

Press release

Budapest, July 27, 2016

Energy – Central and Eastern Europe

Veolia expands its renewable energy activities in Hungary through the acquisition of the Szakoly biomass power plant

Veolia, through its subsidiary Veolia Energy Hungary Co. Ltd., has acquired DBM Zrt, the company that owns the Szakoly biomass power plant. With this acquisition, Veolia now owns and operates the fifth largest power plant in Hungary producing electricity purely from biomass, which generates an annual revenue of €16.7 million. Following the power plants of Pécs and Dorog, the Group pursues its development in the production of renewable energy in Hungary.

The Szakoly power plant, which started its activities in 2009, produces electricity from the combustion of woodchips and sawmill by-products. With a capacity of 19.8 MW it produces 130 GWh of electricity per year for the national grid, the equivalent of the annual consumption of 50,000 households in Hungary.

"In Hungary, Veolia has been a forerunner in the field of renewable energy production from biomass through its power plants in Pécs and Dorog. I am delighted by the takeover of the Szakoly biomass power plant, which strengthens our position and anchors our presence in eastern Hungary, where we have already been operating the Debrecen and Nyíregyháza power plants since 2015," said György Palkó, Chief Executive Officer of Veolia Hungary.

"Our target is the long-term efficient and successful management of the power plant, which employs 55 people," said Attila Vollár, head of DBM Zrt. *"We are exploring further developments, including cogeneration. The heat produced during the generation of electricity could be used for heating greenhouses in partnerships with fruit and vegetable producers."*

In 2015 in Hungary, 10.5% of gross electricity produced was from renewable energy sources. *"Biomass represented 52% of the renewable energy sources, which can be further increased by the continuous operation of the Szakoly power plant,"* added Attila Vollár. It will contribute to the achievement of Hungary's targeted 14.65% share of renewable energy sources in gross energy production by 2020.

In Hungary, Veolia operates power plants and heating networks, notably for the cities of Pécs, Dorog, Esztergom and Tata. In Pécs, Veolia operates the largest 100% biomass cogeneration heating network in Europe, which is supplied by straw and wood. Veolia in Hungary produces more than 600 GWh of electricity a year, which is the equivalent of the annual consumption of 230,000 households, and supplies 121,000 households with heat. Veolia also provides energy services to more than 30 industrial customers as well as for buildings.

Veolia Energy Hungary Co. Ltd. has acquired DBM Zrt. from its former owner NRG Power Szakoly Kft. The transaction has been approved by the competition authorities.

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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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