

Press release

Prague, June 13, 2016

Energy – Central and Eastern Europe Zone

Veolia has been awarded the management of the heating networks on Prague's Left Bank

Veolia now operates the local district heating networks on the left bank of the Vltava River in Prague. The Group thus reinforces its growth in the energy networks and services market in the Czech Republic, through the takeover by its subsidiary Veolia Energie Ceska Republika, of the assets of the urban district heating company Prazska Teplarenska LPZ SA. The estimated annual revenue is approximately €50 million with no duration limit.

The urban district heating networks on Prague's Left Bank include two thermal power stations – Veleslavin, with a capacity of 132 MWth, and Juliska, with a capacity of 51 MWth. These supply 28 gas-powered heating plants with an installed capacity of 340 MWth. The amount invested by Veolia is €71.3 million.

By operating these networks, Veolia will supply 55,000 homes as well as municipal and commercial buildings, for an estimated annual revenue of about €50 million.

"This success gained in Prague is a major structural step which will strengthen our business in the capital of the Czech Republic, where we already manage water and wastewater services", said Philippe Guitard, Senior Executive Vice President Central & Eastern Europe. "The management of heating networks for municipal customers is one of the areas we want to develop in Central and Eastern Europe, and I am delighted that we are now handling this business in another of the region's capitals".

In order to manage the urban district heating networks on Prague's Left Bank, Veolia has integrated 95 employees. *"Veolia's expertise is a guarantee of reliability and know-how. We are pleased to benefit from all the support of a Group that is a leader in this area",* said Ladislav Moravec, the Chief Executive Officer of Prazska Teplarenska LPZ.

With the management of the urban district heating networks on Prague's Left Bank, Veolia increases its market share in the energy services sector in the Czech Republic from 14% to 19%.

Veolia already has a presence in major cities such as Ostrava, Frýdek-Místek, Olomouc, Přerov, Nový Jičín, Krnov, Kolín, Vlašim and Mariánské Lázně. The district heating networks operated by the Group serve about 712,000 people in the country.

The Group also provides energy services to 225 industrial customers as well as energy services for buildings.

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Veolia group is the global leader in optimized resource management. With over 174 000 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 2015, the Veolia group supplied 100 million people with drinking water and 63 million people with wastewater service, produced 63 million megawatt hours of energy and converted 42.9 million metric tons of waste into new materials and energy. Veolia Environnement (listed on Paris Euronext: VIE) recorded consolidated revenue of €25 billion in 2015. www.veolia.com

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