

## PRESS RELEASE

### **Veolia Environnement announces the success of the issuance of subordinated perpetual hybrid debt in Euros and Pound Sterling**

**Paris, January 10, 2013.**\_ After meeting approximately 150 investors, primarily in continental Europe and the United Kingdom, Veolia Environnement launched the issuance of deeply subordinated perpetual hybrid debt in euros and pound sterling, callable beginning April 2018. Given the strong final demand, which exceeded €9 billion for the two tranches and an order book of more than 600 orders, Veolia Environnement issued €1 billion at a 4.5% yield for the tranche in euros and £400 million at a 4.875% yield for the tranche in sterling, fixing historically low interest rates. This demand reflects investor confidence in the financial strength of Veolia Environnement.

This operation allows the Company to reinforce its financial structure in conjunction with its transformation while strengthening credit ratios. Ratings agencies consider that half of the issued amount will result in debt reduction<sup>1</sup>. In addition this issuance diversifies the currencies of the Company's equity and diversifies the Company's investor base.

This issuance will be treated as equity under the consolidated IFRS accounts. As a result, the debt reduction objectives communicated during the last Investor Day on December 6, 2011 will therefore be adjusted to take into account the impact of this issuance.

***Veolia Environnement** (Paris Euronext: VIE and NYSE: VE) is the worldwide reference in environmental solutions. With more than 330,000 employees the company has operations all around the world and provides tailored solutions to meet the needs of municipal and industrial customers in four complementary segments: water management, waste management, energy management and passenger transportation. Veolia Environnement recorded revenue of €29.6 billion\* in 2011. [www.veolia.com](http://www.veolia.com)*

*\* Excluding VeoliaTransdev revenues currently under divestment*

#### **Important disclaimer**

Veolia Environnement is a corporation listed on the NYSE and Euronext Paris. This press release contains "forward-looking statements" within the meaning of the provisions of the U.S. Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations or beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These factors and uncertainties in particular include risks related to customary provisions of divestiture transactions and those described in the documents Veolia Environnement has filed with the U.S. Securities and Exchange Commission. Veolia Environnement does not undertake, nor does it have, any obligation to provide updates or to revise any forward-looking statements. Investors and security holders may obtain a free copy of documents filed by Veolia Environnement with the U.S. Securities and Exchange Commission from Veolia Environnement.

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*Press release also available on our web site: <http://www.finance.veolia.com>*

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<sup>1</sup> In its press release issued January 4, 2013 S&P assigned a BBB- rating to the hybrid and 50% equity content until April 2018. In its press release issued January 7, 2013, Moody's assigned a Baa3 rating and 50% equity content.