

Press release

STAFFORDSHIRE SELECTS VEOLIA AS PRIVATE FINANCE INITIATIVE (PFI) PREFERRED BIDDER

(modification in the first paragraph)

Paris, May 21, 2010. Leading UK recycling and waste management company, Veolia Environmental Services plc, has been selected as the preferred bidder by Staffordshire County Council for its 25-year PFI residual waste treatment and disposal contract. The contract is worth approximately one billion pounds (cumulative revenue, including third party waste and sale of electricity).

The bid provides a local solution to Staffordshire's residual waste management needs as well as assisting the towns of Sandwell and Walsall and County of Warwickshire. A state of the art Energy Recovery Facility (ERF) is proposed at a site on the Four Ashes Industrial Estate that will provide forty long-term jobs, as well as contributing to the local economy.

Designed to handle 300,000 tonnes per annum of residual waste, the ERF will provide in excess of 23MW to the National Grid – sufficient to power 32,000 homes. It is scheduled for completion at the end of 2013 and will further increase landfill diversion in a county that already recycles over 44% of its waste.

Denis Gasquet, Chief Executive Officer of Veolia Environmental Services, said: *"Our proposal contributes towards the County Council's Waste to Resource project and its overall target of aiming towards Zero Waste to Landfill by 2020. We look forward to signing the contract with the County Council in due course and then developing a well-designed facility which complements the surrounding area."*

Staffordshire County Council, Cabinet Member for Regeneration and Infrastructure, Cllr Robert Marshall added: *"The Waste to Resource project is all about prudent investment in the future. Veolia have had to make their case in an intensely competitive and demanding process and we believe the company has demonstrated the best value for the tax payer and top quality technological and environmental credentials."*

Veolia Environmental Services

Veolia Environmental Services is the global industry benchmark for waste management, recovery and recycling. As the only operator offering the entire range of services for solid, liquid, hazardous and non-hazardous waste, Veolia Environmental Services contributes to improving the environment by bringing its public authority and industrial clients innovative, effective solutions in waste management (waste collection, pipe systems maintenance, waste treatment and resource recovery). Veolia Environmental Services generated revenue of € 9.05 billion in 2009. www.veolia-proprete.com

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