



Serving Business
Turning waste into a resource

 **VEOLIA**
ENVIRONMENTAL
SERVICES

Nº.2 worldwide in waste management and cleaning services

Veolia Environmental Services is the world's second largest waste management company, with 71,000 employees in 34 countries. We have a revenue of €6.2 billion.

Veolia has united its water, waste, energy and transportation services under the one common name. Onyx has therefore become Veolia Environmental Services. The logo has also evolved: the new version is softer and rounder, evoking continuity, alliance and protection.

Veolia Environmental Services is the only company that handles all forms of waste, at every step in the waste management process. We manage liquid and solid, non-hazardous and hazardous waste*, from collection to disposal and recycling, for both the public and private sectors.

Our upstream waste management and logistics services include waste collection, pipe system maintenance, cleaning of public



areas, offices and factories, maintenance of production equipment, soil remediation and waste management at industrial facilities.

Downstream, we carry out both basic and complex waste treatments.

- We sort and prepare the raw materials in waste so that they can be reintroduced into an industrial process: this is called recycling or materials recovery.
- We convert organic matter into compost, for reintegration into the soil: this is called composting or agricultural recycling.
- We treat waste in the most environmentally friendly way we can, through landfilling or incineration.
- We produce electric power or heat from landfilled or incinerated waste: this is called energy recovery.

* Except for radioactive waste

01 Collection of municipal and non-hazardous industrial waste

Veolia Environmental Services collects household waste from curbside or from waste recycling banks and also picks up commercial and non-hazardous industrial waste.

02 Urban cleaning services

Veolia Environmental Services cleans streets and sidewalks, removes graffiti from walls and treats ground surfaces to remove paint, solvents, oils, chewing gum and other pollutants.

03 Collection of green waste

Veolia Environmental Services removes dead leaves, hedge and lawn clippings, and tree prunings. We also keep green spaces clean.

04 Pipe systems maintenance

Veolia Environmental Services maintains, repairs and cleans water and wastewater pipe systems. We also pump and transport liquid waste.

05 Hazardous waste collection

Veolia Environmental Services collects hospital and laboratory waste, oil residues from ships, gas stations, drilling platforms, etc. and dispersed hazardous waste. We intervene on an emergency basis to help clean up pollution spills.

06 Waste management at industrial sites

Veolia Environmental Services partners with its clients at their industrial sites to manage the sorting of hazardous and non-hazardous waste and packaging flows. We oversee the handling, storage and labeling of waste. We make sure that environmental regulations are complied with. We recycle raw materials from production waste and implement solutions to reduce process waste volumes.

07 Industrial and tertiary sector cleaning

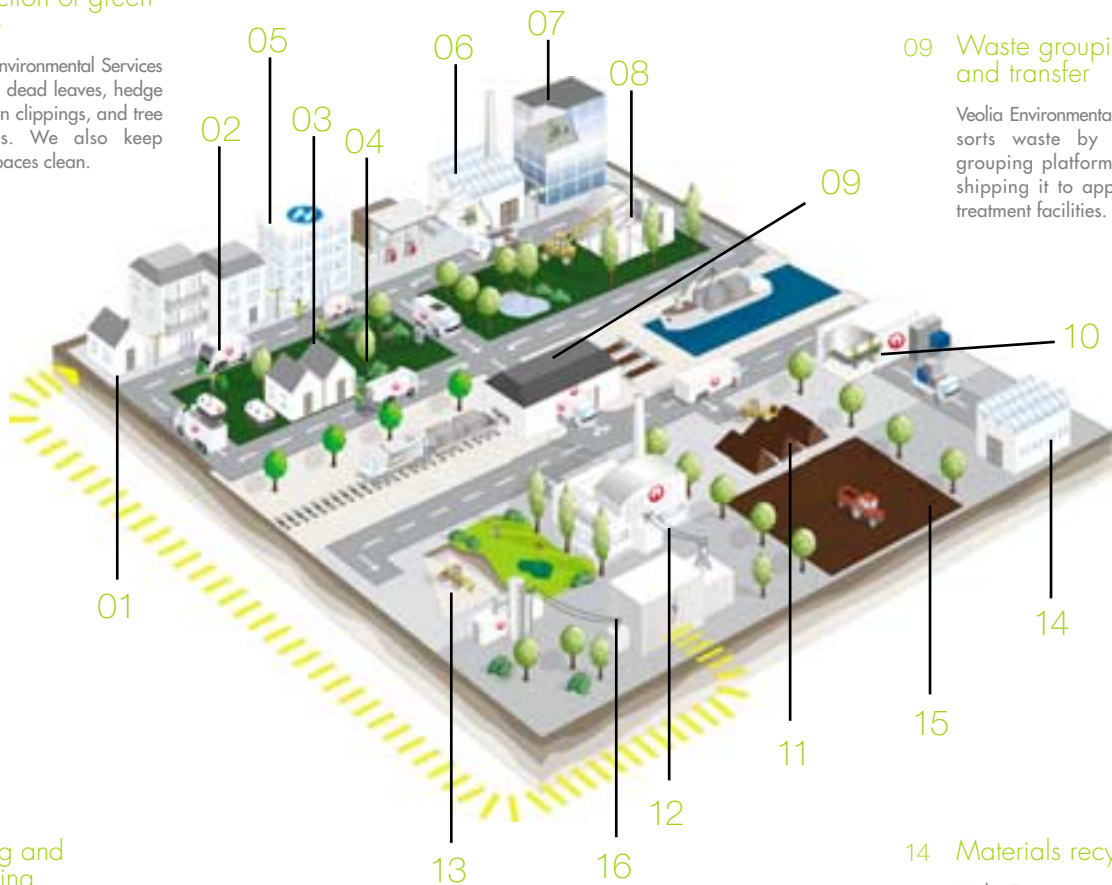
Veolia Environmental Services cleans rail stations, metros, airports, museums, shopping centers, offices and factories. We clean and maintain industrial equipment.

08 Soil remediation and deconstruction of industrial sites

Veolia Environmental Services deconstructs industrial buildings and decontaminates the soil around decommissioned factories and active facilities, to bring them into compliance with standards.

09 Waste grouping and transfer

Veolia Environmental Services sorts waste by type at grouping platforms before shipping it to appropriate treatment facilities.



10 Sorting and recycling

Veolia Environmental Services treats waste so that it can be reincorporated into an industrial production cycle. We sort used materials (paper, plastic, glass, etc.), dismantle WEEE, neutralize sand waste and bottom ash, extract the metal from industrial baths and components, regenerate solvents and make alternative fuels.

11 Composting

Veolia Environmental Services converts organic waste, including green waste, food waste and treatment sludge, into fertilizer, for landscapers and communities.

12 Waste-to-energy

Veolia Environmental Services treats waste in specialized incinerators called waste-to-energy plants or energy recovery facilities. Some are devoted exclusively to municipal and non-hazardous industrial waste; others take in only hazardous waste.

13 Landfilling

Veolia Environmental Services treats waste in specialized landfills. Some are devoted exclusively to municipal and non-hazardous industrial waste; others take in only hazardous waste, which has been previously stabilized in physical-chemical treatment plants.

14 Materials recycling

Veolia Environmental Services supplies new raw materials from recycled waste to manufacturers, including paper mills, plastic factories and steel mills.

15 Agricultural recycling

Veolia Environmental Services supplies compost to farmers, landscapers, municipalities and private parties.

16 Energy recovery

Using the heat generated by waste thermal combustion and the methane released by landfill waste, Veolia Environmental Services produces energy for district heating networks or electricity.



Serving business

Whether for a company or a municipality, an SME or a multinational corporation, a rural community in Sussex or a large city in China, an autonomous port authority or a shopping mall, we provide each of our clients with solutions closely tailored to their specific needs. Our services are provided under contracts using facilities and equipment that, in most cases, belong to the client, but which may also be designed and built by our experts. When we look at a project or launch a process, we take into consideration its long-term viability, making sure that while being realistic in economic terms, it also complies with environmental standards. Through more than 150 years of partnership with thousands of companies and municipalities, we have developed expertise in recycling, composting and energy recovery to turn waste into a resource.

The sound management of a companies' environmental services contributes to their economic performance and to their image as a good corporate citizen. We advise our clients on applying environmental regulations, simplifying their everyday logistics, cutting costs, reducing waste production and increasing their recycling rates. In particular, we train their operatives in sorting at the source, especially separating hazardous from non-hazardous waste, and we apply sound management procedures. We undertake to meet quantifiable results in terms of savings and quality, and provide waste traceability guarantees. For outsourced operations, we promote the integration of our new teams.

In addition to providing our clients with efficiency, quality and safety in compliance with standards, we are committed to a continuous improvement process through the certification of our sites. Almost 600 are now certified compliant with the ISO 9001 standard, more than 250 with the ISO 14001 standard, and almost 120 with the OHSAS 18001 or equivalent standard.



Complete service offer

Complete outsourcing of your business's environmental services

In response to the growing trend toward outsourcing environmental services, we provide companies with end-to-end solutions that relieve them of the management of their waste and help them improve their performance. Combined with treatment and recycling operations, our logistics and waste management services are tailored to the specific requirements of their activity and production sites. When applicable, our services are provided as a part of a grouped offer with Veolia's water, energy services and transportation divisions. To best meet clients' qualitative and financial requirements, we commit to performance guarantees and standardize our procedures in line with international terms of reference applicable at all the sites of a client worldwide. At the same time, we integrate their specific QHSE procedures. Within the context of a close partnership, we can also participate in their decisions on eco-design.



Each client has specific problems, each problem has a specific recycling solution

At the request of **train manufacturer** Bombardier, we increased the rate of waste recycling at its facility in **Derby (United Kingdom)**. In addition, we are reducing amounts landfilled by recycling cardboard, timber and chemical products.

For Bausch & Lomb, **an international eye health company**, we set recycling standards covering all its business lines. The result has been a significant reduction in the number of waste compactors at its plant in **Ireland**.

Construction companies buy their supplies and materials from specialist distributors. They too need to find a place to dispose of their worksite waste. In **France**, we provide these distribution networks with waste drop-off centers integrated at their stores, and a computer-managed turnkey system, BatiPass, based on an electronic payment card for their customers.

We are working with German manufacturer Shott to improve the recovery of glass from **cathode ray tubes**. In the **United Kingdom**, we have signed an agreement with Hunson, which uses 120,000 metric tons/year of bottom ash as a base layer in **road construction**. The JC Decaux group and Matussière & Forest have signed partnership agreements with us to recycle 7,000 metric tons/year of **advertising posters**.



Key figures

- 65% of revenue is generated with the private sector
- 350,000 companies are partners with Veolia Environmental Services

To cut waste to a minimum, we help you produce less, sort better and recycle more

To offset the cost of sorting, collecting and treating waste, we work with manufacturers to design new recovery processes to enable the reuse of waste materials.

For Ford, at the nine plants where we are the exclusive service provider, we have implemented a strategy for the recovery and reuse of all waste. Thus, we convert purge **solvents**, glycols, oils, parts washing liquids and paint waste into raw materials. We recycle cardboard **packaging**, timber pallets, plastic plugs, **batteries**, office materials and paper. Our service also extends to wastewater treatment.

In **Norway**, we recycle manufacturer's **scrap cable**. **Metals**, aluminum and copper in particular are separated from the **plastics** and rubber sheathes. They are packaged then reintroduced into a manufacturing process. The plastic and rubber is used as a fuel in waste-to-energy plants.

These solutions create value for our clients by converting their waste into marketable products and reducing their operating costs and resource loss.

Supporting your environmental management policy

For us, it is a contractual commitment: we apply the best standards at your sites, while adopting your own QHSE organizational methods. Within the context of a close partnership we can also participate in your debate on **eco-design**, providing you with the particular viewpoint of a full-service operator.

At the 15 Renault sites, where we work we have undertaken an integrated ISO 14001-OHSAS 18001 **certification** procedure, while complying with Renault's QHSE organizational structure. As a result, standards have improved and overall costs have fallen.



Focus on...

...the European Directive on WEEE

According to European regulations, WEEE producers are solely responsible for financing and implementing the collection and recycling of their products.



Onsite multiservice offers

In **Germany**, multiservice contracts have been signed with major industrial or tertiary sector companies.

For Volkswagen, in **Braunschweig, Wolfsburg** and **Hanover**, our services include wastewater, pumping, transporting liquid waste, onsite waste management and industrial cleaning. We provide a similar service to British Petroleum at its **Cologne** and **Gelsenkirchen** refineries. Our range of services also includes industrial maintenance, tank cleaning and steering plant shutdowns.

At the ExxonMobil facility in **Normandy (France)**, Veolia Environmental Services provides industrial cleaning services and manages the winter maintenance program, handling and removal of solid waste, and pumping and removal of liquid waste. For the Santos group (**Australia**), Veolia Environmental Services provides collection and treatment of solid waste and sludge, waste recycling and onsite storage, industrial cleaning, and waste management at its desalination plants.

Consistent services worldwide

You have several sites? In each of our branches we train our staff to provide the same services at all your sites.

We provide you with the advantage of having a single point of contact to develop, for each site, services provided under a framework contract that can be global in application.

In **France**, we provide services at the 580 service stations of the mass retail brands Carrefour and Champion. Our teams maintain and clean grease tanks, hydrocarbon separators and carwash areas across France under a centralized invoicing service available 24/7.

In the **United Kingdom**, BP has awarded us the contract for full-service waste management

at its **Grangemouth**, **Hull** and **Coryton** facilities under the application of the highest level of environmental standards. We provide logistics, cleaning, treatment and recovery services, with a single goal in view: make these three BP sites exemplary by limiting the production of waste and maximizing the recycling of any waste that is produced.

In **Auvergne** and **Rhône-Alpes (France)**, we have been responsible for the past six years for full-service waste management at Auchan's 12 superstores. Veolia Environmental Services recovers 60% of the materials, improves environmental performance, optimizes logistics and cuts costs. To provide our client with the best support possible, we organize regular meetings with its teams, at each store and regionally, to analyze performance, standardize services, disseminate best practices and manage resources better.

Veolia's complementary services for your energy, water and logistics needs

Being a member of the large Veolia group, we can meet all your environmental needs by working with the group's other divisions. For example, in PSA Peugeot Citroen's

French facilities in **Sochaux**, **Mulhouse** and **Vesoul**, we work alongside Veolia Energy, (Dalkia) Veolia Water and Veolia Transport. We collect, package and treat non-hazardous industrial waste, and then sell the sorted recycled products. Tailored logistics have been implemented for recycling empty packaging and pallets returned from the assembly lines.

For steel group Sollac, we work jointly with Veolia Water and Veolia Energy (Dalkia) under a dedicated legal structure.

Veolia has also signed a multiservice contract with automotive parts supplier Visteon. Here again, Veolia Energy (Dalkia), Veolia Water and Veolia Environmental Services manage the site's waste, energy, industrial fluids and water cycle.

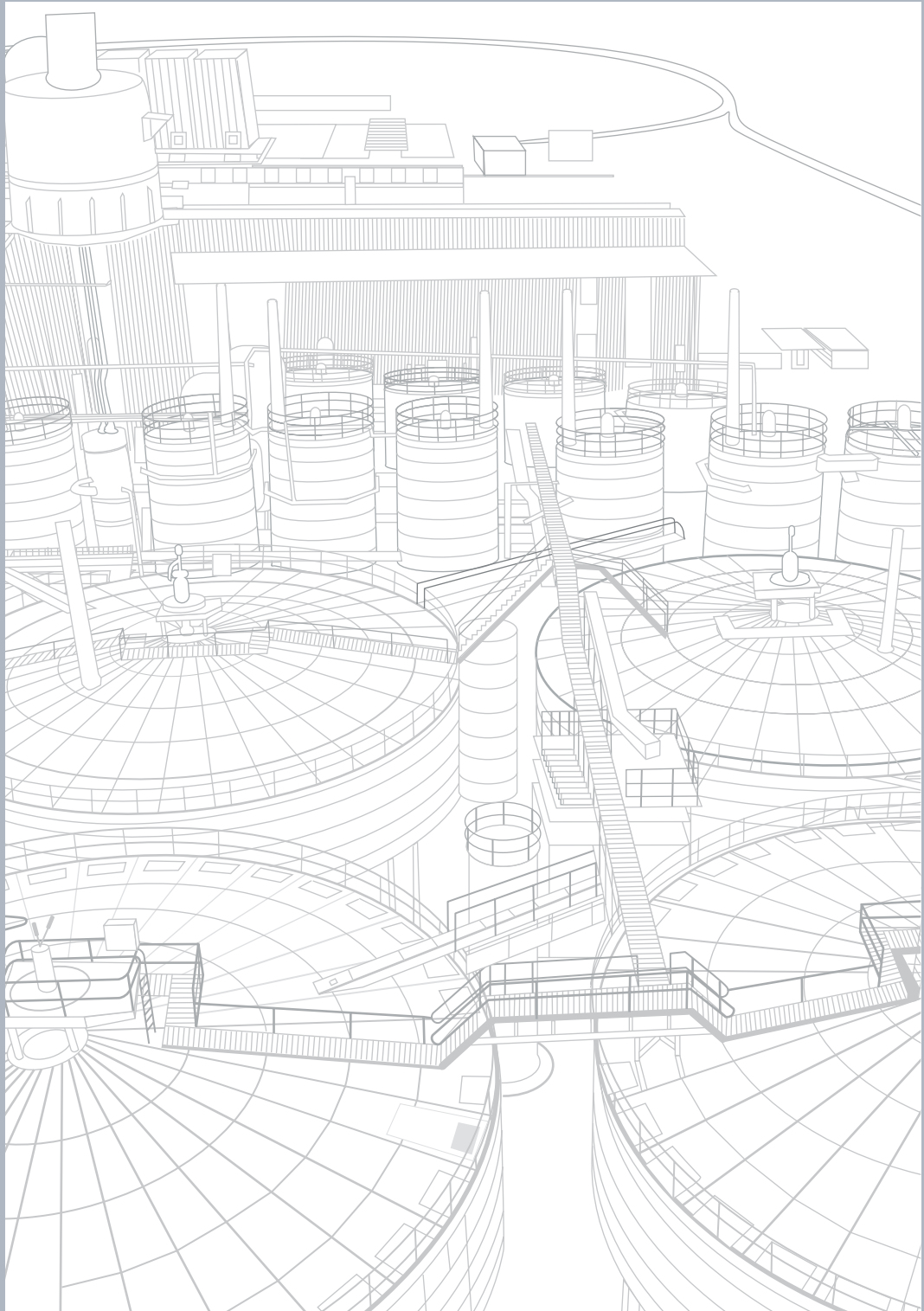
A full-service contract has been signed with the Futuroscope theme park in **Poitiers (France)**. It covers complete cleaning services 7/7 for the park and 6,000 square meters of offices, equipment maintenance, and collection of waste bins and litter. This service is ramped up in high season from April to October.



Training

Training your employees: the key to success

Solutions involving source separation of waste and good resource management require a high level of commitment from your employees. Veolia Environmental Services can assist you in this approach through appropriate training programs. For example, we provide training in these procedures to the employees of BP and five companies operating at the Lavéra (France) petrochemicals site. For PSA Peugeot Citroen, we have trained coordinators, technicians, and Quality-Safety-Environment managers at its facilities in eastern France.





Industrial waste management services

Innovative processes for cleaning and maintaining common areas and production shops and equipment

We contribute to providing a sense of safety for your users, employees or customers by maintaining living and common spaces in a clean and pleasant condition: stations, trains, metros, airports, museums, shopping malls, offices and factories.

We provide cleaning services and manufacturing equipment maintenance in accordance with schedules designed specifically to limit production downtime for our clients.

We also develop technological solutions that are environmentally friendly, ensure the safety of our teams and further enhance our operational efficiency.



Committed to your performance

We contribute to your competitiveness by preventing you from consuming excess materials, generating excess waste, allocating your employees to tasks outside their field, and saving you from any potential loss of income. We provide you with specialist technicians available 24/7, and develop processes to maximize your operating margins.

Under outsourcing contracts, we can also integrate and upskill your employees. In this way, Veolia Environmental Services has become a real partner of automaker Ford (**United States**). Committed to the company's performance, we have implemented a continuous improvement plan at its plants using diagnostic tools and a results measuring system. Our teams work with Ford's to reduce assembly line downtime attributable to equipment and facilities cleaning, and to recover a maximum amount of raw materials for reuse. Here, economy and ecology go

hand in hand. Just one of many examples: the wastewater is treated using methods that consume low levels of chemicals.

In sensitive environments, like oil refineries, electricity generators or assembly lines, each maintenance operation involves specific skills. To ensure the best possible technical outcomes while preserving your margins, we continually innovate to provide substantial cuts in the cost of our services.

At a refinery in **Texas**, we were contracted to supervise the cleaning of a 26-meter diameter oil tank containing more than 3 meters of sludge. The estimated cost of standard cleaning and effluent treatment for a tank of this size varied between \$1.75 million and \$2.0 million. The innovative technology applied by Veolia Environmental Services' teams saved our client \$1.0 million on the cost of this job. Further, the client benefited from an indirect savings of \$0.5 million as a result of the far shorter time required to complete the task.

Provide your customers with comfort and clean surroundings

In the transportation sector, clean public areas and rolling stock is a basic requirement. For your customers, it is a sign of quality, performance and respect.

Rénosol-Veolia Environmental Services (**France**) works to meet this commitment everyday for the upkeep of the TGV Atlantique. Our teams clean the trains at Paris's Montparnasse station between their arrival and departure, as well as the Paris

commuter trains garaged in **Achères**, **Clichy** and **Mantes**.

In **Rennes**, we are in charge of the upkeep of the station and ancillary premises. In this same city and in **Toulouse**, we also clean the metro trains and stations. To protect its rolling stock from graffiti, Paris mass transit authority RATP has opted for our film protection solution.

We also operate at the **Paris** airports and at **Nice** airport. ACNA (Air France group) has contracted Rénosol to clean aircraft in transit at Roissy-Charles de Gaulle Airport and provide cabin servicing 24/7. At Orly Airport, we service the Air France fleet.

Technical innovation serving safety and environmental protection

Each client operates in a different environment and has specific needs. Our teams and their equipment provide a rapid response with tailored long-term solutions.

For Eurotunnel, Veolia Environmental Services has provided, since 1995, outsourced management for the functional maintenance of the Channel Tunnel, which connects the **United Kingdom** with the European continent. Veolia Environmental Services designed "Céline," a train equipped with a vacuum system to clean the tracks. The renewal of this contract was an opportunity to upgrade the maintenance services provided. Now, when Eurotunnel reprofiles its rails over a six-day period each year, producing 5 metric tons of metal powder each night, Veolia Environmental Services vacuums up everything using

Céline 2, which has a far greater capacity than its predecessor.

Veolia Environmental Services restored the world's longest iron rail bridge (990 meters). The **Quebec Bridge**, inaugurated in 1916, was listed as a historic monument in 1996. To carry out the restoration, we used steam to remove the lead-based paint: an economical and eco-friendly option for this task. The wash water with the lead dust was filtered and reused. Operatives took a decontamination shower prior to leaving the work site, and were given blood tests every two months. Following the successful completion of this operation, the **Canadian** Coastguard and Navy asked us to clean their ships.

In the state of **Illinois (United States)**, we have been cleaning and maintaining the sewer lines of a refinery since 1996. The use of explosion-proof technology and degassing techniques boost safety for our teams of operatives during repair work.

In **Germany**, we act as a consultant to BP for the transportation and on-site treatment of hazardous liquid waste flows. We are cleaning the tanks at two sites using an innovative system based on a remote-controlled water canon coupled with a video camera, a projector and sensors that analyze the composition of the air inside the tank. This process is twice as fast as manual cleaning, and so reduces costs for our client. It also protects the environment because the residues are removed via a closed circuit, with the oil being drained off to a reservoir and the gases fed back into the tank through a hose.

Our maintenance contract with Enbridge Energy (**United States**) covers a section of a pipeline submerged in **Lake Michigan**. To carry out repairs at a depth of 80 meters, our team of divers relies on a monitoring system using radar images and GPS.



Respect for your identity and your production rates

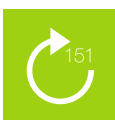
We offer a unique solution for the **turnkey management of plant shutdowns**. It begins with planning the work required and ends when the production line or plant resumes production. Our teams look after contract negotiations, work supervision and acceptance of work completed, while ensuring compliance with quality and safety procedures.

In **Singapore**, ExxonMobil contracted us to clean a tar tank. For 46 days, two teams

worked 24/7 to extract 1,500 metric tons of tar. SOVAB, a Renault subsidiary, awarded its special "Best Site" prize to Rénosol-Veolia Environmental Services for its performance in managing dust removal at its automobile construction plant in eastern **France**.

To be efficient and guarantee a high level of safety for industrial maintenance, our teams of operatives need to have excellent knowledge of your plants and production lines. For this reason, we undertake to allocate, train and specialize teams that are dedicated to your facility.

In **Trnava (Slovakia)**, PSA Peugeot Citroen selected Veolia Environmental Services for a cleaning and industrial maintenance contract at its automobile assembly plant with an annual capacity of 300,000 vehicles. In addition to the team of 41 people in charge of industrial cleaning, 14 experienced operatives have been placed in charge of weld spatter removal from production tooling.



Key figures

- 151 agencies serving industry
- 8 countries where we offer industrial services



Immediate availability for emergencies

For our clients, it is very difficult to achieve zero risk when they are handling chemical products at their manufacturing sites. To **respond to exceptional accidents** requiring immediate intervention, our specialist teams provide a 24/7 emergency service.

On an island in the **Irish Sea**, Veolia Environmental Services was called in to deal with a major leak that had spilled more than 50 metric tons of heavy oil into the stormwater system at an industrial facility. The rapid response by the Veolia Environmental Services teams and their handling of the decontamination operations **halted the pollution** and repaired the damage caused.

In the **United States**, we were called in to remove the oil that had seeped into the steel roof beams of a benzene storage tank 12 meters high and 30 meters in diameter. We rapidly designed and built a robotic tool to drill holes and pump out the liquid, without having to enter the tank.

The US Environmental Protection Agency (EPA) called us in for an emergency operation to recover the debris of the space shuttle Columbia that crashed in **Texas** in February 2003. Our 36 technicians helped recover, package and transport the pieces.

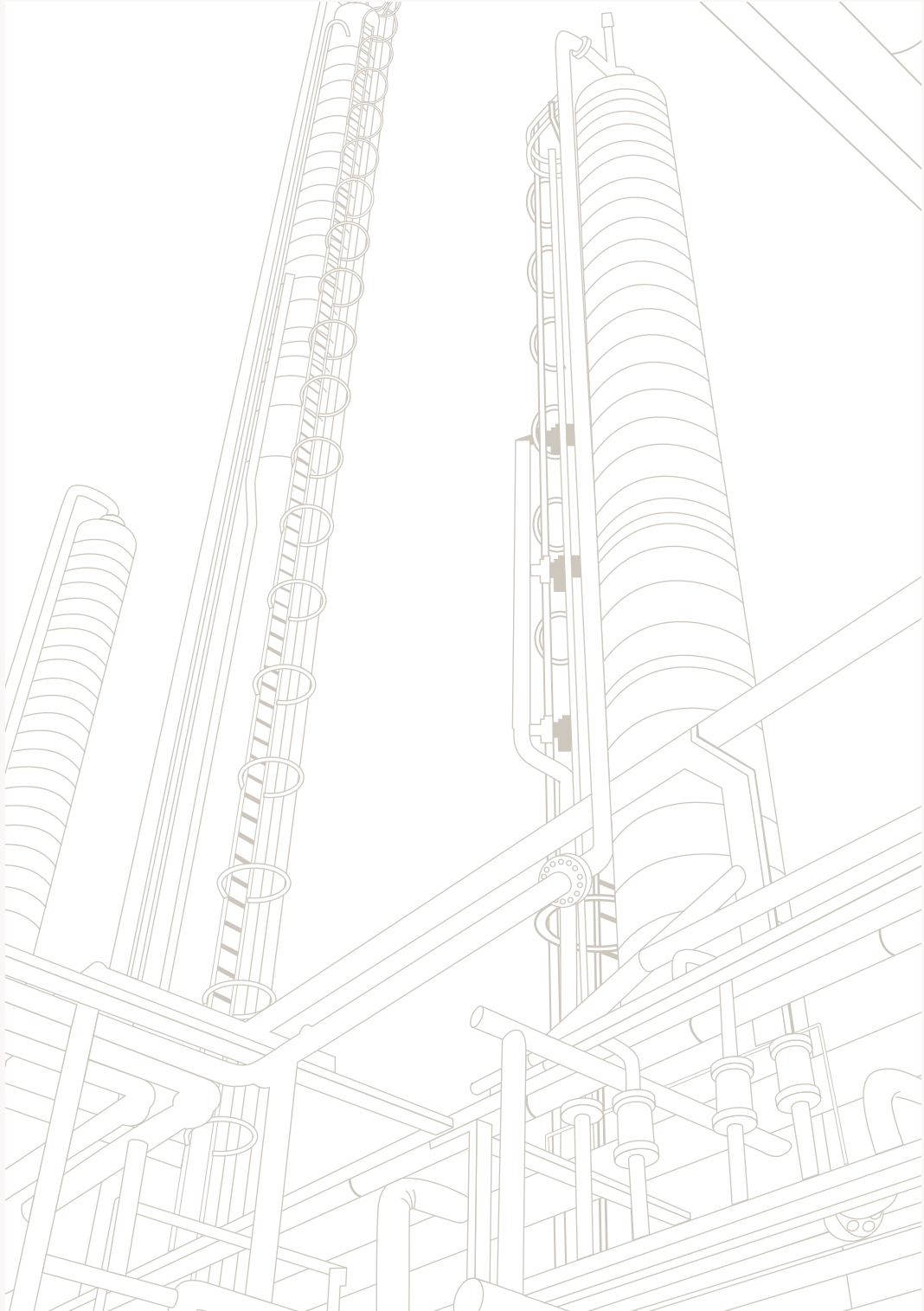


R&D

Technological innovation for pipe maintenance

We developed a horizontal directional boring process for our Australian client Liddell Power Station. This tool is used to extract the fly ash that accumulates in 450-mm diameter ducts.

For one of our British industrial clients, we developed a tank cleaning process that reduces a pharmaceutical liquid waste by 83%, saving the client almost €20,000 a year.





Hazardous waste management

Collection of dispersed waste through to the most extensive recycling

Paint, solvents, resins, used oil, heavy metals, batteries, fluorescent tubes, plant care products, laboratory waste, hydrocarbon waste, soiled packaging, some WEEE (waste electrical and electronic equipment), and so on. All this hazardous waste has to be collected separately to ensure it is recovered and recycled.

Using innovative chemical processes, we can collect the matter contained in liquid waste or industrial components under viable economic conditions.

Veolia Environmental Services has comprehensive expertise in managing hazardous wastes: from collection to landfilling or incineration. We also guarantee our clients traceability of their waste.

Under the Marpol Convention on the prevention of marine pollution, we provide services in ports where ships deballast their hydrocarbon waste.



Collecting the most dispersed hazardous waste

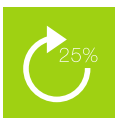
In conjunction with the French Order of Pharmacists, Veolia Environmental Services has implemented in **France** a service for the collection and treatment of hazardous waste from 4,200 drugstores in the **Greater Paris** region. This operation aims at capturing 40% of this source of dispersed waste. Our specialists also work with Adivalor, a trade association representing plant care companies and farmers. We safely collect their waste: upstream packaging and sorting of herbicides, insecticides and fungicides.

In **Toulouse (France)**, Veolia Environmental Services has implemented, with a wholesale distributor, a collection system for paint waste and soiled packaging from tradespeople. We have also organized the collection of this type of waste from car body shops across France.

Our processes help cut your costs

Under a long-term contract with ExxonMobil, we developed a process to treat sludge, solid wastes and waste from tanks supplying a boiler. This technique is used to eliminate the cost of landfilling hazardous waste and saves our client \$250,000 a year.

At the Renault plant in **Douai (France)**, we have applied an innovative biological treatment in the paint cabin waste pits that reduces the sludge volume by 10% to 15%. It also renders the waste more flexible, which makes daily sludge raking easier and optimizes removal truck loading. Solvent odors have also been reduced. The resultant savings are ploughed back into the contract's continuous improvement plan.



Key figures

- 25% growth rate in the recycling of hazardous waste (by weight)
- 6% of the waste we treat is classified as hazardous (by weight)
- 2/3 of recycled materials in 2004 were used as replacement fuel
- 23% of hazardous waste recycling involves physical-chemical treatment

Management of facilities with state-of-the-art technology

For our local partners in **China**, we design, build and operate integrated hazardous waste treatment centers to international standards. The first is located in **Tianjin**, among the 20 largest ports in the world. The center in **Huizhou Province** (population 75 million) will open shortly. It will become a research, training, educational and information center.

The Massachusetts Biotechnology Council (**United States**) has entrusted us with the management of chemical waste from its partner pharmaceutical companies, including total traceability.

We provide a high-quality service at 50 global sites for a US pharmaceuticals group. Our multiservice offer enables this client to focus on its core business and achieve its growth targets.

In **Hong Kong**, the port's Marpol waste is delivered to the Envirospace site. We extract fuel from the oily water that is sold on as recycled heating oil.

In **Limay (France)**, we have developed a system of cryogenic grinding to recover metal and plastic from soiled packaging. The facility is located in negative-pressure buildings to limit noise and odor pollution. Remote operated, it also has an innovative gas treatment system.

We participate in actions for the environment

In the **United States**, we participated in the collection of pesticides organized jointly by Jefferson County and the **Wisconsin** Department of Agriculture, Trade and Consumer Protection. More than 900 metric tons of products were collected, 98% of which was treated in our incineration plants in Sauget (**Illinois**) and Port Arthur (**Texas**).

In **France**, the **Gironde** Prefecture requisitioned Veolia Environmental Services units to treat waste from the *Prestige* oil spill. It was incinerated in a furnace operating at 1,000°C.

Complex technology to extend the range of products recycled

Using innovative chemical processes, we can recover materials contained in industrial baths, effluents, sludge and components. Today, we can recycle metals, solvents, hydrocarbons and soiled packaging under economically viable conditions.

In **France**, Veolia Environmental Services recycles **fluorescent tubes** at end-of-life. After specific treatment, the various components are reused as secondary raw materials: aluminum, fluorescent powders, iron and glass. We have processed more than 2 million tubes (450 metric tons) and have established a collection service from electricians, using a specific recovery kit.

Saline and alkaline **batteries** are treated using a new process that extracts the solid metals and plastics, and zinc and manganese oxides. Once dissolved, these materials are extracted and recovered. For the BRGM (French Geological Survey) and Antéa, we have developed a process to recover phenol-laden **spent foundry sand**. In **Chaingy (France)**, we grind the sand, remove the ferrous and non-ferrous content and mix it with bacteria that feed off the phenol. It can then be reused in road base layers or as backfill.

We provide secure handling of your hazardous wastes at sea or on land

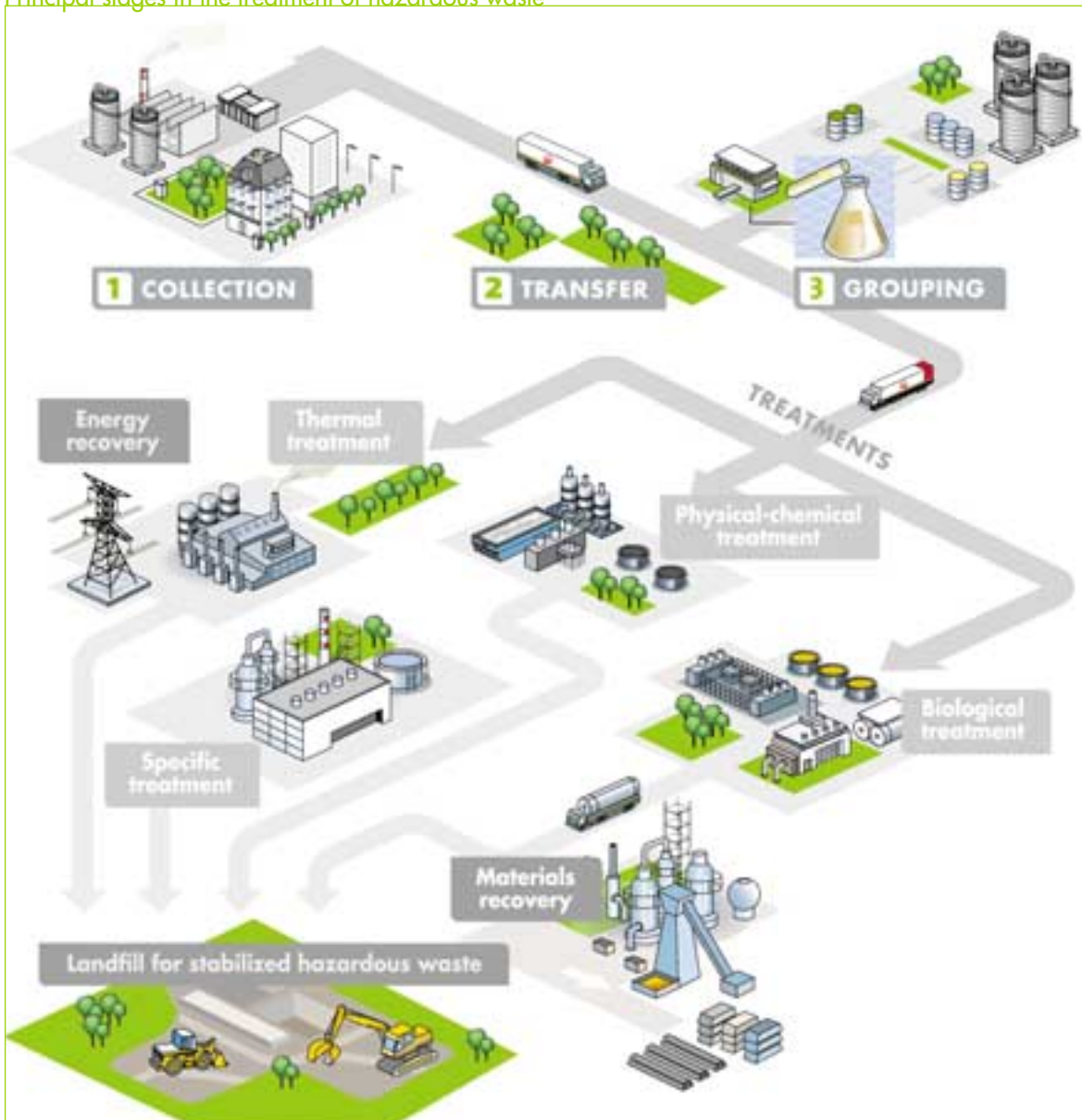
In the industrial and port zone of **Bordeaux (France)**, our Veolia Environmental Services unit has a large center given over to waste pre-treatment. This optimizes truck rounds and automates the circulation of liquid waste to storage tanks or treatment facilities.

In **Norway**, we handle the waste from around 40 North Sea oil platforms on behalf of Norsk Hydro, Shell and Conoco Philips. On shore, we take delivery of chemical product packaging or drill sludge, which we treat using appropriate processes. To facilitate sorting, we train off-shore operatives and provide them with specific containers.

In the **United Kingdom**, we provide services to cruise liners, merchant ships and aircraft carriers berthing in the Solent, for which we use a 176-ton ship: *the Douglas McWilliam*. It pumps out the slops and collects all types of waste: general on-board waste, medical, scrap metal, lead batteries and hydrocarbon liquid waste. It then ferries its load to our **Marchwood** center. Liquid sludge is heated to 100°C to collect the oil that is then sold.

The **DGA (French Armament Procurement Agency)** contracted Veolia Environmental Services and Thalès to design, build and operate the treatment facility for WWI chemical munitions.

Principal stages in the treatment of hazardous waste



Focus on...

...dispersed hazardous waste in France

The volume of dispersed hazardous waste—industrial and municipal—in France is estimated to total between 500,000 and 800,000 metric tons. Only 30% to 40% of this waste is collected and treated. Veolia Environmental Services integrates the collection of this waste into product distribution circuits, and organizes it as a business activity or brand. We also provide an end-to-end service to municipalities for the management of hazardous waste at the drop-off centers: training in the reception of hazardous waste, and supply of secure containers and personal protective gear. This hazardous waste is sorted and treated according to its type.



R&D

R&D in recycling hazardous waste

The CREED research center is testing and developing a solution to incorporate in concrete the glass recovered from TV cathode ray tubes. In partnership with manufacturers, it is also involved in research on the dismantling and recycling of plasma screens. In conjunction with the University of Metz (France), CREED has patented a process for the selective recovery of two metals in the industrial wastewater from a chemicals plant. Recovered in the form of a 95-97% pure hydroxide, it is then sold to a metallurgical company. A dedicated recovery unit was opened in 2003 at the Cédilor site of Veolia Environmental Services, Lorraine (France).

Glossary

Bioreactor Bioreaction accelerates the production of landfill gas by recovering leachate and reincorporating it into the waste mass. Adding moisture and nutrients to the bacteria at work in the mass accelerates the breakdown process, facilitating the recovery of methane usable for energy. Collecting and recovering methane offers both environmental and economic advantages: it reduces methane's greenhouse effect and is a significant source of energy.

Bottom ash Bottom ash is the slag and solid residue left after waste combustion and recovered from the bottom of furnaces. A distinction is made between municipal waste bottom ash and hazardous waste bottom ash. Current regulations divide the former into three categories: recyclable, treatable and storable. "Recyclable" bottom ash that meets specific technical requirements can be used to build roads. Special industrial waste bottom ash is treated in landfills or recycled in some cases.

Composting A biological process that accelerates the breakdown of organic waste by introducing air, producing compost. The chemical reactions involved in composting release heat, which sanitizes the compost, i.e., eliminates the pathogenic agents in the incoming waste. Compost can be used as an organic amendment, to improve soil structure, or as a fertilizer to nourish plants.

Dioxins The generic name of a family of chlorinated organic substances that are a byproduct of combustion processes. Dioxins are created by the combustion of products containing chlorine. Sources include cement plants, herbicide and pesticide manufacturing, paper pulp bleaching, foundries, manufacturing of metals, steelmaking, waste incinerators, etc. They can also be produced by hard-to-evaluate natural sources such as forest fires and volcanic eruptions and by scattered sources such as open-air burning, i.e., garden, chimney and pit fires. Of the 210 existing dioxins, 17 are considered toxic.

Flue gas treatment residues Incineration of municipal waste produces flue gases that are chemically treated to reduce pollution. They become solid residues able to be collected. Treatment combines neutralization and filtration and can purify over 98% of municipal waste incineration flue gases. Targeted pollutants include acid gases and particulate matter, heavy metals, nitrogen oxides and dioxins, which are treated using supplementary processes. Flue gas treatment residues that consist primarily of fly ash are stabilized before being disposed of in hazardous waste landfills.

Green waste Residual plant waste from gardening and green space maintenance. Garden waste, which is produced by individuals, is distinguished from municipal green waste, which is produced by community parks and engineering departments.

Greenhouse effect Greenhouse gases are gases that absorb a portion of the sun's rays, such as carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), CFCs and HCFCs; synthetic gases that attack the ozone layer; and CFC substitutes, such as HFC, PFC and SF₆. Veolia Environmental Services emissions consist chiefly of CO₂ and CH₄. The latter has a greenhouse gas impact 21 times greater than CO₂.

Hazardous waste In France, any waste listed in the April 18, 2002 decree concerning the classification of environmentally polluting waste. Generally, hazardous waste is waste that poses a health or environmental threat and requires appropriate treatment.

Landfill An installation designed to treat and store waste under optimal safety conditions. The European Union recognizes three classes of landfill: stabilized hazardous waste landfills, called class 1 in France; landfills that take in municipal and similar waste, called class 2; and inert waste, or class 3, landfill sites.

Landfill gas (or Biogas) Produced by the biological breakdown of organic matter in the absence of oxygen. It contains a high proportion of methane (50%) and thus has a high calorific and energy potential. In our industries, gas is produced in landfills, methane production units and the sludge digesters of wastewater treatment plants. It must be collected to prevent pollution and environmental damage, specifically odors and heightened greenhouse effect. Landfill gas can be recovered and used as a renewable energy in place of fossil fuel.

Leachate Stored waste subject to the combined action of rainwater and natural fermentation produces a liquid fraction called "leachate." Rich in organic matter and trace elements, leachate cannot be returned directly to the natural environment and must be carefully collected and treated.

Methane (CH₄) A gas that helps create the greenhouse effect (see landfill gas and Greenhouse effect).

Organic waste (or biodegradable waste) Residual waste of plant or animal origin that can be broken down by microorganisms, which use it as a source of food.

Sites whose investment we control Tracking indicators for Veolia Environmental Service's quantified targets to reduce dioxin and methane emissions and treat leachate apply only to sites whose investment we control. These are sites we own or are contractually obligated to invest in as an operator.

Waste-to-energy plants (or energy recovery facilities) Waste incineration plants that generate electric power or supply a heating utility.

WEEE (Waste Electrical and Electronic Equipment) Electrical and electronic equipment accounts for an increasing amount of the waste managed by cities. It consists of brown (TV sets, radios, phones, etc.), white (appliances, etc.) and gray (IT) products. The quantity of WEEE is growing constantly. Electronic waste can harm the environment if it is not adequately treated first.

Abbreviations

ADEME:	The French Environment and Energy Management Agency
AFNOR:	The French Standards Association
CH₄:	Methane
CECOP:	A public opinion polling institute
CO₂:	Carbon dioxide
CREED:	Veolia Environnement's research center for the environment, energy and waste
ELV:	End-of-Life Vehicles
EMS:	Environmental Management System
GHG:	Greenhouse gas
GWh:	Gigawatt hour
ISO:	International Standards Organization
ISO 14001:	Environmental management systems
ISO 9001:	Quality management systems
OHSAS 18001:	Occupational health and safety management systems
MRF:	Materials recovery facility
MWh:	Megawatt hour
MWIP:	Municipal waste incineration plant
NGO:	Non-government organization
NGV:	Natural Gas Vehicles
OHSAS:	Occupational Health and Safety Assessment System (see ISO)
QHSE:	Quality, Health, Safety, Environment
R&D:	Research and Development
SRF:	Solid Recovered Fuels
WEEE:	Waste Electrical and Electronic Equipment

Key figures 2005

- 6.6 billion euros in revenue
- 55% of revenue generated outside France
- 63% of revenue in the private sector
- 465,000 partner companies
- 37% of revenue with municipalities
- 73,000 employees in 33 countries
- 45 million people benefit from our waste collection services
- 34 million metric tons of waste collected
- 53 million metric tons of waste treated
- 310,000 metric tons of polluted soil remediated
- 2.28 million metric tons of CO₂ equivalent greenhouse gas emissions avoided
- 6,190 million GWh of energy sold through waste-to-energy and landfilling
- 13% materials recovery rate for treated waste
- 659 treatment facilities

Financial indicators

Change in revenue
(in millions of euros)



2005 revenue was up 6.5% over 2004

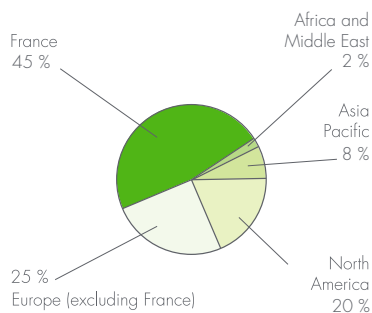
Change in operating margins
(in millions of euros)



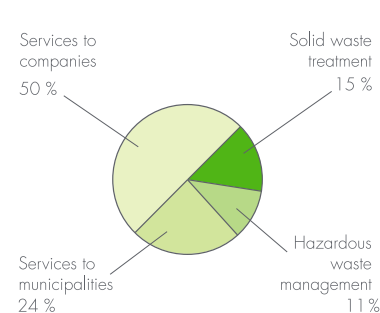
2005 operating margin was up 12.3% over 2004

As European Union law on accounting standards for listed companies changed in January 2005, consolidated financial statements before 2004 were not established in accordance with the International Financial Reporting Standards (IFRS); that is why we only present the figures for 2004 and 2005.

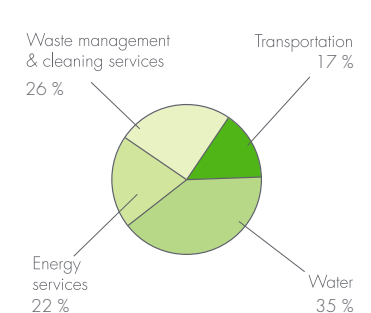
Breakdown of Veolia Environmental Services revenue by geographical area



Breakdown of Veolia Environmental Services revenue by activity



Breakdown of Veolia revenue by division



Presence in the world



Australia
Bahamas
Belgium
Brazil
Canada
China
Czech Republic
Denmark

Egypt
France
French Polynesia
Germany
Guadeloupe
Hong Kong
Hungary
India

Ireland
Israel
Italy
Macao
Martinique
Mauritius
Mexico
Morocco

New Caledonia
New Zealand
Norway
Philippines
Poland
Reunion Island
Singapore
Slovakia

South Africa
South Korea
Spain
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Taiwan
Tunisia
United Kingdom
United States



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