

Press release

Paris, November 4, 2015

Asia - Energy

Veolia has won two contracts to operate biomass power plants and positions itself as a new stakeholder in the energy sector in Japan

Veolia, through its subsidiary Veolia Japan, has just won two contracts to operate two biomass power plants in northern Japan in partnership with Takeei, a major local environmental services company. These two contracts, both signed for 20 years, represent total cumulative revenue of EUR 90 million for Veolia.

The two facilities, located respectively in Hirakawa and Hanamaki cities in the Tohoku region, will produce **100 GWh of electricity per year**, that is, **the equivalent consumption of 22,000 households**. These two contracts are based on the **circular and local use of resources: the wood used to fire the boilers comes from neighboring forestry industries**, thanks to Takeei's local knowledge and network. Veolia brings its know-how in biomass operation and will manage the overall operations, including **40 employees** that will work permanently at the two facilities. Operations will start in Hirakawa in November 2015 and in Hanamaki in December 2016.

These operations are carried out within the framework of an **innovative financing package (AssetCo-OpCo)**, in which funding is provided by the Asset Company held by Takeei associated with municipalities and local foresters. The operating side is undertaken by Veolia via an "Operating Company." Through the development of "AssetCo-OpCo" partnerships, Veolia is prioritizing the development of **attractive business models for cities**. The search for effectiveness, competitiveness and attractiveness, the need to adapt to climate changes and environmental complexity, population demands and funding needs are all concerns with which cities and local authorities must come to terms. The model put forward by Veolia is based on the **Group's ability to attract private partners** to fund investment needs while guaranteeing operational performance.

With these two operations, Veolia and Takeei are helping to **increase the production of renewable energy on Honshu Island and to diversify the country's energy sources and mix**. In all, **the facilities will make it possible to avoid the emission of more than 40,000 metric tons of CO₂**.

Régis Calmels, Senior Executive Vice President Asia for Veolia explains, "It was Veolia's expertise and ability to adapt to the Japanese customs that enabled us to win the two contracts. These first energy services contracts are confirmation of Veolia's growth in this field in Asia. Japan wants to triple the share of renewable energies in its energy mix by 2030, and that is opening up significant prospects for the Company, in particular in the area of biomass power plant operation."

After having won contracts to operate two of the largest biomass power plants in North America and, recently the largest one in Ireland, Veolia has further confirmed its global expertise in the field of biomass power plants.

Active in Japan since 2002, Veolia designs and implements water and wastewater management solutions for local authorities and industries. In Osaka and Tokyo, Veolia recently renewed its customer service management contracts, which means it provides assistance to more than four million customers. Veolia also provides complete management of the public water service for the city of Hakone, west of Tokyo, which includes operation of water supply to the "onsens" or traditional Japanese bathing facilities. With this contract, Veolia has

Press release

Paris, November 4, 2015

become the only foreign private operator in Japan to operate a complete water service under a public service delegation contract.

Veolia group is the global leader in optimized resource management. With over 179,000 employees* worldwide, the Group designs and provides water, waste and energy management solutions that contribute to the sustainable development of communities and industries. Through its three complementary business activities, Veolia helps to develop access to resources, preserve available resources, and to replenish them.

In 2014, the Veolia group supplied 96 million people with drinking water and 60 million people with wastewater service, produced 52 million megawatt hours of energy and converted 31 million metric tons of waste into new materials and energy. Veolia Environnement (*listed on Paris Euronext: VIE*) recorded consolidated revenue of €24.4 billion* in 2014. www.veolia.com

(*) 2014 pro-forma figures, including Dalkia International (100%) and excluding Dalkia France.

Contacts

Group Media Relations

Laurent Obadia - Sandrine Guendoul

Stéphane Galfré – Marie Bouvet

Tel.: +33 (0)1 71 75 12 52

sandrine.guendoul@veolia.com

Veolia Asia Media Relations

Justine Shui

Tel. +852 2167 1158

justine.shui@veolia.com

Analysts & Investor Relations

Ronald Wasylec - Ariane de Lamaze

Tel. + 33 1 71 75 12 23 / 06 00

Terri Anne Powers (USA)

Tel. + 1 312 552 2890