

VEOLIA TRANSPORT EXPANDS IN SYDNEY BUS MARKET

Veolia Transport NSW Pty Ltd (Veolia Transport), a subsidiary of Veolia Transport Australia Pty Ltd, announced today that it had purchased the operations of Transit First, one of Sydney's leading bus operators, which currently operates more than 80 buses on 16 routes in south-west Sydney.

Transit First is currently the lead operator in Region 13 of the Sydney metropolitan bus network where Veolia Transport is a subcontractor. The purchase of Transit First's operations will mean that Veolia Transport will be the sole operator in regions 10 and 13.

Veolia Transport is acquiring the Transit First assets including its contract with the NSW Ministry of Transport, its employees, buses and the lease of its modern Bankstown depot.

"The purchase of the Transit First operations is a significant step for Veolia Transport and it cements our place in Sydney's bus network. It is consistent with the Veolia Transport group's strategy to expand in Australia and New Zealand via the acquisition of quality public transport operations and tenders," said Mr Morris Caputi, the Managing Director of Veolia Transport NSW Pty Ltd.

"Transit First is a terrific business. It is efficient, has been well managed and is popular with its customers. We look forward to building upon the excellent work of the Threlkeld family.

"It will be business as usual for the Transit First customers and employees.

"Veolia Transport took a lead role in the development of the new bus contracts that were created as a result of the NSW Government's bus reform process. Veolia Transport, with its unique blend of international experience and local expertise, will continue to deliver high quality bus services to the people of south and south-west Sydney," said Mr Caputi.

Once the purchase is complete on 1 February 2007, Veolia Transport will comprise more than 420 employees, more than 250 buses, and service 56 routes for almost 11 million passengers a year. The business also provides services for school students and encompasses a large charter operation.

Veolia Transport Australia Pty Ltd (VTA) is the leading private provider of passenger transport services in Australasia with bus operations in Sydney, Perth, and Brisbane and operates the Sydney lightrail and monorail. It also operates the metropolitan rail services in Melbourne and Auckland, New Zealand. VTA is part of Veolia Transport, itself a division of Veolia Environnement, the world's leading environmental services company which has more 300,000 employees in more than 65 countries.
