volatility and/or decrease in the market value of the Bonds whereby the market value falls short of the expectations (financial or otherwise) of an investor upon making an investment in the Bonds.

However, each prospective investor of Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Bonds.

These risks include:

- risks related to the provision of information;
- risks related to legality of purchase;
- risks relating to credit ratings;
- risks related to taxation;
- risks related to the EU Savings Directive;
- risks related to the market value of the bonds;
- the risk of a change in law; and
- risks related to an investment in index linked Bonds.

These risk factors are more detailed in the “Risk factors” section of this Prospectus.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. The risk factors may relate to the Issuer or to any of its subsidiaries.

In addition, factors which are material for the purpose of assessing the market risks associated with the Bonds are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Bonds may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Bonds are exhaustive. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties not currently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision. In particular, investors should make their own assessment as to the risks associated with the Bonds prior to investing in the Bonds.

RISK FACTORS RELATING TO THE ISSUER

See “Documents incorporated by reference” below.

RISK FACTORS RELATING TO THE BONDS

The following paragraphs describe some risk factors that the Issuer believes are material to the Bonds to be issued and listed and admitted to trading in order to assess the market risk associated with the Bonds. They do not describe all the risks of an investment in the Bonds. Prospective investors should consult their own financial and legal advisers about risks associated with investment in the Bonds and the suitability of investing in the Bonds in light of their particular circumstances.

1. General risks relating to the Bonds

1.1 Independent review and advice

Each prospective investor of Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Bonds.

A prospective investor may not rely on the Issuer or the Dealer or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Bonds or as to the other matters referred to above.

1.2 Provision of information

None of the Issuer, the Dealer or any of their respective affiliates makes any representation as to the Harmonised Index of Consumer Prices, excluding tobacco, for the Euro-zone (the “**HICP**”). Any of such persons may have acquired, or during the term of the Bonds may acquire, non-public information with respect to an index that is or may be material in the context of the Bonds. The issue of the Bonds will not create any obligation on the part of any such persons to disclose to the Bondholders or any other party such information (whether or not confidential).

1.3 Potential conflicts of interest

The Issuer may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Bonds and which could be deemed to be adverse to the interests of the Bondholders.

1.4 Legality of purchase

Neither the Issuer, the Dealer nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Bonds by a prospective investor of the Bonds, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

1.5 Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Bonds. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

1.6 Taxation

Payments of interest on the Bonds, or profits realised by the Bondholder upon the sale or repayment of the Bonds, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The tax impact on Bondholders generally in France and as a result of the entry into force of the European Union Directive 2003/48/EC on the taxation of savings income in respect of interest payments is described under “Taxation”; however, the tax impact on an individual Bondholder may differ from the situation described for Bondholders generally. The Issuer advises all investors to contact their own tax advisors for advice on the tax impact of an investment in the Bonds.

1.7 EU Savings Directive

On 3 June 2003, the European Union adopted the Directive 2003/48/EC regarding the taxation of savings income in the form of interest payments (the “**Directive**”). The Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State, except that, for a transitional period, Belgium,

Luxembourg and Austria will instead withhold an amount on interest payments unless the relevant beneficial owner elects otherwise.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts as a result of the imposition of such withholding tax.

1.8 Market value of the Bonds

The market value of the Bonds will be affected by the creditworthiness of the Issuer and a number of additional factors, including the value of the HICP, including, but not limited to, the volatility of the HICP, or the market interest and yield rates and the time remaining to the maturity date.

The value of the Bonds or the HICP depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, and factors affecting capital markets generally and the stock exchange on which the Bonds are traded. The price at which a Bondholder will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser. The historical experience of the HICP should not be taken as an indication of the HICP's future performance during the term of the Bonds.

1.9 Change of law

The Terms and Conditions of the Bonds are based on the law in effect in England and Wales as at the date of this Prospectus. No assurance can be given as to the impact of any possible change in the laws of England and Wales after the date of this Prospectus.

1.10 Modification waivers and substitution

The Terms and Conditions of the Bonds contain provisions for calling General Meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant General Meeting and Bondholders who voted in a manner contrary to the majority.

2. Risks related to the Interest Rate and Redemption Amount of the Bonds

Index linked bonds are debt securities which do not provide for predetermined redemption amounts and/or interest payments but amounts due in respect of principal and/or interest will be dependent upon the performance of an index, which itself may contain substantial credit, interest rate or other risks. The amount of principal and/or interest, if any, payable by the Issuer might be substantially less than the issue price or, as the case may be, the purchase price invested by the Bondholder and may even be zero in which case the Bondholder may lose his entire investment.

The Bonds are index-linked bonds. All interest and principal payments under the Bonds are linked to the evolution of the HICP, as calculated and published by EUROSTAT.

The index can be obtained on the Eurostat's website (<http://europa.eu.int/comm/eurostat>) as well as historical data series and a schedule of release.

Index linked bonds are not in any way sponsored, endorsed, sold or promoted by the index sponsor or the respective licensor of the index and such index sponsor or licensor makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the index and/or the figure at which the index stands at any particular time. Each index is determined, composed and calculated by its respective index sponsor or licensor, without regard to the relevant issuer or the bonds. None of the index sponsors or licensors is responsible for or has participated in the determination of the timing of, prices at, or quantities of the bonds to be issued or in determination or calculation of the equation by which the bonds settle into cash. None of the index sponsors or licensors has any obligation or liability in connection with the administration, marketing or trading of the bonds. The index sponsor or licensor of an index has no responsibility for any calculation agency adjustment made for the index.

An investment in index-linked bonds entails significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security. These risks include, among other things, the possibility that:

- such index or indices may be subject to significant changes, whether due to the composition of the index itself, or because of fluctuations in value of the indexed assets;
- the resulting interest rate will be less (or may be more) than that payable on a conventional debt security issued by the Issuer at the same time;
- the repayment of principal can occur at times other than that expected by the investor;
- an investment in an index linked bond where the principal and/or interest is linked to a rate of inflation may be subjected to considerable volatility;
- the risks of investing in an index linked bond encompasses both risks relating to the underlying index and risks that are unique to the bond itself;
- it may not be possible for investors to hedge their exposure to these various risks relating to index linked bonds; and
- a significant market disruption could mean that the index on which the index linked bonds are based ceases to exist.

In addition, the value of index linked bonds on the secondary market is subject to greater levels of risk than in the value of other bonds. The secondary market, if any, for index linked bonds will be affected by a number of factors, independent of the creditworthiness of the Issuer and the value of the applicable index, including the volatility of the applicable index, the time remaining to the maturity of such bonds, the amount outstanding of such bonds and market interest rates. The value of the applicable index depends on a number of interrelated factors, including economic, financial and political events, over which the Issuer has no control. The historical experience of the HICP should not be taken as an indication of future performance of such index during the term of the Bonds. Additionally, there may be regulatory and other ramifications associated with the ownership by certain investors of the Bonds.

A lower index value will impact the Daily Inflation Reference and subsequently lower the Daily Inflation Index Ratio. This ratio may therefore drop below 1 and result in coupon payments being a fraction of the 1.75% annual Coupon.

Should the Daily Inflation Index Ratio be lower than 1 at maturity, a floor at 100% of the principal is applied to the Redemption Amount, protecting therefore the Bondholder's principal investment.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with:

- the *Document de Référence 2006* prepared by the Issuer with the exception of (i) section 1.2 entitled “*Attestation du responsable*” included on pages 5 and 6 and (ii) section 13 entitled “*Prévisions ou estimations du bénéfice*” included on pages 100 to 101, of such document (the “*Document de Référence 2006*”); and
- the *Document de Référence 2007* prepared by the Issuer with the exception of (i) Section 1.2 entitled “*Attestation du responsable*” included on page 5 and (ii) section 13 entitled “*Prévisions ou estimations du bénéfice*” included on pages 107 to 110 of such document (the “*Document de Référence 2007*”),

which contain, *inter alia*, the audited annual consolidated financial statements for the Issuer and shall be deemed to be incorporated in, and form part of, this Prospectus:

| Rule | Prospectus Regulation Annex IV | Relevant Document | Page |
|---------------|--|-----------------------------------|-------------|
| A4.3 | SELECTED FINANCIAL INFORMATION | | |
| A4.3.1 | Selected historical information regarding the issuer, presented, for each financial year for the period covered by the historical financial information, and any subsequent interim financial period, in the same currency as the financial information. The selected historical financial information must provide key figures that summarise the financial condition of the issuer. | <i>Document de Référence 2007</i> | 9 |
| A4.3.2 | If selected financial information for interim periods is provided, comparative data from the same period in the prior financial year must also be provided, except that the requirement for comparative balance sheet data is satisfied by presenting the year end balance sheet information. | Not Applicable | |
| A4.4 | RISK FACTORS | | |
| A4.4 | Prominent disclosure of risk factors that may affect the issuer’s ability to fulfil its obligations under the securities to investors in a section headed “Risk Factors”. | <i>Document de Référence 2007</i> | 11-24 |
| A4.5 | INFORMATION ABOUT THE ISSUER | | |
| A4.5.1 | <u>History and development of the Issuer:</u> | | |
| A4.5.1.1 | the legal and commercial name of the issuer; | <i>Document de Référence 2007</i> | 26 |
| A4.5.1.2 | the place of registration of the issuer and its registration number; | <i>Document de Référence 2007</i> | 26 |
| A4.5.1.3 | the date of incorporation and the length of life of the issuer, except where indefinite; | <i>Document de Référence 2007</i> | 26 |
| A4.5.1.4 | the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office); and | <i>Document de Référence 2007</i> | 26 |
| A4.5.1.5 | any recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer’s solvency. | <i>Document de Référence 2007</i> | 104-106 |
| A4.5.2 | INVESTMENTS | | |
| A4.5.2.1 | A description of the principal investments made since the date of the last published financial statements. | <i>Document de Référence 2007</i> | 104-106 |
| A4.5.2.2 | Information concerning the issuer’s principal future investments, on which its management bodies have already made firm commitments. | <i>Document de Référence 2007</i> | 27, 104-106 |
| A4.5.2.3 | Information regarding the anticipated sources of funds needed to fulfil commitments referred to in item A4.5.2.2. | <i>Document de Référence 2007</i> | 87-88 |
| A4.6 | BUSINESS OVERVIEW | | |
| A4.6.1 | <u>Principal activities:</u> | | |
| A4.6.1.1 | A description of the issuer’s principal activities stating the main categories of products sold and/or services performed; and | <i>Document de Référence 2007</i> | 30-52 |
| A4.6.1.2 | an indication of any significant new products and/or activities. | | |
| A4.6.2 | <u>Principal markets</u> | <i>Document de</i> | 53-59 |

| Rule | Prospectus Regulation Annex IV | Relevant Document | Page |
|--------------|--|--|------------------------|
| | A brief description of the principal markets in which the issuer competes. | <i>Référence 2007</i> | |
| A4.6.3 | The basis for any statement made by the issuer regarding its competitive position. | <i>Document de Référence 2007</i> | 55-56 |
| A4.7 | ORGANISATIONAL STRUCTURE | | |
| A4.7.1 | If the issuer is part of a group, a brief description of the group and of the issuer's position within it. | <i>Document de Référence 2007</i> | 69-71 |
| A4.7.2 | If the issuer is dependant upon other entities within the group, this must be clearly stated together with an explanation of this dependence. | Veolia Environnement is the holding company of an independent group of companies | |
| A4.9 | PROFIT FORECASTS OR ESTIMATES | | |
| A4.9.1 | A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate. There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; be readily understandable by investors; be specific and precise; and not relate to the general accuracy of the estimates underlying the forecast. | Not Applicable | |
| A4.9.2 | Any profit forecast set out in the registration document must be accompanied by a statement confirming that the said forecast has been properly prepared on the basis stated and that the basis of accounting is consistent with the accounting policies of the issuer. | Not Applicable | |
| A4.9.3 | The profit forecast or estimate must be prepared on a basis comparable with the historical financial information. | Not Applicable | |
| A4.10 | ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES | | |
| A4.10.1 | Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital. | <i>Document de Référence 2007</i> | 112-120 |
| A4.11 | BOARD PRACTICES | | |
| A4.11.1 | Details relating to the issuer's audit committee, including the names of committee members and a summary of the terms of reference under which the committee operates. | <i>Document de Référence 2007</i> | 132-133 |
| A4.11.2 | A statement as to whether or not the issuer complies with its country's of incorporation corporate governance regime(s). In the event that the issuer does not comply with such a regime a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime. | <i>Document de Référence 2007</i> | 128-135 |
| A4.12 | MAJOR SHAREHOLDERS | | |
| A4.12.1 | To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused. | No third party controls Veolia | |
| A4.12.2 | A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer. | To the Issuer's knowledge no agreement currently exists that could result in a change of control in the future | |
| A4.13 | FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES | | |
| A4.13.1 | Historical Financial Information Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member States national accounting standards for issuers from the Community. For third country issuers, such financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. If such financial information is not equivalent to these standards, it must be presented in the form of restated financial statements. The most recent year's historical financial information must be presented and prepared in a form consistent with that which will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation | <i>Document de Référence 2007</i> <i>Document de Référence 2006</i> | 166-295 158-282 |

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| | <p>applicable to such annual financial statements.</p> <p>If the issuer has been operating in its current sphere of economic activity for less than one year, the audited historical financial information covering that period must be prepared in accordance with the standards applicable to annual financial statements under the Regulation (EC) No 1606/2002, or if not applicable to a Member States national accounting standards where the issuer is an issuer from the Community. For third country issuers, the historical financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. This historical financial information must be audited.</p> <p>If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least:</p> <p>(a) balance sheet; (b) income statement; (c) cash flow statement; and (d) accounting policies and explanatory Notes.</p> <p>The historical annual financial information must have been independently audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard.</p> | <p>(a) <i>Document de Référence 2007</i> <i>Document de Référence 2006</i></p> <p>(b) <i>Document de Référence 2007</i> <i>Document de Référence 2006</i></p> <p>(c) <i>Document de Référence 2007</i> <i>Document de Référence 2006</i></p> <p>(d) <i>Document de Référence 2007</i> <i>Document de Référence 2006</i></p> | <p>166-167 158-159 168 160 169 161 171-294 164-280</p> |
| A4.13.2 | <u>Financial statements</u> If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document. | <i>Document de Référence 2007</i> | 166-295 |
| A4.13.3 | <u>Auditing of historical annual financial information</u> | | |
| A4.13.3.1 | A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given | <i>Document de Référence 2007</i> <i>Document de Référence 2006</i> | 295 281-282 |
| A4.13.3.2 | An indication of other information in the registration document which has been audited by the auditors. | <i>Document de Référence 2007</i> | 295 |
| A4.13.3.3 | .Where financial data in the registration document is not extracted from the issuer's audited financial statements, state the source of the data and state that the data is unaudited | Not Applicable | |
| A4.13.4 | <u>Age of latest financial information</u> The last year of audited financial information may not be older than 18 months from the date of the registration document. | 31 December 2007 | |
| A4.13.5 | <u>Interim and other financial information</u> | | |
| A4.13.5.1 | If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact. | Not Applicable | |
| A4.13.5.2 | If the registration document is dated more than nine months after the end of the last financial year, it must contain interim financial information, covering at least the first six months of the financial year. If the interim financial information is unaudited state that fact. The interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the years end balance sheet. | Not Applicable | |
| A4.14 | ADDITIONAL INFORMATION | | |
| A4.14.1 | <u>Share Capital</u> | | |
| A4.14.1.1 | The amount of the issued capital, the number and classes of the shares of which it is composed with details of their principal characteristics, the part of the issued capital still to be paid up, with an indication of the number, or total nominal value, and the type of the shares not yet fully paid up, broken down where applicable according to the extent to which they have been paid up. | <i>Document de Référence 2007</i> | 342 |
| A4.14.2 | <u>Memorandum and Articles of Association.</u> | | |
| A4.14.2.1 | The register and the entry number therein, if applicable, and a description of the issuer's objects and purposes and where they can be found in the memorandum and articles of association. | <i>Document de Référence 2007</i> | 355-358 |
| A4.15 | MATERIAL CONTRACTS | | |
| A4.15 | A brief summary of all material contracts that are not entered into in the ordinary course | Veolia | |

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| | of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued. | Environnement has not entered into, in the ordinary course of its business, any material contracts which could result in any Group Member being under an obligation that is material to Veolia Environnement's ability to meet its obligations to Noteholders in respect of Notes issued under the Programme | |

Any information not listed in the cross-reference list but included in the documents incorporated by reference is given for information purposes only.

TERMS AND CONDITIONS OF THE BONDS

The Terms and Conditions under which the Bonds described herein (the “**Bonds**”) are issued comprise the Economic Terms and Conditions as PART 1 and the General Terms and Conditions of the Bonds as PART 2 (the “**Terms and Conditions of the Bonds**”). Terms defined in the General Terms and Conditions of the Bonds have the same meaning in the Economic Terms and Conditions. All references in the General Terms and Conditions of the Bonds to “Pricing Supplement” shall be construed as references to the Economic Terms and Conditions in PART 1 below.

PART 1: ECONOMIC TERMS AND CONDITIONS

This issue constitutes the reopening of the Euro 600,000,000 1.75 per cent. Bonds indexed on the Harmonised Index of Consumer Prices, excluding tobacco, for the Euro-zone due 2015 (the “**Original Bonds**”). The newly issued Bonds will be consolidated and form a single series with the Original Bonds, upon certification as to non-US beneficial ownership, on or around the 40th day after the issue date of the Bonds, thereby bringing the total principal amount of Bonds of Series 15 outstanding to EUR 875,000,000.

| | | |
|----------|-----------------------------------|--|
| 1 | Relevant Issuer: | Veolia Environnement |
| 2 | (i) Series Number: | 15 |
| | (ii) Tranche Number: | 2 |
| 3 | Specified Currency or Currencies: | Euro (“ EUR ”) |
| 4 | Aggregate Nominal Amount: | |
| | (i) Series: | EUR 875,000,000 |
| | (ii) Tranche: | EUR 275,000,000 |
| 5 | (i) Issue Price: | 90.788 per cent. of the Aggregate Nominal Amount of the Tranche multiplied by the Inflation Index Ratio (as defined in the Annex below) on the Issue Date (being 1.06460) plus an amount of EUR 4,381,476.20 corresponding to accrued interest for the period from, and including, 17 June 2007 to, but excluding, the Issue Date. |
| | (ii) Net proceeds: | EUR 269,530,714.40 |
| 6 | Specified Denominations: | EUR 1,000 |
| 7 | (i) Issue Date: | 25 April 2008 |
| | (ii) Interest Commencement Date: | 17 June 2007 |
| 8 | Maturity Date: | 17 June 2015 |

| | | |
|----|---|--|
| 9 | Interest Basis: | Index Linked Interest (further particulars specified at paragraph 19 below and Annex) |
| 10 | Redemption/Payment Basis: | Index Linked Redemption. See Annex |
| 11 | Change of Interest or Redemption/Payment Basis: | Not Applicable |
| 12 | Put/Call Options: | Not Applicable |
| 13 | Status of the Bonds: | Senior |
| 14 | Listing: | Application has been made to list the Bonds on the Luxembourg Stock Exchange |
| 15 | Method of distribution: | Non Syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

| | | |
|----|--|---|
| 16 | Fixed Rate Provisions | Not Applicable |
| 17 | Floating Rate Provisions | Not Applicable |
| 18 | Zero Coupon Provisions | Not Applicable |
| 19 | Index Linked Interest Provisions | Applicable |
| | (i) Index/Formula: | See Annex |
| | (ii) Calculation Agent responsible for calculating the interest due: | Natixis (formerly known as IXIS Corporate & Investment Bank) |
| | (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: | See Annex |
| | (iv) Interest Period(s) | As defined in the Conditions |
| | (v) Specified Interest Payment Dates: | 17 June in each year from (and including) 17 June 2008 to (and including) the Maturity Date |
| | (vi) Business Day Convention: | Not Applicable |
| | (vii) Business Centre(s) (Condition 5(j)): | Not Applicable |
| | (viii) Minimum Rate of Interest: | Not Applicable |
| | (ix) Maximum Rate of Interest: | Not Applicable |
| | (x) Count Fraction (Condition 5(j)): | Actual/Actual - ICMA (formerly known as ISMA) |

20 Dual Currency Provisions Not Applicable

PROVISIONS RELATING TO REDEMPTION

21 Call Option Not Applicable

22 Put Option Not Applicable

23 Final Redemption Amount of each Bond See Annex

24 Early Redemption Amount

(i) Early Redemption Amount(s) of each Bond payable on redemption for taxation reasons (Condition 6(c)) or an event of default (Condition 10) and/or the method of calculating the same (if required or if different from that set out in the Conditions): See Annex

(ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates (Condition 6(c)): Yes

(iii) Unmatured Coupons to become void upon early redemption (Bearer Bonds only) (Condition 7(f)): Yes

GENERAL PROVISIONS APPLICABLE TO THE BONDS

25 Form of Bonds: Bearer Bonds

(i) Temporary or permanent Global Note: Temporary Global Note exchangeable for a permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note.

(ii) Applicable TEFRA exemption: D Rules

26 Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates: Not Applicable

27 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No

28 Details relating to Partly Paid Bonds: amount of each payment comprising the Issue Price and date on which payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Bonds and interest due

| | | |
|----|--|---|
| | on late payment: | Not Applicable |
| 29 | Details relating to Instalment Bonds: | Not Applicable |
| 30 | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |
| 31 | Consolidation provisions: | Not Applicable |
| 32 | Other terms or special conditions: | For the purposes of the issue of the Bonds, any references to “Note” and “Noteholder” in the Conditions shall be deemed to be references to “Bond” and “Bondholder” respectively. |

DISTRIBUTION

| | | |
|----|---------------------------------------|---|
| 33 | (i) If syndicated, names of Managers: | Not Applicable |
| | (ii) Stabilising Manager (if any): | Not Applicable |
| | (iii) Dealers’ Commission: | 0.235 per cent. of the Aggregate Nominal Amount of the Tranche |
| 34 | If non-syndicated, name of Dealer: | Société Générale Tour Société Générale 17 cours Valmy 92987 Paris La Défense Cedex France |
| 35 | Additional selling restrictions: | Not Applicable |

OPERATIONAL INFORMATION

| | | |
|----|--|--|
| 36 | ISIN Code: | FR0010606467 until the Exchange Date and thereafter FR0010206276 |
| 37 | Common Code: | 035691294 until the Exchange Date and thereafter 022219057 |
| 38 | Euroclear France to act as Central Depository: | Yes |
| 39 | Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and Euroclear France and the relevant identification number(s): | Not Applicable |
| 40 | Delivery: | Delivery against payment |
| 41 | The Agents appointed in respect of the Bonds are: | FISCAL AGENT, PRINCIPAL PAYING AGENT AND LUXEMBOURG LISTING AGENT BNP Paribas Securities Services, Luxembourg Branch |

23, Avenue de la Porte Neuve
L-2085 Luxembourg

CALCULATION AGENT

Natixis
47, quai d'Austerlitz
75648 Paris Cedex 13

GENERAL

- | | | |
|-----------|--|---------------------------------------|
| 42 | Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 11(a): | Not Applicable |
| 43 | The aggregate principal amount of Bonds issued has been translated into Euro at the rate of [•], producing a sum of (for Bonds not denominated in Euro): | Not Applicable |
| 44 | Governing law (Condition 15(a)): | The Bonds are governed by English law |

Signed on behalf of the Issuer:

Duly authorised

ANNEX
INDEX LINKED PROVISIONS

1 Calculation of Final Redemption Amount and Early Redemption Amount

The Final Redemption Amount or Early Redemption Amount, as the case may be, payable in respect of each Specified Denomination on the Maturity Date, or on the relevant date of any early redemption (the “**Early Redemption Date**”), as the case may be, will be an amount equal to the greater of (i) the nominal amount of each Specified Denomination and (ii) an amount in euro (rounded, if applicable, to the nearest fifth decimal place, 0.000005 being rounded upwards) determined by the Calculation Agent in accordance with the following formula:

$$\text{Specified Denomination} \times \text{Redemption Date Inflation Index Ratio}$$

where,

“**Redemption Date Inflation Index Ratio**” means the Inflation Index Ratio (as defined in paragraph 2 below) as determined in respect of the Maturity Date, or Early Redemption Date, as the case may be.

For the avoidance of doubt, for the purposes of the provisions of Condition 5(b)(iv), if the Bonds fall to be redeemed for whatever reason before the Maturity Date, accrued interest on the Bonds, if any, will be calculated by the Calculation Agent in respect of the period from, and including, the immediately preceding Interest Payment Date or, as the case may be, the Interest Commencement Date to, but excluding, the Early Redemption Date at a rate per annum equal to a rate per annum calculated by the Calculation Agent on the basis, *mutatis mutandis*, of the provisions of paragraph 2 below and Conditions 5(b)(iv) and 5(h) except that, for such purposes, the relevant Interest Determination Date shall be the fifth Business Day prior to the relevant Early Redemption Date.

2 Calculation of Rate of Interest

The Rate of Interest applicable in respect of each Interest Period will be a rate, expressed as a percentage (rounded, if applicable, to the nearest fifth decimal place, 0.000005 being rounded upwards) determined by the Calculation Agent on the relevant Interest Determination Date in accordance with the following formula:

$$1.75\% \times \text{Inflation Index Ratio}$$

where,

“**Base Daily Inflation Reference**” means the Daily Inflation Reference as determined by the Calculation Agent in respect of the Issue Date (being 105.96600);

“**Business Day**” means a day on which the TARGET System is operating;

“**Daily Inflation Reference**” means, in respect of any date, the value of the Index for such date as determined by the Calculation Agent on the relevant Index Determination Date in accordance with the provisions for the calculation of the Daily Inflation Reference as set out in paragraph 3 below and appearing on Reuters page Agence

France Trésor “OATei01” or such replacement page as selected by the Calculation Agent;

“**Eurostat**” means the statistical office of the European Communities in Luxembourg;

“**Index**” means, subject to the provisions of paragraph 4 below, the Harmonised Index of Consumer Prices (**HICP**) excluding tobacco, for the Euro zone as calculated and published by Eurostat (and, for information purposes, appearing on web site www.aft.gouv.fr or such replacement page on such service which displays such information);

“**Index Determination Date**” means, in respect of any date for which the Daily Inflation Reference is required to be determined, the fifth Business Day prior to such date;

“**Inflation Index Ratio**” means the ratio between (i) the Daily Inflation Reference in respect of the relevant Interest Payment Date, Maturity Date or Early Redemption Date, as the case may be, and (ii) the Base Daily Inflation Reference. The Inflation Index Ratio will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards;

“**Interest Determination Date**” means the fifth Business Day prior to the relevant Interest Payment Date.

For the avoidance of doubt, interest on overdue amounts in respect of the Bonds (after the Maturity Date or, as the case may be, the relevant Early Redemption Date) shall accrue at a rate per annum equal to a rate per annum calculated by the Calculation Agent on the basis, *mutatis mutandis*, of the provisions of this paragraph 2 and Condition 5(f) except that, for such purposes, the relevant Interest Determination Date shall be deemed to be the fifth Business Day prior to the Relevant Date.

3 Calculation of the Daily Inflation Reference¹

The Daily Inflation Reference (“*I_d*”) for day *d* of month *m* is the linear interpolation of the Index in respect of months *m-3* and *m-2*, expressed relatively to the same basis of 100 (or such other revised basis as may be adopted from time to time by Eurostat).

Hence:

$$I_d = HICP_{m-3} + \frac{nb d}{q_m} \times (HICP_{m-2} - HICP_{m-3})$$

where:

HICP_{m-2}: Consumer Price Index for month *m-2*;

HICP_{m-3}: Consumer Price Index for month *m-3*;

nb d: Actual number of days between date *d* (included) and the first day of month *m* (excluded); and

¹ extrapolated from the French Bond Association (CNO) document entitled “Inflation-linked bonds” published in 1997.

q_m : Actual number of days in month m .

4 **Fall-back provisions**

1.1 Change in the Sponsor of the Index

If the Index is not calculated and/or disseminated by Eurostat, but is calculated and/or disseminated by another relevant authority approved by the European Union (the “**New Sponsor**”), then the Index as so calculated and/or disseminated by the New Sponsor shall be used for the purpose of calculating (i) the relevant Rate of Interest and/or (ii) the Final Redemption Amount or, as the case may be, the Early Redemption Amount, in respect of the Bonds.

1.2 Successor Index

If the Index is replaced by a successor index using the same or a substantially similar formula and method of calculation as used in the calculation of the Index and such successor index is reasonably acceptable to the Calculation Agent, the relevant Index for the purpose of calculating (i) the applicable Rate of Interest and/or (ii) the Final Redemption Amount or, as the case may be, the Early Redemption Amount, in respect of the Bonds, shall be the successor index (the “**Successor Index**”).

1.3 Substitute Index

If the Index is not published for a given month, for any reason, or ceases to be published, for any reason, the Calculation Agent shall, for any month where the Index is not published, either find a Successor Index or determine, in consultation with the Issuer, a substitute index (the “**Substitute Index**”), such substitute index comprising as far as practicable the same components as the Index, which shall be adopted for the Bonds.

1.4 Changes in calculation method or basis of the Index

In the event that Eurostat or, as the case may be, any New Sponsor changes the base of the Index at any time while any of the Bonds are still outstanding, then for the purpose of calculating (i) the relevant Rate of Interest and/or (ii) the Final Redemption Amount, or, as the case may be, the Early Redemption Amount, in respect of the Bonds, the value of the Index following such change in base shall be determined in accordance with the methodology published by Eurostat or, as the case may be, the relevant New Sponsor following such change. In the event that no such methodology is published, then the Calculation Agent shall make such calculation as it, in its reasonable discretion, deems appropriate to determine the relevant Index.

PART 2:
GENERAL TERMS AND CONDITIONS OF THE BONDS

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued pursuant to an amended and restated Agency Agreement dated 11th July, 2003 between Veolia Environnement, BNP Paribas Securities Services, Luxembourg Branch as fiscal agent and the other agents named in it (as amended or supplemented as at the Issue Date, the “Agency Agreement”) and with the benefit of an amended and restated Deed of Covenant dated 11th July, 2003 executed by Veolia Environnement in relation to the Notes (as amended or supplemented as at the Issue Date, the “Deed of Covenant”). Veolia Environnement has the right to specify one or more of its subsidiaries or affiliates or any *Groupement d’Intérêt Economique* comprised of Veolia Environnement and/or any of its subsidiaries or affiliates acting jointly and severally (a “GIE”) as an Issuing Subsidiary (which expression shall, in the case of Notes issued by a GIE and unless the context requires otherwise, be deemed to include such GIE and each and any member thereof) which, upon the execution of the relevant documentation required by the Dealer Agreement (as defined below) and the Agency Agreement, may issue Notes, such Notes being unconditionally and irrevocably guaranteed by Veolia Environnement (in such capacity the “Guarantor”) pursuant to a guarantee (as defined in Condition 3 below). Veolia Environnement or any such Issuing Subsidiary are referred to below, in their capacity as an issuer of Notes, as a “Relevant Issuer” (which expression shall include, where the context requires, any Substituted Issuer pursuant to Condition 15). The fiscal agent, the paying agents, the registrar, the transfer agents, the calculation agent(s), the redenomination agent and the consolidation agent for the time being (if any) are referred to below respectively as the “Fiscal Agent”, the “Paying Agents” (which expression shall include the Fiscal Agent), the “Registrar”, the “Transfer Agents”, the “Calculation Agent(s)”, the “Redenomination Agent” and the “Consolidation Agent”. The Noteholders (as defined below), the holders of the interest coupons (the “Coupons”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “Talons”) (the “Couponholders”) and the holders of the receipts for the payment of instalments of principal (the “Receipts”) relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement, the Deed of Covenant and any deed of covenant entered into by any Issuing Subsidiary in, or substantially in, the form of the Deed of Covenant applicable to them.

Copies of the Agency Agreement, the Deed of Covenant, any Guarantee and any supplemental documentation entered into by an Issuing Subsidiary are, or by the Issue Date will be, available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

1 Form, Denomination, Title and Redenomination

(a) *Form and Denomination*

The Notes are issued in bearer form (“Bearer Notes”, which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form (“Registered Notes”) or in bearer form exchangeable for Registered Notes (“Exchangeable Bearer Notes”) in each case in the Specified Denomination(s) shown hereon.

All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates (“Certificates”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

(b) *Title*

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Relevant Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “Register”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “Noteholder” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), “holder” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

(c) *Redenomination*

The Relevant Issuer may (if so specified hereon) without the consent of the holder of any Note, Receipt, Coupon or Talon, redenominate all, but not some only, of the Notes of any Series on or after the date on which the Member State of the European Union in whose national currency such Notes are denominated has become a participating Member State in the third stage of the European economic and monetary union (“EMU”) all as more fully provided in the relevant Pricing Supplement.

2 Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes

(a) *Exchange of Exchangeable Bearer Notes*

Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 7(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) *Transfer of Registered Notes*

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Relevant Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

(c) *Exercise of Options or Partial Redemption in Respect of Registered Notes*

In the case of an exercise of the Relevant Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) *Delivery of New Certificates*

Each new Certificate to be issued pursuant to Conditions 2(a), (b) or (c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 6(e)) and/or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition (d), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) *Exchange Free of Charge*

Exchange and transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Relevant Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(f) *Closed Periods*

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Relevant Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for

redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

3 Status of the Notes and the Guarantee

(a) Status of the Notes

The Notes and the Receipts and Coupons relating to them constitute direct, unconditional, (subject to Condition 4) unsecured and unsubordinated obligations of the Relevant Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Relevant Issuer under the Notes and the Receipts and Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Relevant Issuer, present and future.

(b) Status of the Guarantee

The due and punctual payment of all and any amounts due under any Notes, Receipts and Coupons issued by an Issuing Subsidiary (including, where applicable, any Substituted Issuer pursuant to Condition 15 where that Substituted Issuer is not Veolia Environnement) is unconditionally and irrevocably guaranteed by the Guarantor pursuant to a guarantee dated on or before the Issue Date in or substantially in the form of Schedule 8 to the Agency Agreement (the "Guarantee"). The obligations of the Guarantor under the Guarantee, if any, constitute direct, unconditional (subject to Condition 4) unsecured and unsubordinated obligations of the Guarantor and shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Guarantor, present and future.

4 Negative Pledge

(a) Restriction

So long as any of the Notes, Receipts or Coupons remain outstanding (as defined in the Agency Agreement), each of the Relevant Issuer (including, in the case of an Issuing Subsidiary which is a GIE, each and any member thereof) and, as the case may be, the Guarantor shall not, and will ensure that none of its Principal Subsidiaries (as defined below) shall, create or permit to subsist any mortgage, charge, pledge, lien (other than a lien arising by operation of law) or other form of encumbrance or security interest ("Security") upon the whole or any part of their respective undertakings, assets or revenues present or future (including any uncalled capital) to secure any Relevant Debt, or any guarantee of or indemnity in respect of any Relevant Debt unless, at the same time or prior thereto, its obligations under the Notes, Receipts and Coupons or, as the case may be, the Guarantee, if any, (A) are secured equally and rateably therewith or (B) have the benefit of such other security or other

arrangement as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

(b) *Relevant Debt*

For the purposes of this Condition, “Relevant Debt” means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, loan stock or other securities that, at the time of the issue, are capable of being, or are intended to be, quoted, listed or ordinarily dealt in on any stock exchange, automated trading system, over-the-counter or other securities market.

(c) *Principal Subsidiaries*

For the purposes of these Conditions, “Principal Subsidiaries” means at any relevant time a Subsidiary of the Relevant Issuer (or, in the case where the Relevant Issuer is a GIE, a Subsidiary of the GIE or of any member thereof) or, as the case may be, the Guarantor whose total assets or operating income (or, where the Subsidiary in question prepares consolidated accounts whose total consolidated assets or consolidated operating income, as the case may be) attributable to the Relevant Issuer (or, in the case where the Relevant Issuer is a GIE, a Subsidiary of the GIE or of any member thereof) or, as the case may be, the Guarantor represent not less than fifteen per cent. of the total consolidated assets or the consolidated operating income of the Relevant Issuer (or, in the case where the Relevant Issuer is a GIE, a Subsidiary of the GIE or of any member thereof) or, as the case may be, the Guarantor, all as calculated by reference to the then latest audited accounts (or consolidated accounts, as the case may be) of such Subsidiary and the then latest audited consolidated accounts of the Relevant Issuer (or, in the case where the Relevant Issuer is a GIE, a Subsidiary of the GIE or of any member thereof) or, as the case may be, the Guarantor and its consolidated subsidiaries, or to which is transferred all or substantially all the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary.

“Subsidiary” means at any particular time, any person or entity at any time which is then directly or indirectly controlled, or more than 50 per cent. of whose issued equity share capital (or equivalent) is then beneficially owned, by the Relevant Issuer (or, in the case where the Relevant Issuer is a GIE, by the GIE or by any member thereof) or, as the case may be, the Guarantor and/or one or more of its Subsidiaries. For a company to be “controlled” by another means that the other (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the Board of Directors or other governing body of that person or otherwise controls or has the power to control the affairs and policies of that person.

5 Interest and other Calculations

(a) *Interest on Fixed Rate Notes*

Except as otherwise provided in the relevant Pricing Supplement, each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

If a Fixed Coupon Amount or a Broken Amount is specified hereon, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified hereon.

(b) *Interest on Floating Rate Notes and Index Linked Interest Notes*

(i) *Interest Payment Dates*: Except as otherwise provided in the relevant Pricing Supplement, each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA

Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated hereon) the Margin (if any). For the purposes of this sub-paragraph (A), “ISDA Rate” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity”, “Reset Date” and “Swap Transaction” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (x) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
 - (I) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
 - (II) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date;

- (y) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (x)(I) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(II) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting

to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent; and

- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is Euro, in those member states that are participating in EMU (the “Euro-zone”) as selected by the Calculation Agent (the “Principal Financial Centre”) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(iv) *Rate of Interest for Index Linked Interest Notes*: The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) *Zero Coupon Notes*

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortization Yield (as defined in Condition 6(b)(i)).

(d) *Dual Currency Notes*

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating a Rate of

Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(e) *Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(f) *Accrual of Interest*

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgement) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(g) *Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding*

(i) If any Margin or Rate Multiplier is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph;

(ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be;

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(h) *Calculations*

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any

Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(i) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts*

As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Relevant Issuer, the Guarantor, if relevant, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) *Definitions*

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Benchmark” means the benchmark source specified in the relevant Pricing Supplement for the purposes of calculating the Relevant Rate in respect of Floating Rate Notes.

“Business Day” means:

- (i) in the case of a currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of Euro, a day on which the TARGET system is operating (a “TARGET Business Day”); and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period, the “Calculation Period”):

- (i) if “Actual/365” or “Actual/Actual – ISDA” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “Actual/360” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “30/360”, “360/360” or “Bond Basis” is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));
- (v) if “30E/360” or “Eurobond Basis” is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and
- (vi) if “Actual/Actual – ISMA” is specified hereon,

- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (B) if the Calculation Period is longer than one Determination Period the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year.

where

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“Determination Date” means the date specified as such hereon or, if none is so specified, the Interest Period Date.

“Effective Date” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such hereon or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“Interest Amount” means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be, and in the case of Index Linked Interest Notes, includes the Coupon.

“Interest Commencement Date” means the Issue Date or such other date as may be specified hereon.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro.

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon.

“ISDA Definitions” means the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

“Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 (“Reuters”) and Moneyline Telerate (“Moneyline Telerate”)) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

“Payment Date” means, in relation to Day Count Fraction above, the date on which interest for the relevant period falls due.

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

“Reference Banks” means the institutions specified as such hereon or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark.

“Relevant Financial Centre” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such hereon or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of Euro shall be any financial centre in Europe) (selected by the Calculation Agent) or, if none is so connected, London.

“Relevant Rate” means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified hereon or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose “local time” means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, Central European Time.

“Representative Amount” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such hereon or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

“Specified Currency” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

“Specified Duration” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified hereon or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(b)(ii).

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System.

(k) *Calculation Agent and Reference Banks*

The Relevant Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents in each case if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Agency Agreement). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Relevant Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Relevant Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6 Redemption, Purchase and Options

(a) *Redemption by Instalments and Final Redemption*

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or the relevant Instalment Date (being one of the dates so specified hereon) is extended pursuant to the Relevant Issuer’s or Noteholder’s option in accordance with Condition 6(d) or 6(e), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment

Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

- (ii) Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to the Relevant Issuer's or Noteholder's option in accordance with Condition 6(d) or 6(e), each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) *Early Redemption*

(i) *Zero Coupon Notes*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortized Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortized Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortization Yield (which, if none is shown hereon, shall be such rate as would produce an Amortized Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortized Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortized Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgement) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) *Redemption for Taxation Reasons*

(i) Any Series of Notes may be redeemed at the option of the Relevant Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Relevant Issuer (or, in the case where the Relevant Issuer is a GIE, the GIE or any member thereof) or, as the case may be, the Guarantor has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, laws or regulations of the Relevant Jurisdiction (as defined below) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Relevant Issuer (or, in the case where the Relevant Issuer is a GIE, the GIE or any member thereof) and/or, as the case may be, the Guarantor, taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Relevant Issuer (or, in the case where the Relevant Issuer is a GIE, the GIE or any member thereof) and/or, as the case may be, the Guarantor, would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

(ii) (A) If, on the occasion of the next payment due in respect of any Series of Notes, Receipts or Coupons, the Relevant Issuer (or, in the case where the Relevant Issuer is a GIE, the GIE or any member thereof) would be prevented by the law of the Relevant Jurisdiction from making payment to the holders thereof of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts as provided in Condition 8(b), then the Relevant Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Relevant Issuer shall redeem all, but not some only, of the Notes of such Series then outstanding at their Early Redemption Amount (as described in Condition 6(b) above), together with interest accrued (if any) to the date fixed for redemption on (A) the latest practicable Interest Payment Date on which the Relevant Issuer could make payment of the full amount then due and payable in respect of such Series, the Notes, Receipts or Coupons, as the case may be, provided that if such notice would expire after such Interest Payment Date the date for redemption pursuant to such notice of Noteholders

shall be the later of (i) the latest practicable date on which the Relevant Issuer (or, in the case where the Relevant Issuer is a GIE, the GIE or any member thereof) could make payment of the full amount then due and payable in respect of the Notes, Receipts or Coupons, as the case may be, and (ii) 14 days after giving notice to the Fiscal Agent as aforesaid or

- (B) if so specified on this Note, at any time, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date on which the Relevant Issuer could make payment of the full amount payable in respect of the Notes, Receipts or Coupons or, if that date is passed, as soon as practicable thereafter. (B) If, on the occasion of any payment due under the Guarantee, if any, in respect of any Series of Notes, Receipts or Coupons, the Guarantor would be prevented by the law of the Relevant Jurisdiction from making payment to the holders thereof of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts as provided in Condition 8(b), then the Guarantor shall forthwith give notice of such fact to the Fiscal Agent and the Relevant Issuer shall redeem all, but not some only, of the Notes of such Series then outstanding at their Early Redemption Amount (as described in Condition 6(b) above), together with interest accrued (if any) to the date fixed for redemption, no later than 14 days after giving notice to the Fiscal Agent as aforesaid.
- (iii) Before the publication of any notice of redemption pursuant to this paragraph (c), the Relevant Issuer and/or, as the case may be, the Guarantor shall deliver to the Fiscal Agent a certificate signed by two Directors of the Relevant Issuer and/or, as the case may be, the Guarantor stating that the Relevant Issuer is entitled or required, as the case may be, to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right, or the requirement, as the case may be, of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Relevant Issuer (or, in the case where the Relevant Issuer is a GIE, the GIE or any member thereof) and/or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment.
- (iv) “Relevant Jurisdiction” means, in the case of Veolia Environnement, any Issuing Subsidiary (and, in the case where the Relevant Issuer is a GIE, the GIE and any member thereof established in France) and, where relevant, any Substituted Issuer pursuant to Condition 15 established in the Republic of France, the Republic of France and, in the case of any other Issuing Subsidiary (and, in the case where the Relevant Issuer is a GIE, any other member thereof) and, where relevant, any other Substituted Issuer pursuant to Condition 15, the jurisdiction in which it is established and/or resident and/or subject for tax purposes, as specified, where relevant, in the relevant Pricing Supplement.

(d) *Redemption at the Option of the Relevant Issuer and Exercise of the Relevant Issuer's Options*

If Call Option is specified hereon, the Relevant Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem, or exercise any Relevant Issuer's option (as may be described hereon) in relation to, all or, if so provided, some, of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified hereon and no greater than the maximum nominal amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed, or the Relevant Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of a Relevant Issuer's option, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements. So long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that Stock Exchange so require, the Relevant Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in Luxembourg, a notice specifying the aggregate nominal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

(e) *Redemption at the Option of Noteholders and Exercise of Noteholders' Options*

If Put Option is specified hereon, the Relevant Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Relevant Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option or any other Noteholders' option that may be set out hereon (which must be exercised on an Option Exercise Date) the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Relevant Issuer.

(f) *Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

(g) *Purchases*

The Relevant Issuer (and, where the Relevant Issuer is a GIE, any member thereof), the Guarantor and, in each case, their respective subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(h) *Cancellation*

All Notes issued by Veolia Environnement or any Issuing Subsidiary established in the Republic of France and purchased by or on behalf of Veolia Environnement or, as the case may be, the relevant Issuing Subsidiary shall be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by Veolia Environnement or, as the case may be, the relevant Issuing Subsidiary be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any such Notes so surrendered for cancellation may not be reissued or resold and the obligations of Veolia Environnement or, as the case may be, the relevant Issuing Subsidiary in respect of any such Notes shall be discharged. In any other case, Notes purchased by Veolia Environnement or any Issuing Subsidiary or any of their respective subsidiaries may, subject to the laws of the Relevant Jurisdiction, be held, re-sold or surrendered as aforesaid for cancellation.

7 Payments and Talons

(a) *Bearer Notes*

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency or, in the case of Euro, in a city in which banks have access to the TARGET System.

(b) *Registered Notes*

- (i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “Record Date”). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a bank in the principal financial centre of the country of such currency, subject as provided in paragraph (a) above, and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and, subject as provided in paragraph (a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of such currency.

(c) *Payments in the United States*

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Relevant Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Relevant Issuer, any adverse tax consequence to the Relevant Issuer.

(d) *Payments Subject to Fiscal Laws*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) *Appointment of Agents*

The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents, the Calculation Agent, the Redenomination Agent and the Consolidation Agent initially appointed by the Relevant Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents, the Calculation Agent(s), the Redenomination Agent and the Consolidation Agent act solely as agents of the Relevant Issuer and, as the case may be, the Guarantor and do

not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Relevant Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent, the Calculation Agent(s), the Redenomination Agent or the Consolidation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Relevant Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) a Redenomination Agent or a Consolidation Agent where the Conditions so require, (vi) Paying Agents having specified offices in at least two major European cities, including Luxembourg so long as the Notes are listed on the Luxembourg Stock Exchange and as long as the rules of such stock exchange so require, (vii) a transfer agent in Luxembourg so long as the Notes are listed on the Luxembourg Stock Exchange and as long as the rules of such stock exchange so require, (viii) such other agents as may be required by any other stock exchange on which the Notes may be listed and (ix) insofar as it is permissible under any applicable European or national laws a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Relevant Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(f) *Unmatured Coupons and Receipts and unexchanged Talons*

- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Bearer Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) If the Notes so provide, upon the due date for redemption of any Bearer Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Relevant Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(h) *Non-Business Days*

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “Financial Centres” hereon and:

- (i) (in the case of a payment in a currency other than Euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (ii) (in the case of a payment in Euro) which is a TARGET Business Day.

8 Taxation

- (a) Interest and other revenues with respect to the Notes which constitute *obligations* and are being issued or are deemed to be issued outside the Republic of France, benefit from the exemption from deduction of tax at source provided by article 131 *quater* of the *Code Général des Impôts* (General Tax Code). Accordingly, such payments do not give the right to any tax credit from any French source. The tax regime applicable to Notes which do not constitute *obligations* will be set out in the relevant Pricing Supplement.
- (b) If on the occasion of the next payment due in respect of the Notes, Receipts or the Coupons appertaining thereto or the Guarantee if any, as the case may be, the Relevant Issuer (or, in the case where the Relevant Issuer is a GIE, the GIE or any member thereof) or the Guarantor, as the case may be, would be required, for any reason whatsoever, to make a withholding or deduction with respect to any taxes or duties levied or imposed by or on behalf of the Relevant Jurisdiction or any authority therein or thereof having power to tax, the Relevant Issuer (or, in the case where the Relevant Issuer is a GIE, the GIE or any such member thereof) or the Guarantor, as the case may be, will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holders of Notes, Receipts or Coupons, after deduction for such withholding, receive the full amount provided in such Notes, Receipts or Coupons to be then due and payable; provided, however, that no such additional amount shall be payable with respect to any Note, Receipt or Coupon:
- (i) presented for payment in the Relevant Jurisdiction; or
 - (ii) to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of the Note, Receipt or Coupon; or
 - (iii) presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or
 - (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
 - (v) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used in these Conditions, “Relevant Date” in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which

payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortized Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts that may be payable under this Condition.

9 Prescription

Claims against the Relevant Issuer for payment in respect of any Notes, Receipts and Coupons (which for this purpose shall not include Talons) issued by it shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

If any of the following events (“Events of Default”) occurs, the holder of any Note may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable, unless such event of default shall have been remedied prior to the receipt of such notice by the Fiscal Agent:

- (a) If default is made for a period of 15 days or more in the payment of any amount on the Notes or the relevant Guarantee when and as the same shall become due and payable; or
- (b) If default is made by the Relevant Issuer or the Guarantor, as the case may be, in the due performance of any other obligation under the terms and conditions of the Notes, or, as the case may be, the Guarantee, if any, unless remedied within 30 days after receipt by the Fiscal Agent of a written notice thereof given by the bearer of any Note; or
- (c) If after there shall be a default by any of the Relevant Issuer (and, in the case where the Relevant Issuer is a GIE, the GIE and/or any member thereof) and/or the Guarantor, as the case may be, and/or their respective Principal Subsidiaries in the due and punctual payment of the principal of, or premium or interest on, any indebtedness for borrowed monies of or assumed or guaranteed by it when and as the same shall become due and payable and giving effect to any applicable grace periods, there shall be an acceleration of any such indebtedness or guarantee, provided that the aggregate amount of the relevant indebtedness for borrowed money in respect of which any one

or more of the events mentioned in this sub-paragraph (c) has or have occurred equals or exceeds Euro 30,000,000; or

- (d) If any Relevant Issuer (and, in the case where the Relevant Issuer is a GIE, the GIE and/or any member thereof) established in France and/or, as the case may be, the Guarantor and/or their respective Principal Subsidiaries established in France should apply for or is subject to an amicable settlement (“accord amiable”) with its creditors, or applies for the appointment of a conciliator (“conciliateur”) or any judgement is used for its judicial liquidation (“liquidation judiciaire”) or the transfer of the whole of its business (“cession totale de l’entreprise”) or, to the extent permitted by law, it ceases payments on its debts or is subject to any insolvency or bankruptcy proceeding or makes a conveyance or assignment for the benefit of, or enters into a composition with, its creditors; or
- (e) If any Relevant Issuer (and, in the case where the Relevant Issuer is a GIE, any member thereof) not established in France and/or any Principal Subsidiary not established in France of the Relevant Issuer (or, as the case may be, any such member of the GIE) and/or the Guarantor, as the case may be, is adjudicated or found bankrupt or insolvent or shall stop or threaten to stop payment or shall be found unable to pay its debts or any order shall be made by any competent court or administrative agency for, or a resolution is passed by it for, judicial composition proceedings with its creditors or for the appointment of a receiver or trustee or other similar official in insolvency proceedings in relation to it or any event occurs which under the law of any relevant jurisdiction has an analogous or equivalent effect; or
- (f) If any of the Relevant Issuer (and, in the case where the Relevant Issuer is a GIE, the GIE and/or any member thereof) and/or, as the case may be, the Guarantor and/or any of their respective Principal Subsidiaries sells or otherwise disposes of all or substantially all of its assets or ceases or threatens to cease to carry on the whole of its business or substantially the whole of its business or an order is made or an effective resolution passed for its winding-up, dissolution or liquidation, unless such winding-up, dissolution, liquidation, cessation or disposal is made in connection with a merger, consolidation, reconstruction, amalgamation or other form of combination (a “Restructuring”) with or to, any other corporation and (i) in the case of the Relevant Issuer or the Guarantor the liabilities under the Notes and/or the Guarantee, as the case may be are transferred to and assumed by such other corporation and the credit rating assigned by any of Standard & Poor’s Rating Services or Moody’s Investors Services Inc. (or, in each case, any successor rating agency) to the long-term, unsecured and unsubordinated indebtedness of the surviving entity of such Restructuring following such Restructuring is not less than the credit rating assigned by any such credit rating agency to the long-term, unsecured and unsubordinated indebtedness of the Relevant Issuer or, as the case may be, the Guarantor immediately prior to the effective date of such Restructuring, (ii) in the case where the Relevant Issuer is a GIE, the undertaking and assets of any member of such GIE are, in connection with any such Restructuring, vested in any other member of the GIE or (iii) in the case of any Principal Subsidiary, the undertaking and assets of such

Principal Subsidiary are vested in the Relevant Issuer, the Guarantor or another of their respective Principal Subsidiaries; or

- (g) If, in the case where the Relevant Issuer is a GIE, the members thereof cease for any reason to be jointly and severally liable for the obligations of such GIE under any Notes issued by such GIE (including, without limitation, as a result of an amendment to the statuts and/or the règlement intérieur of such GIE); or
- (h) If the relevant Guarantee, if any, ceases to be in full force and effect.

11 Meeting of Noteholders and Modifications

(a) *Meetings of Noteholders*

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortized Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) *Modification of Agency Agreement*

Veolia Environnement, the Issuing Subsidiaries and, where relevant, any Substituted Issuer pursuant to Condition 15 shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

12 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Fiscal Agent in Luxembourg (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Relevant Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Relevant Issuer on demand the amount payable by the Relevant Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Relevant Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13 Further Issues and Consolidation

The Relevant Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as any Notes issued by it (so that, for the avoidance of doubt, references in the conditions of such notes to “Issue Date” shall be to the first issue date of such Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

The Relevant Issuer may from time to time on any Interest Payment Date occurring on or after the date specified for a redenomination of any Notes issued by it pursuant to Condition 1(c), on giving not less than 30 days’ prior notice to the Noteholders in accordance with Condition 14, without the consent of the Noteholders or the Couponholders, consolidate the Notes with one or more issues of other notes issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as such Notes.

14 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. With respect to Registered Notes listed on the Luxembourg Stock Exchange, any Notices to the holders of Registered Notes must also be published in a leading daily newspaper having general circulation in Luxembourg. Notices to the holders of Bearer Notes shall be valid if published (i) in a daily newspaper of general circulation in London (which is expected to be the Financial Times), (ii) so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) and (iii) so long as the Notes are listed on any other Stock Exchange and the rules that exchange so require, in a daily newspaper of general circulation in the principal financial centre of the location of such Stock Exchange. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

15 Substitution

- (a) Any Relevant Issuer may, by way of novation or otherwise, without the consent of the holders of any Notes, Receipts, Coupons or Talons, transfer all (but not some only) of its rights, obligations and liabilities thereunder (including under any further Notes issued in accordance with Condition 13) at any time to Veolia Environnement, any Subsidiary of Veolia Environnement, any Subsidiary of such Relevant Issuer or any GIE (the “Substituted Issuer”) provided that:
- (i) as a consequence of such substitution, the Notes, Receipts or Coupons do not cease to be listed on any stock exchange on which they are then listed;
 - (ii) the credit rating assigned by any of Standard & Poor’s Rating Services or Moody’s Investors Services, Inc. (or, in each case, any successor rating agency) to the long-term, unsecured and unsubordinated indebtedness of the Substituted Issuer immediately following such substitution is not less than the credit rating assigned by such agency to the long-term, unsecured and unsubordinated indebtedness of the Relevant Issuer immediately prior to the effective date of such substitution;
 - (iii) no payment in respect of the Notes, Receipts or Coupons is at the relevant time overdue and no Event of Default or event which may (with the passage of time or the giving of notice or both) constitute an Event of Default has occurred and is continuing;
 - (iv) unless the Substituted Issuer is Veolia Environnement, Veolia Environnement (in such capacity, also the “Guarantor”) unconditionally and irrevocably guarantees

under a guarantee substantially in the form set out in Schedule 8 to the Agency Agreement (the “Guarantee”) the obligations and liabilities of the Substituted Issuer in respect of the Notes, Receipts or Coupons or any Guarantee already given by the Guarantor in respect thereof remains in full force and effect following such transfer;

- (v) at the time of any such substitution, each of the Substituted Issuer and, if applicable, the Guarantor is in a position to fulfil all payment obligations arising from or in connection with the Notes, Receipts, Coupons or Talons or the Guarantee, as applicable, in freely convertible and transferable lawful currency without the necessity of any taxes or duties to be withheld at source, and to transfer all amounts which are required therefor to the Fiscal Agent without any restrictions;
- (vi) the Substituted Issuer assumes all of the Relevant Issuer’s obligations under the Notes, Receipts, Coupons or Talons, including the obligations to pay additional amounts, if any, pursuant to Condition 8 and indemnifies each holder thereof, against (i) any tax, assessment or governmental charge imposed on such holder or required to be withheld or deducted as a consequence of such substitution and (ii) any costs or expenses of such substitution;
- (vii) each of the Substituted Issuer (and including, if the Substituted Issuer is a GIE, each member of such GIE) and, if applicable, the Guarantor is validly existing under the laws of the Relevant Jurisdiction, has capacity to assume all rights, obligations and liabilities under the Notes, Receipts, Coupons or Talons and has obtained all necessary corporate authorisations to assume all such rights, obligations and liabilities under the Notes, Receipts, Coupons or Talons;
- (viii) each of the Substituted Issuer (and including, if the Substituted Issuer is a GIE, each member of such GIE) and, if applicable, the Guarantor has obtained all necessary governmental or regulatory approvals and consents for the performance by it of its obligations in connection with the Notes, Receipts, Coupons or Talons and that all such approvals and consents are in full force and effect;
- (ix) in addition, where applicable, to the Guarantee, all such other documents as may be necessary to give full effect to the substitution and transfer have been executed by the Substituted Issuer, the Relevant Issuer and, where applicable, the Guarantor (together the “Documents”);
- (x) the Substituted Issuer and, where applicable, the Guarantor shall have become party to the Agency Agreement, with any appropriate consequential amendments;
- (xi) in the case of a Substituted Issuer incorporated in a country other than England, the Substituted (and, including, if the Substituted Issuer is a GIE, each member of such GIE) Issuer shall have appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes, Receipts, Coupons or Talons; and

- (xii) the Relevant Issuer shall deliver, or procure the delivery to, the Fiscal Agent (from whom copies will be available) of legal opinions from leading law firms in England, the Relevant Jurisdiction of the Substituted Issuer (and, including, if the Substituted Issuer is a GIE, each member of such GIE) and, where applicable, of the Guarantor (to be dated and made available to Noteholders no later than 7 days
- (b) The Documents and, where applicable, the Guarantee shall be deposited with and held by the Fiscal Agent for so long as any Note, Receipt or Coupon remains outstanding and for so long as any claim made against the Substituted Issuer or, where applicable, the Guarantor by any holder thereof in relation to such Note, Receipt or Coupon or the Guarantee shall not have been finally adjudicated, settled or discharged.
- (c) Notice of any substitution shall be given to Noteholders in accordance with Condition 14.
- (d) The Relevant Issuer (failing which, where applicable, the Guarantor) shall bear all costs and expenses incurred in connection with a substitution effected pursuant to this Condition 15.

16 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

17 Governing Law and Jurisdiction

(a) *Governing Law*

The Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, English law. The Guarantee, if any, is governed by French law.

(b) *Jurisdiction*

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (“Proceedings”) may be brought in such courts. Each of Veolia Environnement, the Issuing Subsidiaries (and including, if the Relevant Issuer is a GIE, each member thereof) and any Substituted Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

Any disputes arising under as in connection with the Guarantee, if any, will be submitted to the jurisdiction of the competent courts of Paris.

(c) *Service of Process*

The Relevant Issuer (and including, if the Relevant Issuer is a GIE, each member thereof) irrevocably appoints Clifford Chance Secretaries Limited of 10 Upper Bank Street, London, E14 5JJ as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Relevant Issuer) or, as the case may be, any such member of a GIE. If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Relevant Issuer (and including, if the Relevant Issuer is a GIE, each member thereof) irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM

Initial Issue of Bonds

Upon the initial deposit of the Global Note with Euroclear France acting as central depository, the “*intermédiaires financiers habilités*” (French banks or brokers authorised to maintain securities accounts on behalf of their clients (each an “Approved Intermediary”)) who are entitled to such Bonds according to the records of Euroclear France will credit each subscriber with a principal amount of Bonds equal to the principal amount thereof for which it has subscribed and paid.

The Bonds are initially deposited with Euroclear France and may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems. Each of the persons shown in the records of Euroclear France as the holder of a Bond represented by a Global Note must look solely to Euroclear France for his share of each payment made by the Issuer to the bearer of such Global Note, and in relation to all other rights arising under the Global Notes, subject to and in accordance with the respective rules and procedures of Euroclear France. Such persons shall have no claim directly against the Issuer in respect of payments due on the Bonds for so long as the Bonds are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note, in respect of each amount so paid.

Exchange

1 *Temporary Global Notes*

The Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or for Definitive Notes.

2 *Permanent Global Notes*

The Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not in part for Definitive Notes:

- (i) unless principal in respect of any Bonds is not paid when due, by the Issuer giving notice to the Fiscal Agent of its intention to effect such exchange;
- (ii) by the holder giving notice to the Fiscal Agent of its election for such exchange; and

otherwise, (1) if Euroclear France or, if the Global Note is held in any other clearing system (an “Alternative Clearing System”) and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) if principal in respect of any Bonds is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

3 *Partial Exchange of the Permanent Global Note*

For so long as the permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if principal in respect of any Bonds is not paid when due.

4 *Delivery of Bonds*

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be. In this Prospectus, “Definitive Notes” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

6 *Exchange Date*

“Exchange Date” means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Bonds when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

Amendment to Conditions

The temporary Global Notes and permanent Global Notes contain provisions that apply to the Bonds that they represent, some of which modify the effect of the terms and conditions of the Bonds set out in this Prospectus. The following is a summary of certain of those provisions:

1 *Payments*

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in

compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Bonds represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bonds, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Bonds. Condition 7(e)(ix) and Condition 8(b)(v) will apply to the Definitive Notes only.

2 *Prescription*

Claims against the Issuer in respect of Bonds that are represented by a permanent Global Note will become void unless it is presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

3 *Meetings*

The holder of a permanent Global Note shall (unless such permanent Global Note represents only one Bond) be treated as being two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each minimum specified Denomination of Bonds for which such Global Note may be exchanged.

4 *Cancellation*

Cancellation of any Bond represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

5 *Purchase*

Bonds represented by a permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

6 *Events of Default*

The Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Bond is not paid when due, the holder of a Global Note may elect for direct enforcement rights against the Issuer under the terms of an Amended and Restated Deed of Covenant executed as a deed by Veolia Environnement on 11 July, 2003 and, in case of any Substituted Issuer (under the terms of a Deed of Covenant substantially in the same terms as such Deed of Covenant to be executed as a deed by such Substituted Issuer on or before the effective date of substitution, as the case may be) in each case to come into effect in

relation to the whole or a part of such Global Note in favour of the persons entitled to such part of such Global Note, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note will become void as to the specified portion.

7 *Notices*

So long as any Bonds are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Bonds may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note except that so long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, notices shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*), and so long as the Bonds are listed on any other stock exchange and the rules of that exchange so requires, notices in respect of such Bonds shall also be published in a daily newspaper having circulation in the principal financial centre of the location of such Stock Exchange.

8 *Redenomination and Consolidation*

A Global Note may be amended or replaced by the Issuer (in such manner as it considers necessary, after consultation with the Redenomination Agent and the Consolidation Agent, as the case may be) for the purposes of taking account of the redenomination and/or consolidation of the Bonds in accordance with Conditions 1(c) and 14. Any consolidation may require a change in the relevant common depositary or central depositary, as the case may be.

REASON FOR THE OFFER AND USE OF PROCEEDS

The net proceeds of the issue of the Bonds will be used for general corporate purposes.

TAXATION

The statements herein regarding taxation are based on the laws in force in France and/or, as the case may be, the Grand Duchy of Luxembourg as of the date of this Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Bonds. Each prospective holder or beneficial owner of Bonds should consult its tax advisor as to the tax consequences of state, local or foreign laws including French or, as the case may be, the Luxembourg of any investment in or ownership and disposition of the Bonds.

1 EU Taxation

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC regarding the taxation of savings income (the "**Directive**"). Pursuant to the Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Directive (interest, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State (the "**Disclosure of Information Method**").

For these purposes, the term "paying agent" is widely defined and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg, Belgium and Austria), instead of using the Disclosure of Information Method used by other Member States, withhold an amount on interest payments. The rate of such withholding tax equals 15 per cent. during the first three years, 20 per cent. during the subsequent three years and 35 per cent. until the end of the transitional period. Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of several jurisdictions (Switzerland, Liechtenstein, San Marino, Monaco and Andorra), providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the "**OECD Model Agreement**") with respect to interest payments within the meaning of the Directive, in addition to the simultaneous application by those same jurisdictions of a withholding tax on such payments at the rates defined for the corresponding periods and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

The Directive was implemented into French law under article 242 *ter* of the French tax code, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

The Directive and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union were implemented in Luxembourg by the Laws of 21 June 2005 (the "**Laws**").

2 Luxembourg Taxation

The comments below are intended as a basic summary of certain tax consequences in relation to the purchase, ownership and disposition of the Bonds under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

Withholding tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to certain individual Bondholders and to certain entities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to certain individual Bondholders and to certain entities, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Bonds.

Luxembourg non-resident individuals

Under the Luxembourg laws dated 21 June 2005 implementing the European Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**") and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union ("EU"), a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for an exchange of information or for the tax certificate procedure. The same regime applies to payments of interest and other similar income made to certain "residual entities" within the meaning of Article 4.2 of the Savings Directive established in a Member State or in certain EU dependent or associated territories (i.e., entities which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation, that are not UCITS recognised in accordance with the Council Directive 85/611/EEC or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands and have not opted to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC).

The withholding tax rate is initially 15 per cent., increasing steadily to 20 per cent. (as from 1 July 2008) and to 35 per cent (as from 1 July 2008). The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Luxembourg resident individuals

A 10 per cent. withholding tax has been introduced, as from 1 January 2006, on interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents. Only interest accrued after 1 July, 2005 falls within the scope of the withholding tax. This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

3 French Taxation

The Bonds, which constitute *obligations* under French law, are deemed to be issued outside the Republic of France for the purposes of Article 131 *quater* of the French tax code as construed by the French tax authorities (BOI 5 I-11-98 dated 30 September 1998 and the Ruling n° 2007/59 (FP) dated 8 January 2008). Consequently, payments of interest and other revenues paid by the issuer of the Bonds with respect to the Bonds benefit from the exemption from the withholding tax set out under Article 125 A III of the French tax code. Accordingly, such payments do not give the right to any tax credit from any French source.

SUBSCRIPTION AND SALE

Société Générale has pursuant to a Subscription Agreement dated 23 April 2008 agreed with the Issuer, subject to satisfaction of certain conditions, to purchase the Bonds at a price equal to 90.788 per cent. of the Aggregate Nominal Amount of the Tranche plus an amount of Eur 4,381,476.20 corresponding to accrued interest for the period from, and including, 17 June 2007 to, but excluding, 25 April 2008, less a total combined selling concession and management and underwriting commission of 0.235 per cent of the Aggregate Nominal Amount of the Tranche. The Issuer has agreed to indemnify Société Générale against certain liabilities, incurred in connection with the issue of the Bonds. The yield of the Bonds is 3.213 per cent. on an annual basis. The yield is calculated as at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), the Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR 43,000,000; and (3) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Dealer; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Bonds referred to in (b) to (c) shall require the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

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

Republic of France

Each of the Dealer and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Bonds to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus and any other offering material relating to the Bonds and such other sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier* but excluding individuals referred to in Article D.411-1 II 2°.

United States

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or the securities law of any U.S. state, and may not be offered or sold, directly or indirectly, in the United States of America or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and such state securities laws. The Bonds are being offered and sold only outside of the United States to non-U.S. persons in reliance upon an exemption from registration under the Securities Act pursuant to Regulation S. Terms used in this paragraph and not otherwise defined in this Prospectus have the meanings given to them in Regulation S.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

The Dealer has represented and agreed that:

- (i) it has not offered or sold, and will not offer or sell, the Bonds (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the issue date of the Bonds, within the United States or to, or for the account or benefit of, U.S. persons; and
- (ii) it will have sent to each distributor or dealer to which it sells Bonds during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

Terms used in this paragraph and not otherwise defined in this Prospectus have the meanings given to them in Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Selling Restrictions addressing Additional United Kingdom Securities Laws

The Dealer has represented and agreed that:

- (i) it has only communicated or caused to be communicated and it will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “**Financial Instruments and Exchange Law**”). Accordingly, the Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and other relevant laws and regulations of Japan.

GENERAL INFORMATION

- (1) All interest and principal payments are linked to the evolution of the eurozone Harmonised Index of Consumer Prices ex-tobacco, as calculated and published by EUROSTAT.

The index can be obtained on Eurostat's website (<http://europa.eu.int/comm/eurostat>) as well as historical data series and a schedule of release.

- (2) Application has been made to list the Bonds on the official list of the Luxembourg Stock Exchange and to trade the Bonds on the Regulated Market of the Luxembourg Stock Exchange. The Original Bonds are already admitted to trading on the Regulated Market of the Luxembourg Stock Exchange.
- (3) So long as the Notes are listed on the Luxembourg Stock Exchange, notices will be published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a daily newspaper with general circulation in Luxembourg (which is expected to be *Luxemburger Wort*, formerly known as *d'Wort*).
- (4) On 29 March 2007 the *conseil d'administration* of Veolia Environnement authorised issues of Bonds for a period of one year starting on 11 May 2007 and authorised the *président-directeur général* to issue Bonds. Pursuant to a decision dated 16 April 2008, Mr Henri Proglío, *président-directeur général* of the Issuer, has decided to issue the Bonds.
- (5) Save as disclosed on pages 104-106 of the *Document de Référence* 2007 there has been no significant change in the financial or trading position of the Issuer or of the Group since 31 December 2007 and no material adverse change in the prospects of the Issuer or of the Group since 31 December 2007.
- (6) Save as disclosed on pages 335-339 of the *Document de Référence* 2007 neither Veolia Environnement nor any member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during a period covering at least the past 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Group.
- (7) The statutory auditors are currently Ernst & Young et Autres of 41, rue Ybry, 92576 Neuilly-sur-Seine Cedex, France, and KPMG SA of 1 cours Valmy, 92923 Paris La Défense Cedex, France. The consolidated and unconsolidated financial statements of the Issuer have been audited without qualification by Ernst & Young et Autres and Salustro Reydel for the year ended 31 December 2006 and by Ernst & Young et Autres and KPMG SA for the year ended 31 December 2007. Ernst & Young et Autres, KPMG SA, and Salustro Reydel are members of *la Compagnie Régionale des Commissaires aux Comptes de Versailles*.
- (8) Each Bearer Bond and Coupon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code".

- (9) The Global Note will be deposited with Euroclear France (acting as central depository) with a Common Code of 035691294 until the Exchange Date and thereafter 022219057. The International Securities Identification Number (ISIN) for the Bonds is FR0010606467 until the Exchange Date and thereafter FR0010206276.

The address of Euroclear France is 115 rue Réaumur, 75081 Paris Cedex 02, France.

- (10) Veolia Environnement has not entered into, in the ordinary course of its business, any material contracts which could result in any Group member being under an obligation that is material to Veolia Environnement's ability to meet its obligations to Bondholders in respect of Bonds.

- (11) So far as the Issuer is aware, no person involved in the offer of the Bonds has an interest material to the offer.

- (12) Estimated net proceeds of the issue of the Bonds are EUR 269,530,714.40.

- (13) For the period of 12 months starting on the date on which this Prospectus is made available to the public, copies (and English translations where the documents in question are not in English) of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of Veolia Environnement:

- (a) the *Document de Référence* 2006;
- (b) the *Document de Référence* 2007; and
- (c) a copy of this Prospectus.

The Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu)

- (14) The Issuer does not intend to provide post-issuance information.

- (15) The Bonds to be issued by the Issuer qualify under Category 2 for the purposes of Regulation S under the Securities Act. The Bonds will be issued in compliance with US Treas. Reg. § 1.1 63-5(c)(2)(i)(D) (the "**D Rules**").

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