

Press release

Paris (France) – Erevan (Armenia), November 21, 2016

Central and Eastern Europe – Municipal Water

Veolia wins affermage contract for all water and wastewater services in Armenia

Following an international call for tenders, Veolia, through its subsidiary Veolia Djur, has won the affermage contract for all drinking and wastewater services in Armenia. The 15-year contract is worth €800 million. Already present in Erevan for more than 10 years, Veolia will now provide the entire Armenian population with its expertise and know-how. By 2030, Veolia will be supplying drinking water 24/24 to around three million Armenians.

Under this contract, Veolia is entrusted with managing drinking water production and distribution and wastewater treatment facilities; and developing and improving the yield of the country's drinking water network. Drinking water production, distribution and invoicing will amount to almost 174 million cubic meters a year by the end of the contract. Veolia will be extending to the entire Armenian population the service quality and continuity that it already provides to the one million residents of the country's capital, Erevan.

International financial institutions, such as the European Bank for Reconstruction and Development (EBRD), KfW Development Bank and the European Investment Bank (EIB) will also be contributing to this major project in Armenia by financing the \$200 million investment required over the coming four years.

"This success is exemplary: it is the result of a joint effort by Veolia's teams who have managed to capitalize on the experience and professionalism of the Group's employees in Erevan and to apply the best practices developed by a network of experts working in over 40 countries. The contract is confirmation of Veolia's international expertise in managing and optimizing large public networks on behalf of local authorities. It is also an affirmation of the relevance of our development strategy in Central and Eastern Europe, and further strengthens our lead position in the field of drinking water production and distribution," explains Malika Ghendouri, Vice President of Central and Eastern Europe for Veolia.

Veolia employs 1,200 people in Armenia and with this new contract will become one of the country's largest employers.

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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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