



# Consolidated Results as of December 31, 2011

Meeting on April 26, 2012

# 2011 highlights

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## ■ Solid operating performance

- Business activity solid resulting from industrial strategy and commercial growth
- Operating margin impacted by changes in the PCB markets and exogenous and/or non-recurring expenses
- High net income from consolidated companies

Revenue up +5.5%

COI at 13.5% of revenue

ICC at 10.4% of revenue

## ■ Financial profile confirmed

- Substantial cash flow linked to level of operating margins
- Investment up markedly: growth in new businesses
- Financial debt maintained at a corporate level

Cash flow at 20.5% of revenue

Capex at 11.8% of revenue

Net debt at 1.96x EBITDA

## ■ Proposed dividend

€1.30 per share  
unchanged

# Vision and strategy

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## ■ Financial situation bolstered

- New financing totaling €188.3m
- Stable financial ratios and financial situation with low debt
- Maturity of debt extended to 6 years

## ■ Commercial dynamics and increasing market share

- Historic recovery and treatment businesses: solid positioning on regulated markets
- New businesses: development in sorting, energy production (waste recovery, etc.)
- Outsourcing markets: strategy focused on increasing share of public service delegation markets and comprehensive offers

Consolidated results  
and financial situation  
as of December 31, 2010

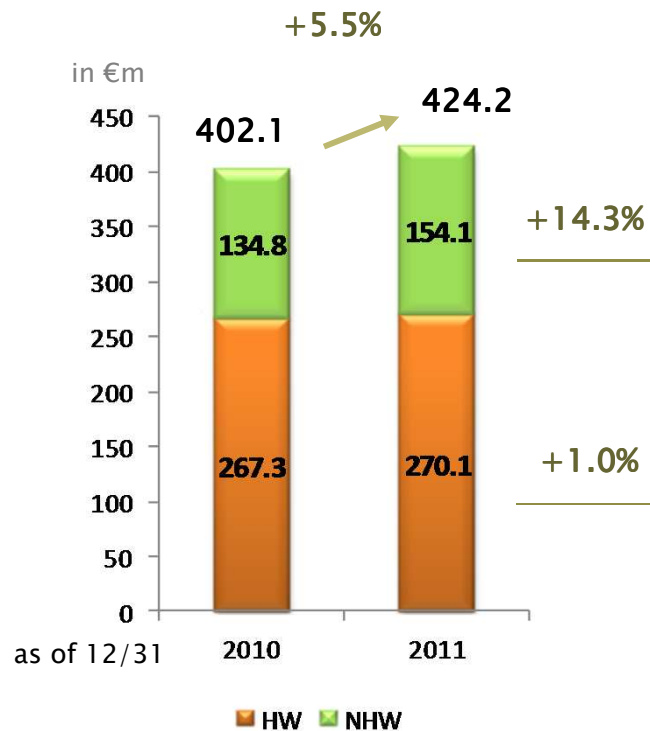


## Operating margins reflecting changes in the business mix and affected by non-recurring and/or exogenous items

| as of December 31<br>IFRS consolidated data | 2010  |        | 2011  |        | Change |
|---|-------|--------|-------|--------|--------|
|   | €m    | % rev. | €m    | % rev. |        |
| Revenue                                     | 402.1 | 100%   | 424.2 | 100%   | +5.5%  |
| EBITDA(*)                                   | 103.7 | 25.8%  | 97.4  | 23.0%  | -6.0%  |
| COI   | 66.9  | 16.6%  | 57.4  | 13.5%  | -14.2% |
| Net income from consolidated companies      | 46.1  | 11.5%  | 44.0  | 10.4%  | -4.6%  |
| Net income (Group share)                    | 27.4  | 6.8%   | 15.9  | 3.7%   | -42.1% |
| Cash flow*                                  | 100.8 | 25.0%  | 86.8  | 20.5%  | -13.9% |
| Investments (excl. financing)               | 27.0  | 6.7%   | 50.1  | 11.8%  | +85.6% |
| Net debt                                    | 194.9 | -      | 191.9 | -      | -59.7% |

(\*) restated for changes in the accounting presentation on renewal expenses of disposed assets and site rehabilitation

## Strong activity in 2011: revenue up +5.5%



Consolidated revenue

### NHW: recurring markets and commercial momentum

- ✓ Commercial successes: contribution of new public service delegations (Sénerval, Oléron, etc.)
- ✓ Good performance of recovery and rehabilitation businesses (La Gabarre)
- ✓ IFRIC 12 revenue: concession investments for €1.3m

### HW: solid activity excluding PCB

- ✓ Solidity of treatment and recovery activity (incineration, platforms, regeneration, etc.)
- ✓ Marked drop in PCB markets: -29.4% to €26.4m (vs. €37.4m in 2010)

Excluding PCB, the division was up +6.0%

## Reminder: change in accounting presentation

### IFRS consolidated data

| as of Dec. 31<br>in €m        | 2010         |              | 2011         | Impact on 2010 EBITDA: EUR +2.3m<br>✓ Renewal expenses for disposed assets EUR +1.7m<br>✓ Other expenses (rehabilitation, etc.): EUR +0.6m |
|-------------------------------|--------------|--------------|--------------|--|
|                               | Reported     | Restated     | Reported     |  |
| Revenue                       | 402.1        | 402.1        | 424.2        |  |
| EBITDA                        | 101.4        | 103.7        | 97.4         |  |
| <i>i.e. as a % of revenue</i> | <i>25.2%</i> | <i>25.8%</i> | <i>23.0%</i> |  |
| COI                           | 66.9         | 66.9         | 57.4         | COI neutral  |
| <i>i.e. as a % of revenue</i> | <i>16.6%</i> | <i>16.6%</i> | <i>13.5%</i> |  |

# Impact of exogenous items on the operating margin

## IFRS consolidated data

as of December 31

|                               | 2010 restated |              |             | 2011         |              |              |
|-------------------------------|---------------|--------------|-------------|--------------|--------------|--------------|
|                               | Consolidated  | France       | Intern'l    | Consolidated | France       | Intern'l     |
| Revenue                       | 402.1         | 380.6        | 21.5        | 424.2        | 399.3        | 24.9         |
| EBITDA                        | 103.7         | 101.6        | 2.1         | 97.4         | 94.8         | 2.6          |
| <i>i.e. as a % of revenue</i> | <i>25.8%</i>  | <i>26.7%</i> | <i>9.8%</i> | <i>23.0%</i> | <i>23.7%</i> | <i>10.5%</i> |

### France (97% of EBITDA):

EBITDA maintained at high level integrating:

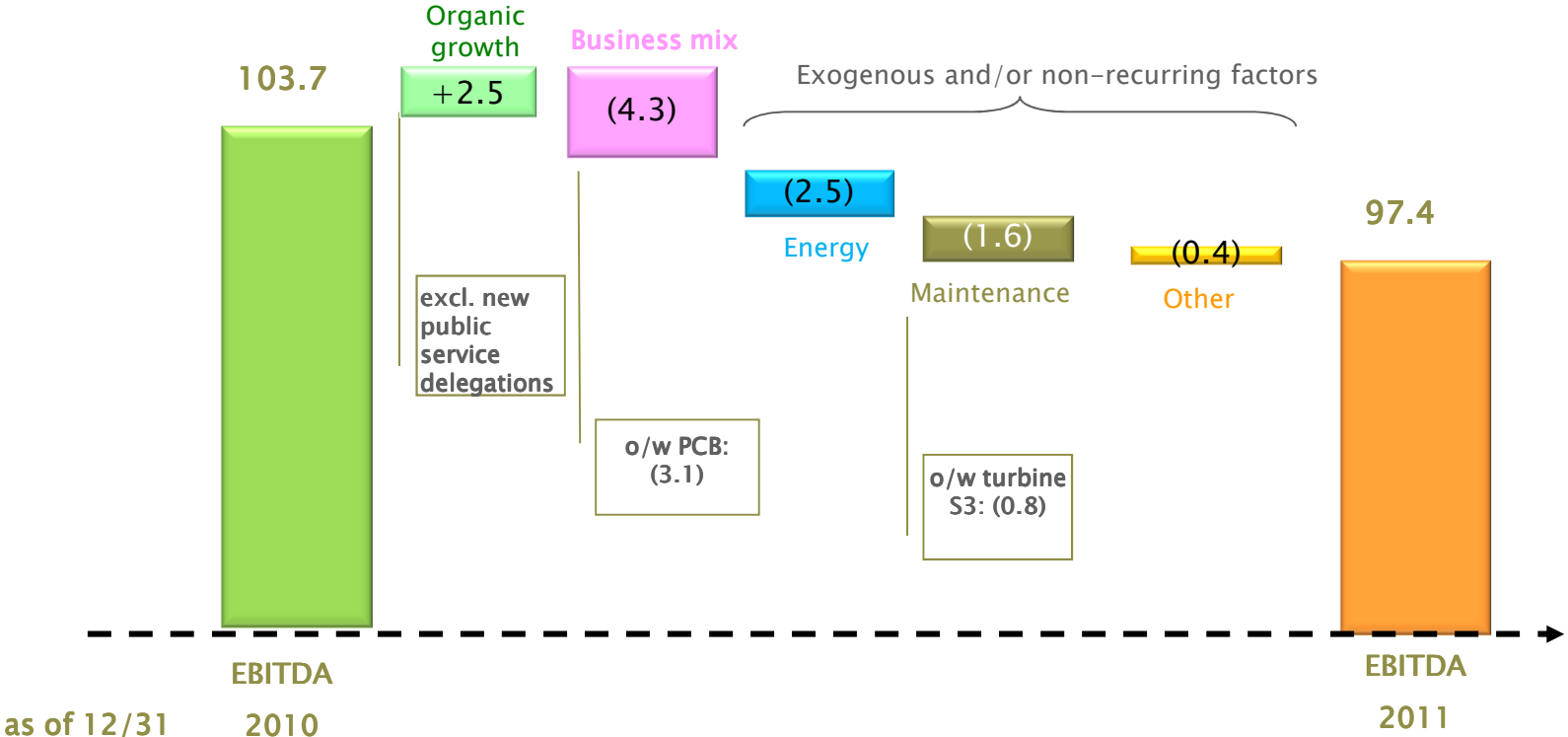
- ✓ Changes in business mix (including PCB): EUR -4.3m
- ✓ Exogenous and/or non-recurring factors: EUR -€4.5m

### International

Improvement of operating contribution linked to strong business in Europe



# Changes in EBITDA hit by PCB markets and by exogenous and/or non-recurring factors

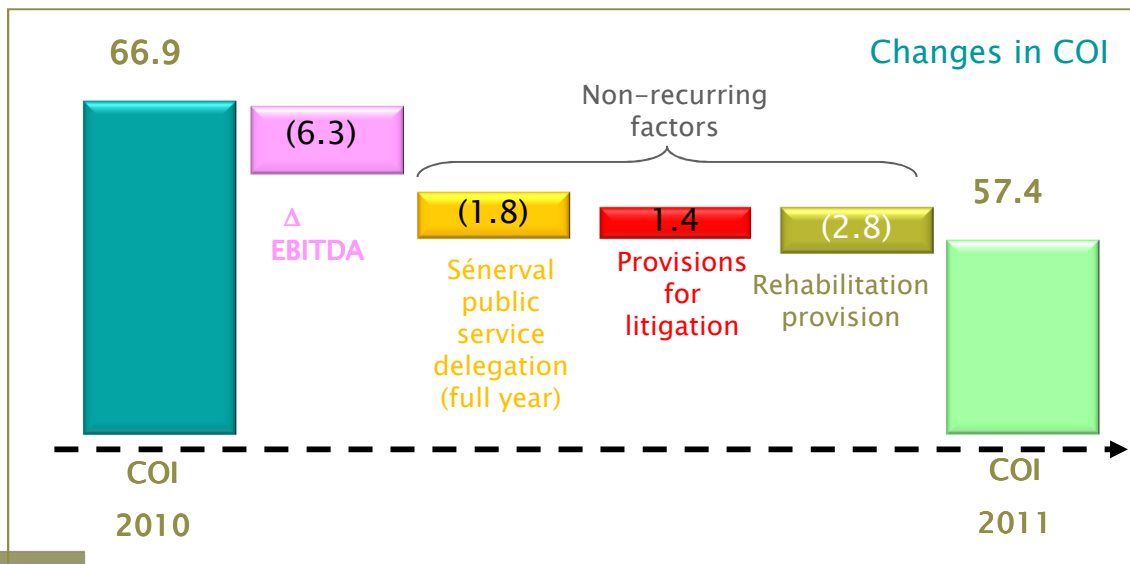


Consolidated data in €m

# Change in current operating income

IFRS consolidated data

| as of December 31 | 2010 restated |        | 2011  |        | Change |
|-------------------|---------------|--------|-------|--------|--------|
|                   | €m            | % rev. | €m    | % rev. |        |
| Revenue           | 402.1         | 100%   | 424.2 | 100%   | +5.5%  |
| EBITDA            | 103.7         | 25.8%  | 97.4  | 23.0%  | -6.0%  |
| COI               | 66.9          | 16.6%  | 57.4  | 13.5%  | -14.2% |
| Operating income  | 60.4          | 15.0%  | 55.2  | 13.0%  | -8.7%  |



## Change in operating income

- ✓ Non-renewal of expenses linked to IFRS, as revised: EUR -4.9m in 2010
- ✓ Expenses related to financial stakes: EUR -0.9m

## Increase in net income: ICC at 10.4% of revenue

Consolidated data in €m (under IFRS)

| as of December 31                       | 2010        | 2011        |
|---|-------------|-------------|
| Cost of gross debt                      | (9.0)       | (7.4)       |
| Income from cash and others             | 14.7        | 14,7        |
| Other financial income and expenses     | 1.2         | 1.0         |
| <b>Financial income</b>                 | <b>6.9</b>  | <b>8.3</b>  |
| Corporate tax                           | (21.2)      | (19.5)      |
| <b>Net income from conso. companies</b> | <b>46.1</b> | <b>44.0</b> |

**Positive financial income posting a €1.4m improvement**

- ✓ Drop in average net debt and cost of debt improved to 3.59% (vs. 4.07% in 2010): EUR +1.6m

**Nominal corporate tax of 30.8% vs. 31.5% in 2010**

- ✓ Part of interest on convertible bonds not taxed
- ✓ Disposal bonus not taxed, recognized in H1 2011

## Net income at 3.7% of revenue

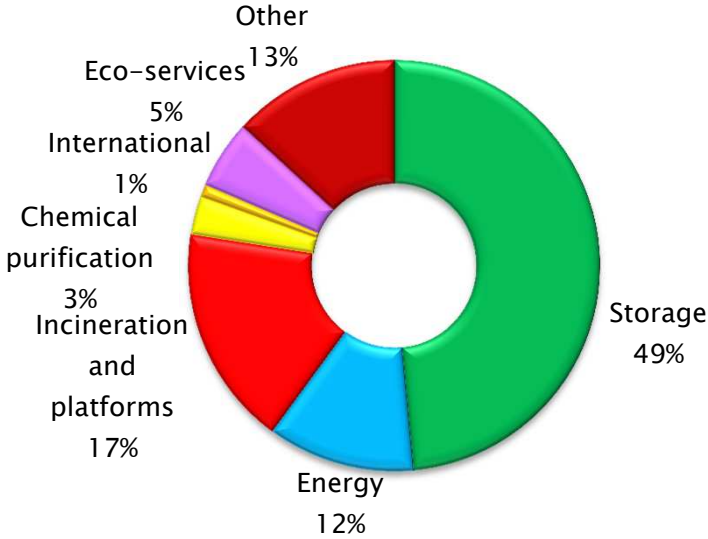
Consolidated data in €m (under IFRS)

| as of December 31                  | 2010   | 2011   |  |
|------------------------------------|--------|--------|--|
| Net income from conso. companies   | 46.1   | 44.0   | Increase in the Hime book loss:<br>€(28.4)m vs. €(19.2)m |
| Share of companies (equity method) | (19.2) | (28.3) |  |
| Minority interests                 | (0.5)  | (0.2)  |  |
| Consolidated net income (Group)    | 27.4   | 15.9   |  |

# Solid management of maintenance investment

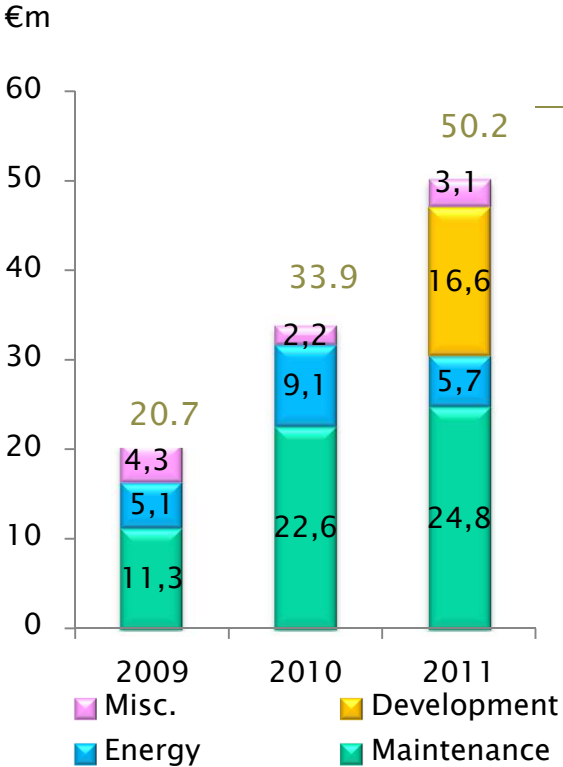
## Increase in capex

Booked capex



Total as of December 31, 2011: €50.2m

o/w landfill cells: €8.9m



i.e. 11.8% of revenue

Sorting, recoveries, platforms ...

Net capex paid: €50.1m  
(vs. €27.0m in 2010)

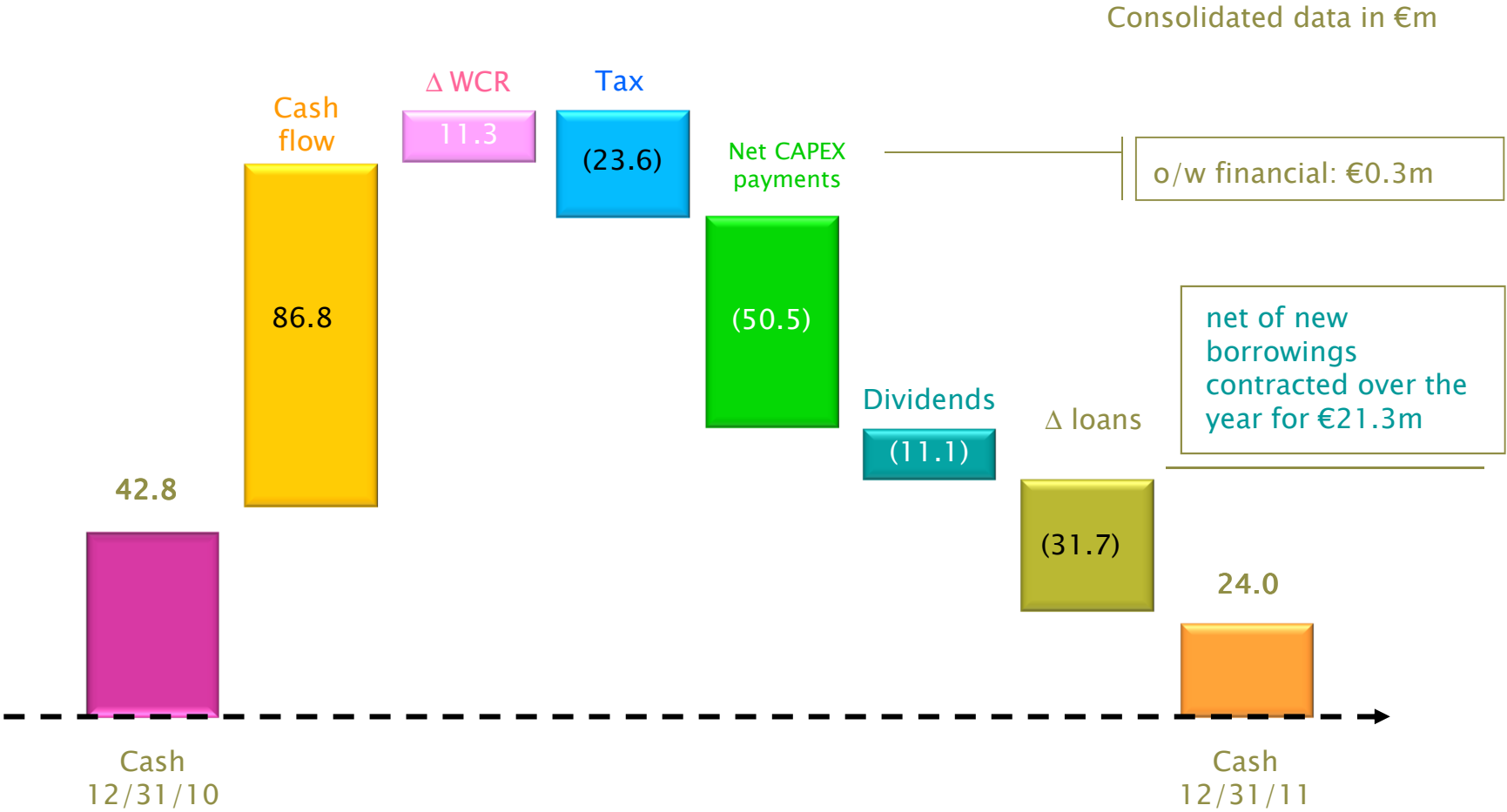
## Change in operating cash flow, reflecting the increase in capex

Consolidated data in €m (under IFRS)

| as of December 31                           | 2010<br>restated | 2011   |  |
|---|------------------|--------|--|
| Cash flow before tax and financial expenses | 100.8            | 86.8   | Change in EBITDA + Public service delegation + rehabilitation expenses                                 |
| Maintenance capex                           | (18.0)           | (24.6) |  |
| Change in WCR                               | 3.6              | 11.3   | Optimization of current assets   |
| Corporate tax paid                          | (11.7)           | (23.6) |  |
| Gross operating cash flow                   | 74.6             | 50.0   | Change in corporate tax paid:<br>✓ Advanced payment discrepancies from previous years totaling €(9.8)m |
| Development capex                           | (9.0)            | (25.6) |  |
| Net operating cash flow                     | 65.6             | 24.4   |  |

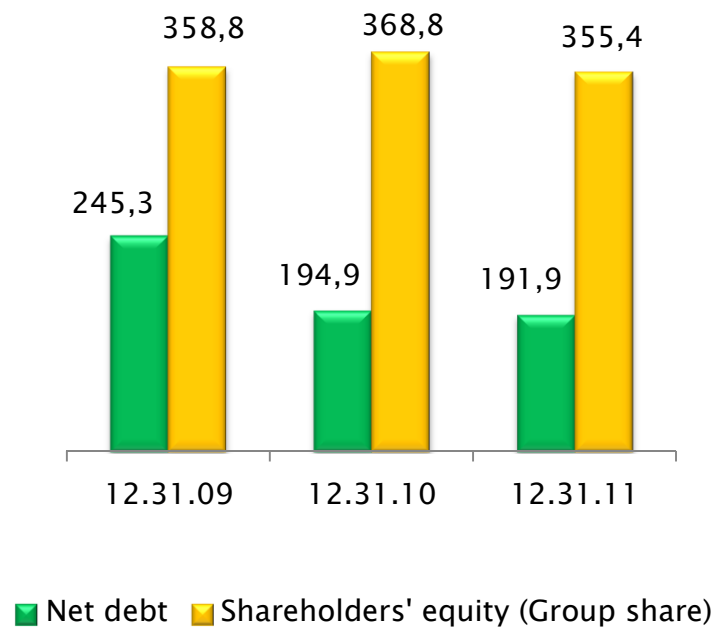
# Growth paid in cash

## Deleveraging

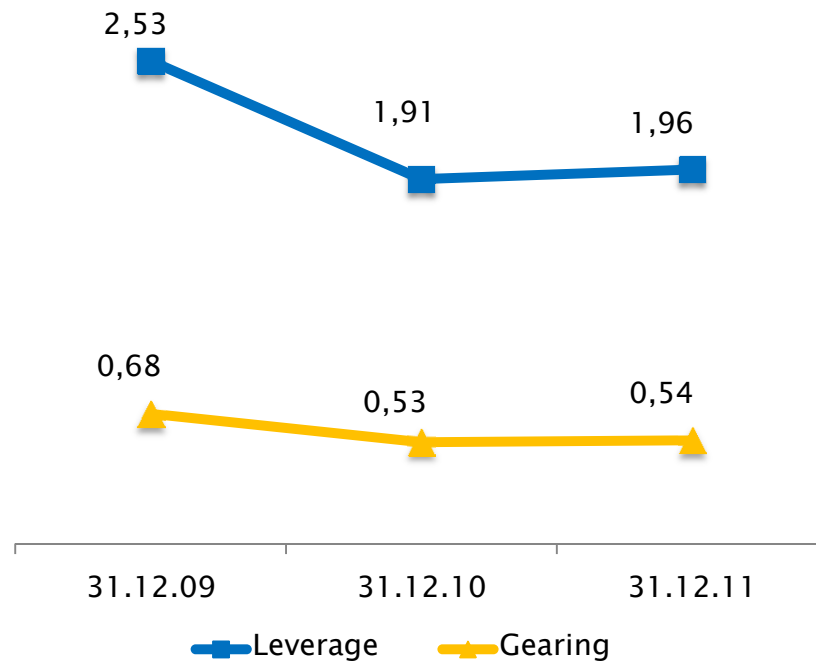


# Margins maintained at a corporate level

Consolidated data in €m



Ratios calculated using the banking agreement method



Covenants:  
 Gearing < 1.1  
 Leverage < 3



# Structure of Group debt

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- **Reminder: previous credit agreement**  
€162.5m in senior debt has a maturity of 4/12/2012

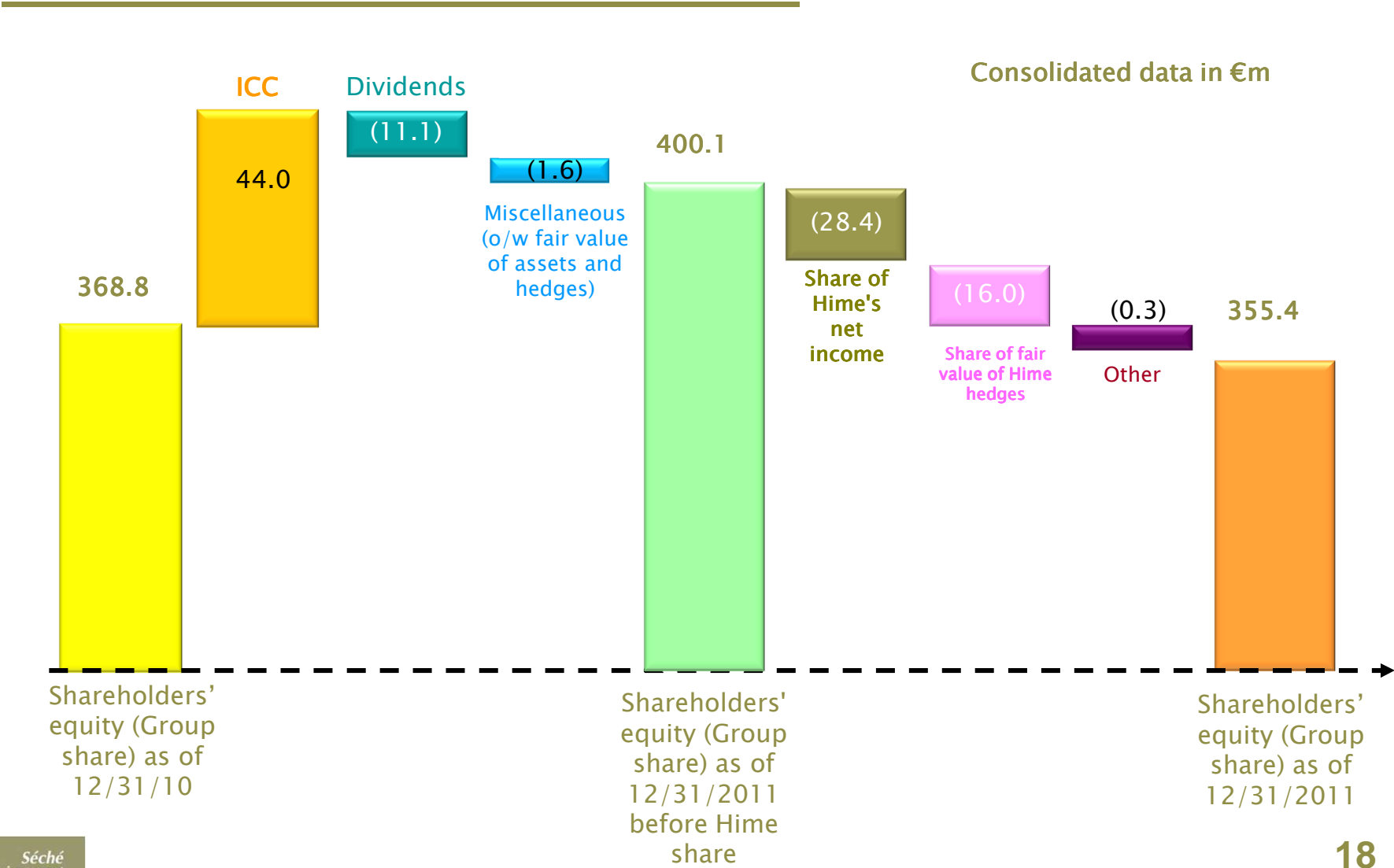
## ■ **New financing:**

- **Amount: €183.3m**
- **Target: refinancing of the residual senior debt**
- **New banking contract: €163.3m**
  - ✓ Maturity: 5 years (April 2017) amortised by 5% tranche every 6 months starting in 2013
  - ✓ Lead arrangers: Crédit Agricole Group and Société Générale Group
- **Bonds: €25.0m**
  - ✓ Redeemed in one lump sum at maturity
  - ✓ Maturity 2019

## ■ **Total Group debt after refinancing**

- **Financial fees estimated at €11m in 2012, i.e. net cost of debt of 4.95% including hedging costs (vs. 3.59% in 2011)**
- **Hedging rates: 85%**
- **Maturity: 6 years**
- **Covenants unchanged:**
  - ✓ Gearing: 1.1x shareholders' equity
  - ✓ Leverage: 3x EBITDA

# Change in consolidated shareholders' equity

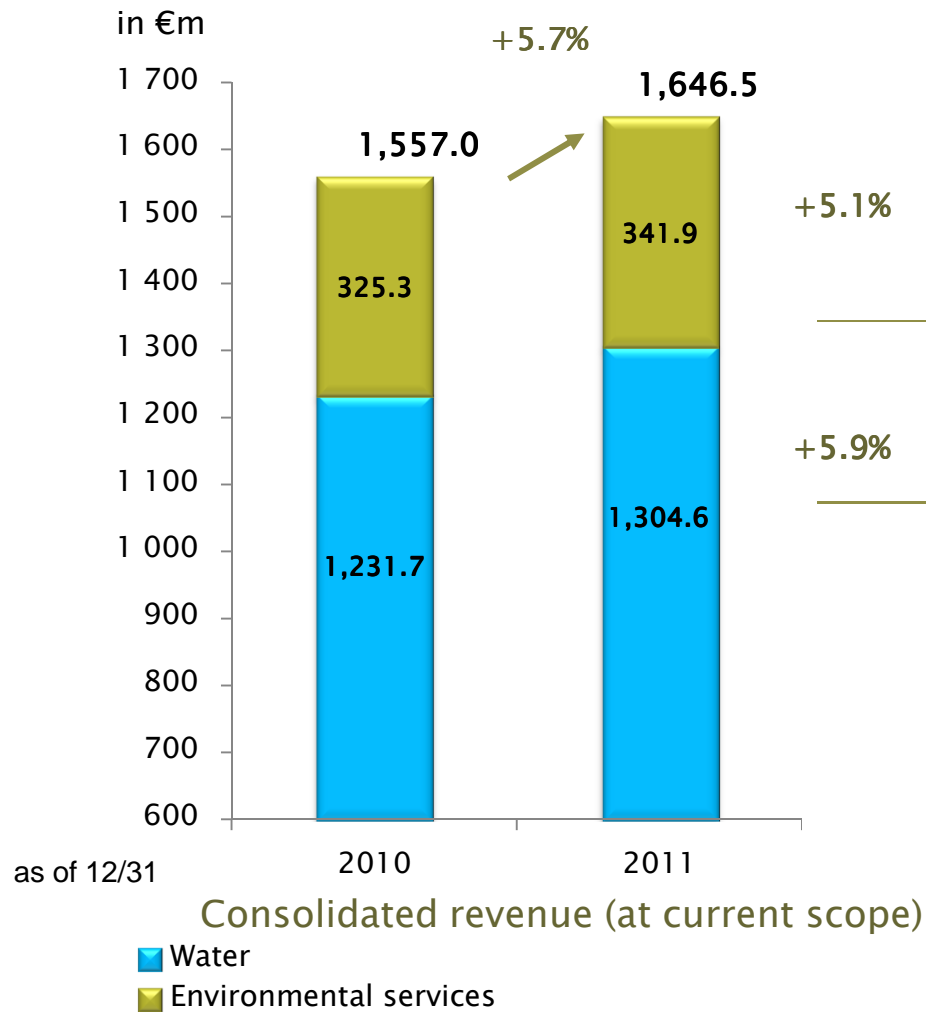


Hime – Saur

Consolidated results  
and financial situation  
as of December 31, 2011



Revenue +5.7% (+3.1% at constant scope)



Good performance of secondary raw materials

France: +5.9% to €1,176.7m (+2.4% at constant scope, i.e. a scope effect of €40.5m)

- ✓ Solidity of Water and Decontamination markets (+4.3%)
- ✓ Contribution from Stéreau down (-16.5%)

International: +4.9% to €128.0m

- ✓ Good level of activity in Spain
- ✓ Rate hikes in Poland
- ✓ Contribution of new contracts in the Middle East

## Resilient operating margins

## IFRS consolidated data

as of December 31  
in €m

|                               | 2010    | 2011    |
|-------------------------------|---------|---------|
| Revenue                       | 1,557.0 | 1,646.5 |
| EBITDA                        | 187.0   | 186.6   |
| <i>i.e. as a % of revenue</i> | 12.0%   | 11.3%   |
| COI                           | 65.1    | 64.6    |
| <i>i.e. as a % of revenue</i> | 4.2%    | 3.9%    |
| Operating income              | 63.3    | 63.5    |
| <i>i.e. as a % of revenue</i> | 4.1%    | 3.9%    |

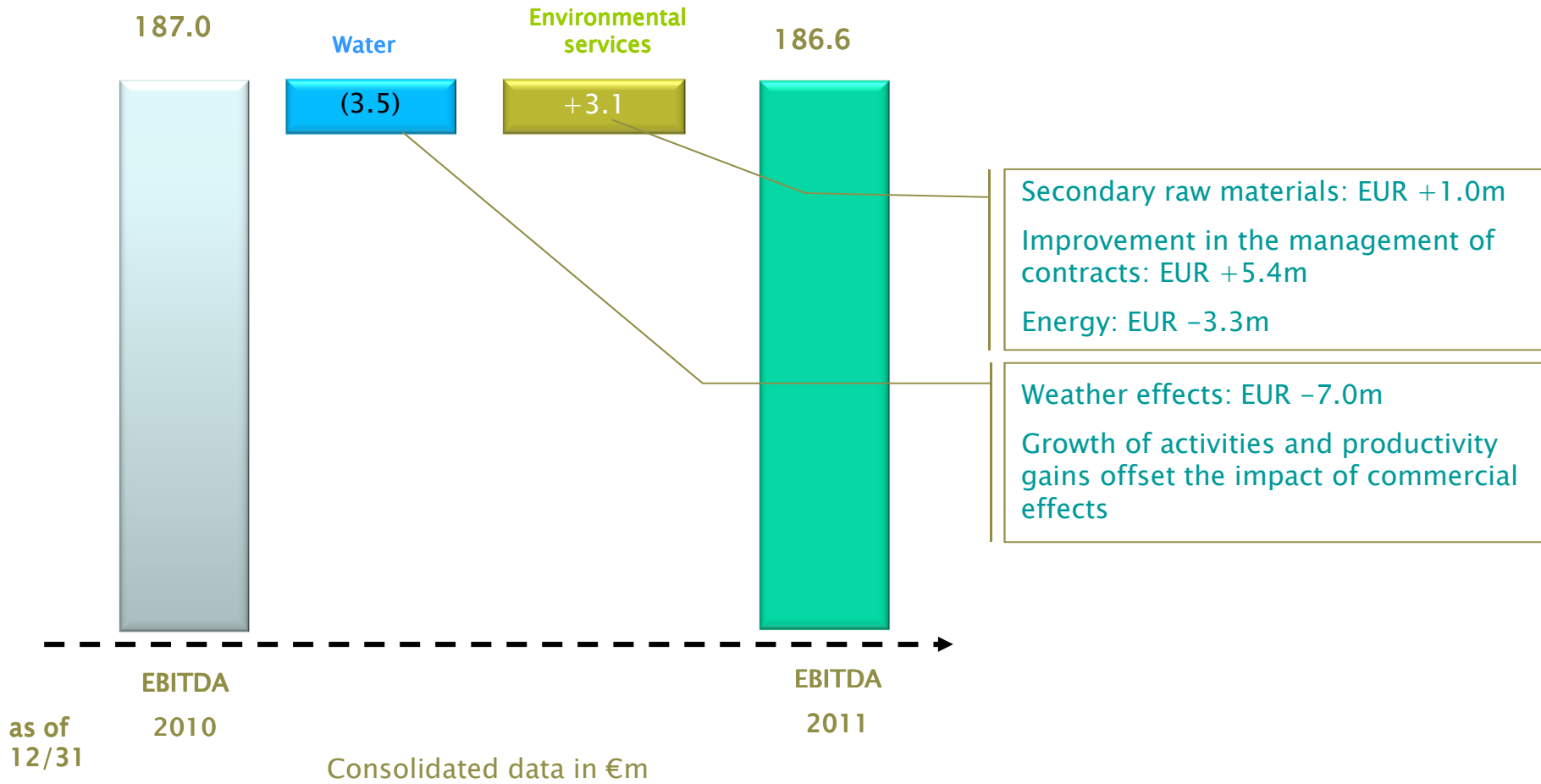
## Stability of EBITDA: EUR -0.5m

- ✓ Water: weather effects (EUR -7.0m) partially offset by improved contribution of international business and operating performance gains (EUR +3.1m)
- ✓ Environmental services: increase in secondary raw materials was hampered by increasing cost of energy

## Changes in COI: EUR -0.5m

- ✓ 2010: impact of the revised corporate tax base for €15.3m
- ✓ Increase in allocations to amortization: EUR -6.5 million
- ✓ International provisions
- ✓ Increase in other operating expenses: EUR -4.1 million

# Change in EBITDA: contribution by Division



## Slight drop in financial income

Consolidated data in €m (under IFRS)

| as of December 31  | 2010    | 2011    |  |
|--|---------|---------|--|
| Bank interest expenses                                       | (92.3)  | (94.4)  | Increase in net cost of debt (exc. convertibles): 5.32% vs 5.16% in 2010                   |
| Cash flow income   | 1.5     | 2.2     |  |
| Other income and expenses                                    | (0.5)   | (3.8)   | o/w change in commitments for UK pensions: EUR -2.4m                                       |
| Restated financial income                                    | (91.3)  | (96.1)  |  |
| Interest expense on conv. bonds<br>(payment to shareholders) | (43.9)  | (43.0)  |  |
| Financial income   | (135.2) | (139.1) | Interest expenses: EUR +2.5m<br>Non-renewal of accretion expense recognized in 2010: €3.4m |

## Breakdown of Tax Deterioration of Net Income

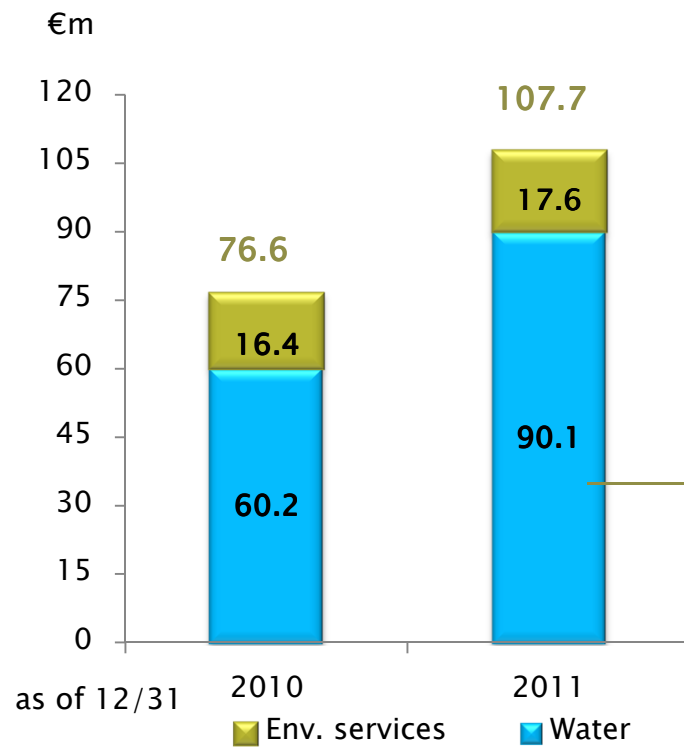
Consolidated data in €m (under IFRS)

| as of December 31                              | 2010          | 2011          |   |
|--|---------------|---------------|---|
| Corporate tax on non-consolidated subsidiaries | (1.9)         | (2.1)         |   |
| Differed tax resulting from:                   |               |               |   |
| – amortisation of allocated goodwill           | 7.9           | 7.9           |   |
| – activation of tax losses                     | 2.6           | (18.0)        | 2010: activation of tax losses on Guestagua (Spain)                 |
| – other restatements                           | 6.5           | 2.9           |   |
| <b>Tax (expense)/income</b>                    | <b>15.1</b>   | <b>(9.3)</b>  | o/w impact of the finance law on the limitation of tax losses: €15m |
| <b>Net income (Group share)</b>                | <b>(58.1)</b> | <b>(86.1)</b> |   |



# Investments up sharply: +40.6%

Booked gross capex



Productivity investments  
 Spain (acquisition of "canones"): €21.2m  
 External growth: €15.7m

## Contraction in operating flows

Consolidated data in €m (under IFRS)

| as of December 31                                     | 2010    | 2011    |
|---|---------|---------|
| Cash flow before corporate tax and financial expenses | 174.1   | 166.2   |
| Change in WCR related to activity                     | 70.9    | (0.3)   |
| Corporate tax (paid)/received                         | (3.0)   | (2.5)   |
| Net flows generated by activity                       | 242.0   | 163.4   |
| Net flows generated by investment                     | (72.1)  | (123.4) |
| Net flows generated by financing                      | (117.5) | (74.1)  |
| Impact of conversion rates                            | -       | (0.9)   |
| Change in cash and cash equivalents                   | 52.4    | (32.2)  |

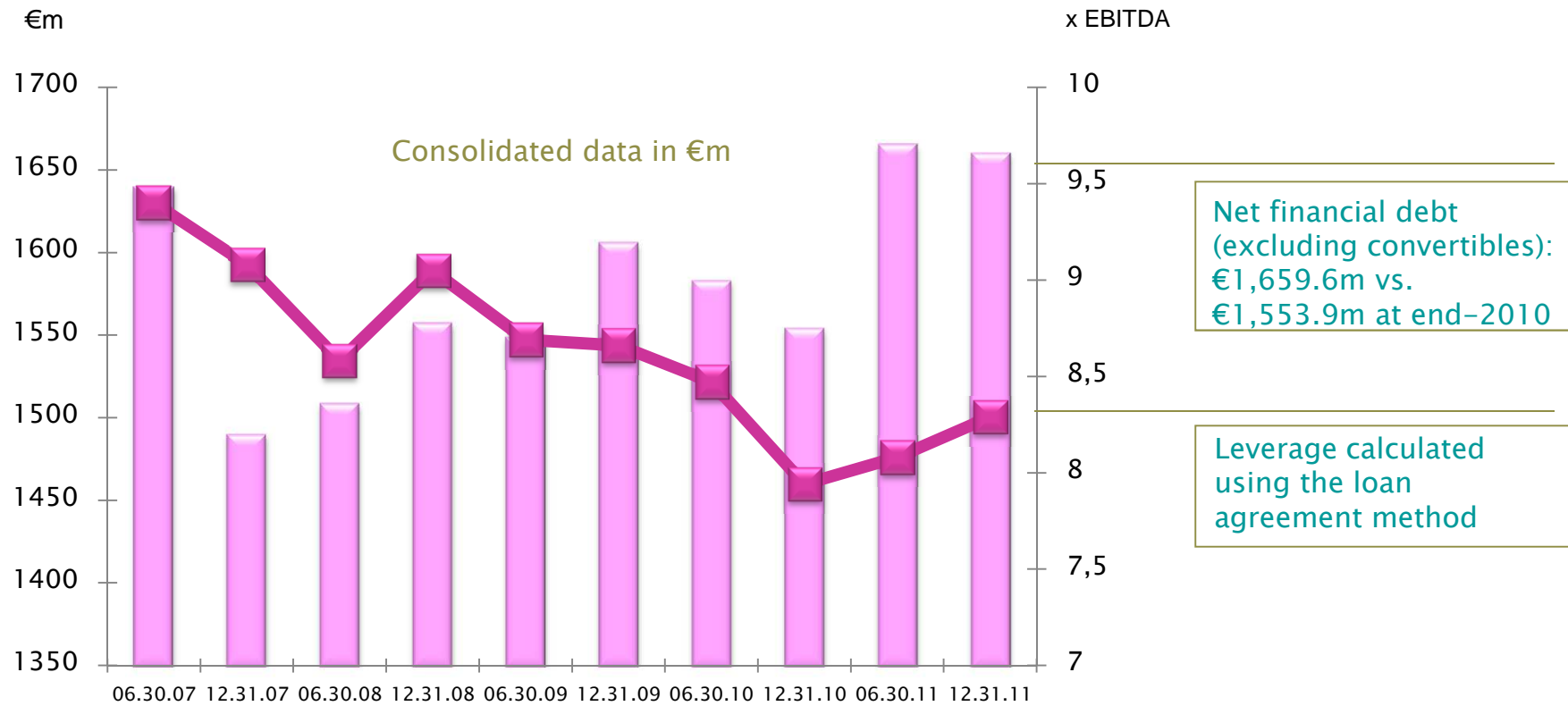
**Stability of WCR:**

- ✓ 2010: positive temporary effects of disbursements for paid leave (EUR +33m) and LME law (€33m)

**Financing:** credit line drawn (€30m)

# Increase in net debt

## Slight deterioration of financial ratios



## Markets and outlook

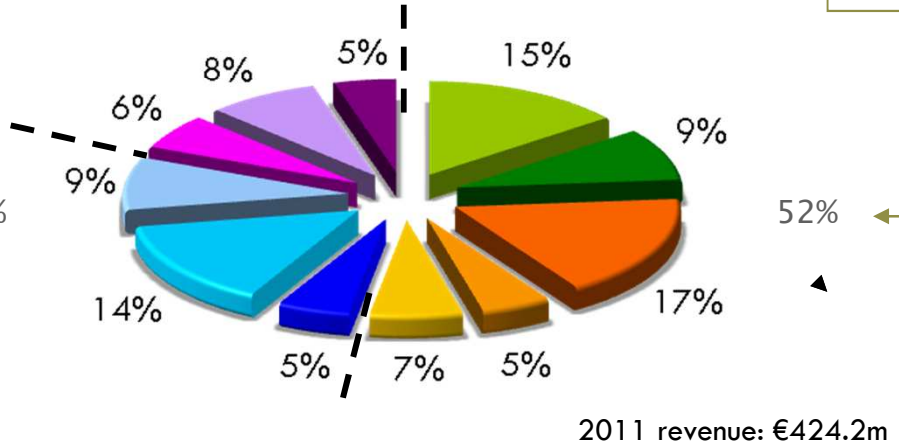
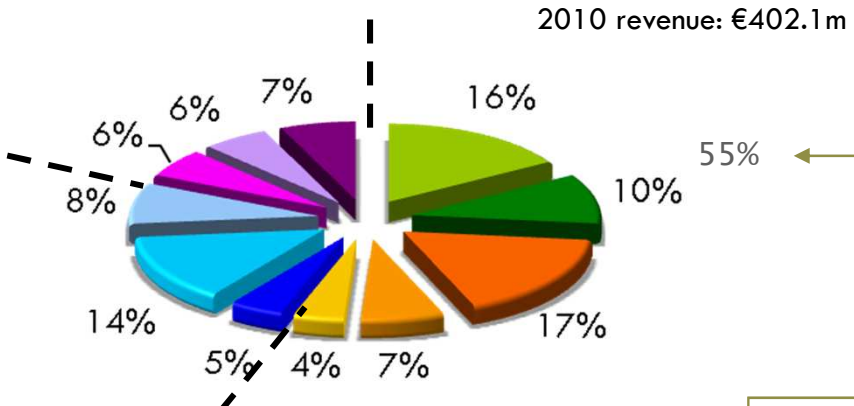
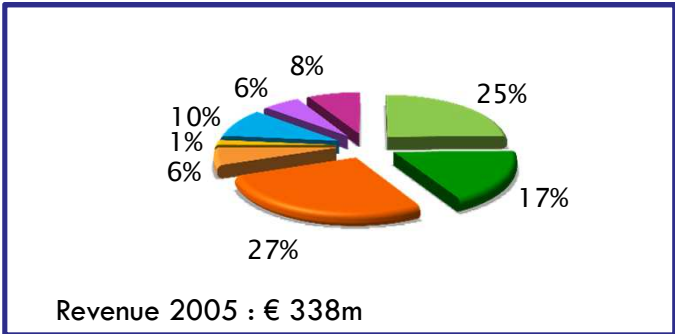


# High added value business lines on regulated markets

| Hierarchy of principles (2008 UE Directive) | Growth markets with barriers to entry | High value added businesses  |
|---|---------------------------------------|--|
| 1 Prevention                                | Outsourcing                           | Eco-services   |
| 2 Re-utilization                            | Products Recovery                     | Equipment rehabilitation<br>Solvent regeneration                           |
| 3 Material recovery                         | Raw Materials                         | Chemical purification<br>Fine Sorting                                      |
| 4 Energy recovery                           | Energy                                | Power generation (biogaz, methanization)<br>SRF production<br>Cogeneration |
| 5 Treatments<br>Safe seclusion              | Health<br>Environment                 | Depollution<br>Dehydration<br>Thermal treatments<br>Storage                |



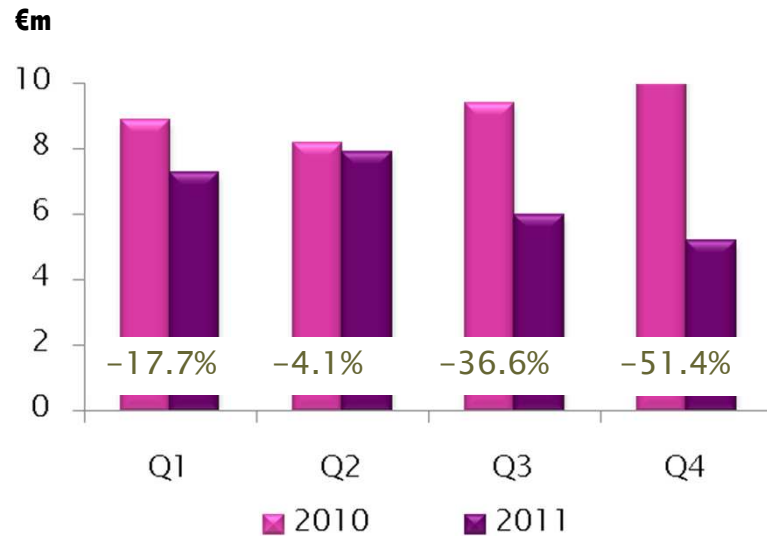
# Change in business mix: PCB impact, improving performance of sorting/recovery businesses and contractual business



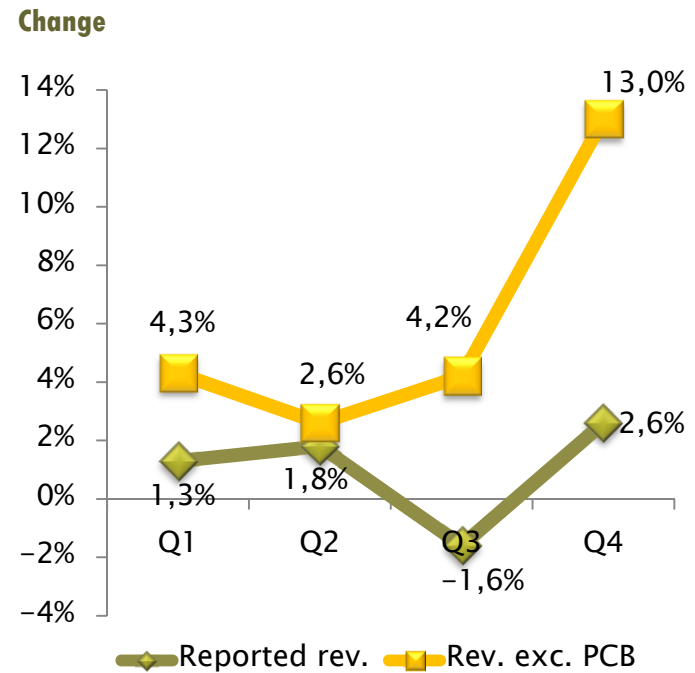
- NHW storage
- HW storage
- HW incineration
- Other HW treatment
- NHW incineration
- Energy recovery
- Recovery of materials
- Sorting/processing HW and NHW
- Comprehensive services
- Decontamination
- Eco-services



# Change in business mix: impact of PCB changes and growth of the HW division



Changes in PCB revenue by quarter



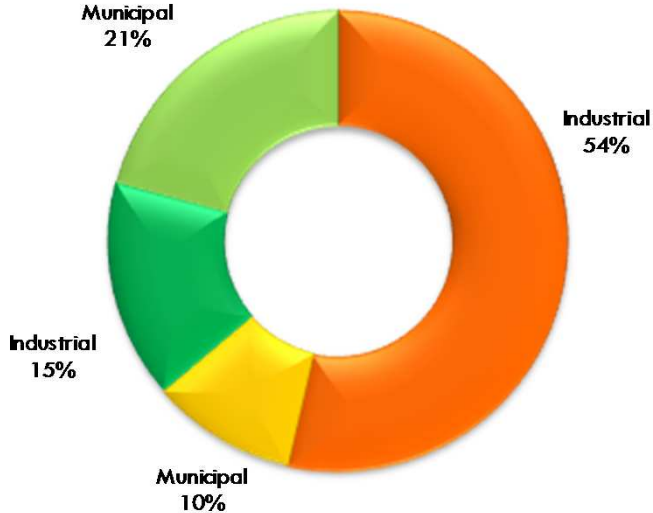
Comparative changes in HW revenue by quarter

# Resilience of markets

## Solidity of client bases

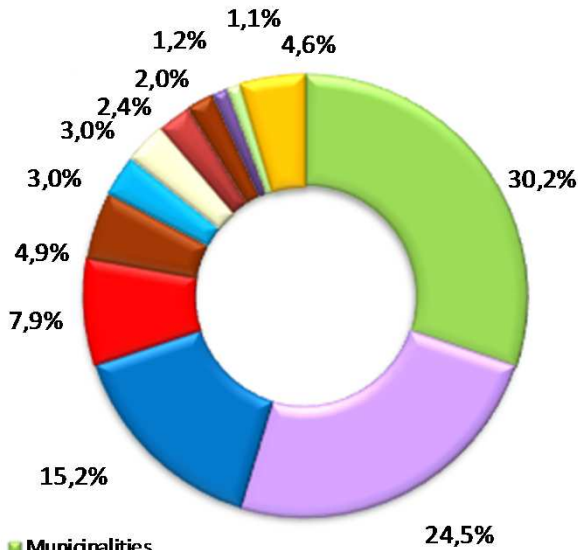
Breakdown of revenue by client base and by division

as of December 31, 2011



Breakdown of revenue by sector of activity

as of December 31, 2011





# Pursuing the growth strategy: Alcea, another public service delegation contract won

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- "La Prairie de Mauves", waste treatment and energy recovery centre in Nantes Métropole
  - Waste treatment capacity: 135Kt
  - 3 business lines:
    - ✓ Transfer
    - ✓ Sorting: Tri'sac process
    - ✓ Energy recovery
  - Heat sold to the collective heating network (15,000 households)
  - Employees: 45 jobs maintained within a dedicated company, Alcéa



# Alcea: main financial data

- A 12-year industrial project for improving technical and environmental performances

- Extension of the optical sorting system at the separation facility enabling selective collection materials to be integrated
- Improvement in sorting performance: modernization of metal and non-metal extraction; maximizing recovery of secondary raw materials
- Reinforcing energy efficiency: optimizing electricity production throughout the year



- A contract totaling around €144m (excluding IFRIC 12) over 12 years

- Effective date: October 12, 2012
- Contribution to full-year consolidated revenue: around €12m/year (excluding IFRIC 12 revenue)
- IFRIC 12 investments: €12m between 2013 (€7m) and 2014 (€5m)

# Lescar facility (Pau): strengthened presence in the southwest

## ■ Séché to operate the UIOM (household waste incinerator)

### ■ Previous situation:

- ✓ Béarn Environnement, delegation contract holder
- ✓ Novergie, sub-contractor operating the UIOM

### ■ 12/5/11: Béarn Environnement, a subsidiary of Séché, takes over the operation of the plant

## ■ Improving the UIOM

### ■ Additional facilities:

- ✓ Businesses: thermal treatment of household waste and DASRI; composting platform for green waste; platform for maturing slag
- ✓ Revenue of €8m forecast for 2012 (vs. €4m in 2011)

### ■ Environmental aspect: ISO 50001 certification procedure launched

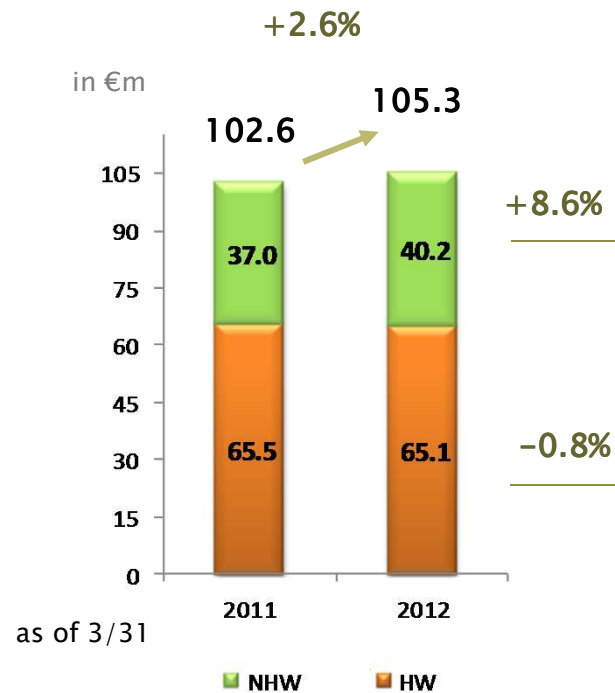




Q1 Activity

Outlook for 2012

## Business activity as of March 31, 2012: revenue up +2.6%



Consolidated revenue

### NHW: solidity of recovery and treatment markets

- ✓ Good performance of incineration and eco-services
- ✓ IFRIC 12 revenue: concession investments for €1.9m

### HW: solid activity excluding PCB

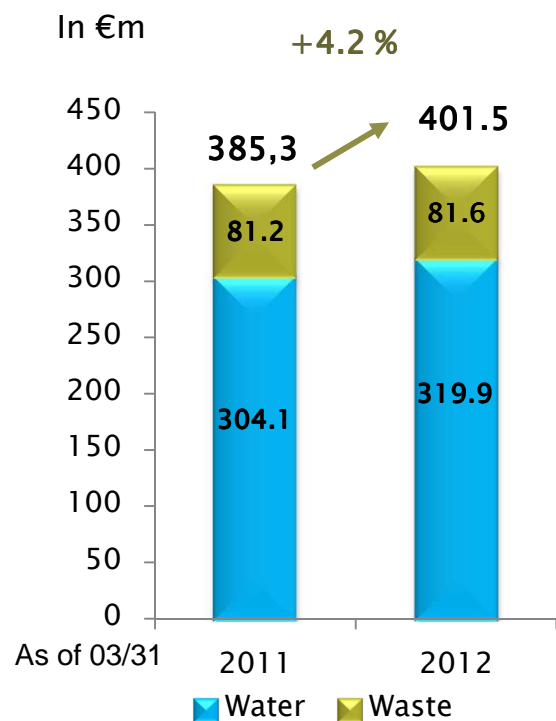
- ✓ Continuation of falling growth in PCB markets: -40.7% to €4.3m (vs. €7.3m in Q1 2010)

Excluding PCB, the division was up 4.3%

- ✓ Solidity of treatment and recovery activity (incineration, platforms, etc.)
- ✓ International: -0.9% to €5.8m (vs. €5.7m) penalized by Latin America (PCB)

# Hime: Q1 activity

Revenue up +4,2% (+2,6% at constant perimeter)



Consolidated revenue (at current perimeter)

Bad weather conditions

+0.5 %

+5.2 %

France : +3.1% at € 282,4m (+0.8% at constant perimeter, i.e. perimeter effect of € 6.2m)

- ✓ Solid Water and Sanitation markets (+3.1% at constant perimeter)
- ✓ Lower contribution of Stéreau (-11.3%)

International : +24.4% à € 37.5m

- ✓ New contracts in Middle East

# Outlook for 2012

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- Uncertain macro-economic environment
- Resiliency of markets
  - HW division:
    - ✓ Solidity of treatment and recovery markets
    - ✓ Continuation of falling growth in PCB markets
  - NHW division:
    - ✓ Recurring utilities markets
    - ✓ Growth of recovery activities
- Commercial growth on opportunity-laden markets
- Continuing growth in trends observed at the start of the year
- Operating margins impacted by the unfavorable change in PCB activities:  
COI could reach approximately 12% of revenue in 2012 (excluding IFRIC 12 revenue), which would represent a low point compared with future years



## Q&A

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