

PRESS RELEASE

Hong Kong

Veolia Environnement wins a design-build-operate contract for a state-of-the-art sludge treatment plant

Paris, October 5, 2010 – The Hong Kong Government has accepted the tender submitted by Veolia Environnement (Veolia Water and Veolia Environmental Services) to design, build and operate the sludge treatment plant in the western part of the New Territories of Hong Kong. The plant will treat the sewage sludge generated by Hong Kong's eleven sewage treatment plants.

The plant will have a treatment capacity of 2,000 metric tons a day and will eventually produce over 20 MW of electricity. Construction will take 37 months and will be carried out by a consortium made up of Veolia Water (60%) and Leighton Asia (40%). Consolidated revenue will be 414 million euros for Veolia Environnement for the construction phase.

Project design and a significant part of the works will be carried out by Veolia Water Solutions & Technologies, the technological subsidiary of Veolia Water.

Operation of the plant, under a 15-year contract, will be jointly undertaken by Veolia Water and Veolia Environmental Services, and will generate average consolidated annual revenue of 20 million euros.

The main structures and equipment of the plant will include steam-producing incinerator boiler furnaces, turbines to convert the steam into electricity, and flue gas treatment lines that comply with the strictest emission standards.

As the plant is outside the urban area, a seawater desalination plant will be used to produce up to 600 cubic meters per day of potable water to supply its needs. In addition, the wastewater produced will be recycled on site using advanced processes; no discharges into the sea will be made at all, thus protecting the natural environment.

All these installations will be a good demonstration, both in terms of energy regeneration and environmental protection. At full capacity, the energy generated from the plant will exceed its needs and any surplus electricity can be exported to the power grid for external use. The site will be totally autonomous for its water and electricity needs.

As the Hong Kong Government wants the plant to be permanently open to the public, Veolia Environnement opted for a highly attractive architectural design, provided by French architects Vasconi.

The plant design incorporates a guided tour to visitors to facilitate their understanding the plant installations and the sludge treatment process.

The wavy shape of the building is inspired by the sea in front, and serves to integrate the plant into the surrounding landscape of wooded hills.

The visitors will be taken by electric buses operated by Veolia Transport to the environmental education center of the plant. From there, they can take a guided tour to a special gallery,

and a landscaped, ecological garden displaying Hong Kong's biodiversity as well as make use of spas, coffee shop with sea views and conference room.

In the center, the administrative building envelops the flue gas stacks and the top floor houses an observation deck to enjoy the views over Deep Bay and Shenzhen.

"We are very happy to be working with the Hong Kong Government to take up the challenge of dealing with the sludge from the territory's eleven sewage treatment plants. They produce up to 800 metric tons of sludge a day at the moment, rising to 2,000 metric tons in the future," said Antoine Frérot, the CEO of Veolia Environnement. "This project is the perfect illustration of our expertise as a player in sustainable development serving our clients," he concluded.

Veolia Environnement (Paris Euronext: VIE and NYSE: VE) is the world reference in environmental services. With more than 310,000 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 passenger transportation. Veolia Environnement recorded revenue of €34.5 billion in 2009. www.veolia.com

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