

FOR IMMEDIATE RELEASE

**Hitachi and Veolia Win Contract to build Pretreatment Facilities
for Large-scale Water Desalination Plant in Basrah, Iraq**

- Additional order following desalination plant equipment -

Paris, October 23, 2014 --- Hitachi, Ltd. (TSE: 6501 / “Hitachi”) and Veolia (Paris Euronext: VIE and NYSE: VE), through its subsidiary OTV, announced today that a consortium formed by their two companies, along with Egyptian engineering firm ArabCo, has received an order from the Iraqi Ministry of Municipalities and Public Works for the engineering, procurement, and construction (EPC) of pretreatment facilities and surrounding facilities (river water intake facilities, and water transport facilities) at a water desalination plant in Basrah, Iraq. The value of the order will total about 24 billion yen, of which 10 billion yen for Hitachi and Veolia. Construction is scheduled to begin in October 2014, with completion scheduled for April 2017. The consortium received a comprehensive order in January 2014 for EPC on the water desalination plant as well as operation and maintenance (O&M) for a period of five years. The new pretreatment facilities represent an additional project following up on the order in January. The construction of these facilities will be undertaken with loan assistance from the Japanese government.

The desalination plant that is currently scheduled for construction in Basrah will be the largest facility of its kind in Iraq, capable of supplying 199,000 cubic meters of drinking water per day*. It will use reverse osmosis (RO) to reduce the salt content in water drawn from a river near the river’s mouth, where the salt concentration is high. The new pretreatment facilities covered by the additional order received by the three companies is coagulation and sedimentation facilities, which will undertake pretreatment of water to be processed at the desalination plant. In addition, the consortium will also install surrounding facilities, which are river water intake facilities and water transport facilities. Hitachi and Veolia will be responsible for the design, delivery, and test operation of mechanical and electrical facilities, and ArabCo will be responsible for civil engineering, construction, and on-site installation work.

Mr. Kunizo Sakai, Vice President and Executive Officer and President & CEO of Hitachi’s Infrastructure Systems Company said, “Hitachi is honored to be involved in the construction of the desalination plant and the preprocessing facilities in Basrah in collaboration with Veolia and ArabCo. Hitachi has an extensive track record and expertise in the delivery of water treatment plants throughout the world, and we look forward to contributing to the maintenance and improvement of the water environment in Iraq by putting in place reliable water infrastructures.”

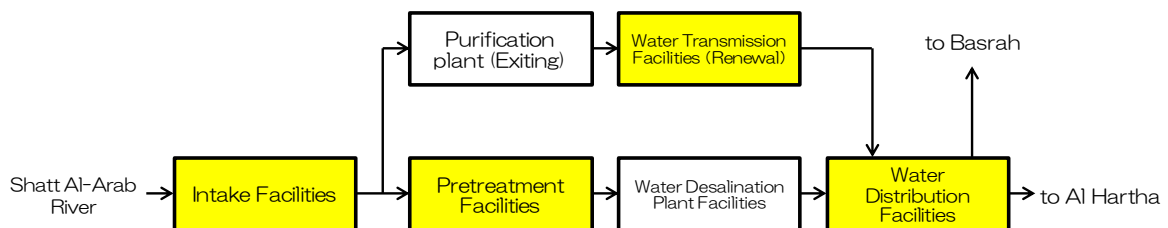
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Jean-Michel Herrewyn, Senior Executive Vice President, Global Enterprises, Veolia, said: “This plant, which combines pretreatment, high-level membrane filtration and desalination, will significantly improve the quality of drinking water provided to the city of Basrah and will eliminate spikes in salinity caused by tides and winds. Veolia is committed to developing access to resources and delivering reliable solutions to help cities deal with water scarcity while pursuing their economic development.”

Hitachi and OTV, a subsidiary of Veolia, have completed a memorandum regarding collaborations in water infrastructure projects overseas. Both companies will use this framework to promote participation in water infrastructure projects, which are expected to be the target of increasing demand in the future, particularly in emerging countries.

* Equivalent to a supply volume for a population of 400,000

Diagram of a water desalination plant



※Yellow box : Facilities ordered this time

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, delivers innovations that answer society’s challenges with our talented team and proven experience in global markets. The company’s consolidated revenues for fiscal 2013 (ended March 31, 2014) totaled 9,616 billion yen (\$93.4 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes infrastructure systems, information & telecommunication systems, power systems, construction machinery, high functional materials & components, automotive systems, healthcare and others. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

About Veolia

Veolia group is the global leader in optimized resource management. With over 187,000 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. Veolia Water Technologies specializes in technological solutions and design and build projects for water and wastewater treatment, serving industrial and municipal clients.

In 2013, Veolia group supplied 94 million people with drinking water and 62 million people with wastewater service, produced 54 million megawatt hours of energy and converted 38 million metric tons of waste into new materials and energy. Veolia Environnement (listed on Paris Euronext: VIE and NYSE: VE) recorded consolidated revenue of €23.4 billion* in 2013. www.veolia.com

(*) 2013 pro-forma unaudited figures, including Dalkia International (100%) and excluding Dalkia France. Excluding Transdev employees and revenue currently under divestment.

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Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
