

PRESS RELEASE

Veolia Transport signs operating contract for Line 1 of the Mumbai metro

Paris, December 18, 2008. Veolia Transport India has signed a five-year contract to prepare the commissioning and operation of the future Line 1 of the Mumbai metro. The client is the concession-granting company with responsibility for the project. Commissioning is scheduled for 2010 and will require the hiring and training of approximately 550 employees. Veolia Transport India will be in charge of all the operating activities as well as system maintenance via a joint venture with the Indian company Reliance Infrastructure (70%–30% respectively).

Signature of the operating contract follows on from the signature of the concession contract for the project in March 2007. The concession-granting company Mumbai Metro One is made up of Reliance Energy (69%), Veolia Transport (5%) and the Mumbai Metropolitan Region Development Authority (26%). Under the terms of the concession contract, which is a Build-Operate-Transfer contract, the consortium has responsibility for the financing, construction and operation of Line 1 for 35 years.

With 20 million residents and a population density of 27,000 people per square kilometer, Greater Mumbai is currently one of the most densely populated urban areas in the world. The city is experiencing major traffic problems and being choked by congestion. The current commuter train system is dilapidated and saturated and does not meet mobility needs. Against this backdrop, the development of a new, high-capacity mass transit system is a real necessity. The metro construction project was officially launched by the Indian government in July 2006, and started up in 2007, with the goal of Line 1 entering into service in 2010. By 2021, the planned metro system will have nine lines and will cover 146.5 km, including 114 km above ground and 32.5 km under ground. It will improve mobility and quality of life in the neighborhoods served, and will support the city's economic development.

This first metro line will be an 11.4 km viaduct crossing the city from east to west, between Versova and Ghatkopar. It will serve 12 stations, each with three levels, in the booming northern area of Mumbai. It will also be interconnected with the two north-south commuter lines that penetrate the city center in the south of the peninsula. The metro's commercial speed will be 33 kph and, during peak periods, there will be one train every four minutes. It will transport 20,000 riders per hour in each direction at the start of the concession contract (for a total of 600,000 riders per day). The line will reduce the average travel time for riders from 90 minutes to 21 minutes.

“This first operating contract in India is very important for Veolia Transport,” said Cyrille du Peloux, Chief Executive Officer of Veolia Transport. “We have notched up another mark in the expansion of Veolia Transport in Asia, and the management of this contract affirms our expertise as an organizer of multimodal mobility solutions in densely populated urban areas, as well as our commitment to improving the living conditions of Mumbai residents.”

Veolia Environnement's transport division operates in 30 countries and employs 81,532 people. Veolia Transport posted revenue of €5.6 billion in 2007. Veolia Transport operates 38,076 road and rail vehicles and carries more than 2,5 billion passengers per year. Veolia Transport contributes to remedy the shortage of urban space and avoids 3.6 million metric tons of greenhouse gas emissions (equivalent CO2) per year. www.veolia-transport.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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