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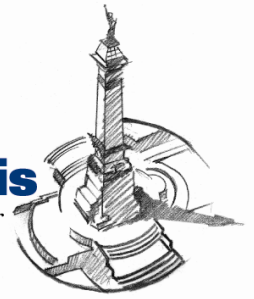
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INDIANA



City of
Indianapolis
Bart Peterson, Mayor



Mayor, Governor, Veolia Water announce relocation of North American Operations to Indianapolis

INDIANAPOLIS – Today, Mayor Bart Peterson, Governor Mitch Daniels and Patrice Fonlladosa, senior executive vice president of Veolia Water, S.A. and Veolia Environment North America director, announced that Veolia Water will be relocating its North American Operations from Houston to Indianapolis later this year.

Veolia Water plans to relocate 100 jobs to Indianapolis. Some of the positions will result in employee transfers to Indianapolis, while the majority will be hired locally from October 2007 to March 2008. The relocation will include executive, management and support operations. Approximately 70 of the 100 jobs in the fields of finance and accounting, information technology, technical and support services will have an average annual compensation of \$100,000.

"I'm obviously very pleased that Veolia Water chose to relocate its North American Operations to Indianapolis," said Peterson. "Healthy communities are valuable communities so it's important that we continue to work together to realize both economic and environmental benefits for our residents."

The city of Indianapolis formed a public-private partnership with Veolia Water in May 2002 when Veolia was selected to manage the city's water system, which had been acquired from a regulated utility. Veolia Water currently has approximately 375 employees and calls Indianapolis home to the Veolia Water Learning Center, which represents one of 12 learning campuses worldwide that provide training to the company's employees.

"High-paying jobs are always great news, but when a company relocates its operations, those jobs and the deep community commitments they bring with them are about the best news an economy can get," said Daniels.

"Indianapolis in many ways represents the future for many major urban centers and for Veolia Water to showcase its expertise," said Fonlladosa. "It is a living example of how the private sector can work closely with a municipal entity to help them serve the needs of citizens while preparing for future growth and challenges through planning, services and infrastructure. In addition to providing water services, we support considerable research and development in the area, especially with respect to watershed activities, and we have been very active in the community through sponsorship of many local organizations and events. While we have called Indianapolis home for the past five years, we can now say it with even greater meaning."

According to Joe Burgess, president and CEO of Veolia Water North America, Indianapolis is the company's largest customer and represents its greatest concentration of technical and operational personnel.

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“Relocating the company’s business services is a natural extension of our partnership,” said Burgess. “As the city’s partner, we’ve had tremendous success regardless of whether you look at improvements we’ve made in customer satisfaction levels since our arrival or the fact that Indianapolis is the only major city with a water system that is both ISO 9001 and 14001 certified. **From the best employee safety rates in 10 years to the delivery of an exceptional and innovative MBE/WBE program, we are very proud of our partnership and of our employee’s delivery on promises we’ve made.**”

“We’re delighted to be able to demonstrate our commitment to Indianapolis citizens while taking the opportunity to strengthen the company’s technical and operational capabilities by bringing more resources under one roof.”

Veolia Water North America is the leading provider of comprehensive water and wastewater services to municipal and industrial customers, providing services to more than 14 million people in approximately 600 communities.