

PRESS RELEASE

United States

New light rail contract for Veolia Transport in Houston

Paris, July 20, 2009. Veolia Transport, the largest private provider of contracted rail services in the United States, announced on July 17th that it has been awarded an operations and maintenance contract by the Metropolitan Transit Authority of Harris County (METRO) for its light rail expansion project in Houston, Texas. The work will take place through a joint venture company, Houston Operation and Maintenance, LLC (HOM), an entity owned by Veolia Transport and Parsons.

This responsibility includes operating and maintaining four new corridors totaling approximately 20 miles of light rail, 32 stations, storage and inspection facilities, right-of-way and systems maintenance, dispatch, as well as operation and maintenance of 103 light rail, 100 percent low-floor vehicles, the first 100 percent low-floor vehicles to be purchased for the U.S. market.

Under this contract, Veolia Transport, working through HOM, initially will be responsible for planning and development services and advising in the planning, design and integration of the rail lines, systems and maintenance facilities and the light rail vehicles for the project. Once revenue service begins, Veolia Transport would be responsible for all aspects of the new light rail network.

This contract, requiring no investment, is for a period of up to 35 years. Renegotiation of terms is possible every five years following the start of revenue service. Over the life of the project, the contract could generate more than \$US 1.5 billion.

“We applaud Houston METRO on its visionary approach to this project which provides for the operator to be involved from the inception of planning,” said Cyrille du Peloux, CEO of Veolia Transport. *“This is a signature project for the United States which we expect to be a model for other cities and we are thrilled to be playing a central role. Projects like this offer major benefits to cities in the enhancement of the urban environment, mobility and quality of life.”*

This contract confirms Veolia Transport's major development based on a permanent commitment towards public authorities and based on innovation. This success comes after the recent win of the global operation of New Orleans light rail system that should generate 500 millions of US dollars on 10 years.

Veolia Transport

Veolia Environnement's transport division operates in 28 countries and employs 83,654 people. Veolia Transport posted revenue of €6,1 billion in 2008. Veolia Transport operates 40,675 road and rail vehicles and carries more than 2,6 billion passengers per year. Veolia Transport contributes to remedy the shortage of urban space and avoids 4.1 million metric tons of greenhouse gas emissions (equivalent CO2) per year. www.veolia-transport.com

Veolia Environnement

Veolia Environnement (Paris Euronext: VIE and NYSE: VE) is the worldwide reference in environmental services. With more than 330,000 employees the company has operations all around the world and provides tailored solutions to meet the needs of municipal and industrial customers in four complementary segments: water management, waste management, energy management and freight and passenger transportation. Veolia Environnement recorded revenue of €36,2 billion in 2008. www.veolia.com

Analyst and institutional investor contact: Nathalie Pinon +33 1 71 75 01 67

US Investors contact Brian Sullivan – Tel +1 (312) 552 2847

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