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**VEOLIA TRANSPORTATION AWARDED OPERATIONS AND MAINTENANCE
CONTRACT FOR HOUSTON LIGHT RAIL PROJECT**

CHICAGO – July 27, 2009 – Veolia Transportation, the largest private sector provider of contracted rail services in the United States, announced today that it has been awarded an operations and maintenance contract by the Metropolitan Transit Authority of Harris County (METRO) for its light rail expansion project in Houston, Texas. The work will take place through a joint venture company, Houston Operation and Maintenance, LLC (HOM), an entity owned by Veolia Transportation and Parsons.

Under this contract, Veolia Transportation, working through HOM, will initially be responsible for planning and development services and advising in the planning, design and integration of the rail lines, systems and maintenance facilities and the light rail vehicles for the project. Once revenue service begins, Veolia Transportation will be responsible for all aspects of the new light rail network for an initial period of five years which can be extended up to 35 years. This responsibility includes maintaining four new corridors totaling approximately 20 miles of light rail, 32 stations, storage and inspection facilities, right-of-way and systems maintenance, dispatch, as well as operation and maintenance of 103 light rail, 100 percent low-floor vehicles, the first 100 percent low-floor vehicles to be purchased for the U.S. market.

“We applaud Houston METRO on its visionary approach to this project which provides for the operator to be involved from the inception of planning,” said Mark L. Joseph, CEO of Veolia Transportation’s North American entity. “This is a signature project for the United States which we expect to be a model for other cities and we are thrilled to be playing a central role. Projects like this offer major benefits to cities in the enhancement of the urban environment, mobility and quality of life.”

The design-build portion of the project will be completed by Houston Rapid Transit (HRT), a Parsons-led joint venture that includes Granite Construction Company, Kiewit Texas Construction L.P. and Stacy and Witbeck Inc. The light rail vehicles will be manufactured by Houston LRV 100 LLC, an entity owned by CAF USA Inc. and Parsons.

For more information about the project, please visit the METRO Web site at www.ridemetro.org.

About Veolia Transportation

Veolia Transportation is the largest private sector operator of multiple modes of transit in North America, including bus, rail, paratransit, shuttle, sedan and taxi services. The company has a workforce of more than 20,000 people and operates over 200 transportation contracts in 22 states and two Canadian Provinces. The company manages and operates transportation services in leading U.S. cities, including Las Vegas, San Diego, Phoenix, Denver, Baltimore, Atlanta, San Francisco and Los Angeles, as well as several major rail networks, including Boston, San Diego, Los Angeles, Miami and Austin. www.veoliatransportation.com

Veolia Environnement's transport division operates in 28 countries and employs 83,654 people. **Veolia Transport** operates contracts for over 5,000 transit authorities worldwide, with more than 2.6 billion passenger trips per year. Veolia Transport helps remedy the shortage of urban space and avoids 4.1 million metric tons of greenhouse gas emissions (equivalent CO₂) per year. www.veolia-transport.com

About Veolia Environnement

Veolia Environnement (Paris Euronext: VIE and NYSE: VE) is the worldwide reference in environmental services. With more than 330,000 employees, the company has operations 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 freight and passenger transportation. Veolia Environnement recorded revenue of €36.2 billion in 2008. www.veolia.com

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