

PRESS RELEASE

Veolia wins contract to build and operate a drinking water desalination plant in Iraq

Paris, January 29, 2014 – **The Iraqi Ministry for Municipalities and Public Works has chosen Veolia to build and operate for five years a desalination plant in Basra, Iraq. For Veolia, this contract represents cumulated sales of \$115 million.**



Limited water resources and conflict over its use have made water a crucial resource for Iraq's development, especially in the country's south. Water in this part of Iraq is mainly sourced from the Euphrates, which has a high salt content, and water from the Persian Gulf.

Under this new contract, won in partnership with Japanese conglomerate Hitachi and Egyptian engineering firm ArabCo, Veolia will build and operate a desalination plant with an ultrafiltration unit and reverse osmosis membranes. It will produce 200,000 cubic meters of drinking water a day. The technology used will reduce the salt content in the drinking water produced for Basra's population of 2.3 million people. Additionally,

in a country with a chronic shortage of electricity, this desalination plant will be completely autonomous as it will have its own electricity generators to guarantee continuous service.

Construction work on the plant is due to commence in the first quarter of 2014 and should be completed within 30 months. This contract will also create 300 jobs for the construction of the desalination units, provided by ArabCo, and 50 jobs for the facility's operation for five years.

"This new contract that we have won in Iraq is further proof of Veolia's ability to deliver concrete and reliable solutions to the scarcity of water resources and the challenges facing large cities, especially in countries where water is crucial to economic development," said Antoine Frérot, Chairman and CEO of Veolia Environnement. "I am delighted that Veolia has been chosen by the Iraqi authorities to support the modernization of Basra, and that the company is able to provide a solution to the challenges confronted by this city, a leading center for the oil and gas industry."

As part of its reconstruction, Iraq has launched several national plans aimed at modernizing basic services, such as water, wastewater, waste treatment and energy, in order to support its economic growth. With the country's sole access to the sea, Basra is

the subject of special attention from the Iraqi government, which is modernizing this port city to speed up its economic growth.

“This plant is part of a comprehensive plan to rehabilitate and extend the city’s water treatment plants. The innovative technology and solutions we are providing Basra will enable it to improve its citizens’ access to quality drinking water while protecting its resources,” explains Jean-Michel Herrewyn, Director, Global Enterprises, Veolia Environnement.



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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 Transdev employees and revenues currently under divestment

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