

Press release

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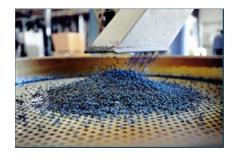
Europe - Circular Economy

Veolia acquires recycled plastic manufacturer *AKG Kunststof Groep* and further enhances its position as a reference producer of recycled raw materials.

Veolia has signed and closed the acquisition of Dutch company AKG Kunststof Groep, a European market leader in the field of recycling and compounding of polypropylene. With this acquisition, Veolia boosts its development in the field of circular economy and confirms its goal to become a reference producer of recycled raw materials.

AKG Kunststof Groep is a specialist and custom manufacturer of a broad assortment of high-quality polypropylene (PP) granulates which are sold to manufacturers of plastic products, often substituting virgin plastics. Raw materials are either pre-processed plastic flakes with a high PP content, mainly sourced from commercial, industrial or household waste or PP production scraps, sourced from manufacturers of PP products. Post-consumer fraction of the PP (i.e. household recyclables) used by AKG has recently grown up to 90% of the sourcing. Customer applications of AKG products notably include horticultural, infrastructure, electronic appliances, automotive and packaging products. Operating out of Vroomshoop in the Netherlands, AKG currently employs 53 people, has sold 37,000 tons of recycled material and has posted revenues of EUR 34 million in 2014.

AKG is to become one of Veolia's *Centre of Expertise*, specializing in the field of PP recycling, compounding and manufacturing. With a state-of-the-art equipped laboratory, providing comprehensive analysis in each stage of the production process, in combination with highly developed formulation skills, as well as advanced separation technologies currently developed, the Vroomshoop facility will be the cornerstone for the expansion of Veolia's European platform of recycled raw plastic materials manufacturing.







For **Antoine Frérot**, Chairman and Chief Executive Officer of Veolia, "this operation is the next natural step for Veolia in its strategic transformation and development. Our growth on new thriving markets and our ability to provide solutions for the recovery and production of raw recycled materials have demonstrated the Group's ability to turn the waste of some into resources for others, by encouraging the implementation of a circular economy from waste collection to treatment, and now to recycled materials manufacturing."

René Wolfkamp, CEO of Wadinko, is pleased with Veolia as new shareholder and is looking forward to work with the Group on the further expansion of AKG: "the prospects for AKG in terms of market growth and profit are indeed favorable and together with Veolia we hope to accelerate this growth and as a result increase employment in the region. This is one of the primary objectives of Wadinko: promoting business and employment in our region".

Active in the Netherlands for over 40 years, Veolia currently employs over 300 people and provides a range of sustainable energy and water utility services to both Dutch industrial and municipal clients. Where possible, the Group helps customers "close the loop" through the recycling and reusing of recovered resources arising from their production process in order to generate these utilities, such as Jacobs Douwe Egberts in Joure by using spent coffee grounds to produce energy for the production process. Furthermore, in Leeuwarden, within the field of Circular Economy, and in partnership with other local parties, Veolia is currently conducting innovative research through a pilot project into the generation of bioplastics from the sludge recovered from wastewater treatment facilities. The acquisition of AKG Kunststof Groep from the private equity fund Wadinko N.V will further augment the presence of Veolia in the Netherlands, and its already existing operations in the province of Overijssel. Under the terms of the transaction, Wadinko N.V will retain a minority share in AKG and sit at the supervisory board.



Discover AKG activities in video: https://www.youtube.com/watch?v=i7NCweDpZ7w

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About Veolia

Veolia group is the global leader in optimized resource management. With over 179,000 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 2014, the Veolia group supplied 96 million people with drinking water and 60 million people with wastewater service, produced 52 million megawatt hours of energy and converted 31 million metric tons of waste into new materials and energy. Veolia Environnement (listed on Paris Euronext: VIE) recorded consolidated revenue of €24.4 billion* in 2014. www.veolia.com

About Wadinko

Wadinko N.V wants to be the preferred financial partner for entrepreneurs of small and medium size companies in the province of Overijssel in the Netherlands. Wadinko takes long term equity stakes and commits for a long period to support the growth of companies it invests in and uses its knowledge and local networks to stimulate innovation and cooperation between companies. The companies in which Wadinko participates focus primarily on the manufacturing industry. Currently Wadinko participates in 25 businesses in which a total of some 2700 people are employed. www.wadinko.nl

Contacts

Group Media Relations

Laurent Obadia - Sandrine Guendoul Stéphane Galfré - Marie Bouvet Tel.: + 33 (0)1 71 75 12 52 sandrine.guendoul@veolia.com

(*) 2014 pro-forma figures, including Dalkia International (100%) and excluding Dalkia France.

Veolia Netherlands Media Relations

Marianne Mulder Tel: + 31 63167 1317 marianne.mulder@veolia.com

Analyst & Investor Relations

Ronald Wasylec - Ariane de Lamaze Tel.: + 33 (0)1 71 75 12 23 / 06 00 Terri Anne Powers (United States)

Tel.: + 1 312 552 2890