

VEOLIA ENVIRONNEMENT
Form F-3ASR
May 21, 2008
Table of Contents

Registration No. 333

As filed with the Securities and Exchange Commission on May 21, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM F-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

VEOLIA ENVIRONNEMENT

(Exact Name of Registrant as Specified in its Charter)

Edgar Filing: VEOLIA ENVIRONNEMENT - Form F-3ASR

France
(State or Other Jurisdiction of

Not Applicable
(I.R.S. Employer Identification No.)

Incorporation or Organization)

36-38, avenue Kléber 75116 Paris, France Tel. No.: +33-1-71-75-00-00

(Address and Telephone Number of Registrant's Principal Executive Offices)

C T Corporation

111 Eighth Avenue

New York, New York 10011

Tel. No.: +1-212-894-8940

(Name, Address and Telephone Number of Agent for Service)

Please send copies of all communications to:

Linda A. Hesse
Jones Day
120, rue du Faubourg Saint-Honoré
75008 Paris, France
Tel. No.: +33-1-56-59-39-39

Andrew A. Bernstein
Cleary Gottlieb Steen & Hamilton LLP
12, rue de Tilsitt
75008 Paris, France
Tel. No.: +33-1-40-74-68-00

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

Edgar Filing: VEOLIA ENVIRONNEMENT - Form F-3ASR

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the commission pursuant to rule 462(e) under the Securities Act check the following box. x

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. "

CALCULATION OF REGISTRATION FEE

	Amount to be Registered/Proposed	
	Maximum Aggregate	
	Offering Price per Unit/Proposed	
Title of Each Class of Securities to be Registered	Maximum Aggregate Offering Price	Amount of Registration Fee⁽¹⁾
Debt Securities	(1)	\$0

(1) An indeterminate aggregate initial offering price or number of the Debt Securities is being registered as may from time to time be offered at indeterminate prices. In accordance with Rules 456(b) and 457(r), the Registrant is deferring payment of all of the registration fee.

Table of Contents

Prospectus

VEOLIA ENVIRONNEMENT

Debt Securities

We may offer and sell debt securities from time to time. Each time we sell any of the debt securities described in this prospectus, we will provide one or more supplements to this prospectus that will contain specific information about those securities and their offering. You should read this prospectus and any applicable prospectus supplement(s) carefully before you invest.

We may sell these debt securities to or through underwriters and also to other purchasers or through agents. The names of any underwriters or agents will be stated in an accompanying prospectus supplement.

Investing in these securities involves certain risks. See Risk Factors on page 6.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Prospectus dated May 21, 2008

Table of Contents

TABLE OF CONTENTS

	Page
<u>About This Prospectus</u>	1
<u>Cautionary Statement About Forward-Looking Statements</u>	1
<u>Where You Can Find More Information</u>	1
<u>Incorporation by Reference</u>	2
<u>Enforceability of Certain Civil Liabilities</u>	3
<u>Prospectus Summary</u>	4
<u>Risk Factors</u>	6
<u>Capitalization</u>	8
<u>Ratio of Earnings to Fixed Charges</u>	9
<u>Use of Proceeds</u>	10
<u>Recent Developments</u>	11
<u>Description of Debt Securities We May Offer</u>	15
<u>Legal Ownership</u>	25
<u>Clearance and Settlement</u>	28
<u>Taxation</u>	32
<u>Plan of Distribution</u>	40
<u>Validity of Securities</u>	42
<u>Experts</u>	42

Table of Contents

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed on May 21, 2008 with the U.S. Securities and Exchange Commission using the shelf registration process. We may sell the securities described in this prospectus in one or more offerings.

This prospectus provides you with a general description of the securities that we may offer. Each time we sell securities, we will provide one or more prospectus supplements that will contain specific information about the terms of those securities and their offering. The prospectus supplements may also add, update or change information contained in this prospectus. You should read both this prospectus and any applicable prospectus supplement(s) together with the additional information described under the heading **Where You Can Find More Information** prior to purchasing any of the securities offered by this prospectus.

Unless otherwise indicated, information and statistics presented herein regarding market trends and our market share relative to our competitors are based on our own research and various publicly available sources.

Unless the context otherwise requires, references in this prospectus to Veolia Environnement or the issuer are references to Veolia Environnement without its subsidiaries, and references to Veolia, the Veolia group, we, our, ours and us are to Veolia Environnement and its consolidated subsidiaries.

CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

We make some forward-looking statements in this prospectus, including in the documents incorporated by reference herein. When we use the words aim(s), expect(s), feel(s), will, may, believe(s), anticipate(s) and similar expressions in this document, we are intending to identify statements as forward-looking. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this document. In particular, from time to time in this document we state our expectations in terms of revenue to be generated under new contracts recently won or awarded or from new investments made and new assets or operations acquired, though we may have not yet commenced operations under these new contracts nor begun operating these new assets and operations at the time we make these statements. Some of these revenue estimates are based on our management's current assumptions regarding future sales volumes and prices, which are subject to a number of risks and uncertainties that may cause actual sales volumes and prices to differ materially from those projected. As a result, actual revenue recorded under these new contracts or from these new investments, assets and operations may differ materially from those set forth in this document. Other than in connection with applicable securities laws, we undertake no obligation to publish revised forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. We urge you to carefully review and consider the various disclosures we make concerning the factors that may affect our business, including the disclosures made in **Item 3. Key Information Risk Factors**, **Item 5. Operating and Financial Review and Prospects**, and **Item 11. Quantitative and Qualitative Disclosures About Market Risk** in our Annual Report on Form 20-F.

WHERE YOU CAN FIND MORE INFORMATION

Veolia Environnement is subject to the informational reporting requirements of the Securities Exchange Act of 1934 (the Exchange Act) applicable to foreign private issuers and files annual and other information with the SEC. You may read and copy any document that Veolia Environnement files with the SEC at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. In addition, Veolia Environnement's SEC filings are available to the public at the SEC's web site at <http://www.sec.gov>. For further information, please call the SEC at 1-800-SEC-0330 or log on to <http://www.sec.gov>. However, if we satisfy the applicable conditions set forth in the SEC rules, we may seek to suspend or terminate our Exchange Act reporting obligations.

Table of Contents

Veolia Environnement's shares are listed on Euronext Paris and the New York Stock Exchange, the latter in the form of American Depository Shares (ADS). You can consult reports and other information about Veolia Environnement that is filed pursuant to the rules of Euronext Paris and the New York Stock Exchange at these exchanges.

INCORPORATION BY REFERENCE

We have filed with the SEC a registration statement on Form F-3 relating to the securities covered by this prospectus. This prospectus is a part of the registration statement and does not contain all the information in the registration statement. Whenever a reference is made in this prospectus to a contract or other document of the Company, the reference is only a summary and you should refer to the exhibits that are a part of the registration statement for a copy of the contract or other document. You may review a copy of the registration statement at the SEC's public reference room in Washington, D.C., as well as through the SEC's Internet site.

The SEC allows us to incorporate by reference the information we file with them, which means that:

incorporated documents are considered part of this prospectus,

we can disclose important information to you by referring to those documents, and

information that we file with the SEC in the future and incorporate by reference herein will automatically update and supersede information in this prospectus and information previously incorporated by reference herein.

The information that we incorporate by reference is an important part of this prospectus.

Each document incorporated by reference is current only as of the date of such document, and the incorporation by reference of such documents shall not create any implication that there has been no change in our affairs since the date thereof or that the information contained therein is current as of any time subsequent to its date. Any statement contained in such incorporated documents shall be deemed to be modified or superseded for the purpose of this prospectus to the extent that a subsequent statement contained in another document we incorporate by reference at a later date modifies or supersedes that statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We incorporate herein by reference:

Our Annual Report on Form 20-F for the year ended December 31, 2007 (the Annual Report on Form 20-F) (File No.001-15248), filed with the SEC on May 7, 2008, and

Any document filed in the future with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and until this offering is completed. Any report on Form 6-K that we furnish to the SEC after the date of this prospectus (or portions thereof) is incorporated by reference in this prospectus only to the extent that the report expressly states that we incorporate it (or such portions) by reference in this prospectus.

You may also request a copy of documents incorporated by reference at no cost, by contacting us orally or in writing at the following address and telephone number: Nathalie Pinon, 36-38, avenue Kléber, 75116 Paris, France, Tel: +33-1-71-75-01-67.

The Annual Report on Form 20-F and any other information incorporated by reference is considered to be a part of this prospectus. The information in this prospectus, to the extent applicable, automatically updates and supersedes the information in our Annual Report on Form 20-F.

You should rely only on the information that we incorporate by reference or provide in this prospectus or any applicable prospectus supplement(s). We have not authorized anyone to provide you with different

Table of Contents

information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of those documents.

ENFORCEABILITY OF CERTAIN CIVIL LIABILITIES

Veolia Environnement is a corporation organized under the laws of France. All of our directors are citizens and residents of countries other than the United States, and the majority of our assets are located outside of the United States. Accordingly, it may be difficult for investors:

to obtain jurisdiction over our company or our directors in courts in the United States in actions predicated on the civil liability provisions of the U.S. federal securities laws;

to enforce judgments obtained in such actions against us or our directors;

to enforce against us or our directors in non-U.S. courts judgments of courts in the United States predicated upon the civil liability provisions of the U.S. federal securities laws.

Actions brought in France for enforcement of judgments of U.S. courts rendered against French persons, including some directors of our company, would require those persons to waive their right to be sued in France under Article 15 of the French Civil Code. In addition, actions in the United States under the U.S. federal securities laws could be affected under certain circumstances by the French law of July 16, 1980, which may preclude or restrict the obtaining of evidence in France or from French persons in connection with those actions. Each of the foregoing statements applies to our auditors as well.

Table of Contents

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus or incorporated by reference into this prospectus as further described above under "Where You Can Find More Information". This summary does not contain all the information that you should consider before investing in the securities being offered by this prospectus. You should carefully read the entire prospectus, the documents incorporated by reference into this prospectus, and the final term sheet, if any, and prospectus supplement relating to the particular securities being offered.

VEOLIA ENVIRONNEMENT

Veolia Environnement is a *société anonyme* incorporated under the laws of France. Shares in Veolia Environnement are listed on Euronext Paris and the New York Stock Exchange. We are an environmental services provider and are the only major provider to offer a complete range of services.¹ We are able to provide our clients with a full-service package tailored to fit their individual needs, which may include, for example, supplying water, recycling wastewater, collecting, treating and recycling waste, supplying heating and cooling services, and generally optimizing the industrial processes used in their facilities.

Our operations are conducted primarily through four divisions, each of which specializes in a single business sector: Veolia Eau (Water), Veolia Énergie (Dalkia) (Energy Services), Veolia Propreté (Environmental Services) and Veolia Transport (Transportation). Through these divisions, as of December 31, 2007, we provide drinking water to more than 78 million people and treat sewer water for 53 million people in the world, treat nearly 66 million tons of waste, satisfy the energy requirements of hundreds of thousands of buildings for our industrial, municipal and individual clients and transport approximately 2.7 billion passengers per year. We strive to offer services to clients combining those offered by each of our four divisions and which are packaged either in the form of a single multi-service contract, or several individual contracts.

Our principal executive office is located at 36-38, avenue Kléber 75116 Paris, France. Our telephone number is (011)-33-1-71-75-00-00.

Debt Securities

For any particular debt securities we may offer, the applicable final term sheet, if any, and the applicable prospectus supplement will describe the title of the debt securities, the aggregate principal or face amount and the purchase price; the stated maturity; the amount or manner of calculating the amount payable at maturity; the rate or manner of calculating the rate and the payment dates for interest, if any; the redemption or repurchase terms; and any other specific terms. The debt securities will be issued pursuant to an indenture (the "Indenture") entered into between us and Deutsche Bank Trust Company Americas, which acts as Trustee (the "Trustee").

When we use the term "securities" or "debt securities" in this prospectus, we mean any of the securities we may offer with this prospectus. This prospectus, including this summary, describes the general terms that may apply to the securities; the specific terms of any particular securities that we may offer will be described in the prospectus supplement.

¹ Unless otherwise indicated, information and statistics presented herein regarding market trends and our market share relative to our competitors are based on our own research and various publicly available sources.

Table of Contents

Form of Securities

The securities of a series may be offered in the form of one or more global certificates in bearer or registered form that will be deposited with a depository, such as The Depository Trust Company (DTC), Euroclear Bank S.A./N.V. (Euroclear) or Clearstream Banking, société anonyme (Clearstream, Luxembourg), as specified in the applicable prospectus supplement.

Listing

If any securities are to be listed or quoted on a securities exchange or quotation system, the applicable prospectus supplement will say so.

Table of Contents

RISK FACTORS

We urge you to carefully review the risks described below, together with the risks described in the documents incorporated by reference into this prospectus, before you decide to buy securities. In particular, you should review the risks relating to our business included in the Annual Report on Form 20-F, incorporated by reference herein. If any of these risks actually occur, our business, financial condition and results of operations could suffer, and the trading price and liquidity of the securities offered by this prospectus could decline, in which case you may lose all or part of your investment.

Risks relating to an investment in the securities

We may be able to incur substantially more debt in the future.

We may be able to incur substantial additional indebtedness in the future, including in connection with future acquisitions, some of which may be secured by our assets. The terms of the securities will not limit the amount of indebtedness we may incur. Any such incurrence of additional indebtedness could exacerbate the risks that holders of the securities now face.

At any point in time there may or may not be an active trading market for our debt securities.

At any point in time there may or may not be an active trading market for our debt securities. If any of the debt securities are traded after their initial issuance, they may trade at a discount from their initial offering price. While we may decide to list a particular series of debt securities on one or more stock exchanges, we expect that many of our debt securities will not be listed on any exchange. Factors that could cause the debt securities to trade at a discount are:

an increase in prevailing interest rates;

a decline in our credit worthiness;

a weakness in the market for similar securities; and

declining general economic conditions.

Direct creditors of our subsidiaries will generally have superior claims to cash flows from those subsidiaries.

As a holding company, Veolia Environnement depends upon cash flow received from its subsidiaries to meet its payment obligations under the securities. Since the creditors of any of our subsidiaries generally would have a right to receive payment that is superior to the parent company's right to receive payment from the assets of that subsidiary, holders of the securities will be effectively subordinated to creditors of the subsidiaries insofar as cash flows from those subsidiaries are relevant to the securities. The terms and conditions of the securities do not limit the amount of liabilities that our group subsidiaries may incur. As of December 31, 2007, approximately 2.7 billion of total financing debt (excluding project finance indebtedness, financial indebtedness of proportionally consolidated entities and intra-group financial indebtedness) was incurred by our subsidiaries. In addition, certain of our subsidiaries are or may become subject to statutory or contractual restrictions on their ability to pay dividends or otherwise distribute or lend cash to our company.

Since the debt securities are unsecured, your right to receive payments may be adversely affected.

The debt securities that we are offering will be unsecured. The debt securities are not subordinated to any of our other debt obligations, and therefore they will rank equally with all our other unsecured and unsubordinated indebtedness. As of December 31, 2007, our total consolidated financial debt amounted to 18,212 million, and we had 634 million of property collateralizing debt. If we default on the debt securities, or after bankruptcy, liquidation or reorganization, then, to the extent the relevant obligor has granted security over its assets, the assets that secure the obligor's debts will be used to satisfy the obligations under that secured debt before the

Table of Contents

obligor can make payment on the debt securities. As a result, there may only be limited assets available to make payments on the debt securities in the event of an acceleration of the debt securities. If there are not enough assets to satisfy the obligations of the secured debt, then the remaining amounts on the secured debt would share equally in the remaining assets with all unsubordinated unsecured indebtedness.

We are not restricted in our ability to dispose of our assets by the terms of the debt securities.

The indenture governing our debt securities contains a negative pledge that prohibits us and our principal subsidiaries from pledging assets to secure other bonds or similar debt instruments, unless we make a similar pledge to secure the debt securities offered by this prospectus. However, we are permitted to pledge our assets with respect to debt other than bonds and similar debt instruments. We are also generally permitted to sell or otherwise dispose of substantially all of our assets to another corporation or other entity under the terms of the debt securities. If we decide to dispose of a large amount of our assets, you will not be entitled to declare an acceleration of the maturity of the debt securities, and those assets will no longer be available to support our debt securities.

Our credit ratings may not reflect all risks of an investment in the securities.

The credit ratings ascribed to us and the securities are intended to reflect our ability to meet our payment obligations in respect of the securities, and may not reflect the potential impact of all risks related to structure and other factors on the value of the debt securities. In addition, actual or anticipated changes in our credit ratings may generally be expected to affect the market value of the securities.

You may be unable to recover in civil proceedings for U.S. securities laws violations.

Veolia Environnement is a corporation organized under the laws of France. The majority of our directors are citizens and residents of countries other than the United States, and the majority of our assets are located outside of the United States. Accordingly, it may be difficult for investors to obtain jurisdiction over us or our directors in courts in the United States and enforce against us or them judgments obtained against them. In addition, we cannot assure you that civil liabilities predicated upon the federal securities laws of the United States will be enforceable in France. See Enforceability of Certain Civil Liabilities.

Table of Contents**CAPITALIZATION**

The following table sets forth our current and long-term liabilities and total capitalization as of December 31, 2007 prepared on the basis of International Financial Reporting Standards as issued by the International Accounting Standards Board and adopted by the European Union (IFRS).

	As at December 31, 2007 <i>(in millions)</i>
Current Liabilities:	
Short-term interest bearing liabilities	4,264.4
Other current liabilities	13,806.4
Total current liabilities	18,070.8
Long-term Liabilities:	
Long-term debt	13,948.0
Of which guaranteed	98.7
Of which secured	634.0
Of which unguaranteed/unsecured	13,215.3
Non-interest bearing	4,097.4
Total long-term liabilities	18,045.4
Minority Interests:	2,577.8
Shareholder s Equity:	
Share capital	2,358.8
Treasury shares	(460.7)
Additional paid-in capital	9,179.5
Reserves and retained earnings	(3,464.7)
Total shareholders equity	7,612.9
Total capitalization	46,306.9

The total outstanding off balance sheet credit-related guarantees provided by the issuer for the benefit of unconsolidated companies and third parties as at December 31, 2007 was 355.6 million.

On May 7, 2008, the shareholder s meeting approved a dividend payment of 552.5 million which is expected to be paid on May 27, 2008.

Table of Contents**RATIO OF EARNINGS TO FIXED CHARGES**

The following table shows the ratios of our earnings to fixed charges for each of the four years ended December 31, 2007, computed on the basis of IFRS.

	Year Ended December 31,			
2007	2006	2005⁽¹⁾	2004⁽¹⁾	
2.5x	2.5x	2.4x	1.8x	

(1) The ratios for the years 2004 and 2005 are based on restated financial information as set forth in our consolidated financial statements for the year ended December 31, 2006, reclassified to reflect our early adoption of IFRIC 12 (the IFRS interpretation on concession arrangements).

In 2003, earnings were insufficient to cover fixed charges and, as a result, the ratio of earnings to fixed charges, calculated under French generally accepted accounting principles (French GAAP) was negative (please see Exhibit 12.1 of the Registration Statement filed with the Securities and Exchange Commission in connection with this offering) because of a write down of 2.2 billion of goodwill and intangible assets, resulting from impairment charges in respect of our subsidiary U.S. Filter.

In calculating the ratio of earnings to fixed charges, we used the following definitions:

The term **fixed charges** means the sum of the following: (a) interest expensed and capitalized, (b) amortized premiums, discounts and capitalized expenses related to indebtedness, (c) an estimate of the interest within rental expense, and (d) preference security dividend requirements of consolidated subsidiaries.

The term **earnings** is the amount resulting from adding and subtracting the following items:

Add the following:

(a) Pre-tax income from continuing operations before adjustment for minority interests in consolidated subsidiaries or income or loss from equity investees, (b) fixed charges, (c) amortization of capitalized interest, (d) distributed income of equity investees, and (e) your share of pre-tax losses of equity investees for which charges arising from guarantees are included in fixed charges.

From the total of the added items, subtract the following:

(a) interest capitalized, (b) preference security dividend requirements of consolidated subsidiaries, and (c) the minority interest in pre-tax income of subsidiaries that have not incurred fixed charges.

Table of Contents

USE OF PROCEEDS

Unless otherwise indicated in an accompanying prospectus supplement, we will use the net proceeds from the sale of the securities for general corporate purposes. General corporate purposes may include working capital, the repayment of existing debt (including debt of acquired companies), financing capital investments or acquisitions and any other purposes that may be stated in a prospectus supplement.

Table of Contents**RECENT DEVELOPMENTS****First Quarter 2008 Financial Information (Unaudited, Prepared in Accordance with IFRS)****Revenue and Other Financial Information**

The following table shows a breakdown of our revenue for the three months ended March 31, 2008 and 2007:

Three Months Ended		% Change 2008/2007	Of Which Organic Growth	Of Which External Growth	Of Which Currency Effect
March 31, 2008	March 31, 2007				
<i>(in millions)</i>					
9,085.6	7,795.1	16.6%	11.0%	7.9%	(2.3)%

Veolia Environnement's consolidated revenue rose 16.6% (18.9% at constant exchange rates) to 9,085.6 million in the quarter ended March 31, 2008, compared with 7,795.1 million in the quarter ended March 31, 2007. Organic growth was 11.0%, led by the Company's strong commercial performance and boosted by the start-up of construction contracts in the water division. The rise in energy prices contributed 147 million to the increase in revenue in the energy services division.

External growth of 7.9% resulted, in particular, from the acquisitions made by Veolia Environmental Services (the waste management division) in Germany, Italy and France (total revenue contribution of 333 million), by Veolia Energy in the United States (113 million) and by Veolia Water mainly in the United Kingdom and Japan (total revenue contribution of approximately 100 million).

The share of revenue recorded outside France totaled 5,122.8 million in the first quarter of 2008, or 56.4% of the total compared with 53.3% in the first quarter of 2007.

The negative impact of currency fluctuations of 182 million primarily reflected the depreciation in the US dollar and the pound sterling in the UK against the euro, for a nearly equivalent amount.

Water

The following table shows a breakdown of our revenue within the water division for the three months ended March 31, 2008 and 2007:

Three Months Ended		% Change 2008/2007	Of Which Organic Growth	Of Which External Growth	Of Which Currency Effect
March 31, 2008	March 31, 2007				
<i>(in millions)</i>					
2,870.0	2,493.1	15.1%	12.9%	4.0%	(1.8)%

In France, organic growth was 5.1% (excluding works performed abroad by French subsidiaries) supported by a wider offering of services and strong growth in the engineering works business.

Outside France, excluding Veolia Water Solutions & Technologies, revenue grew 16.9% (up 12.4% at constant scope and exchange rates). In Europe, growth of 8.6% included the new non-regulated activities in the water division in the United Kingdom. Growth was also boosted by performances in the Africa/Middle East region where revenue increased by 14.2% (nearly 16% at constant exchange rates), in particular due to the BOT contract in Oman Sûr. In the Asia/Pacific region, the very strong revenue growth of nearly 68.7% (50% at constant scope and exchange rates) was driven to a large extent by the start-up of new contracts in China (including, among others, Lanzhou and Haikou) as well as growth in volumes and the expansion of the Shenzhen concession. In Australia, the Gold Coast contract as well as the desalination contract in Sydney also contributed to this growth.

Table of Contents

Veolia Water Solutions & Technologies reported revenue of 495.1 million, an increase of 26.1% (26.4% at constant scope and exchange rates), largely due to continued robust growth in the Design and Build business for municipal and industrial customers, which experienced continued solid growth, in particular in the Middle East.

Operating income and cash flow from operations in the water division continued to increase. This increase takes into account the more rapid growth in the engineering and construction service business, which has a lower operating margin and is less capital intensive than other businesses. In France, productivity improvement efforts, the development of new services and the good level of activity in the works business contributed to the increase in operating income despite a slight decline in volumes delivered. Veolia Water Solutions & Technologies posted a further improvement in its margin and its operating income because of the start-up of new contracts in the Middle East. Lastly, the improvement in the operations in Gabon also contributed to the growth in operating income.

Environmental Services (Waste Management)

The following table shows a breakdown of our revenue within the environmental services division for the three months ended March 31, 2008 and 2007:

Three Months Ended		% Change	Of Which	Of Which	Of Which
March 31,					
2008	2007	2008/2007	Growth	Growth	Effect
<i>(in millions)</i>					
2,415.9	2,033.3	18.8%	7.7%	16.4%	(5.3)%

In France, revenue rose 12.3% (7.8% at constant scope and exchange rates) as a result of the solid business levels in both the treatment of non-hazardous household and industrial waste (new contracts in the incineration business) and the sorting, recycling and trading of used paper, as well as the acquisition of Bartin Recycling Group completed in February of 2008.

Outside France, revenues rose 23.0%, including organic growth of 7.6% resulting from increased revenues in all geographic regions. In North America, continued solid growth of 8.6% at constant scope and exchange rates (a decline of 5.3% at current exchange rates due to the impact of the U.S. dollar) was driven by an improved trend in pricing which more than offset a slight decline in volumes in solid waste, a strong level of business activity in industrial services and new contracts in the incineration business. Organic growth was also strong in the United Kingdom with, in particular, the impact of new integrated contracts. In Asia, the development of recent contracts made a significant contribution to the 8.6% organic revenue growth in operations. Lastly, in the Pacific region, the 21.3% growth (15.4% at constant scope and exchange rates) resulted from a substantial increase in the waste collection and treatment business (residual waste landfills).

The 16.4% external growth primarily reflected the acquisition of Sulo in Germany (consolidated since July 2, 2007), the activities of Bartin Recycling Group in France and VSA Tecnitalia (ex-TMT) in Italy.

Despite the negative impact of currency effects, growth in cash flow from operations benefited from the good contribution of business in North America and the United Kingdom as well as acquisitions. Despite the additional amortization linked to acquisitions made in 2007, a satisfactory increase in operating income at constant exchange rates was recorded, reflecting the good performance of the business as a whole.

Table of Contents*Energy Services*

The following table shows a breakdown of our revenue within the energy services division for the three months ended March 31, 2008 and 2007:

Three Months Ended		% Change	Of Which	Of Which	Of Which
March 31,	2007				
2008		2008/2007	Growth	Growth	Effect
<i>(in millions)</i>					
2,377.7	1,955.6	21.6%	13.7%	7.9%	0.0%

Revenue grew 21.6%, in particular due to the further rise in energy prices (147 million total contribution) and the acquisition at the end of 2007 of Thermal North America Inc. in the United States.

In France, revenue rose 14.7%, against a backdrop of more favorable weather conditions, despite average temperatures during the 2008 winter remaining above their thirty-year average.

Outside France, total growth in revenue amounted to 32.3%, or 13.0% at constant scope and exchange rates. The 7.9% external growth primarily reflected the acquisition of Thermal North America Inc. in the United States at the end of 2007 as well as, to a lesser extent, acquisitions of smaller companies in Central Europe.

Cash flow from operations and operating income increased in the first quarter of 2008, reflecting the positive impact of the rise in energy prices, the slightly more favorable weather conditions as well as the consolidation of the TNAI acquisition.

Transportation

The following table shows a breakdown of our revenue within the transportation division for the three months ended March 31, 2008 and 2007:

Three Months Ended		% Change	Of Which	Of Which	Of Which
March 31,	2007				
2008		2008/2007	Growth	Growth	Effect
<i>(in millions)</i>					
1,422.0	1,313.1	8.3%	8.4%	2.2%	(2.3)%

Revenue in France grew 6.1% (5.7% at a constant consolidation scope), led by the ongoing increase in business in urban and interurban networks.

Outside France, revenue grew 9.7% (up 10.1% at constant scope and exchange rates) and reflected the full impact of the division's development in North America, in Germany (new contracts) as well as robust growth in the Australian business.

Operating income, which traditionally has a lower contribution in the first quarter of the year, benefited from the significant recovery in operating income in Germany and the good contribution of other Central European countries and Australia. These elements partially offset the negative impact of the increase in fuel prices, the increase in social costs in France and the difficulties encountered with certain contracts in the Netherlands.

Operating Income

Consolidated operating income increased to 701.2 million in the first quarter of 2008 compared with 654.8 million in the first quarter of 2007, a 7.1% increase at current exchange rates. Consolidated operating income increased 9.0% at constant exchange rates. In addition, as was the case in the second half of 2007, operating income reflected the increase in the non-cash amortization of intangibles linked to recent acquisitions.

Table of Contents

Net Financial Debt

Net financial debt (defined as gross financial debt (long-term and short-term borrowings, bank over drafts, and other cash position items), net cash and cash equivalents and excluding fair value adjustments to derivatives hedging debt) was 15.6 billion at March 31, 2008, compared with 15.1 billion at December 31, 2007. Our net financial debt increased in the first quarter of 2008 by approximately 0.5 billion compared to the December 31, 2007 figure of 15.1 billion. Net financial debt is a non-GAAP financial measure that we define in our Annual Report on Form 20-F in Item 5, Operating and Financial Review and Prospects Presentation of Information in this Section Non-GAAP Measures. This increase reflected the combined effects of a traditionally higher level of working capital requirements in the first quarter and Veolia Environnement's continued investments in large projects (BOT contract in Oman Sûr) in the water division, as well as the acquisition of Bartin Recycling Group in France and various smaller companies in the waste management business and Praterm (an operator of heating networks) in Poland in the energy division.

Other Recent Events

On May 7, 2008, the shareholders approved a payment of a dividend of 1.21 per share (or a total amount of 552.5 million) to be paid on May 27, 2008.

Table of Contents

DESCRIPTION OF DEBT SECURITIES WE MAY OFFER

General

We may issue debt securities using this prospectus. As required by U.S. federal law for all bonds and notes of companies that are publicly offered, the debt securities that we may issue are governed by a contract between us and Deutsche Bank Trust Company Americas, as trustee, called an indenture.

The trustee under the indenture has two main roles:

first, it can enforce your rights against us if we default. There are some limitations on the extent to which the trustee acts on your behalf, described under **Default and Related Matters** **Events of Default** **Remedies If an Event of Default Occurs** below; and

second, the trustee performs administrative duties for us, such as sending you interest payments, transferring your debt securities to a new buyer if you sell your debt securities and sending you notices.

The indenture and its associated documents contain the full legal text governing the matters described in this section. The indenture and the debt securities are governed by New York law. A form of the indenture is an exhibit to our registration statement. See **Where You Can Find More Information About Us** for information on how to obtain a copy.

This section summarizes the material provisions of the indenture and the debt securities. However, because it is a summary, it does not describe every aspect of the indenture or the debt securities. This summary is subject to and qualified in its entirety by reference to all the provisions of the indenture, including some of the terms used in the indenture. The indenture is also subject to the Trust Indenture Act of 1939. We describe the meaning for only the more important terms. We also include references in parentheses to some sections of the indenture. Whenever we refer to particular sections or defined terms of the indenture in this prospectus or in the prospectus supplement, those sections or defined terms are incorporated by reference herein or in the prospectus supplement. This summary also is subject to and qualified by reference to the description of the particular terms of your series described in the prospectus supplement.

We may issue as many distinct series of debt securities under the indenture as we wish. This section summarizes all material terms of the debt securities that are common to all series, unless otherwise indicated in the prospectus supplement relating to a particular series.

We may issue the debt securities as original issue discount securities, which are debt securities that are offered and sold at a substantial discount to their stated principal amount. (*Section 101*) Special U.S. federal income tax, accounting and other considerations may apply to original issue discount securities. These considerations are discussed below under **Taxation** **United States Taxation**. The debt securities may also be issued as indexed securities or securities denominated in foreign currencies or currency units, as described in more detail in the prospectus supplement relating to any such debt securities.

Unless otherwise specified in a prospectus supplement, we may issue debt securities of the same series as an outstanding series of debt securities without the consent of holders of securities in the outstanding series. Any additional debt securities so issued will have the same terms as the existing debt securities of the same series in all respects (except for the issuance date, the date upon which interest begins accruing and, in some cases, the first interest payment on the new series, if any), so that such additional debt securities will be consolidated and form a single series with the existing debt securities of the same series.

In addition, the specific financial, legal and other terms particular to a series of debt securities are described in the prospectus supplement and the underwriting agreement relating to the series. Those terms may vary from the terms described here. Accordingly, this summary also is subject to and qualified by reference to the description of the terms of the series described in the prospectus supplement.

Table of Contents

The prospectus supplement relating to a series of debt securities will describe the following terms of the series:

the title of the series of debt securities;

any limit on the aggregate principal amount of the series of debt securities;

the date or dates on which we will pay the principal of the series of debt securities;

the rate or rates, which may be fixed or variable, per annum at which the series of debt securities will bear interest, if any, and the date or dates from which that interest, if any, will accrue;

the dates on which interest, if any, on the series of debt securities will be payable and the regular record dates for the interest payment dates;

any provisions for redemption at the option of the holder;

the denominations in which the series of debt securities will be issuable;