

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2010
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>VEOLIA ENERGY NORTH AMERICA RETIREMENT SAVINGS PLAN</u>	1b Three-digit plan number (PN) ► <u>001</u> 1c Effective date of plan <u>04/01/2005</u>
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>VEOLIA ENERGY NORTH AMERICA, LLC</u> <u>99 SUMMER ST</u> <u>SUITE 900</u> <u>BOSTON, MA 02110</u>	2b Employer Identification Number (EIN) <u>38-3680309</u> 2c Sponsor's telephone number <u>617-849-6652</u> 2d Business code (see instructions) <u>221300</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/12/2011</u>	<u>DONNA CONNOLLY</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2010)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") ERISA FIDUCIARY COMMITTEE, VEOLIA ENERGY NORTH 99 SUMMER STREET, SUITE 900 BOSTON, MA 02110	3b Administrator's EIN 32-0312873 3c Administrator's telephone number 617-849-6652
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	657
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	626
b Retired or separated participants receiving benefits.....	6b	1
c Other retired or separated participants entitled to future benefits.....	6c	63
d Subtotal. Add lines 6a , 6b , and 6c	6d	690
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	3
f Total. Add lines 6d and 6e	6f	693
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	635
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	18

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2F 2G 2J 2K 2T 3D 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010	
A Name of plan VEOLIA ENERGY NORTH AMERICA RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN) ▶ 001
C Plan sponsor's name as shown on line 2a of Form 5500 VEOLIA ENERGY NORTH AMERICA, LLC	D Employer Identification Number (EIN) 38-3680309

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).....	☒ Yes ☐ No
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b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).
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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
FIDELITY INV. INST. OPS. CO.
04-2647786

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation
GALLIARD CAPITAL MANAGEMENT INC
41-1813702

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

FIDELITY INVESTMENTS INSTITUTIONAL

04-2647786

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
64 37 65 60	RECORDKEEPER	7950	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>ABF SM CAP VAL INV - BOSTON FINANCI</p> <p>04-2526037</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.40%</p>		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>ARTISAN MID CAP INV - BOSTON FINANC</p> <p>04-2526037</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.40%</p>		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
<p>(d) Enter name and EIN (address) of source of indirect compensation</p> <p>ARTISAN MID CAP VAL - BOSTON FINANC</p> <p>04-2526037</p>		
<p>(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.</p> <p>0.40%</p>		

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
GS LG CAP VAL INST - GOLDMAN, SACHS	0.10%	
13-5108880		
(a) Enter service provider name as it appears on line 2		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
HARTFORD SMCO HLS IA - HARTFORD INV	0.05%	
13-3317783		
(a) Enter service provider name as it appears on line 2		
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation		
OAKMARK EQ & INC I - BOSTON FINANCI	0.35%	
04-2526037		

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
FIDELITY INVESTMENTS INSTITUTIONAL	60	0
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
PIMCO TOT RETURN ADM - BOSTON FINAN 04-2526037	0.25%	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
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(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone: <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>

Explanation:

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan VEOLIA ENERGY NORTH AMERICA RETIREMENT SAVINGS PLAN	B Three-digit plan number (PN)	001
C Plan sponsor's name as shown on line 2a of Form 5500 VEOLIA ENERGY NORTH AMERICA, LLC	D Employer Identification Number (EIN) 38-3680309	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	897372	993460
(2) Participant contributions	1b(2)	6099	0
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	2534799	3123853
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	754903	917060
(9) Value of interest in common/collective trusts.....	1c(9)	111724	0
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	20536001	29270172
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	24840898	34304545

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j	4264	0
k Total liabilities (add all amounts in lines 1g through 1j)	1k	4264	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	24836634	34304545
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	2682533	
(B) Participants	2a(1)(B)	4186528	
(C) Others (including rollovers)	2a(1)(C)	608212	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		7477273
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	611	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	51367	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		51978
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	527639	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		527639
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		
(6) Net investment gain (loss) from common/collective trusts	2b(6)		886
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		3425265
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		11483041

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2004607	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		2004607
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		2325
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	8198	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		8198
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2015130

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		9467911
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: WOLF AND COMPANY, PC

(2) EIN: 04-2689883

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....	X		14506
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		10000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)	5b(3) PN(s)

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2010</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan VEOLIA ENERGY NORTH AMERICA RETIREMENT SAVINGS PLAN		B Three-digit plan number (PN) ► 001
C Plan sponsor's name as shown on line 2a of Form 5500 VEOLIA ENERGY NORTH AMERICA, LLC		D Employer Identification Number (EIN) 38-3680309
Part I	Distributions	
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 04-6568107		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)	
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?..... ☐ Yes ☐ No ☐ N/A		
If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____		
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year		6a
b Enter the amount contributed by the employer to the plan for this plan year		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... ☐ Yes ☐ No ☐ N/A		
Part III	Amendments	
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.	
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No		
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		
Schedule R (Form 5500) 2010 v.092308.1		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month Day Year

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents)

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

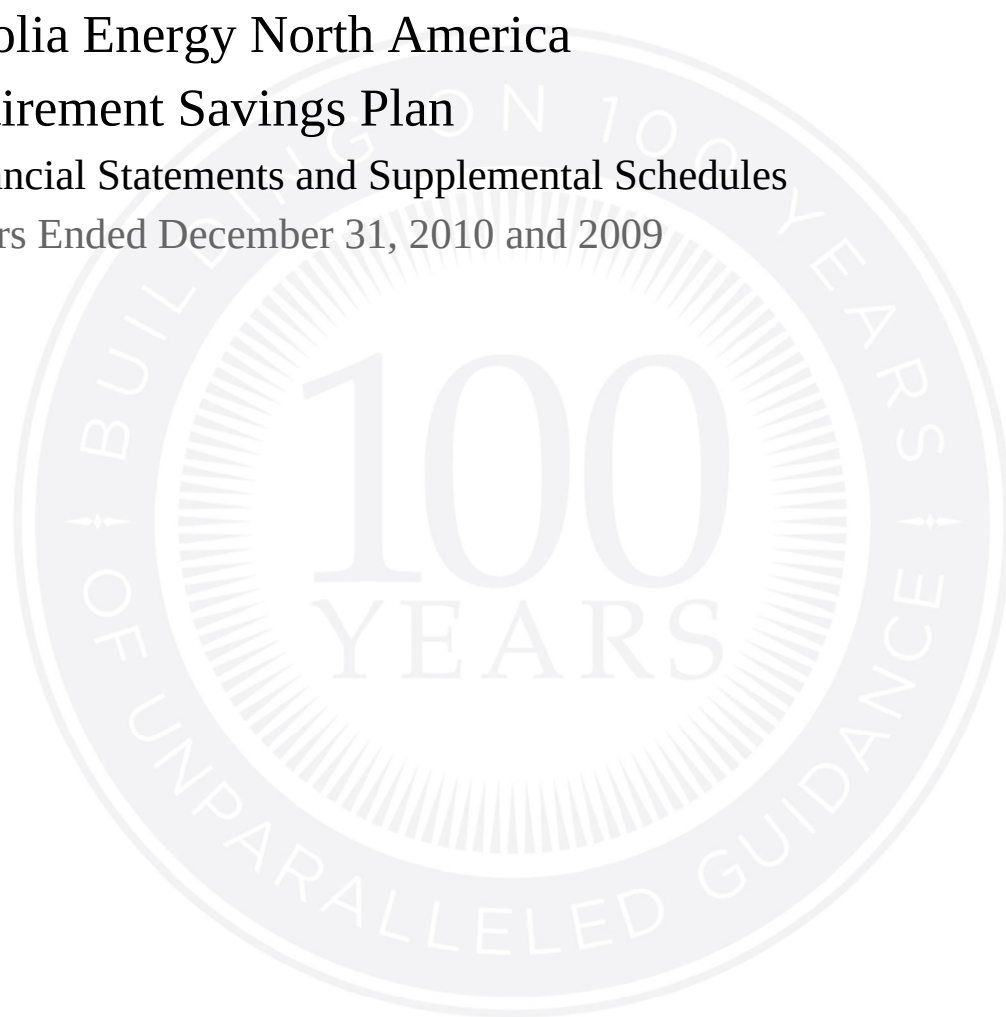
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate item 19(b)?

☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):



Veolia Energy North America
Retirement Savings Plan
Financial Statements and Supplemental Schedules
Years Ended December 31, 2010 and 2009



Veolia Energy North America Retirement Savings Plan

E.I.N. 38-3680309

Plan Number 001

Financial Statements and Supplemental Schedules as of
and for the Years Ended December 31, 2010 and 2009

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Independent Auditors' Report

To the Plan Administrator of the Veolia Energy North America Retirement Savings Plan:

We were engaged to audit the accompanying statements of net assets available for benefits of the Veolia Energy North America Retirement Savings Plan (the "Plan") as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended and the supplemental schedules of (1) Schedule H, Line 4a-Schedule of Delinquent Participant Contributions, and (2) Schedule H, line 4i-Schedule of Assets (Held at End of Year) as of or for the year ended December 31, 2010. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3 which was certified by Fidelity Management Trust Company, the Trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee as of and for the years ended December 31, 2010 and 2009, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Wolf & Company, P.C.

Boston, Massachusetts

August 30, 2011

Veolia Energy North America Retirement Savings Plan

Statements of Net Assets Available for Benefits

December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Investments at fair value:		
Mutual funds	\$32,394,025	\$23,067,413
Collective investment fund	-	115,111
Total investments	<u>32,394,025</u>	<u>23,182,524</u>
Receivables:		
Participant contributions	-	6,099
Employer contributions	993,460	897,372
Notes receivable from participants	917,060	754,903
Total receivables	<u>1,910,520</u>	<u>1,658,374</u>
Total assets	34,304,545	24,840,898
Liabilities		
Other liabilities	-	31
Excess participant contributions	-	4,233
Net assets reflecting investments at fair value	<u>34,304,545</u>	<u>24,836,634</u>
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	<u>-</u>	<u>(223)</u>
Net assets available for benefits	<u>\$34,304,545</u>	<u>\$24,836,411</u>

See independent auditors' report and notes to financial statements.

Veolia Energy North America Retirement Savings Plan

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Additions to net assets attributed to:		
Investment income:		
Net appreciation in fair value of investments	\$ 3,430,734	\$ 3,585,223
Dividends and interest	523,921	348,259
Total investment income	<u>3,954,655</u>	<u>3,933,482</u>
Interest income - notes receivable from participants	<u>51,367</u>	<u>38,233</u>
Contributions:		
Employer	2,677,545	2,155,431
Participant	4,180,395	3,099,248
Rollover	608,212	847,935
Total contributions	<u>7,466,152</u>	<u>6,102,614</u>
Total additions	<u>11,472,174</u>	<u>10,074,329</u>
Deductions from net assets attributed to:		
Benefits paid to participants	2,002,699	1,747,229
Administrative expenses	8,198	12,686
Total deductions	<u>2,010,897</u>	<u>1,759,915</u>
Increase in net assets available for benefits prior to net transfers	9,461,277	8,314,414
Transfer of assets into the Plan	<u>6,857</u>	<u>3,571,704</u>
Net increase	9,468,134	11,886,118
Net assets available for benefits, beginning of year	<u>24,836,411</u>	<u>12,950,293</u>
Net assets available for benefits, end of year	<u><u>\$34,304,545</u></u>	<u><u>\$24,836,411</u></u>

See independent auditors' report and notes to financial statements.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements

Years Ended December 31, 2010 and 2009

1. DESCRIPTION OF THE PLAN

Effective October 1, 2009, ThermalSource, LLC 401(k) Plan changed its name to Veolia Energy North America Retirement Savings Plan (the “Plan”). In addition, the Plan was amended and assets of the Veolia Water Retirement Savings Plan were transferred in a trust to trust transfer into the Plan. The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a complete description of the Plan’s provisions.

General

The purpose of the Plan is to enable participating employees of Veolia Energy North America, LLC (the “Company”) to accumulate capital for their future economic security. The Plan enables participants to supplement their retirement income by accumulating an individual account balance during their years of employment with the Company.

The Plan is a defined contribution plan covering substantially all employees of the Company. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

All assets acquired under this Plan as a result of participant and Company contributions, income and other additions will be administered, distributed, forfeited and otherwise governed by the provisions of this Plan. The Plan is administered by the ERISA Fiduciary Committee of the Veolia North America Holdings, Inc. Employee Benefit Plans (the “Plan Administrator”) for the exclusive benefit of participants in the Plan and their beneficiaries.

Eligibility

Each employee who is 21 years of age or older is eligible to make salary deferrals into the Plan. Employees are eligible to receive the Company matching contribution when they make salary deferrals into the Plan. Non-discretionary Company contributions and discretionary contributions are made to an account of each employee if eligible to participate in the Plan and employed on the last day of the Plan year, regardless of whether they make salary deferrals except for certain union employees, unless the specific collection bargaining agreement provides for participation.

See independent auditors’ report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

DESCRIPTION OF THE PLAN (continued)

Participant Contributions

An active participant may elect to make two types of contributions to the Plan subject to limitations as defined in the Internal Revenue Code as follows:

Salary deferral contributions

Each active participant may elect, but shall not be required, to contribute to the Plan a percentage of their compensation up to 60% of compensation on a pre-tax basis, up to the maximum amount allowable under federal regulations. Also, participants may elect to contribute voluntary, after-tax contributions to the Plan. These amounts will be submitted to the Plan by the Company on the participants' behalf.

Rollover contributions

An active participant may, at the discretion of the Plan Administrator, contribute to the Plan distributions from other qualified plans or individual retirement accounts, if the contributions satisfy the tax law requirements for a qualified rollover.

For the years ended December 31, 2010 and 2009, total contributions by the employees amounted to \$4,788,607 and \$3,947,183, respectively.

Employer Contributions

Matching contributions

Each year the Company will make a non-discretionary matching contribution up to 100% of the first 2% of eligible compensation and 50% of the next 4% of eligible compensation contributed to the Plan. These non-discretionary matching contributions are subject to a maximum of 6% of eligible compensation. For certain participants who were transferred from the Veolia Water Retirement Savings Plan as of October 1, 2009, the Company will make a non-discretionary matching contribution in an amount equal to 50% of the first 7% of eligible compensation contributed to the Plan.

Non-discretionary Company contributions

Each year the Company will make a nonelective employer contribution in an amount ranging from 0% to 5% of eligible compensation, based on plan provisions.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

DESCRIPTION OF THE PLAN (continued)

Employer Contributions (concluded)

Discretionary contributions

Each year the Company may elect to make a discretionary contribution allocated based on participants' eligible compensation. For the years ended December 31, 2010 and 2009, no discretionary contributions were made to the Plan.

Vesting

A participant vests immediately in their account and in their salary deferrals and rollover contributions. Company non-discretionary matching contributions, non-discretionary Company contributions, and discretionary contributions vest on the following schedule:

<u>Completed Years of Vesting Service</u>	<u>Vested Percentage</u>
1 year	33.33%
2 years	66.67%
3 years	100.00%

Certain eligible participants who participated prior to October 1, 2009, based on the Plan provisions, vest immediately in the Company non-discretionary matching contributions.

Forfeitures

At December 31, 2010 and 2009, forfeited non-vested accounts totaled \$26,574 and \$28,211, respectively. These accounts will be used to reduce future employer contributions. Employer contributions were reduced by \$35,961 and \$28,516 from forfeited non-vested accounts for the years ended December 31, 2010 and 2009, respectively.

Investment Options

Upon enrollment in the Plan, a participant may direct how their salary deferral, rollover and Company matching and profit sharing contributions will be invested. Such investment directives may be changed in accordance with the procedures established by the Plan Administrator. A participant may currently choose from the various mutual funds offered through Fidelity Investments and other investments as allowed by the Plan Administrator.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

DESCRIPTION OF THE PLAN (concluded)

Investment Options (concluded)

Effective December 1, 2010, the Plan Administrator removed the collective investment fund as an investment option. Plan participants with balances in the collective investment fund were re-balanced to a Fidelity Money Market Account.

Notes Receivable from Participants

Loans to participants are made in accordance with provisions in the Plan. Each loan shall be fully secured by 100% of the participant's vested interest in the Plan and shall be limited to the lesser of 50% of the participant's vested interest in the Plan or \$50,000. Each loan shall bear an adequate rate of interest as determined by the Plan Administrator and will generally be required to be repaid through regular payroll deductions within five (5) years of the date it is made, unless such loan is used to acquire a principal residence of the participant in which case the term is extended. A participant is not allowed to have more than one loan outstanding at any time.

Distributions

Retirement, disability or death

Participants who retire or become disabled will be entitled to 100% of their account balance. Upon death, the participant's beneficiary will be entitled to a single lump sum distribution of 100% of the account balance or other forms of distributions as allowed by the Plan.

In service

A participant who has reached age 59½ will be entitled to withdraw 100% of their vested account balance.

Other termination of employment

Upon termination of employment for any reason other than retirement or death, the participant shall be entitled to receive the entire amount of their vested account balance.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will automatically become 100% vested in their accounts.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting and are in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Tax Status

The Plan adopted a Fidelity Management and Research Company prototype plan, in which the Internal Revenue Service stated in a letter dated March 31, 2008 that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements. Subsequent to year end, the Internal Revenue Service has determined and informed the Company by a letter dated June 17, 2011, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service ("IRS") or the Department of Labor ("DOL"). The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010 and 2009, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by the IRS and DOL and the DOL is currently auditing the Plan's 2008 filing. The Plan Administrator believes it is no longer subject to examinations for years prior to December 31, 2007.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

SIGNIFICANT ACCOUNTING POLICIES (continued)

Plan Transfer

Effective July 1, 2010, the Plan was amended to approve a trust to trust transfer from the Veolia Transportation, Inc. 401(k) Plan to the Plan and amounted to \$6,857. Effective October 1, 2009, the Plan was amended to approve a trust to trust transfer from the Veolia Water Retirement Savings Plan to the Plan and amounted to \$3,571,704.

Investment Valuation and Income Recognition

Investments in mutual funds are valued at fair value based on quoted market prices which represent the net asset value of shares held by the Plan as of the valuation date.

The Plan's investment in the collective investment fund is stated at fair value and adjusted to contract value based on information reported by Fidelity Management Trust Company.

Security transactions are recognized on the trade date (the date the order to buy or sell is executed). Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation in the fair value of investments includes both realized and unrealized gains and losses. Gains and losses on the sale of investments are calculated using the average cost method.

Fair Value Hierarchy

Financial instruments are recorded at fair value which is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date.

The hierarchal framework prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

The Plan groups its assets and liabilities measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. The three levels of the fair value hierarchy are as follows:

Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Hierarchy (concluded)

Level 2 – Valuation is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using unobservable inputs to pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In certain cases, inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Plan's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The Plan recognizes transfers between levels as the end of the reporting period as if the transfers occurred on the last day of the reporting period. There were no transfers during 2010 and 2009.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principle balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Benefit Payments

Benefits are recorded when paid.

Administrative Expenses

Substantially all administrative costs of the Plan were paid by the Company for the years ended December 31, 2010 and 2009, except for loan origination and annual loan maintenance fees which are paid by the participants that have participant loans.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

SIGNIFICANT ACCOUNTING POLICIES (concluded)

Recent Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update 2010-06, Fair Value Measurements and Disclosures (Topic 820), Improving Disclosures about Fair Value Measurements. Topic 820 requires new disclosures and clarifies existing disclosures regarding recurring and nonrecurring fair value measurements to provide increased transparency to users of the financial statements. The new disclosures and clarification of existing disclosures are effective for years beginning after December 15, 2009, except for the disclosures pertaining to the roll forward of activity for Level 3 fair value measurements, which are effective for years beginning after December 15, 2010. Management adopted this statement, except for the roll forward of activity for Level 3 fair value measurements, as of January 1, 2010, and this adoption did not have a material impact on the financial statements.

In September 2010, the FASB issued Accounting Standards Update 2010-25, Reporting Loans to Participants by Defined Contribution Pension Plans (“ASU 2010-25”). ASU 2010-25 requires participant loans to be measured at their unpaid principal balance plus any accrued but unpaid interest and to be classified as notes receivable from participants. Previously, loans were measured at fair value and classified as investments. The Company adopted ASU 2010-25 for the year ended December 31, 2010. Participant loans have been reclassified to notes receivable from participants as of December 31, 2010 and 2009. Interest income related to notes receivable from participants has been reclassified to interest income notes receivable from participants.

3. INFORMATION CERTIFIED BY FIDELITY MANAGEMENT TRUST COMPANY

The Plan Administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan Administrator instructed the Plan’s independent auditors not to perform any auditing procedures with respect to the following information certified by Fidelity Management Trust Company (the “Trustee”), except for comparing such information certified by the Trustee to information included in the Plan’s financial statements and supplemental schedules. The Plan Administrator has obtained a certification from the Trustee for 2010 and 2009 that such information is complete and accurate.

See independent auditors’ report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

INFORMATION CERTIFIED BY FIDELITY MANAGEMENT TRUST COMPANY (concluded)

Information certified as of and for the years ended December 31, 2010 and 2009 is as follows:

	Years Ended December 31,	
	2010	2009
Investments at fair value:		
Mutual funds	\$ 32,394,025	\$ 23,067,413
Investment at contract value:		
Collective investment fund	-	114,888
Investment income:		
Net appreciation in fair value of investments	3,430,734	3,585,223
Dividends and interest	523,921	348,259
Receivables:		
Notes receivable from participants	917,060	754,903
Interest income on notes receivable from participants	51,367	38,233

The Trustee also certified the information included in the Schedule of Assets (Held at End of Year) included on page 19 in the financial statements.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

4. INVESTMENTS

The following presents the fair value of investments that represent 5 percent or more of the Plan's net assets at December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Mutual funds:		
Fidelity International Discovery Fund	\$ 3,214,710	\$ 2,745,833
Fidelity Capital Appreciation Fund	1,969,304	1,460,165
Fidelity Freedom 2020 Fund	2,411,514	2,318,862
Fidelity Freedom 2025 Fund	2,023,994	-
Fidelity Retirement Money Market Fund	3,123,853	2,531,413
Fidelity U.S. Bond Index Fund	-	1,327,823
Artisan Mid Cap Fund - Investor Class	3,945,302	2,654,201

The Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$3,430,734 and \$3,585,223 during 2010 and 2009, respectively.

Investment Contract

The Plan received a fully benefit-responsive investment contract during the transfer of plan assets from the Veolia Water Retirement Savings Plan in 2009 (see Note 1). The investment was included in the financial statements at fair value with an adjustment to contract value in the statement of net assets available for benefits as of December 31, 2009. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at fair value. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the plan.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the investment contract at December 31, 2009 was \$115,111. The crediting interest rate is based on a formula agreed upon with Fidelity. Such interest rates are reviewed on a quarterly basis for resetting.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

INVESTMENTS (continued)

Investment Contract (concluded)

Certain events may limit the ability of the Plan to transact at contract value. Such events generally include but may not be limited to the following: (1) the complete or partial termination of the Plan; (2) the establishment or activation of, or material change in, any Plan investment fund, or an amendment to the Plan or a change in the administration or operation of the Plan, including the removal of a group of employees from Plan coverage as a result of the sale or liquidation of a subsidiary or division or as a result of group layoffs or early retirement programs. Due to the transfer of this investment into the Plan, the Plan Administrator had limited the Plan's ability to transact at contract value with participants until July 9, 2010 in order to avoid any penalties associated with liquidating the investment before that date. Effective December 1, 2010, the Plan Administrator removed the investment contract as an investment option and the investment contract was liquidated (See Note 1).

The collective investment contract did not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

2009

Average yields:

Based on actual earnings	3.40%
Based on interest rate credited to participants	3.32%

Fair Value Hierarchy

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010.

Mutual funds: Investments in mutual funds that are traded on a national securities exchange are stated at the net asset value of shares held by the Plan at year end.

Collective Investment Fund: Valued at the net asset value of the underlying investments as traded in an exchange and active market.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

INVESTMENTS (concluded)

Fair Value Hierarchy (concluded)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments at Fair Value on a Recurring Basis

The following tables summarize by level, within the fair value hierarchy the Plan's assets at fair value as of December 31, 2010 and 2009:

December 31, 2010				
	Level 1	Level 2	Level 3	Fair Value
Mutual funds:				
Blended funds	\$ 4,211,029	\$ -	\$ -	\$ 4,211,029
Fixed income funds	5,923,084	-	-	5,923,084
Growth funds	8,814,068	-	-	8,814,068
International funds	3,285,896	-	-	3,285,896
Target date funds	10,159,948	-	-	10,159,948
Total assets	<u>\$32,394,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$32,394,025</u>
December 31, 2009				
	Level 1	Level 2	Level 3	Fair Value
Mutual funds:				
Blended funds	\$ 2,860,965	\$ -	\$ -	\$ 2,860,965
Fixed income funds	4,398,259	-	-	4,398,259
Growth funds	5,864,520	-	-	5,864,520
International funds	2,770,094	-	-	2,770,094
Target date funds	7,173,575	-	-	7,173,575
Total mutual funds	23,067,413	-	-	23,067,413
Collective investment funds	-	115,111	-	115,111
Total assets	<u>\$23,067,413</u>	<u>\$ 115,111</u>	<u>\$ -</u>	<u>\$23,182,524</u>

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

5. RELATED PARTY TRANSACTIONS

Plan investments include shares of mutual funds managed by Fidelity Management Trust Company. Fidelity Management Trust Company is the Trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Administrative costs to originate and maintain loans amounted to \$8,198 and \$12,686 for the years ended December 31, 2010 and 2009, respectively. Fees paid for investment management services are included as a reduction of the return earned by each invested fund.

6. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

7. PROHIBITED TRANSACTIONS

During 2010, the Company was late in depositing \$8,407 of participant contributions and participant loan repayments. The Department of Labor ("DOL") considers late deposits to be prohibited transactions. In November 2010, the Company filed a Form 5330, paid all applicable excise taxes, and contributed \$4 to the Plan representing lost earnings on late deposits. The excise tax payments and lost earnings on the late deposits were paid from the Company assets and not the assets of the Plan.

During 2009, the Company was late in depositing \$6,099 of participant contributions to the Plan. The DOL considers late deposits to be prohibited transactions. In February 2010, the Company filed a Form 5330, paid all applicable excise taxes, and contributed \$4,745 to the Plan representing lost earnings on late deposits. The excise tax payments and lost earnings on the late deposits were paid from the Company's assets and not from the assets of the Plan. In addition, the Company paid an employer matching contribution of \$2,358.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Concluded)

8. VOLUNTARY SELF CORRECTION PROGRAM

In 2009, the Plan Administrator made a self-correcting contribution to the Plan to correct operational defects that occurred in the Plan after the transfer of assets from the Veolia Water Retirement Savings Plan (see Note 1). The Company deposited \$74,428 into the Plan in 2009. Also, in 2010, the Plan Administrator made a self-correcting contribution to the Plan to correct an operational defect that occurred in the Plan relating to December 2009. The Company deposited \$1,471 into the Plan in 2010 and recorded the entire amount as an employer contribution receivable.

9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	December 31,	
	2010	2009
Net assets reflecting investments at fair value per the financial statements	\$34,304,545	\$24,836,411
Add: adjustment from contract value to fair value for fully benefit-responsive investment contract	-	223
Less: Employer contribution receivable	-	-
Net assets available for benefits per Form 5500	<u>\$34,304,545</u>	<u>\$24,836,634</u>

The following is a reconciliation of the net increase per the financial statements to the Form 5500 net increase for 2010:

Net increase per the financial statements	\$ 9,468,134
Less: adjustment from contract value to fair value for fully benefit-responsive investment contract	<u>(223)</u>
Net increase and transfers in per the Form 5500	<u>\$ 9,467,911</u>

10. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through August 30, 2011 which is the date the financial statements were available to be issued. There were no subsequent events that require adjustment to or disclosure in the financial statements.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Schedule H, Line 4a - Schedule of Delinquent Participant Contributions

E.I.N. 38-3680309

Plan Number 001

Year Ended December 31, 2010

Description of Transaction	Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
	Check here if Late Participant Loan Repayments are included: ☒	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
Delinquent contribution for pay period 03-06-09	\$ 6,099	\$ -	\$ -	\$ -	\$ 6,099
Total delinquent contributions for 2009	<u>\$ 6,099</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,099</u>
Delinquent contribution for pay period 09-03-10	\$ 8,407	\$ -	\$ -	\$ -	\$ 8,407
Total delinquent contributions for 2010	<u>\$ 8,407</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,407</u>

Participant contributions were remitted untimely during the years ended December 31, 2010 and 2009. Lost earnings were remitted and a Form 5330 was filed in February 2010 relating to the 2009 delinquent contributions and in November 2010 relating to the 2010 delinquent contributions.

Veolia Energy North American Retirement Savings Plan

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

E.I.N. 38-3680309

Plan Number 001

December 31, 2010

a	b	c	d	e
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost (1)	Current Value
	Mutual Funds:			
	ABF Funds	69,124 shs American Beacon Small Cap Value Fund - Investor Class		\$ 1,341,694
	Artisan Funds	117,315 shs Artisan Mid Cap Fund - Investor Class		3,945,302
	Artisan Funds	32,892 shs Artisan Mid Cap Value Fund		660,469
*	Fidelity Investments, Inc.	97,298 shs Fidelity International Discovery Fund		3,214,710
*	Fidelity Investments, Inc.	77,715 shs Fidelity Capital Appreciation Fund		1,969,304
*	Fidelity Investments, Inc.	7,518 shs Fidelity Contrafund		509,214
*	Fidelity Investments, Inc.	4,222 shs Fidelity Fund		135,732
*	Fidelity Investments, Inc.	73,434 shs Fidelity Small Cap Independent Fund		1,359,257
*	Fidelity Investments, Inc.	11,659 shs Fidelity Freedom Income Fund		131,510
*	Fidelity Investments, Inc.	27,030 shs Fidelity Freedom 2000 Fund		322,738
*	Fidelity Investments, Inc.	8,113 shs Fidelity Freedom 2005 Fund		87,704
*	Fidelity Investments, Inc.	32,271 shs Fidelity Freedom 2010 Fund		438,557
*	Fidelity Investments, Inc.	59,625 shs Fidelity Freedom 2015 Fund		676,147
*	Fidelity Investments, Inc.	174,874 shs Fidelity Freedom 2020 Fund		2,411,514
*	Fidelity Investments, Inc.	175,694 shs Fidelity Freedom 2025 Fund		2,023,994
*	Fidelity Investments, Inc.	104,862 shs Fidelity Freedom 2030 Fund		1,443,945
*	Fidelity Investments, Inc.	71,638 shs Fidelity Freedom 2035 Fund		821,686
*	Fidelity Investments, Inc.	146,995 shs Fidelity Freedom 2040 Fund		1,177,428
*	Fidelity Investments, Inc.	23,816 shs Fidelity Freedom 2045 Fund		226,012
*	Fidelity Investments, Inc.	56,527 shs Fidelity Freedom 2050 Fund		530,223
*	Fidelity Investments, Inc.	3,123,853 shs Fidelity Retirement Money Market Fund		3,123,853
*	Fidelity Investments, Inc.	143,205 shs Fidelity U.S. Bond Index Fund		1,622,510
	Goldman Sachs	74,309 shs Goldman Sachs Large Cap Value Fund		883,530
	The Hartford	6,489 shs Hartford Small Company Fund		114,602
	Oakmark Funds	21,788 shs The Oakmark Equity and Income Fund		604,391
	PIMCO	108,454 shs PIMCO Total Return Fund		1,176,721
*	Spartan Funds	4,881 shs Spartan Extended Market Index Fund		186,303
*	Spartan Funds	2,024 shs Spartan International Index Fund		71,186
*	Spartan Funds	26,614 shs Spartan 500 Index Fund		1,183,789
	Other:			
*	Participant loans	Interest rates ranging from 4.25% to 8.75%		917,060
		Total assets (Held at End of Year)		<u>\$ 33,311,085</u>

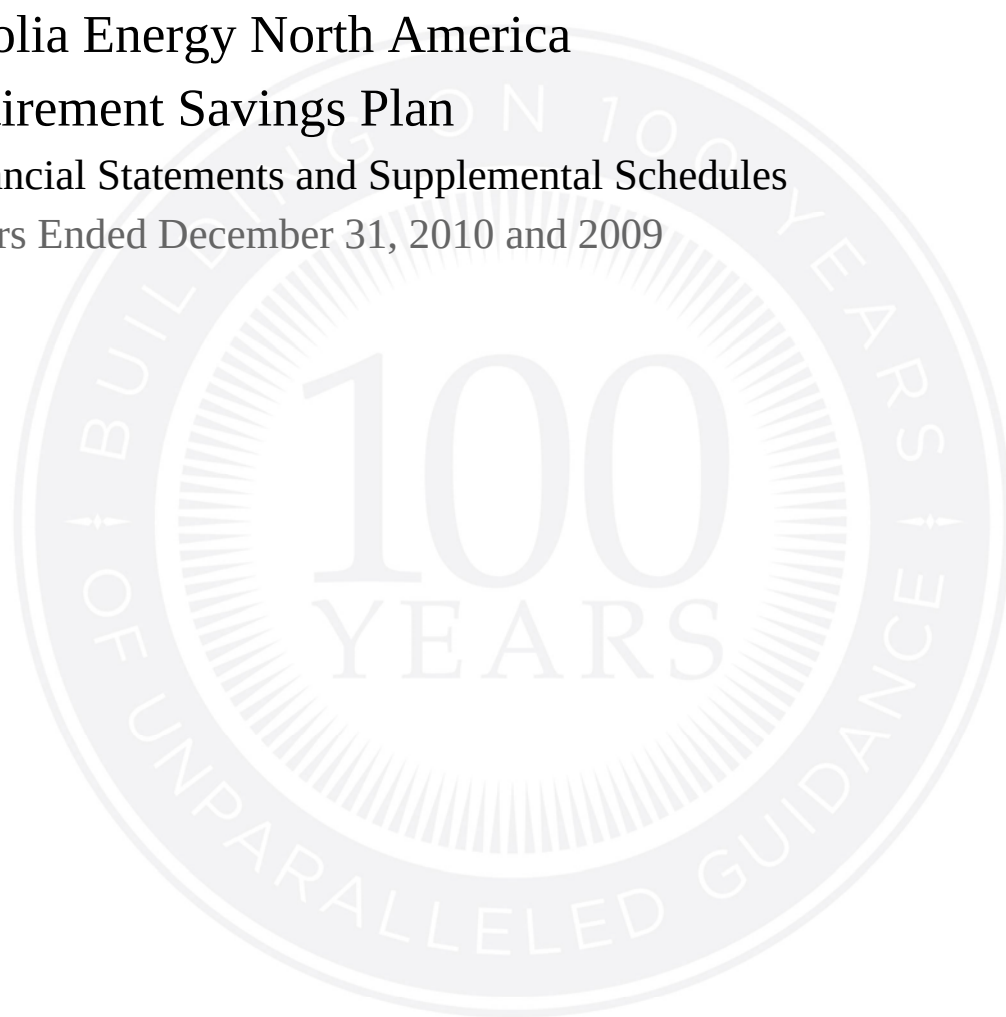
There were no investment assets which were both acquired and disposed of during the plan year.

(1) Cost information is not required for participant directed investments.

* Party-in-interest.



Veolia Energy North America
Retirement Savings Plan
Financial Statements and Supplemental Schedules
Years Ended December 31, 2010 and 2009



Veolia Energy North America Retirement Savings Plan

E.I.N. 38-3680309

Plan Number 001

Financial Statements and Supplemental Schedules as of
and for the Years Ended December 31, 2010 and 2009

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Independent Auditors' Report

To the Plan Administrator of the Veolia Energy North America Retirement Savings Plan:

We were engaged to audit the accompanying statements of net assets available for benefits of the Veolia Energy North America Retirement Savings Plan (the "Plan") as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended and the supplemental schedules of (1) Schedule H, Line 4a-Schedule of Delinquent Participant Contributions, and (2) Schedule H, line 4i-Schedule of Assets (Held at End of Year) as of or for the year ended December 31, 2010. These financial statements and supplemental schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 3 which was certified by Fidelity Management Trust Company, the Trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan Administrator that the Trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained a certification from the Trustee as of and for the years ended December 31, 2010 and 2009, that the information provided to the Plan Administrator by the Trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the Trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Wolf & Company, P.C.

Boston, Massachusetts

August 30, 2011

Veolia Energy North America Retirement Savings Plan

Statements of Net Assets Available for Benefits

December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Investments at fair value:		
Mutual funds	\$32,394,025	\$23,067,413
Collective investment fund	-	115,111
Total investments	<u>32,394,025</u>	<u>23,182,524</u>
Receivables:		
Participant contributions	-	6,099
Employer contributions	993,460	897,372
Notes receivable from participants	917,060	754,903
Total receivables	<u>1,910,520</u>	<u>1,658,374</u>
Total assets	34,304,545	24,840,898
Liabilities		
Other liabilities	-	31
Excess participant contributions	-	4,233
Net assets reflecting investments at fair value	<u>34,304,545</u>	<u>24,836,634</u>
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	<u>-</u>	<u>(223)</u>
Net assets available for benefits	<u>\$34,304,545</u>	<u>\$24,836,411</u>

See independent auditors' report and notes to financial statements.

Veolia Energy North America Retirement Savings Plan

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Additions to net assets attributed to:		
Investment income:		
Net appreciation in fair value of investments	\$ 3,430,734	\$ 3,585,223
Dividends and interest	523,921	348,259
Total investment income	<u>3,954,655</u>	<u>3,933,482</u>
Interest income - notes receivable from participants	<u>51,367</u>	<u>38,233</u>
Contributions:		
Employer	2,677,545	2,155,431
Participant	4,180,395	3,099,248
Rollover	608,212	847,935
Total contributions	<u>7,466,152</u>	<u>6,102,614</u>
Total additions	<u>11,472,174</u>	<u>10,074,329</u>
Deductions from net assets attributed to:		
Benefits paid to participants	2,002,699	1,747,229
Administrative expenses	8,198	12,686
Total deductions	<u>2,010,897</u>	<u>1,759,915</u>
Increase in net assets available for benefits prior to net transfers	9,461,277	8,314,414
Transfer of assets into the Plan	<u>6,857</u>	<u>3,571,704</u>
Net increase	9,468,134	11,886,118
Net assets available for benefits, beginning of year	<u>24,836,411</u>	<u>12,950,293</u>
Net assets available for benefits, end of year	<u><u>\$34,304,545</u></u>	<u><u>\$24,836,411</u></u>

See independent auditors' report and notes to financial statements.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements

Years Ended December 31, 2010 and 2009

1. DESCRIPTION OF THE PLAN

Effective October 1, 2009, ThermalSource, LLC 401(k) Plan changed its name to Veolia Energy North America Retirement Savings Plan (the “Plan”). In addition, the Plan was amended and assets of the Veolia Water Retirement Savings Plan were transferred in a trust to trust transfer into the Plan. The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a complete description of the Plan’s provisions.

General

The purpose of the Plan is to enable participating employees of Veolia Energy North America, LLC (the “Company”) to accumulate capital for their future economic security. The Plan enables participants to supplement their retirement income by accumulating an individual account balance during their years of employment with the Company.

The Plan is a defined contribution plan covering substantially all employees of the Company. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

All assets acquired under this Plan as a result of participant and Company contributions, income and other additions will be administered, distributed, forfeited and otherwise governed by the provisions of this Plan. The Plan is administered by the ERISA Fiduciary Committee of the Veolia North America Holdings, Inc. Employee Benefit Plans (the “Plan Administrator”) for the exclusive benefit of participants in the Plan and their beneficiaries.

Eligibility

Each employee who is 21 years of age or older is eligible to make salary deferrals into the Plan. Employees are eligible to receive the Company matching contribution when they make salary deferrals into the Plan. Non-discretionary Company contributions and discretionary contributions are made to an account of each employee if eligible to participate in the Plan and employed on the last day of the Plan year, regardless of whether they make salary deferrals except for certain union employees, unless the specific collection bargaining agreement provides for participation.

See independent auditors’ report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

DESCRIPTION OF THE PLAN (continued)

Participant Contributions

An active participant may elect to make two types of contributions to the Plan subject to limitations as defined in the Internal Revenue Code as follows:

Salary deferral contributions

Each active participant may elect, but shall not be required, to contribute to the Plan a percentage of their compensation up to 60% of compensation on a pre-tax basis, up to the maximum amount allowable under federal regulations. Also, participants may elect to contribute voluntary, after-tax contributions to the Plan. These amounts will be submitted to the Plan by the Company on the participants' behalf.

Rollover contributions

An active participant may, at the discretion of the Plan Administrator, contribute to the Plan distributions from other qualified plans or individual retirement accounts, if the contributions satisfy the tax law requirements for a qualified rollover.

For the years ended December 31, 2010 and 2009, total contributions by the employees amounted to \$4,788,607 and \$3,947,183, respectively.

Employer Contributions

Matching contributions

Each year the Company will make a non-discretionary matching contribution up to 100% of the first 2% of eligible compensation and 50% of the next 4% of eligible compensation contributed to the Plan. These non-discretionary matching contributions are subject to a maximum of 6% of eligible compensation. For certain participants who were transferred from the Veolia Water Retirement Savings Plan as of October 1, 2009, the Company will make a non-discretionary matching contribution in an amount equal to 50% of the first 7% of eligible compensation contributed to the Plan.

Non-discretionary Company contributions

Each year the Company will make a nonelective employer contribution in an amount ranging from 0% to 5% of eligible compensation, based on plan provisions.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

DESCRIPTION OF THE PLAN (continued)

Employer Contributions (concluded)

Discretionary contributions

Each year the Company may elect to make a discretionary contribution allocated based on participants' eligible compensation. For the years ended December 31, 2010 and 2009, no discretionary contributions were made to the Plan.

Vesting

A participant vests immediately in their account and in their salary deferrals and rollover contributions. Company non-discretionary matching contributions, non-discretionary Company contributions, and discretionary contributions vest on the following schedule:

<u>Completed Years of Vesting Service</u>	<u>Vested Percentage</u>
1 year	33.33%
2 years	66.67%
3 years	100.00%

Certain eligible participants who participated prior to October 1, 2009, based on the Plan provisions, vest immediately in the Company non-discretionary matching contributions.

Forfeitures

At December 31, 2010 and 2009, forfeited non-vested accounts totaled \$26,574 and \$28,211, respectively. These accounts will be used to reduce future employer contributions. Employer contributions were reduced by \$35,961 and \$28,516 from forfeited non-vested accounts for the years ended December 31, 2010 and 2009, respectively.

Investment Options

Upon enrollment in the Plan, a participant may direct how their salary deferral, rollover and Company matching and profit sharing contributions will be invested. Such investment directives may be changed in accordance with the procedures established by the Plan Administrator. A participant may currently choose from the various mutual funds offered through Fidelity Investments and other investments as allowed by the Plan Administrator.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

DESCRIPTION OF THE PLAN (concluded)

Investment Options (concluded)

Effective December 1, 2010, the Plan Administrator removed the collective investment fund as an investment option. Plan participants with balances in the collective investment fund were re-balanced to a Fidelity Money Market Account.

Notes Receivable from Participants

Loans to participants are made in accordance with provisions in the Plan. Each loan shall be fully secured by 100% of the participant's vested interest in the Plan and shall be limited to the lesser of 50% of the participant's vested interest in the Plan or \$50,000. Each loan shall bear an adequate rate of interest as determined by the Plan Administrator and will generally be required to be repaid through regular payroll deductions within five (5) years of the date it is made, unless such loan is used to acquire a principal residence of the participant in which case the term is extended. A participant is not allowed to have more than one loan outstanding at any time.

Distributions

Retirement, disability or death

Participants who retire or become disabled will be entitled to 100% of their account balance. Upon death, the participant's beneficiary will be entitled to a single lump sum distribution of 100% of the account balance or other forms of distributions as allowed by the Plan.

In service

A participant who has reached age 59½ will be entitled to withdraw 100% of their vested account balance.

Other termination of employment

Upon termination of employment for any reason other than retirement or death, the participant shall be entitled to receive the entire amount of their vested account balance.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will automatically become 100% vested in their accounts.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting and are in conformity with accounting principles generally accepted in the United States of America.

Use of Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Tax Status

The Plan adopted a Fidelity Management and Research Company prototype plan, in which the Internal Revenue Service stated in a letter dated March 31, 2008 that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements. Subsequent to year end, the Internal Revenue Service has determined and informed the Company by a letter dated June 17, 2011, that the Plan is designed in accordance with applicable sections of the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service ("IRS") or the Department of Labor ("DOL"). The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2010 and 2009, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by the IRS and DOL and the DOL is currently auditing the Plan's 2008 filing. The Plan Administrator believes it is no longer subject to examinations for years prior to December 31, 2007.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

SIGNIFICANT ACCOUNTING POLICIES (continued)

Plan Transfer

Effective July 1, 2010, the Plan was amended to approve a trust to trust transfer from the Veolia Transportation, Inc. 401(k) Plan to the Plan and amounted to \$6,857. Effective October 1, 2009, the Plan was amended to approve a trust to trust transfer from the Veolia Water Retirement Savings Plan to the Plan and amounted to \$3,571,704.

Investment Valuation and Income Recognition

Investments in mutual funds are valued at fair value based on quoted market prices which represent the net asset value of shares held by the Plan as of the valuation date.

The Plan's investment in the collective investment fund is stated at fair value and adjusted to contract value based on information reported by Fidelity Management Trust Company.

Security transactions are recognized on the trade date (the date the order to buy or sell is executed). Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation in the fair value of investments includes both realized and unrealized gains and losses. Gains and losses on the sale of investments are calculated using the average cost method.

Fair Value Hierarchy

Financial instruments are recorded at fair value which is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date.

The hierarchal framework prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

The Plan groups its assets and liabilities measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. The three levels of the fair value hierarchy are as follows:

Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Hierarchy (concluded)

Level 2 – Valuation is based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using unobservable inputs to pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In certain cases, inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Plan's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The Plan recognizes transfers between levels as the end of the reporting period as if the transfers occurred on the last day of the reporting period. There were no transfers during 2010 and 2009.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principle balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the plan document.

Benefit Payments

Benefits are recorded when paid.

Administrative Expenses

Substantially all administrative costs of the Plan were paid by the Company for the years ended December 31, 2010 and 2009, except for loan origination and annual loan maintenance fees which are paid by the participants that have participant loans.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

SIGNIFICANT ACCOUNTING POLICIES (concluded)

Recent Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update 2010-06, Fair Value Measurements and Disclosures (Topic 820), Improving Disclosures about Fair Value Measurements. Topic 820 requires new disclosures and clarifies existing disclosures regarding recurring and nonrecurring fair value measurements to provide increased transparency to users of the financial statements. The new disclosures and clarification of existing disclosures are effective for years beginning after December 15, 2009, except for the disclosures pertaining to the roll forward of activity for Level 3 fair value measurements, which are effective for years beginning after December 15, 2010. Management adopted this statement, except for the roll forward of activity for Level 3 fair value measurements, as of January 1, 2010, and this adoption did not have a material impact on the financial statements.

In September 2010, the FASB issued Accounting Standards Update 2010-25, Reporting Loans to Participants by Defined Contribution Pension Plans (“ASU 2010-25”). ASU 2010-25 requires participant loans to be measured at their unpaid principal balance plus any accrued but unpaid interest and to be classified as notes receivable from participants. Previously, loans were measured at fair value and classified as investments. The Company adopted ASU 2010-25 for the year ended December 31, 2010. Participant loans have been reclassified to notes receivable from participants as of December 31, 2010 and 2009. Interest income related to notes receivable from participants has been reclassified to interest income notes receivable from participants.

3. INFORMATION CERTIFIED BY FIDELITY MANAGEMENT TRUST COMPANY

The Plan Administrator has elected the method of compliance as permitted by 29 CFR 2520.103-8 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan Administrator instructed the Plan’s independent auditors not to perform any auditing procedures with respect to the following information certified by Fidelity Management Trust Company (the “Trustee”), except for comparing such information certified by the Trustee to information included in the Plan’s financial statements and supplemental schedules. The Plan Administrator has obtained a certification from the Trustee for 2010 and 2009 that such information is complete and accurate.

See independent auditors’ report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

INFORMATION CERTIFIED BY FIDELITY MANAGEMENT TRUST COMPANY (concluded)

Information certified as of and for the years ended December 31, 2010 and 2009 is as follows:

	Years Ended December 31,	
	2010	2009
Investments at fair value:		
Mutual funds	\$ 32,394,025	\$ 23,067,413
Investment at contract value:		
Collective investment fund	-	114,888
Investment income:		
Net appreciation in fair value of investments	3,430,734	3,585,223
Dividends and interest	523,921	348,259
Receivables:		
Notes receivable from participants	917,060	754,903
Interest income on notes receivable from participants	51,367	38,233

The Trustee also certified the information included in the Schedule of Assets (Held at End of Year) included on page 19 in the financial statements.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

4. INVESTMENTS

The following presents the fair value of investments that represent 5 percent or more of the Plan's net assets at December 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Mutual funds:		
Fidelity International Discovery Fund	\$ 3,214,710	\$ 2,745,833
Fidelity Capital Appreciation Fund	1,969,304	1,460,165
Fidelity Freedom 2020 Fund	2,411,514	2,318,862
Fidelity Freedom 2025 Fund	2,023,994	-
Fidelity Retirement Money Market Fund	3,123,853	2,531,413
Fidelity U.S. Bond Index Fund	-	1,327,823
Artisan Mid Cap Fund - Investor Class	3,945,302	2,654,201

The Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$3,430,734 and \$3,585,223 during 2010 and 2009, respectively.

Investment Contract

The Plan received a fully benefit-responsive investment contract during the transfer of plan assets from the Veolia Water Retirement Savings Plan in 2009 (see Note 1). The investment was included in the financial statements at fair value with an adjustment to contract value in the statement of net assets available for benefits as of December 31, 2009. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at fair value. The guaranteed investment contract issuer is contractually obligated to repay the principal and a specified interest rate that is guaranteed to the plan.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the investment contract at December 31, 2009 was \$115,111. The crediting interest rate is based on a formula agreed upon with Fidelity. Such interest rates are reviewed on a quarterly basis for resetting.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

INVESTMENTS (continued)

Investment Contract (concluded)

Certain events may limit the ability of the Plan to transact at contract value. Such events generally include but may not be limited to the following: (1) the complete or partial termination of the Plan; (2) the establishment or activation of, or material change in, any Plan investment fund, or an amendment to the Plan or a change in the administration or operation of the Plan, including the removal of a group of employees from Plan coverage as a result of the sale or liquidation of a subsidiary or division or as a result of group layoffs or early retirement programs. Due to the transfer of this investment into the Plan, the Plan Administrator had limited the Plan's ability to transact at contract value with participants until July 9, 2010 in order to avoid any penalties associated with liquidating the investment before that date. Effective December 1, 2010, the Plan Administrator removed the investment contract as an investment option and the investment contract was liquidated (See Note 1).

The collective investment contract did not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

	<u>2009</u>
Average yields:	
Based on actual earnings	3.40%
Based on interest rate credited to participants	3.32%

Fair Value Hierarchy

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2010.

Mutual funds: Investments in mutual funds that are traded on a national securities exchange are stated at the net asset value of shares held by the Plan at year end.

Collective Investment Fund: Valued at the net asset value of the underlying investments as traded in an exchange and active market.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

INVESTMENTS (concluded)

Fair Value Hierarchy (concluded)

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investments at Fair Value on a Recurring Basis

The following tables summarize by level, within the fair value hierarchy the Plan's assets at fair value as of December 31, 2010 and 2009:

December 31, 2010				
	Level 1	Level 2	Level 3	Fair Value
Mutual funds:				
Blended funds	\$ 4,211,029	\$ -	\$ -	\$ 4,211,029
Fixed income funds	5,923,084	-	-	5,923,084
Growth funds	8,814,068	-	-	8,814,068
International funds	3,285,896	-	-	3,285,896
Target date funds	10,159,948	-	-	10,159,948
Total assets	<u>\$32,394,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$32,394,025</u>
December 31, 2009				
	Level 1	Level 2	Level 3	Fair Value
Mutual funds:				
Blended funds	\$ 2,860,965	\$ -	\$ -	\$ 2,860,965
Fixed income funds	4,398,259	-	-	4,398,259
Growth funds	5,864,520	-	-	5,864,520
International funds	2,770,094	-	-	2,770,094
Target date funds	7,173,575	-	-	7,173,575
Total mutual funds	23,067,413	-	-	23,067,413
Collective investment funds	-	115,111	-	115,111
Total assets	<u>\$23,067,413</u>	<u>\$ 115,111</u>	<u>\$ -</u>	<u>\$23,182,524</u>

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Continued)

5. RELATED PARTY TRANSACTIONS

Plan investments include shares of mutual funds managed by Fidelity Management Trust Company. Fidelity Management Trust Company is the Trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Administrative costs to originate and maintain loans amounted to \$8,198 and \$12,686 for the years ended December 31, 2010 and 2009, respectively. Fees paid for investment management services are included as a reduction of the return earned by each invested fund.

6. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

7. PROHIBITED TRANSACTIONS

During 2010, the Company was late in depositing \$8,407 of participant contributions and participant loan repayments. The Department of Labor ("DOL") considers late deposits to be prohibited transactions. In November 2010, the Company filed a Form 5330, paid all applicable excise taxes, and contributed \$4 to the Plan representing lost earnings on late deposits. The excise tax payments and lost earnings on the late deposits were paid from the Company assets and not the assets of the Plan.

During 2009, the Company was late in depositing \$6,099 of participant contributions to the Plan. The DOL considers late deposits to be prohibited transactions. In February 2010, the Company filed a Form 5330, paid all applicable excise taxes, and contributed \$4,745 to the Plan representing lost earnings on late deposits. The excise tax payments and lost earnings on the late deposits were paid from the Company's assets and not from the assets of the Plan. In addition, the Company paid an employer matching contribution of \$2,358.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Notes to Financial Statements (Concluded)

8. VOLUNTARY SELF CORRECTION PROGRAM

In 2009, the Plan Administrator made a self-correcting contribution to the Plan to correct operational defects that occurred in the Plan after the transfer of assets from the Veolia Water Retirement Savings Plan (see Note 1). The Company deposited \$74,428 into the Plan in 2009. Also, in 2010, the Plan Administrator made a self-correcting contribution to the Plan to correct an operational defect that occurred in the Plan relating to December 2009. The Company deposited \$1,471 into the Plan in 2010 and recorded the entire amount as an employer contribution receivable.

9. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	December 31,	
	2010	2009
Net assets reflecting investments at fair value per the financial statements	\$34,304,545	\$24,836,411
Add: adjustment from contract value to fair value for fully benefit-responsive investment contract	-	223
Less: Employer contribution receivable	-	-
Net assets available for benefits per Form 5500	<u>\$34,304,545</u>	<u>\$24,836,634</u>

The following is a reconciliation of the net increase per the financial statements to the Form 5500 net increase for 2010:

Net increase per the financial statements	\$ 9,468,134
Less: adjustment from contract value to fair value for fully benefit-responsive investment contract	<u>(223)</u>
Net increase and transfers in per the Form 5500	<u>\$ 9,467,911</u>

10. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through August 30, 2011 which is the date the financial statements were available to be issued. There were no subsequent events that require adjustment to or disclosure in the financial statements.

See independent auditors' report.

Veolia Energy North America Retirement Savings Plan

Schedule H, Line 4a - Schedule of Delinquent Participant Contributions

E.I.N. 38-3680309

Plan Number 001

Year Ended December 31, 2010

Description of Transaction	Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
	Check here if Late Participant Loan Repayments are included: ☒	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
Delinquent contribution for pay period 03-06-09	\$ 6,099	\$ -	\$ -	\$ -	\$ 6,099
Total delinquent contributions for 2009	<u>\$ 6,099</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,099</u>
Delinquent contribution for pay period 09-03-10	\$ 8,407	\$ -	\$ -	\$ -	\$ 8,407
Total delinquent contributions for 2010	<u>\$ 8,407</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,407</u>

Participant contributions were remitted untimely during the years ended December 31, 2010 and 2009. Lost earnings were remitted and a Form 5330 was filed in February 2010 relating to the 2009 delinquent contributions and in November 2010 relating to the 2010 delinquent contributions.

Veolia Energy North American Retirement Savings Plan

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

E.I.N. 38-3680309

Plan Number 001

December 31, 2010

a	b	c	d	e
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost (1)	Current Value
	Mutual Funds:			
	ABF Funds	69,124 shs American Beacon Small Cap Value Fund - Investor Class		\$ 1,341,694
	Artisan Funds	117,315 shs Artisan Mid Cap Fund - Investor Class		3,945,302
	Artisan Funds	32,892 shs Artisan Mid Cap Value Fund		660,469
*	Fidelity Investments, Inc.	97,298 shs Fidelity International Discovery Fund		3,214,710
*	Fidelity Investments, Inc.	77,715 shs Fidelity Capital Appreciation Fund		1,969,304
*	Fidelity Investments, Inc.	7,518 shs Fidelity Contrafund		509,214
*	Fidelity Investments, Inc.	4,222 shs Fidelity Fund		135,732
*	Fidelity Investments, Inc.	73,434 shs Fidelity Small Cap Independent Fund		1,359,257
*	Fidelity Investments, Inc.	11,659 shs Fidelity Freedom Income Fund		131,510
*	Fidelity Investments, Inc.	27,030 shs Fidelity Freedom 2000 Fund		322,738
*	Fidelity Investments, Inc.	8,113 shs Fidelity Freedom 2005 Fund		87,704
*	Fidelity Investments, Inc.	32,271 shs Fidelity Freedom 2010 Fund		438,557
*	Fidelity Investments, Inc.	59,625 shs Fidelity Freedom 2015 Fund		676,147
*	Fidelity Investments, Inc.	174,874 shs Fidelity Freedom 2020 Fund		2,411,514
*	Fidelity Investments, Inc.	175,694 shs Fidelity Freedom 2025 Fund		2,023,994
*	Fidelity Investments, Inc.	104,862 shs Fidelity Freedom 2030 Fund		1,443,945
*	Fidelity Investments, Inc.	71,638 shs Fidelity Freedom 2035 Fund		821,686
*	Fidelity Investments, Inc.	146,995 shs Fidelity Freedom 2040 Fund		1,177,428
*	Fidelity Investments, Inc.	23,816 shs Fidelity Freedom 2045 Fund		226,012
*	Fidelity Investments, Inc.	56,527 shs Fidelity Freedom 2050 Fund		530,223
*	Fidelity Investments, Inc.	3,123,853 shs Fidelity Retirement Money Market Fund		3,123,853
*	Fidelity Investments, Inc.	143,205 shs Fidelity U.S. Bond Index Fund		1,622,510
	Goldman Sachs	74,309 shs Goldman Sachs Large Cap Value Fund		883,530
	The Hartford	6,489 shs Hartford Small Company Fund		114,602
	Oakmark Funds	21,788 shs The Oakmark Equity and Income Fund		604,391
	PIMCO	108,454 shs PIMCO Total Return Fund		1,176,721
*	Spartan Funds	4,881 shs Spartan Extended Market Index Fund		186,303
*	Spartan Funds	2,024 shs Spartan International Index Fund		71,186
*	Spartan Funds	26,614 shs Spartan 500 Index Fund		1,183,789
	Other:			
*	Participant loans	Interest rates ranging from 4.25% to 8.75%		917,060
		Total assets (Held at End of Year)		<u>\$ 33,311,085</u>

There were no investment assets which were both acquired and disposed of during the plan year.

(1) Cost information is not required for participant directed investments.

* Party-in-interest.

Veolia Energy North America Retirement Savings Plan

Schedule H, Line 4a - Schedule of Delinquent Participant Contributions

E.I.N. 38-3680309

Plan Number 001

Year Ended December 31, 2010

Description of Transaction	Participant Contributions Transferred Late to Plan	Total that Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under VFCP and PTE 2002-51
	Check here if Late Participant Loan Repayments are included: ☒	Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
Delinquent contribution for pay period 03-06-09	\$ 6,099	\$ -	\$ -	\$ -	\$ 6,099
Total delinquent contributions for 2009	<u>\$ 6,099</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,099</u>
Delinquent contribution for pay period 09-03-10	\$ 8,407	\$ -	\$ -	\$ -	\$ 8,407
Total delinquent contributions for 2010	<u>\$ 8,407</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,407</u>

Participant contributions were remitted untimely during the years ended December 31, 2010 and 2009. Lost earnings were remitted and a Form 5330 was filed in February 2010 relating to the 2009 delinquent contributions and in November 2010 relating to the 2010 delinquent contributions.

Veolia Energy North American Retirement Savings Plan

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

E.I.N. 38-3680309

Plan Number 001

December 31, 2010

a	b	c	d	e
	Identity of issue, borrower, lessor, or similar party	Description of investment including maturity date, rate of interest, collateral, par or maturity value	Cost (1)	Current Value
	Mutual Funds:			
	ABF Funds	69,124 shs American Beacon Small Cap Value Fund - Investor Class		\$ 1,341,694
	Artisan Funds	117,315 shs Artisan Mid Cap Fund - Investor Class		3,945,302
	Artisan Funds	32,892 shs Artisan Mid Cap Value Fund		660,469
*	Fidelity Investments, Inc.	97,298 shs Fidelity International Discovery Fund		3,214,710
*	Fidelity Investments, Inc.	77,715 shs Fidelity Capital Appreciation Fund		1,969,304
*	Fidelity Investments, Inc.	7,518 shs Fidelity Contrafund		509,214
*	Fidelity Investments, Inc.	4,222 shs Fidelity Fund		135,732
*	Fidelity Investments, Inc.	73,434 shs Fidelity Small Cap Independent Fund		1,359,257
*	Fidelity Investments, Inc.	11,659 shs Fidelity Freedom Income Fund		131,510
*	Fidelity Investments, Inc.	27,030 shs Fidelity Freedom 2000 Fund		322,738
*	Fidelity Investments, Inc.	8,113 shs Fidelity Freedom 2005 Fund		87,704
*	Fidelity Investments, Inc.	32,271 shs Fidelity Freedom 2010 Fund		438,557
*	Fidelity Investments, Inc.	59,625 shs Fidelity Freedom 2015 Fund		676,147
*	Fidelity Investments, Inc.	174,874 shs Fidelity Freedom 2020 Fund		2,411,514
*	Fidelity Investments, Inc.	175,694 shs Fidelity Freedom 2025 Fund		2,023,994
*	Fidelity Investments, Inc.	104,862 shs Fidelity Freedom 2030 Fund		1,443,945
*	Fidelity Investments, Inc.	71,638 shs Fidelity Freedom 2035 Fund		821,686
*	Fidelity Investments, Inc.	146,995 shs Fidelity Freedom 2040 Fund		1,177,428
*	Fidelity Investments, Inc.	23,816 shs Fidelity Freedom 2045 Fund		226,012
*	Fidelity Investments, Inc.	56,527 shs Fidelity Freedom 2050 Fund		530,223
*	Fidelity Investments, Inc.	3,123,853 shs Fidelity Retirement Money Market Fund		3,123,853
*	Fidelity Investments, Inc.	143,205 shs Fidelity U.S. Bond Index Fund		1,622,510
	Goldman Sachs	74,309 shs Goldman Sachs Large Cap Value Fund		883,530
	The Hartford	6,489 shs Hartford Small Company Fund		114,602
	Oakmark Funds	21,788 shs The Oakmark Equity and Income Fund		604,391
	PIMCO	108,454 shs PIMCO Total Return Fund		1,176,721
*	Spartan Funds	4,881 shs Spartan Extended Market Index Fund		186,303
*	Spartan Funds	2,024 shs Spartan International Index Fund		71,186
*	Spartan Funds	26,614 shs Spartan 500 Index Fund		1,183,789
	Other:			
*	Participant loans	Interest rates ranging from 4.25% to 8.75%		917,060
		Total assets (Held at End of Year)		<u>\$ 33,311,085</u>

There were no investment assets which were both acquired and disposed of during the plan year.

(1) Cost information is not required for participant directed investments.

* Party-in-interest.