PRESS RELEASE

# Veolia Environmental Services wins 50-year concession agreement for hazardous waste treatment centers in the cities of Qingdao and Jinan

**Paris, October 16 2006.** Veolia Environmental Services has won a concession agreement to partner a Chinese environmental services company in operating hazardous waste treatment centers in the cities of Qingdao and Jinan. The two cities lie in the eastern Chinese province of Shandong and have a total population of 40 million people. The concession was awarded by the Shandong Environmental Protection Administration and will run for a period of 50 years, covering the design, construction and operation of the two treatment centers.

The Qingdao treatment center will have an incineration capacity of 10 metric tons a day for medical waste, and 30 metric tons a day for hazardous waste. With additional storage facilities for 50,000 metric tons of hazardous waste a year, the center will treat hazardous waste taken from the eastern part of the Shandong province.

The Jinan treatment center will have an incineration capacity of 30 metric tons a day for hazardous industrial waste, and storage facilities for 50,000 metric tons of hazardous waste a year. The center will treat hazardous waste from the rest of the Shandong province.

The two centers are part of a network of 31 hazardous waste treatment facilities chosen under a master plan put in place by the Chinese Environmental Protection Administration.

The two projects will begin in late 2006, with Veolia Environmental Services holding a 66% stake in each joint venture. Total sales for the two joint ventures are expected to stand at €700 million over the 50-year contractual period.

These two concessions will help Veolia Environmental Services further consolidate its position as a leading operator in the Chinese waste management market, particularly in the field of hazardous waste. Veolia Environmental Services already operates two other hazardous waste treatment centers in Tianjin and Huizhou.

**Veolia Environmental Services,** the waste management business of Veolia Environnement, is the only provider of a full range of services for hazardous and non-hazardous solid and liquid waste all over the world. The company provides waste management and logistics services (collection, pipe systems maintenance, cleaning, waste flow management), as well as materials recovery and recycling. Veolia Environmental Services generated revenue of €6.6 billion in 2005, representing 25% of Veolia Environnement's revenue. www.veolia-proprete.com

**Veolia Environnement** (Paris Euronext: VIE and NYSE: VE) is world leader in environmental services. With more than 270,000 employees the company has operations all around the world and provides tailored solutions to meet the needs of municipal and industrial customers in four complementary segments: water management, waste management, energy management and passenger transportation. Veolia Environnement recorded revenue of €25.2 billion in 2005. www.veolia.com

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