

PRESS RELEASE

THE BORDEAUX URBAN COMMUNITY HAS CHOSEN VEOLIA ENVIRONNEMENT TO OPERATE THE WASTE-TO-ENERGY PLANT AND HEATING NETWORK OF THE HAUTS DE GARONNE

Paris, December 17, 2008. Veolia Environnement, via the combination of its subsidiaries Soval and Dalkia, has been awarded the public service delegation contract for the operation of the thermal complex of Hauts de Garonne. This 12-year contract corresponds with a cumulative turnover of roughly 180 million Euros for Veolia Environnement. It will be effective as of 1st January 2009.

The tasks entrusted to Veolia Environnement by the Bordeaux Urban Community relate to:

- the operation of the Cenon waste-to-energy plant, which processes 120,000 tons of municipal waste per year and produces energy to supply the heating network,
- the operation of the heating network supplying the equivalent of 12,000 homes with heating and domestic hot water (current scope) in the Cenon, Lormont and Floirac municipalities.

In line with its sustainable development values, Veolia Environnement's offer provides the local authority with the following:

- control of the production units' environmental impact
- the energy efficiency of the networks
- quality service for the user
- financial savings

The public service delegation will be implemented while guaranteeing the sustainability of all jobs.

In addition to reducing waste treatment costs, Veolia Environnement has committed to significantly improving the service provided to district heating users: the 17.5 km of the current network will be entirely renovated. The switch to low pressure and the creation of new network loops will guarantee service continuity for the users and put an end to domestic hot water cuts in the summer.

Finally, the offer plans for a 5 km extension of the heating network so as to connect new homes. Optional investments can also be made by the plant to improve energy efficiency, in particular electrical.

Dalkia, a subsidiary of Veolia Environnement and EDF, is the European leader in energy services to communities and companies. Since the outset its aim has been to improve energy production and protect the environment. In the areas of district heating systems, energy and fluids production plants, engineering and maintenance services for power plant, technical services for industrial and service properties and global property management, Dalkia provides comprehensive, tailored comfort and energy efficiency solutions. With its almost 55,000 employees in 38 countries, Dalkia achieved €7.9 billion in revenue in 2007.

Veolia Environmental Services, the division of Veolia Environnement in charge of waste management business, is the only provider of a full range of services for hazardous and non-hazardous solid and liquid waste all over the world. The company provides waste management and logistics services (collection, pipe systems maintenance, cleaning, waste flow management), as well as materials recovery and recycling. Veolia Environmental Services generated revenue of €9.2 billion in 2007. www.veoliaes.com

Veolia Environnement (Paris Euronext: VIE and NYSE : VE) is the worldwide reference in environmental services. With more than 319,000 employees the company has operations all around the world and provides tailored solutions to meet the needs of municipal and industrial customers in four complementary segments: water management, waste management, energy management and freight and passenger transportation. Veolia Environnement recorded revenue of €32.6 billion in 2007. www.veolia.com

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