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Veolia Environnement: Acquisition of Ridgeline Energy in United States to be contributed to Eolfi

Veolia Environnement (Paris:VIE) announced today that it has acquired the US company Ridgeline Energy, a specialist in the development of wind energy projects. The acquisition, for a total amount of \$72 million (€48.6 million), includes 100% of the company's share capital and may give rise to an additional sum for 1,500 MW of capacity that is ready to be built. The transaction has been approved by the US Federal Energy Regulatory Commission (FERC).

Ridgeline Energy was set up in 2001 and focuses on the Pacific Northwest and Western United States: Idaho, Washington, Nevada, Wyoming, Oregon, California and Utah. These states benefit from areas which are suitable for wind projects and which are located within a close proximity to large urban areas where the energy can be consumed such as Los Angeles, San Francisco, Las Vegas, Denver or Phoenix. The Seattle-based company controls the development of a portfolio of projects representing 8,000 MW of identified capacity, of which 4,000 MW are currently under active development. Ridgeline Energy intends to bring close to 2,000 MW of capacity on line by 2012.

Veolia Environnement has been present in the wind energy market since 2007, through Eolfi in which it holds a 50% interest. Eolfi is the French leader in the management of investment funds focused on wind energy and is also active in the development of its own wind farms in Europe. Eolfi currently operates 106 MW of capacity in France and is building another 109 MW, part of which will come on line in 2008 and the remainder in 2009. By the end of 2008, installed capacity will therefore be more than 160 MW. Eolfi also has fully approved permits representing capacity of 230 MW and is now developing a portfolio of projects (identified or in the active development stage) representing potential capacity of 3,000 MW, mainly in France, Greece and Poland.

Veolia Environnement will contribute its interest in Ridgeline to Eolfi.

"This acquisition enables Veolia Environnement to make a significant entry into the rapidly expanding US wind energy. The highly experienced management team at Ridgeline has in-depth knowledge of the energy markets. Veolia Environnement will have as a base project portfolio representing capacity of about 7,000 MW in active development, located on both sides of the Atlantic and focused on areas undergoing rapid growth" said Stéphane Caine, Executive Vice President Industrial and Tertiary Markets and Director of new sectors of activity at Veolia Environnement.