

PRESS RELEASE

Veolia Environnement signs an agreement with FCC to own 100% of Proactiva

Paris, June 10, 2013. Veolia Environnement announces the signature of an agreement to acquire the 50% stake held by *Fomento de Construcciones y Contratas (FCC)* in *Proactiva Medio Ambiente*. The transaction would amount to €150 million and would make Proactiva a wholly owned Veolia Environnement subsidiary.

Formed in 1999, Proactiva is a 50-50 joint venture between Veolia Environnement and FCC. Proactiva is among the major players in environmental solutions for public authorities and businesses in Latin America. The acquisition of FCC's 50% stake in Proactiva would enable Veolia Environnement to consolidate its position in Latin America, where, via Proactiva, the company's business in its main markets (water and wastewater services, waste management) has grown by more than 15% a year since 2008.

This acquisition, made in line with Veolia's usual profitability criteria, is subject to customary conditions for this type of operation and is expected to be finalized by the end of 2013. The transaction should have a neutral impact on Veolia's 2014 leverage ratio objective and should be accretive to net income from 2014, prior to purchase price allocation.

With this operation, Veolia Environnement would be able to deploy its expertise and high-added-value solutions in all Latin American countries and would make use of Proactiva's integrated organization to do so. In addition, the inclusion of Proactiva within Veolia Environnement would make it possible to broaden cost and revenue synergies with other Veolia operations in the region.

"An increased stake in Proactiva is right in line with our strategy, which aims to turn our company into the standard for addressing large-scale environmental issues in growth markets. By wholly owning Proactiva, Veolia Environnement will be able to consolidate its position in industrial and municipal markets in Latin America, relying on its global expertise, operations and customer references in the region, as well as of Proactiva's network and people," said Antoine Frérot, Chairman and CEO of Veolia Environnement.

Proactiva has operations in eight countries: Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru and Venezuela. It provides services to more than 42 million customers and has nearly 12,000 employees. Proactiva's main contracts include water management in Guayaquil (Ecuador), Mexico City (Mexico) and Lima (Peru) and waste management in Buenos Aires (Argentina), Caracas (Venezuela), São Paulo (Brazil) and Santiago (Chile).

With 2012 revenue of €541 million, adjusted operating cash flow of €95 million and net financial debt of €118 million, Proactiva has experienced steady, profitable growth over the past few years and has doubled its operating income in five years.

Latin America is a dynamic region where industry is growing rapidly, especially in the oil and gas, mining, food and beverage and petrochemical sectors, and urbanization is increasing. Stricter environmental regulations are leading companies and public authorities alike to implement solutions to manage their complex environmental situations.

Veolia Environnement already has direct operations in Latin America through its expertise in water, waste and energy. They include:

- water and wastewater treatment for industrial companies in Brazil
- hazardous waste management in Mexico
- biomass-fired cogeneration in Chile.

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Veolia Environnement (Paris Euronext: VIE and NYSE: VE) is the worldwide reference in environmental solutions. With 220,000 employees*, the company has operations all around the world and provides tailored solutions to meet the needs of municipal and industrial customers in three complementary segments: water management, waste management and energy management. Veolia Environnement recorded revenue of €29.4 billion* in 2012. www.veolia.com
(*) Excluding Veolia Transdev employees and revenues currently under divestment

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