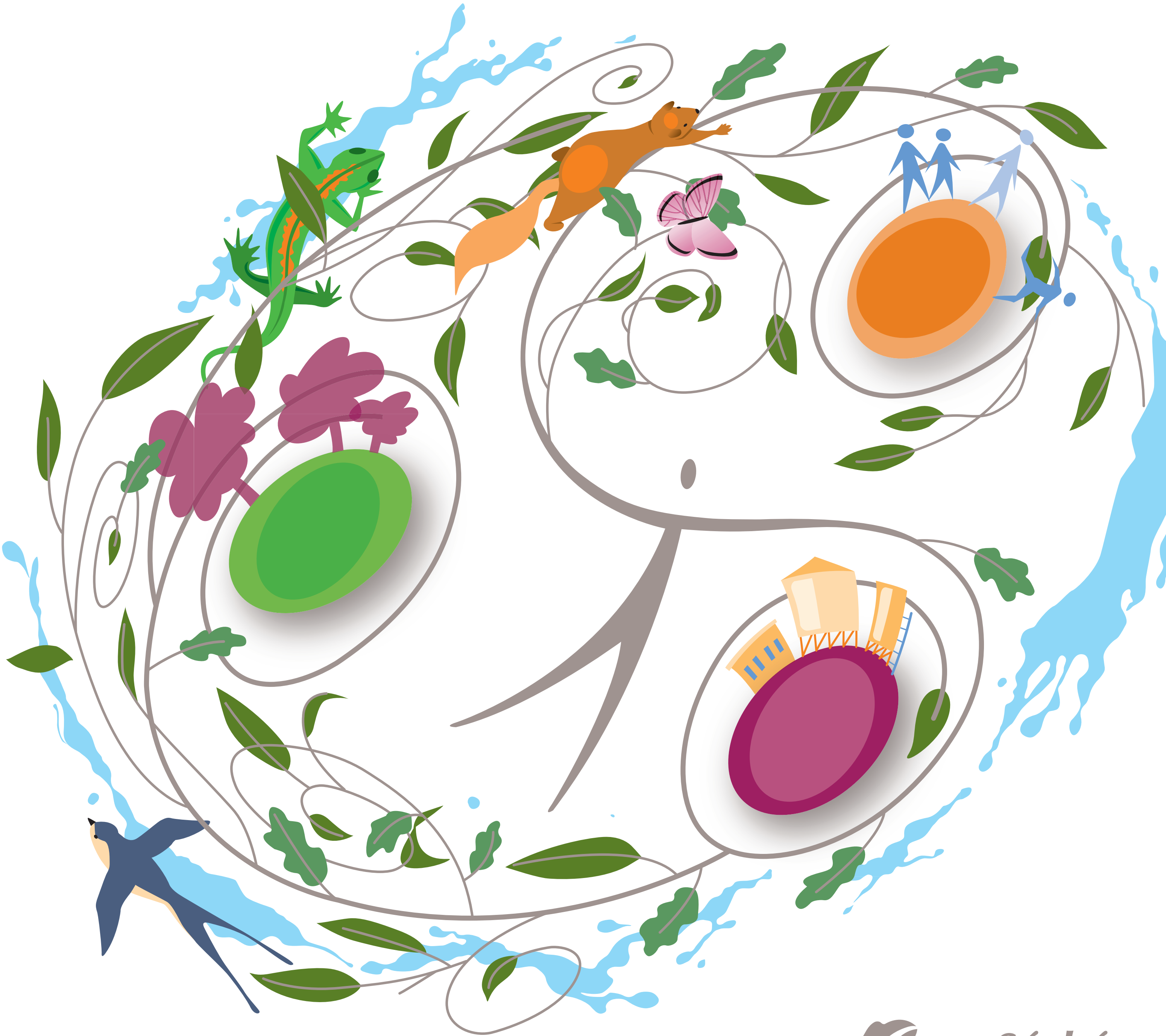
Interim financial report at 30 June 2011



Séché environnement

Séché global solutions

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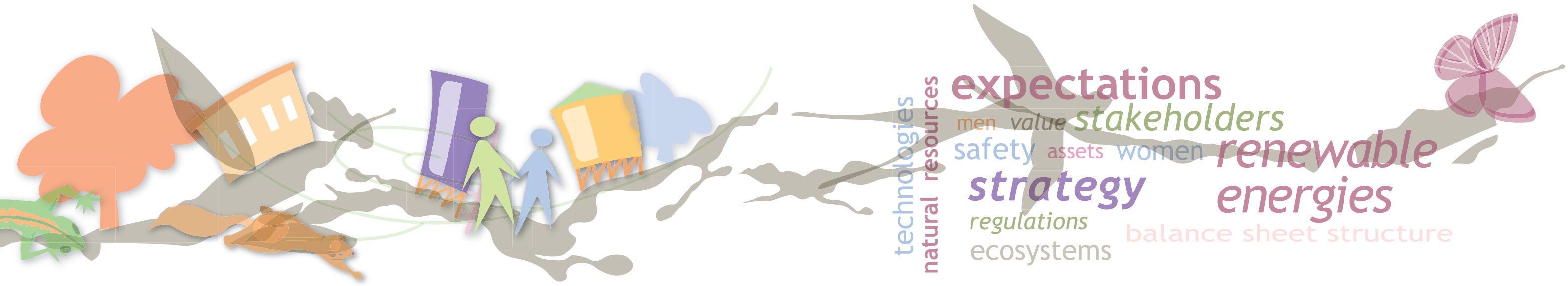
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Person responsible for the interim financial report

Joël Séché, Chairman
of the Board of Directors of
Séché Environnement.

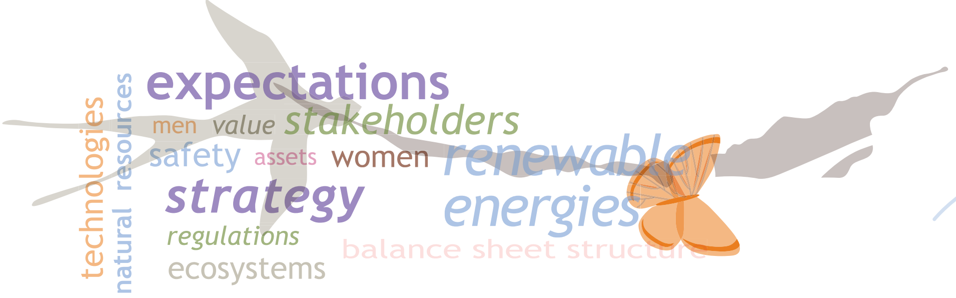
Certification of the person responsible for the interim financial report

"I hereby certify that, to the best of my knowledge, the summary accounts for the half-year reporting period have been drawn up in accordance with applicable accounting standards and provide a faithful and accurate image of the financial situation and income of the Company and all companies included in the consolidation scope, and that the attached interim activity report provides an accurate description of the major events that occurred during the first six months of the financial year, their impact on the accounts, the main transactions with affiliates and a description of the principal risks and uncertainties for the remaining six months of the year."

The Chairman of the Board
of Directors,

Joël Séché

Changé, 6 September 2011



1. Highlights of the period

The Group's activities in the first half of 2011 were marked by the constant effects of a sustained commercial dynamic. Revenues increased by +8.6%, reflecting the commercial successes achieved in 2010 (including the effects, over a whole half-year, of the Strasbourg Urban Community contract and the ramping up of long-term depollution and rehabilitation contracts), and furthermore the strong performance on markets directly related to manufacturing activities. Also in the first half of 2011, the Group confirmed new business gains on reference markets in the hazardous waste sector (which will be a source of growth in the years to come), as well as in non-hazardous waste (in which a three-year public service delegation contract was attributed to Séché for the management of an incinerator at Saint Pierre d'Oléron).

Moreover, the first half of 2011 saw the Group's return to a vigorous investment policy, focused in particular on business development activities in areas closely integrated with its historical business lines, and in line with the impetus provided by the French "Grenelle" conference on the environment: production facilities using refuse-derived fuels (RDFs), modernization of sorting centres, solar energy park, multimodal hubs, etc.

Income from consolidated companies achieved by the Group in the first half of 2011 came to EUR 23.6 million (11.3% of revenues), an improvement of EUR +5.8 million and a leap of more than +32% including the non-recurring effect, in 2010, of the first application of amended IFRS 3. Not including this effect, income from consolidated companies would have increased by EUR +2.6 million (+12.2%).

Net income (Group share) includes the incidence of the Séché Group's share in the net income of the HIME sub-group of EUR –7.8 million. Net income (Group share) came out at EUR 15.9 million (7.6% of revenues), against the net income (Group share) of EUR 8.7 million achieved in the first half of 2010.

2. Summary of results
for the first half of 2011

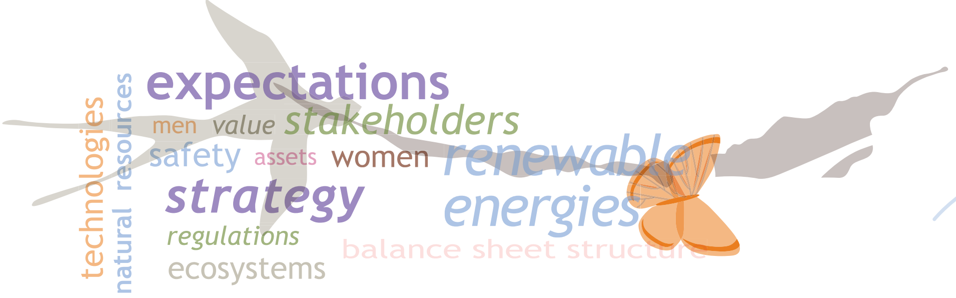
Introduction

With effect from 1 January 2011, in order to adhere more closely to usual practice in the Group's sector of activity, expenses incurred on the one hand for major maintenance and repair work to assets granted under a service concession arrangement, and on the other for site rehabilitation and long-term monitoring, have been reassigned to a separate line in the statement of current operating income (instead of being booked under external expenses and included in the calculation of EBITDA).
For comparison purposes, the 2010 EBITDA figures presented and commented on here have been increased by EUR 523 K relative to the published EBITDA figures for 2010.

2.1. Summary

(IN MILLIONS OF EUROS)	GROUP		OF WHICH FRANCE		OF WHICH INTERNATIONAL	
	30/06/11	30/06/10	30/06/11	30/06/10	30/06/11	30/06/10
Revenues	209.6	193.0	197.9	182.4	11.7	10.6
EBITDA	49.7	47.9	48.6	47.0	1.1	0.9
%	23.7%	24.8%	24.6%	25.8%	9.2%	8.4%
Current operating income	29.0	29.8	28.4	29.5	0.6	0.3
%	13.8%	15.4%	14.4%	16.2%	4.7%	2.9%
Operating income	28.7	24.5	28.2	24.2	0.6	0.3
%	13.7%	12.7%	14.2%	13.3%	4.7%	2.9%
Financial income	4.9	1.5	/	/	/	/
%	2.3%	0.8%	/	/	/	/
Income from consolidated companies	23.6	17.8	/	/	/	/
%	11.3%	9.2%	/	/	/	/
Affiliates (*)	(7.8)	(9.4)	/	/	/	/
Net income (Group share)	15.9	8.7	/	/	/	/
%	7.6%	4.5%	/	/	/	/

(*) Share of income of affiliates



2.2. Activities

Consolidated revenues at 30 June 2011 came out at EUR 209.6 million against EUR 193.0 million at 30 June 2010 in published data. The Group thus posted growth in the first half of 2011 of +8.6%.

This good level of organic growth reflects the strength of the Group's waste treatment activities supported by dynamic sales activities in a favourable economic context, closer to normal than in the same period of last year.

2.2.1. Revenues by division

The Group's activities break down by division as follows:

CONSOLIDATED REVENUES, IN MILLIONS OF EUROS

ACTIVITIES	30/06/11	CHANGE %	30/06/10
HW treatment	136.2	+1.5%	134.1
NHW treatment	73.4	+24.7%	58.8
CONSOLIDATED REVENUES	**209.6**	**+8.6%**	**193.0**
Of which international	*11.7*	*+10.4%*	*10.6*
Of which energy	*10.1*	*+35.3%*	*7.5*

Revenues from the hazardous waste (HW) treatment activity (65% of the Group's consolidated revenues) progressed by +1.5% over the half year. HW maintained a strong level of activity in its principal businesses, especially in those related to industrial activities. However, the Group's activities in this division compare to a high base in 2010, given the favourable effects of the industrial upturn observed in France in the second quarter of 2010.

Revenues from the non-hazardous waste (NHW) treatment activity (35% of the Group's consolidated revenues) show growth of +24.7%, reflecting the contribution of the Strasbourg service concession contract in a full half year, and also the strong orientation of its treatment and recovery markets, offering a wealth of commercial opportunities.

2.3. EBITDA (Earnings before interest, tax, depreciation and amortization)

In the first half of 2010, the Group posted EBITDA (restated) of EUR 47.9 million, amounting to 24.9% of revenues. In the first half of 2011, EBITDA came out at EUR 49.7 million, or 23.7% of revenue, an increase of EUR +1,8 million, reflecting:

- An increase in margins mechanically linked to organic growth of EUR +1.3 million;
- A favourable activities mix effect (including public service concession contracts) of EUR +3.4 million;
- An increase in energy costs of EUR –1.3 million;
- An increase in maintenance costs principally in connection with technical shutdowns (most notably, those of the Salaise 3 turbine) EUR –1.3 million;
- Taxation increases (tax on salaries, tax in support of the handicapped, etc.) of EUR –0.3 million.

2.4. Current operating income and operating income

The Group achieved current operating income of EUR 29.0 million (13.8% of revenues) compared with EUR 29.8 million at 30 June 2010 (15.4% of revenues), a slight decrease of EUR –0.8 million attributable to:

- The increase in EBITDA of EUR +1.8 million;
- The effect, over a full half year, of maintenance costs on the facilities managed by Sénerval of EUR –1.6 million;
- The non-recurring cost of conforming to regulatory requirements concerning site rehabilitation of EUR - 1.0 million.

The Group's operating income at 30 June 2011 came out at EUR 28.7 million (13.7% of revenues), versus EUR 24.5 million (12.7% of revenues) at 30 June 2010. The increase over 2010, of EUR +4.2 million, was principally due to the fact that in 2010, operating income was penalized by EUR –4.9 million by the first-application effects of amended IFRS 3 (as a result of the requirement to book immediately as expenses the acquisition costs incurred in connection with the business combination organized around the HIME sub-group).

2.5. Net financial income

Net financial income for the Séché group at 30 June 2011 came out at EUR 4.9 million, against EUR 1.5 million at 30 June 2010. This increase of EUR +3.4 million is mainly due to:

- A reduction in the cost of net financial debt, both because of decreased indebtedness and through good interest rate hedging (leading to a positive impact on net financial income of EUR +1.7 million);
- The increase of EUR +0.6 million in income from HIME convertible bonds (interest capitalization effect on interest due at 30 April 2011);
- The effects of net write-backs of financial provisions brought about by the completion of liquidation of several companies leaving the consolidation scope (EUR +1.1 million).

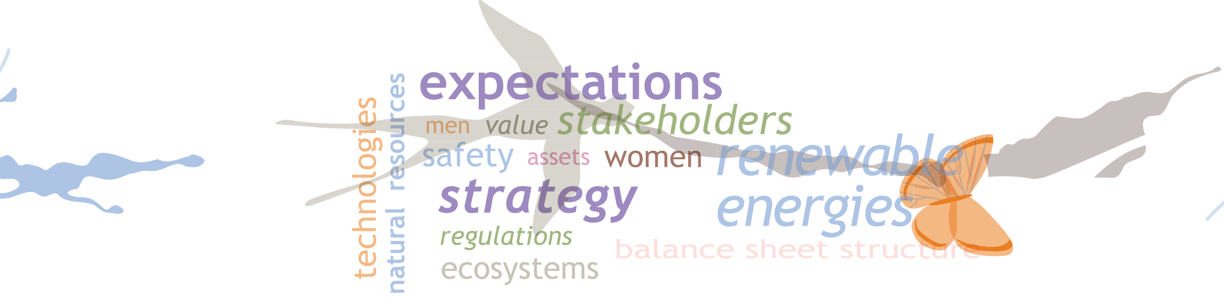
2.6. Net income of consolidated companies

Net income of consolidated companies at 30 June 2011 amounted to EUR 23.6 million, an improvement of EUR +5.8 million, or +32.3%. compared with the net income of consolidated companies posted at 30 June 2010 (EUR 17.8 million). This increase takes account of the non-occurrence in 2011 of the effects in 2010 of first application of amended IFRS 3 (EUR –3.2 million, net of corporation tax). Disregarding this non-recurring event in 2010, net income of consolidated companies improved by EUR +2.6 million from 2010 to 2011 (or +12.2%), through improvement of financial income in a context of virtually stable profitability from current operations.

2.7. Share of income of affiliates

This line consists almost entirely of Séché Group's share in income generated by the HIME sub-group.

In the first half of 2011, income from the HIME sub-group (Séché Group share) came to EUR –7.8 million. In the first half of 2010, it posted a net loss (Séché Group share) of EUR –9.3 million, hence a positive variation between the two periods of EUR +1.5 million.



2.7.1. HIME

The main items of the HIME sub-group's activities are presented by core business in the table below:

HIME	30/06/10 (ACTUAL)			30/06/11 (ACTUAL)		
	WATER	WASTE	TOTAL	WATER	WASTE	TOTAL
Revenues	603.8	156.0	**759.8**	655.0	168.4	**823.4**
% change	*+1.1%*	*+5.3%*	***+2.0%***	*+8.5%*	*+8.0%*	***+8.4%***
EBITDA	67.1	19.8	**86.9**	71.8	19.1	**90.8**
% of revenues	*11.2%*	*12.7%*	***11.4%***	*11.0%*	*11.3%*	***11.0%***
Current operating income	26.6	3.6	**30.2**	33.8	6.3	**40.1**
% of revenues	*4.5%*	*2.4%*	***4.0%***	*5.2%*	*3.7%*	***4.9%***
Operating income	25.9	3.6	**29.5**	35.6	6.4	**42.0**
% of revenues	*4.3%*	*2.4%*	***3.9%***	*5.4%*	*3.8%*	***5.1%***
Financial income			**(64.8)**			**(69.6)**
Net income (Group share)			**(28.2)**			**(23.6)**
Share held by Séché			**(9.3)**			**(7.8)**

Operating profitability

The water activity generated revenues of EUR 655.0 million, an increase of EUR +51.2 million (+8.5%) in comparison with the same period of 2010.
This increase includes a scope effect concerning ancillary businesses of EUR 21.2 million. Disregarding changes in scope, the water activity posted an increase in revenues of +5%, while EBITDA also increased, by +4.7 million (+7.0%), up from EUR 67.1 million (11.2% of revenues) in 2010 to EUR 71.8 million (11.0% of revenues) in 2011. Hence, HIME's activities benefited from the strength of the water business, favourable climatic conditions in the second half of the year and the confirmed upturn in works activities, sustained at the EBITDA level by productivity efforts designed to compensate for the commercial impacts of long-term contracts.

The waste management business posted revenues of EUR 168.4 million (an increase over the half year of EUR +12.4 million, or +8.0%), EBITDA of EUR 19.1 million, or 11.3% of revenues (against EUR 19.8 million in 2010, or 13.4% of revenues) and current operating income of EUR 6.3 million (against current operating income in the first half of 2010 of EUR 3.6 million). The strong increase in revenues (+8.5%) is principally due to rises in secondary raw materials prices. EBITDA benefited mechanically from this increased activity, but was penalized by increases in fuel costs (EUR –1.1 million).

EBITDA in 2011 is comparable to an EBITDA in 2010 which was impacted by favourable non-recurrent elements such as the change in the professional tax base (an impact of EUR –2.4 million comparing 2010 with 2011). Hence, EBITDA for the waste management business fell slightly by EUR –0.7 million.

Given the increase in EBITDA for both businesses combined (EUR +4.0 million) and a significantly lower level of net charges for provisions in the first half of 2011 than in the first half of 2010 (the effect, notably, of the conversion-to-current-value rate for end-of-career payments, and of improved visibility of international risks), current operating income of the HIME sub-group increased by EUR +12.5 million (+42.3%) to reach EUR 42.0 million (5.1% of revenues).

Financial income

- An increase in the average rate of principal swaps (which rose to 4.05% in 2011 against 3.86% in 2010) and, correlatively, that of debt, the year 2010 benefiting from a gain on implementation of a basic swap;
- An increase in interest charges on convertible bonds (interest capitalization effect).

Net income

In this context, the HIME sub-group posted net income of EUR –23.6 million, an improvement of EUR +4.6 million.

2.7.2. HIME balance sheet items

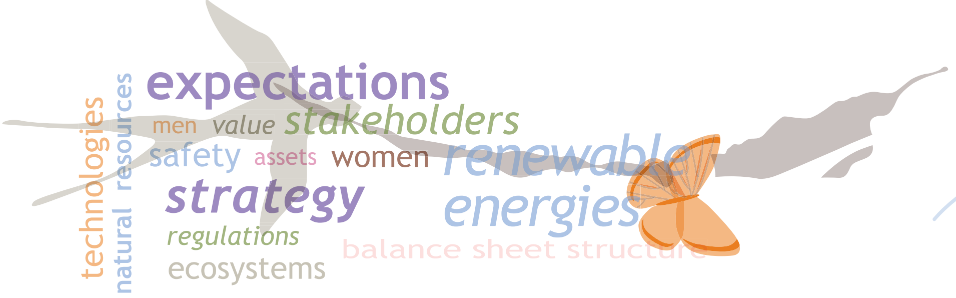
The main items of the HIME sub-group's balance sheet at 30/06/11 can be summarized as follows:

(IN MILLIONS OF EUROS)	31/12/10	30/06/11
Non-current assets	3 057	3 134
Current assets net of cash and cash equivalents	998	957
Cash and cash equivalents	166	100
Shareholders' equity (including minority interests)	73	70
Non-current liabilities	2 770	2 840
Current liabilities	1 378	1 281

Non-current assets consist mainly of goodwill (EUR 2 008 million), and tangible and intangible fixed assets (EUR 1 063 million)

Current and non-current liabilities break down as follows:

(IN MILLIONS OF EUROS)	31/12/10			30/06/11		
	NC	C	TOTAL	NC	C	TOTAL
Financial liabilities	2 122	28	**2 150**	2 202	16	**2 218**
Provisions	511	12	**523**	515	12	**527**
Other liabilities	137	1 338	**1 475**	123	1 253	**1 376**
TOTAL	**2 770**	**1 378**	**4 148**	**2 840**	**1 281**	**4 121**



In conformity with IFRS standards, convertible bonds issued by HIME are booked as follows:

- EUR 451.8 million in financial debt;
- EUR 86.2 million in shareholders' equity.

Non-current provisions include a provision for deferred tax liabilities of EUR 227 million which are principally the result of first consolidation differences booked under intangible assets.

2.7.3. HIME Statement of cash flows

(IN MILLIONS OF EUROS)	31/12/10	30/06/10	30/06/11
Cash flow generated by activities	242.0	112.7	47.8
Cash flow linked to investment operations	(72.1)	(40.4)	(79.3)
Cash flow linked to financing operations	(117.5)	(49.9)	(22.8)
CHANGE IN CASH FLOW	**(52.4)**	**21.9**	**(54.3)**

The HIME sub-group's net cash flows in the first half of 2011 resulted in a net outflow of EUR 54.3 million. In the same period of 2010, HIME generated a positive cash flow of EUR 21.9 million.

This net cash outflow stems from:

- A considerable change in WCR (EUR –33.8 million) principally due to the increase in surtaxes paid to local authorities in connection with increased invoicing activity at the end of 2010;
- Cash used to finance investments, financed in part by drawing on a financing line of EUR 30.0 million;
- Payment of interest on debt.

The unfavourable change in cash flow between the two periods (first half of 2011 versus first half of 2010) of EUR –76 million is principally attributable to:

- The variation in WCR (EUR –69.0 million) under the effect, in 2011, of the increase in surtaxes paid, in a context of non-recurrence of significant one-off positive effects observed in 2010: the impact of leaving the paid holidays fund, and a "catching up" of account collections in the first half of 2010;
- An increase in investment expenditures (EUR –9.0 million).

2.8. Consolidated net income, Group share

In this context, the Séché Group achieved in the first half of 2011 net income (Group share) of EUR 15.9 million (7.6% of revenues), an increase of EUR +7.2 million or +82.1% compared with 2010. Restated to take account of the first-application impact of amended IFRS 3, net income (Group share) increased by EUR +4 million, or +26.9% over the half year.

3. Summary of the consolidated balance sheet at 30/06/11

Extract from consolidated balance sheet

(IN MILLIONS OF EUROS)	31/12/10 ACTUAL	30/06/11 ACTUAL
Non-current assets	575	585
Current assets (excluding cash and cash equivalents)	133	142
Cash and cash equivalents	43	25
Shareholders' equity (including minority interests)	370	383
Non-current liabilities	200	39
Current liabilities	182	330

3.1. Non-current assets

Non-current assets are primarily fixed assets (tangible, including goodwill, intangible and financial) and deferred tax assets.

The change in non-current assets from 31 December 2010 to 30 June 2011 of EUR –10 million is largely due to:

- A net increase in tangible and intangible fixed assets of EUR +5.7 million;
- Recognition of EUR +6.9 million in interest for the period on HIME convertible bonds;
- the change in equity value of HIME shares (EUR –0.7 million) principally under the effect of the losses in the first half of 2011 (Séché Group share, EUR –7.8 million), the variation in fair value of HIME's hedging instruments (EUR +5.7 million) and the impact of the capital gain on the Blue Green operation booked in shareholders' equity (EUR +1.1 million);
- A change in deferred tax assets of EUR –2.2 million.

3.2. Current assets (excluding cash and cash equivalents)

Current assets increased by EUR +9 million, by virtue of an increase in customer credit related to growth in operations, the average invoice settlement period having improved by 1.5 days.

3.3. Shareholders' equity

Changes in shareholders' equity (including minority interests) break down as follows:

(IN MILLIONS OF EUROS)	GROUP	OF WHICH HIME SHARE	MINORITY INTERESTS
SHAREHOLDERS' EQUITY AT 31/12/10	**368.8**	**(103.5)**	**1.0**
Dividends paid	(11.1)	/	/
Net earnings (Group share)	15.9	(7.8)	NS
Foreign currency differences	0.1	0.3	/
Hedging instruments	7.0	5.7	/
Treasury stock	/	/	/
Other changes	1.2	1.1	/
SHAREHOLDERS' EQUITY AT 30/06/11	**381.7**	**(104.2)**	**1.0**

The change in the fair value of hedging instruments (up EUR +7.0 million) primarily stems from the instruments contributed by HIME for the share held by Séché (EUR +5.7 million)

3.4. Current and non-current liabilities

(IN MILLIONS OF EUROS)	31/12/10			30/06/11		
	NC	C	TOTAL	NC	C	TOTAL
Financial debt	193.7	44.6	**238.3**	34.8	190.1	**224.9**
Hedging instruments	2.0	0.6	**2.6**	0.2	0.3	**0.5**
Provisions	2.8	17.1	**19.9**	3.5	15.4	**18.9**
Other liabilities	1.4	115.3	**116.7**	1.0	123.9	**124.9**
Tax due	/	4.6	**4.6**	/	0.4	**0.4**
TOTAL	**199.9**	**182.2**	**382.2**	**39.5**	**330.1**	**369.6**

The increase in current liabilities (EUR +147.9 million) is principally due to the natural evolution of maturity of senior debt

Changes in the Group's net financial debt break down as follows:

(In millions of euros)	31/12/10	30/06/11
Bank loans	216.3	204.8
Lease finance debt	20.4	18.2
Miscellaneous financial debt	0.3	0.3
Short-term bank borrowings	0.6	0.7
Equity investment	0.8	0.8
TOTAL FINANCIAL DEBT (CURRENT AND NON-CURRENT)	**238.3**	**224.9**
Cash balance	(43.4)	(25.2)
NET FINANCIAL DEBT	**194.9**	**199.6**
Of which less than one year	*1.3*	*164.8*
Of which more than one year	*193.7*	*34.8*

4. Summary of the consolidated statement of cash flows

(IN THOUSANDS OF EUROS)	31/12/10	30/06/10	30/06/11
INCOME FROM CONSOLIDATED COMPANIES	**46 097**	**17 827**	**23 601**
Elimination of income and expenses with no cash impact or not related to operating activities:			
• Amortization and provisions	35 272	17 790	8 725
• Net capital gain on disposals	572	(328)	6 774
• Deferred taxes	1 938	478	1 500
• Other income and expenses calculated	3 470	5 648	(133)
CASH FLOW FROM OPERATING ACTIVITIES	**87 349**	**41 415**	**40 467**
Corporate tax expenses	19 288	7 707	8 507
Cost of financial debt before long-term investments	(5 880)	(1 828)	(3 541)
CASH FLOW before taxes and financing costs	**100 757**	**47 294**	**45 433**
Change in working capital requirement	3 981	5 059	4 636
Income tax paid	(11 731)	(4 286)	(13 839)
NET CASH FLOW FROM OPERATING ACTIVITIES	**93 007**	**48 067**	**36 230**
Investments in tangible and intangible fixed assets	(29 215)	(13 664)	(26 273)
Proceeds from disposals of tangible and intangible fixed assets	2 239	1 265	187
Payments made for acquisitions of financial investments	(1 084)	(528)	(185)
Payments received for disposals of financial investments	5 545	56	216
Net cash from acquisitions of subsidiaries	/	/	/
Net cash from disposals of subsidiaries	(56)	(10)	3
CASH FLOW FROM INVESTMENT ACTIVITIES	**(22 571)**	**(12 881)**	**(26 052)**
Dividends paid to equity holders of the parent company	(11 151)	(11 151)	(11 145)
Dividends paid to minority shareholders of consolidated companies	(1)	(2)	(1)
Capital increases in cash	/	/	/
Changes in other shareholders' equity	237	/	(11)
Changes in other equity capital	(6)	(3)	/
Borrowings	5 498	2 960	8 643
Repayments of borrowings	(32 309)	(16 453)	(22 643)
Interest paid	(8 544)	(4 522)	(3 340)
NET CASH FLOW FROM FINANCING ACTIVITIES	**(46 276)**	**(29 171)**	**(28 497)**
TOTAL CASH FLOW FOR THE PERIOD	**24 160**	**6 015**	**(18 319)**
Cash and cash equivalents at beginning of period	18 622	18 622	42 849
Cash and cash equivalents at end of period (*)	42 849	24 747	24 496
Effect of changes in foreign currency exchange rates	67	110	(34)
(*) Of which:			
• Cash and cash equivalents	*43 431*	*25 006*	*25 222*
• Short-term bank borrowings (current financial liabilities)	*(582)*	*(259)*	*(726)*

In the first half of 2011, Séché Group posted negative net cash flow of EUR –18.3 million.

Cash flow from operating activities

Operating activities yielded cash flow amounting to EUR 36.2 million in the first half of 2011, a decrease of EUR –11.9 million compared with the cash flow generated in the first half of 2010.

The principal sources of changes in these operational cash flows are to be found in:

- An increase in corporate income tax paid of EUR –9.5 million;
- A contraction in cash flow of EUR –1.9 million linked to the reduction in EBITDA net of maintenance expenses concerning fixed assets included in concessions;
- A slight drop in variation of WCR, which nevertheless remained positive at EUR – 0.4 million.

Cash flow from investment activities

Investment expenses (net of realized gains on disposals) amounted to EUR 20.1 million, and almost entirely concern industrial investments.

(IN MILLIONS OF EUROS)	31/12/10	30/06/10	30/06/11
Capital expenditures	10.8	13.1	22.3
Financial investments	NS	0.3	0.1
INVESTMENTS BOOKED	**10.8**	**13.4**	**22.4**
Capital expenditures	21.3	13.7	26.3
Financial investments	0.1	0. 5	0.2
INVESTMENTS PAID	**21.4**	**14.2**	**26.1**

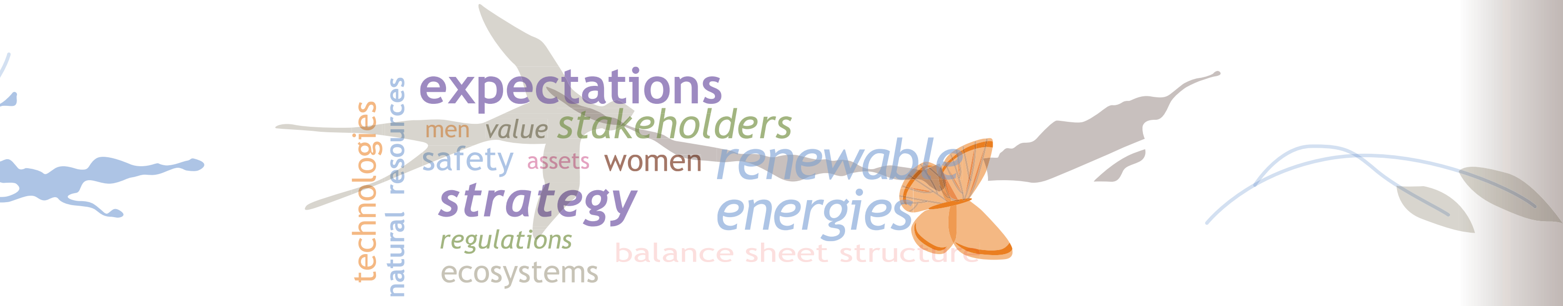
Industrial investments booked by the Group in the period amounted to EUR 22.3 million, up compared with the first half of 2010 by EUR 9.2 million, in line with the Group's investment strategy and the orientation of its activities.

Investments made in the first half-year principally concerned storage activities (EUR 8.7 million: sorting centres, RDF facilities), energy (EUR 4.4 million: solar electricity generation), incineration (EUR 5.0 million) and depollution activities related to specific contracts (EUR 1.5 million).

Cash flow from financing activities

Cash flow from financing activities in the first half of 2011 amounted to EUR –28.5 million corresponding principally to:

- Reimbursement of corporate debt according to the agreed payment schedule (EUR –18.8 million);
- Repayment of finance lease liabilities according to the agreed payment schedule (EUR –2.2 million) and other financings put in place in 2010 (EUR –1.4 million);
- Implementation of new specific financings related to industrial investments (EUR +8.3 million);
- Interest on debt paid off in the first half of the year (EUR –3.4 million);
- Payout of dividends in respect of 2010 (EUR –11.1 million).



5. Main transactions with related parties

The Group's main transactions with related parties are presented in Note 2.4 in the notes to the interim financial statements, on page 30 of the present interim financial report.

6. Outlook

6.1. Risks and uncertainties

The Group's assessment of the main risks and uncertainties to which its businesses are exposed has not changed from that detailed on pages 27-30 of the 2010 Registration Document filed with the French Financial Markets Authority under number D. 11-0088.

6.2. Future prospects

Séché Environnement specializes in the treatment and recovery of waste, and as such is present on markets enjoying long-term growth, under the effects of regulations issued as a result of the French "Grenelle" conference on the environment. These define new sustainable development issues to which its customers, in both the industrial and local authority sectors, have to respond.

These markets are also characterized by the rapid development of high-value-added activities around materials recovery and energy extraction from waste products.

Thus, the Group constantly adapts its offerings to be able to provide its customers with relevant solutions for the treatment and recovery of all types of waste, and to seize the commercial opportunities arising from these new environmental issues, for example on waste management outsourcing markets, whether for major industrial groups or large local authorities.

This strategy enables Séché Environnement to drive its growth model forward through a broadening of its offering towards long-term activities such as public service delegation contracts for the management of treatment and recovery facilities, and to strengthen its industrial assets by means of a sustained development investment policy aimed at expanding activities such as waste sorting and recovery (production of substitute fuels), or the production of renewable energy related to its traditional activities.

In this way, Séché Environnement plans to make industrial investments in 2011 amounting to some EUR 50 million (not including investments to be made in the context of public service delegation contracts).

Strengthened by the positive trends observable on its markets and by its commercial dynamism, Séché Environnement confirms its revenue growth forecast for 2011 of the order of 7%.

Given the non-recurring or exogenous charges noted in the first half at the EBITDA level, current operating income for the year 2011 should be maintained at around the value achieved in 2010 [(1)].

Consolidated net income (Group share) is expected to progress in line with 2010.

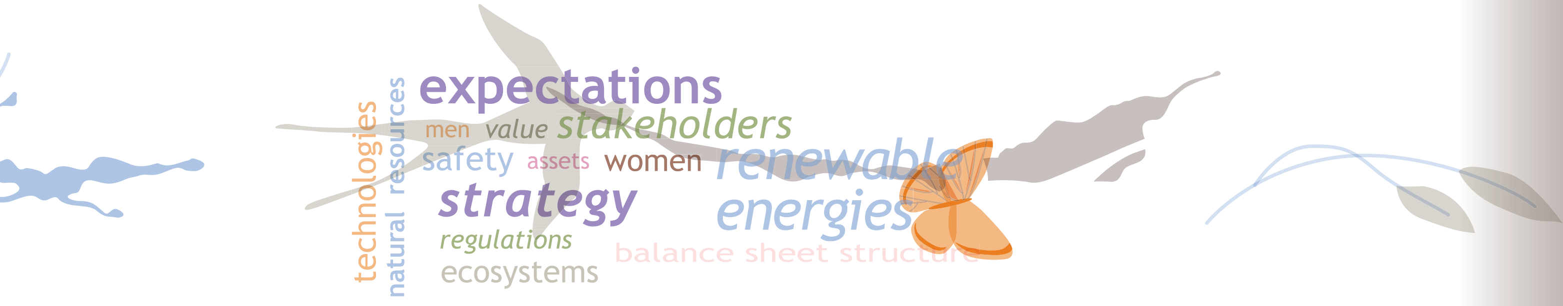
(1) Versus: current operating income "reaching over EUR 70 million in 2011" as forecast at the time of publication of the annual results for 2010, on 28 February 2011

7. Séché Environnement parent company financial statements

Séché Environnement reported net income of EUR 36.8 million for the six-month period to 30 June 2011, compared with EUR 34.0 million for the same period in 2010. This increase in net income of EUR +2.8 million can be broken down as follows:

(IN MILLIONS OF EUROS)	30/06/10	30/06/11	CHANGE
Revenues	7.0	6.4	(0.6)
Operating income	2.1	0.6	(1.5)
Financial income	32.2	36.5	+4.3
Extraordinary items	0.1	0.5	+0.4
Corporation tax (including tax consolidation)	(0.4)	(0.8)	(0.4)
NET INCOME	**34.0**	**36.8**	**+2.8**

The increase in net income (EUR +2.8 million) is the result of an improvement in financial income, partially compensated for by a reduction in operating income on the part of the holding company, which currently tends towards break-even, a more normal situation.



8. Ownership
Structure

SHARE OWNERSHIP AT 30 JUNE 2011	NUMBER OF SHARES	%	VOTING RIGHTS	%
Joël Séché	3 522 400	40.8%	7 044 800	57.4%
Amarosa family trust (*)	116 036	1.3%	232 072	1.9%
SUB-TOTAL, JOËL SÉCHÉ FAMILY	3 638 436	42.1%	7 276 872	59.3%
FSI	1 726 974	20.0%	1 726 974	14.1%
Treasury stock (**)	57 009	0.7%	57 009	0.5%
Free float	3 212 451	37.2%	3 216 106	26.2%
TOTAL	8 634 870	100.0 %	12 339 046	100.0%

(*) The Amarosa family trust is majority controlled by Mr. Joël Séché

(**) Treasury stock is stripped of voting rights. However, the table here presents the calculation of voting rights as recommended by the AMF for the disclosure of ownership threshold breaches

Since 1 January 2011 and until the date of this meeting, Séché Environnement has not been informed of any ownership threshold breaches in either direction.

The Board of Directors

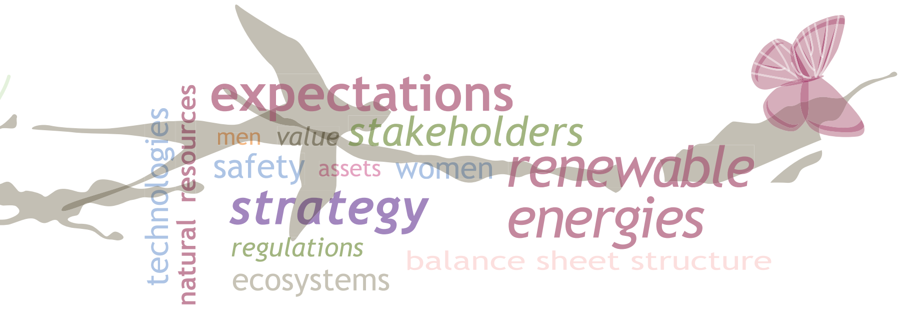
Interim consolidated financial statements at 30 June 2011

1. Consolidated balance sheet

(IN THOUSANDS OF EUROS)	31/12/09	31/12/10	30/06/11	NOTE
Goodwill	212 874	212 875	212 875	1
Intangible fixed assets included in concessions		370	1 140	1
Other intangible fixed assets	5 173	6 863	6 913	1
Property, plant and equipment	154 994	155 014	159 930	1
Investments in affiliates	61 119	33 926	33 235	2
Non-current financial assets	137 891	147 350	154 065	3
Hedging instruments - non-current assets	/	/	129	3
Other non-current assets	0	1 759	1 568	3
Deferred tax assets	19 877	17 110	14 939	
NON-CURRENT ASSETS	591 928	575 268	584 794	
Inventories	7 769	8 018	8 579	3
Trade and other receivables	106 319	112 665	116 269	3
Corporate tax receivables	3 551	/	1 156	3
Current financial assets	124	88	37	3
Hedging instruments - current assets	/	/	/	3
Other current assets	18 642	12 372	15 972	3
Cash and cash equivalents	19 108	43 431	25 222	3.1.4
CURRENT ASSETS	155 513	176 574	167 235	
TOTAL ASSETS	747 441	751 842	752 029	
Share capital	1 727	1 727	1 727	6.1
Additional paid-in capital	299 079	299 079	299 079	6.2
Reserves	33 068	40 600	64 929	6.3
Net income (Group share)	24 851	27 366	15 915	
SHAREHOLDERS' EQUITY (Group share)	358 725	368 772	381 650	
Minority interests	960	955	858	
TOTAL SHAREHOLDERS' EQUITY	359 685	369 727	382 508	
Non-current financial debt	233 151	193 716	34 762	3.2.1
Hedging instruments - non-current liabilities	3 562	1 984	227	3.2.2
Employee benefits	134	169	204	4
Deferred tax liabilities	27	32	42	
Other non-current provisions	3 549	2 653	3 204	4
Other non-current liabilities	238	1 350	966	3
NON-CURRENT LIABILITIES	240 661	199 904	39 405	
Current financial debt	31 195	44 648	190 079	3.2.1
Hedging instruments - current liabilities	1 689	609	298	3.2.2
Current provisions	13 398	17 081	15 480	4
Income tax payable	596	4 610	387	
Other current liabilities	100 216	115 263	123 872	3
CURRENT LIABILITIES	147 095	182 211	330 116	
TOTAL LIABILITIES	747 441	751 842	752 029	

With effect from 1 January 2011, because of the time lag between the date of committing to expenditure incurred for future major maintenance and/or repairs to assets included in concessions, and the actual occurrence of such expenses, these are recorded under accrued expenses in the category of other current liabilities (liabilities for the restoration of assets included in concessions), instead of under current provisions.

For comparability purposes, provisions booked at the end of 2009 and the end of 2010 for these items (respectively EUR 125 K and EUR 903 K) have been reclassified under "other current liabilities".



2. Consolidated income statement

(IN THOUSANDS OF EUROS)	NOTE	30/06/09	30/06/10	30/06/11
REVENUE	7	178 168	192 994	209 603
Other business income		812	2 012	2 650
Transfers of expenses		1 161	1 583	1 983
Purchases used for operational purposes		(24 697)	(27 223)	(31 939)
External expenses		(52 269)	(63 838)	(70 297)
Taxes other than on income		(16 463)	(15 230)	(15 738)
Employee benefits expenses		(41 868)	(42 405)	(46 603)
EBITDA	8	44 845	47 891	49 659
Other operating income		(454)	(523)	(3 117)
Other operating expenses		(530)	(409)	(79)
Net allocations to provisions		1 312	(1 225)	(936)
Net allocations to amortization		(16 480)	(15 956)	(16 548)
CURRENT OPERATING INCOME	8	28 693	29 779	28 979
Income on sale of fixed assets		(68)	328	20
Impairment of assets		(246)	/	/
Consolidation scope variation effects		/	(4 854)	/
Other operating income and expenses		/	(750)	(271
OPERATING INCOME		28 378	24 503	28 728
Income from cash and cash equivalents		5 735	6 447	7 195
Gross financial borrowing costs		(6 065)	(5 231)	(3 450)
COST OF NET FINANCIAL DEBT		(330)	1 216	3 745
Other financial income		10 948	1 617	8 179
Other financial expenses		(10 011)	(1 324)	(7 044)
FINANCIAL INCOME	10	610	1 509	4 880
Income tax	11	(9 218)	(8 185)	(10 007)
NET INCOME BEFORE NET INCOME FROM DISCONTINUED OPERATIONS		19 771	17 827	23 601
Discontinued operations		(9 745)	(9 360)	(7 786)
NET INCOME BEFORE NET INCOME FROM DISCONTINUED OPERATIONS		10 026	8 467	15 815
Share of income of affiliates	/	/	/	
NET INCOME BEFORE MINORITY INTERESTS		10 026	8 467	15 815
Attributable to minority interests		*59*	*(275)*	*(99)*
Attributable to equity holders of the company		*9 967*	*8 742*	*15 915*
Earnings per share		1.15€	1.02€	1.86€
Diluted earnings per share		1.15€	1.02€	1.86€

With effect from 1 January 2011:

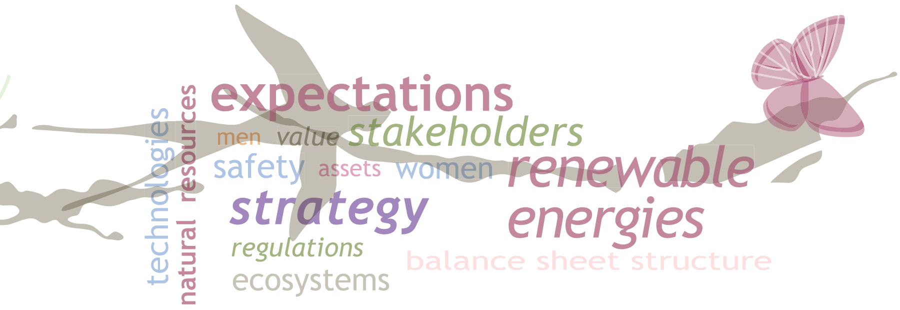
- Contributions paid to outside organizations in respect of covering end-of-career payment commitments are booked under employee benefit expenses rather than under external expenses.
  For comparability purposes, these items for 2009 and 2010 have been restated, respectively as EUR 127 K and EUR 293 K.
- Expenses incurred, on the one hand for future major maintenance and/or repairs to assets included in concessions, and on the other for site rehabilitation and long-term monitoring, have been reclassified on a separate line of current operating income (instead of under miscellaneous external expenses). For comparability purposes, EBITDA for the years 2009 and 2010 has been restated, respectively as EUR 446 K and EUR 523 K.
- A new line, consolidation scope variation effects, has been created under operating income for the purpose of recording the impacts of business combinations. Concerning the year 2010, this line records the impact of first application of amended IFRS 3.

3. Statement of net income and gains and losses directly recognized in equity

(IN THOUSANDS OF EUROS)	31/12/09 ACTUAL	30/06/10 ACTUAL	30/06/11 ACTUAL
Foreign currency differences	(554)	(408)	91
Change in fair value of financial hedging instruments	(1 016)	256	1 969
Change in fair value of available-for-sale financial assets	/	(96)	(57)
Share of profits and losses of affiliates booked directly under shareholders' equity accounted for by the equity method	(3 238)	(17 086)	5 670
Tax effect	/	(88)	(678)
SUB-TOTAL OF GAINS AND LOSSES BOOKED DIRECTLY UNDER SHAREHOLDERS' EQUITY	**(4 808)**	**(17 422)**	**6 996**
NET INCOME FOR THE PERIOD	**10 026**	**8 467**	**15 815**
TOTAL GAINS (LOSSES) BOOKED	**5 218**	**(8 955)**	**22 811**
Attributable to equity holders of the company	*5 159*	*(8 680)*	*22 910*
Attributable to minority interests	*59*	*(275)*	*(99)*

4. Statement of changes in consolidated shareholders' equity

(IN THOUSANDS OF EUROS)	CAPITAL Note 8	PREMIUMS Note 9	NUMBER OF SHARES HELD AS TREASURY STOCK
SHAREHOLDERS' EQUITY AT 31/12/08	**1 727**	**299 078**	**(3 341)**
Profits and losses booked directly in equity	/	/	/
Net income at 30/06/09	/	/	/
Net income and profits and losses booked directly in equity	/	/	/
Dividends paid	/	/	/
Treasury stock	/	/	(294)
Other changes	/	/	/
SHAREHOLDERS' EQUITY AT 30/06/09	**1 727**	**299 078**	**(3 635)**
SHAREHOLDERS' EQUITY AT 31/12/09	**1 727**	**299 078**	**(3 407)**
Profits and losses booked directly in equity	/	/	/
Net income at 30/06/10	/	/	/
Net income and profits and losses booked directly in equity	/	/	/
Dividends paid	/	/	/
Treasury stock	/	/	29
Other changes	/	/	/
SHAREHOLDERS' EQUITY AT 30/06/10	**1 727**	**299 078**	**(3 378)**
SHAREHOLDERS' EQUITY AT 31/12/10	**1 727**	**299 078**	**(3 170)**
Profits and losses booked directly in equity	/	/	/
Net income at 30/06/11	/	/	/
Net income and profits and losses booked directly in equity	/	/	/
Dividends paid	/	/	/
Treasury stock	/	/	(15)
Other changes	/	/	/
SHAREHOLDERS' EQUITY AT 30/06/11	**1 727**	**299 078**	**(3 185)**



CONSOLIDATED RESERVES AND NET INCOME	GAINS AND LOSSES BOOKED DIRECTLY IN EQUITY	TOTAL ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	TOTAL ATTRIBUTABLE TO HOLDERS OF MINORITY INTERESTS	TOTAL SHAREHOLDERS' EQUITY
Note 10				
84 666	(29 740)	352 390	952	353 342
/	(4 807)	(4 807)	/	(4 807)
9 967	/	9 967	59	10 026
9 967	(4 807)	5 160	59	5 219
(11 142)	/	(11 142)	(1)	(11 143)
/	/	(294)	/	(294)
(334)	/	(334)	/	(334)
83 157	(34 548)	345 780	1 010	346 790
98 163	(36 836)	358 725	960	359 685
/	(17 422)	(17 422)	/	(17 422)
8 742	/	8 742	(275)	8 467
8 742	(17 422)	(8 680)	(275)	(8 955)
(11 151)	/	(11 151)	(2)	(11 153)
/	/	29	/	29
/	/	/	404	404
95 754	(54 258)	338 923	1 087	340 010
114 370	(43 232)	368 772	955	369 727
/	6 996	6 996	/	6 996
15 915		15 915	(99)	15 816
15 915	6 996	22 911	(99)	22 812
(11 145)	/	(11 145)	(1)	(11 146)
/	/	(15)	/	(15)
1 127	/	1 127	3	1 130
120 267	(36 236)	381 650	858	382 508

5. Consolidated statement of cash flows

(IN THOUSANDS OF EUROS)	31/12/10	30/06/10	30/06/11
INCOME OF CONSOLIDATED COMPANIES	**46 097**	**17 827**	**23 601**
Elimination of income and expenses with no cash impact and/or not related to operating activities:			
• Amortization and provisions	35 272	17 790	8 725
• Net capital gain on disposals	572	(328)	6 774
• Deferred taxes	1 938	478	1 500
• Other income and expenses	3 470	5 648	(133)
CASH FLOW FROM OPERATING ACTIVITIES	**87 349**	**41 415**	**40 467**
Corporate tax expenses	19 288	7 707	8 507
Cost of gross financial debt before long-term investments	(5 880)	(1 828)	(3 541)
CASH FLOW FROM OPERATING ACTIVITIES before taxes and financing costs	**100 757**	**47 294**	**45 433**
Changes in working capital requirement	3 981	5 059	4 636
Income tax paid	(11 731)	(4 286)	(13 839)
NET CASH FLOW FROM OPERATING ACTIVITIES	**93 007**	**48 067**	**36 230**
Purchases of fixed assets	(29 215)	(13 664)	(26 273)
Proceeds from disposals of fixed assets	2 239	1 265	187
Outflows for acquisitions of financial investments	(1 084)	(528)	(185)
Income from disposals of financial investments	5 545	56	216
Net cash outflow for acquisitions of subsidiaries	/	/	/
Net cash inflow from disposals of subsidiaries	(56)	(10)	3
CASH FLOW USED IN INVESTING ACTIVITIES	**(22 571)**	**(12 881)**	**(26 052)**
Dividends paid to equity holders of the parent	(11 151)	(11 151)	(11 145)
Dividends paid to minority shareholders of consolidated companies	(1)	(2)	(1)
Capital increase in cash	/	/	/
Treasury stock movements	237	/	(11)
Changes in other shareholders' equity	(6)	(3)	/
Borrowings	5 498	2 960	8 643
Repayments of borrowings	(32 309)	(16 453)	(22 643)
Interest paid	(8 544)	(4 522)	(3 340)
NET CASH FLOW FROM FINANCING ACTIVITIES	**(46 276)**	**(29 171)**	**(28 497)**
TOTAL CASH FLOW FOR THE PERIOD	**24 160**	**6 015**	**(18 319)**
Cash and cash equivalents at beginning of year	18 622	18 622	42 849
Cash and cash equivalents at end of year (*)	42 849	24 747	24 496
Effect of changes in foreign exchange rates	67	110	(34)
(*) Of which:			
• Cash and cash equivalents	*43 431*	*25 006*	*25 222*
• Short-term bank borrowings (current financial liabilities)	*(582)*	*(259)*	*(726)*

With effect from 1 January 2011, because of the time lag between the date of committing to expenditure incurred for future major maintenance and/or repairs to assets included in concessions, and the actual occurrence of such expenses, these are recorded under accrued expenses in the category of other current liabilities (liabilities for the renewal of assets included in concessions), instead of under current provisions.
For comparability purposes, the figures for previous years have been restated. For data for the year 2010, an amount of EUR 779 K has been reclassified between provisions and WCR. No such reclassification was necessary concerning the figures for the first half of 2010.

6. Notes to the interim consolidated financial statements at 30/06/11

6.1. Accounting principles and methods

Since 1 January 2005, the Group's consolidated financial statements have been prepared in accordance with IFRS as endorsed in the European Union through EU regulation 1606/2002 of 19 July 2002, which instituted the IFRS reporting framework. When drawing up the financial statements at 30 June 2011, no change was made in terms of the accounting principles and methods used for the annual financial statements for the year 2010, and which are detailed in the Registration Document filed with the French Financial Markets Authority under number D11-0088.

The interim consolidated financial statements for the period ended 30 June 2011 were prepared in accordance with IAS 34 "Interim Financial Reporting". They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of Séché Group for the year ended 31 December 2010.

The financial statements were approved by the Board of Directors of Séché Environnement on 30 August 2011. Financial data are presented in thousands of euros rounded to the nearest thousand. The financial statements have been prepared with reference to historical costs, except for derivative instruments, which are recognized at fair value.
As at 30 June 2011, the Group has not applied any standard or interpretation for which anticipated application is permitted.

In order to prepare consolidated financial statements in accordance with IFRS, management is required to exercise its judgment and make estimates and assumptions that impact the application of the Group's accounting policies and the amounts of assets and liabilities, and income and expenses. The estimates and underlying assumptions are based on past experience and other factors considered reasonable under the circumstances.
They serve as the basis for any judgment required for determining the book value of assets and liabilities when such amounts cannot be obtained directly from other sources. The estimates made by the Group primarily concern the recoverable amount of tangible and intangible assets and the recognition of provisions, particularly those for employee benefits. Due to the inherent uncertainty of such valuation

processes, estimates and underlying assumptions are continuously reviewed. Actual future results from these operations may differ from these estimates. The estimates made by the Group primarily concern the recoverable amount of tangible and intangible assets and the recognition of provisions (particularly, provisions for employee benefits).

6.2. Presentation of the accounts and comparability

In the first half of 2010, the Group benefited from the effects of a full half-year of activity from Sénerval (begun in July 2010).

Moreover, with effect from 1 January 2011 the Group has modified the presentation of its accounts in the following respects (and has restated the corresponding items from the 2010 and 2009 accounts in order to ensure comparability):

- Contributions paid to outside organizations in respect of covering end-of-career payment commitments are booked under employee benefit expenses rather than under external expenses;
- A new line, consolidation scope variation effects, has been created under operating income for the purpose of recording the impacts of business combinations. Concerning the year 2010, this line records the impact of first application of amended IFRS 3.
- In order to adhere more closely to the usual practice in the Group's sector of activity, expenses incurred, on the one hand, for future major maintenance and/or repairs to assets included in concessions, and on the other for site rehabilitation, are henceforth booked on a separate line under current operating income (instead of under miscellaneous external expenses), and because of the time lag between commitment to future expenses for major maintenance and/or repairs to assets included in concessions, and the date of actual expenditure, these items are booked under accrued liabilities, instead of under current provisions.

6.3. Consolidation scope

6.3.1. Parent company

Séché Environnement, a French limited company (Société Anonyme) with share capital of EUR 1 726 974.00

Les Hêtres
BP 20
53811 Changé

6.3.2. Consolidated subsidiaries

COMPANY NAME		SIREN REGISTRATION NUMBER	% INTEREST	CONSOLIDATION METHOD
Béarn Environnement	Pau (France)	393 439 203	100.00	Full
Triadis Services	Étampes (France)	384 545 281	100.00	Full
Drimm	Montech (France)	339 278 871	100.00	Full
Séché Alliance	Changé (France)	556 850 279	99.94	Full
Gerep	Paris (France)	320 179 559	50.00	Full
Hungaropec	Budapest (Hungary)		99.57	Full
IberTredi Medioambiental	Barcelona (Spain)		100.00	Full
Opale Environnement	Calais (France)	332 359 637	100.00	Full
Séché Éco-services	Changé (France)	393 307 053	99.98	Full
Séché Éco-industries	Changé (France)	334 055 183	99.99	Full
Séché Transports	Changé (France)	391 918 885	99.50	Full
Senergies	Changé (France)	306 919 535	80.00	Full
Sénerval	Strasbourg (France)	519 253 355	99.90	Full
SCI LCDL	Changé (France)	410 629 752	99.80	Full
SCI Le Honry	Changé (France)	322 118 910	100.00	Full
SCI Les Chênes Secs	Changé (France)	397 475 138	99.80	Full
SCI Mézerolles	Changé (France)	340 493 840	99.99	Full
Sem Tredi	(Mexico)		100.00	Full
Sotrefi	Étupes (France)	315 669 218	100.00	Full
Speichim Processing	Saint Vulbas (France)	389 218 850	100.00	Full
SVO Éco-industries	Le Vigeant (France)	317 538 767	100.00	Full
Tredi Argentina	Buenos Aires (Argentina)		100.00	Full
Tredi SA	Saint Vulbas (France)	338 185 762	100.00	Full
UTM	Lübeck (Germany)		100.00	Full
Valls Quimica	Valls (Spain)		100.00	Full
Valaudia	Changé (France)	514 944 867	100.00	Full
Sogad	Le Passage (France)	322 323 783	50.00	Proportionate
HIME	Paris (France)	495 137 077	33.00	Equity
SCI Noiseraie	La Pommeraye (France)	509 208 682	20.00	Equity
Altergies	Paris (France)	510 346 133	19.91	Equity
La Barre Thomas	Rennes (France)	392 583 563	40.00	Equity

6.4. Explanatory notes to the financial statements

6.4.1. Notes to the balance sheet

Note 1 - Goodwill, tangible and intangible fixed assets

	GOODWILL	INTANGIBLE FIXED ASSETS INCLUDED IN CONCESSIONS	OTHER INTANGIBLE FIXED ASSETS	TANGIBLE FIXED ASSETS	TOTAL
GROSS VALUE					
31/12/09	238 768	/	11 873	565 847	816 488
Changes in consolidation scope	/	/	/	/	/
Increases	1	370	729	32 951	34 051
Decreases	/	/	(147)	(5 553)	(5 700)
Other changes	/	/	3 753	(1 359)	2 394
31/12/10	238 769	370	16 208	591 886	847 233
Changes in consolidation scope	/	/	/	/	/
Increases	/	770	434	21 137	22 341
Decreases	/	/	(230)	(1 589)	(1 819)
Other changes	/	/	10	429	439
30/06/11	238 769	1 140	16 422	611 863	868 194
AMORTIZATION					
31/12/09	/	/	(6 696)	(408 997)	(415 693)
Changes in consolidation scope	/	/	/	/	/
Allocations	/	/	(2 786)	(30 711)	(33 497)
Write-backs	/	/	143	3 414	3 557
Other changes	/	/	(1)	240	239
31/12/10			(9 340)	(436 054)	(445 394)
Changes in consolidation scope	/	/	/	/	/
Allocations	/	/	(395)	(16 153)	(16 548)
Write-backs	/	/	230	1 427	1 657
Other changes	/	/	/	(336)	(336)
30/06/11			(9 505)	(451 116)	(460 621)
IMPAIRMENTS					
31/12/09	(25 894)		(4)	(1 856)	(27 754)
Changes in consolidation scope	/	/	/	/	/
Allocations	/	/	/	/	/
Write-backs	/	/	/	/	/
Other changes	/	/	/	1 038	1 038
31/12/10	(25 894)		(4)	(818)	(26 716)
Changes in consolidation scope	/	/	/	/	/
Allocations	/	/	/	/	/
Write-backs	/	/	/	/	/
Other changes	/	/	/	/	/
30/06/11	(25 894)		(4)	(818)	(26 716)
NET VALUE					
31/12/09	212 874	/	5 173	154 994	373 041
Changes in consolidation scope	/	/	/	/	/
Increases	1	370	(2 057)	2 240	554
Decreases	/	/	(4)	(2 139)	(2 143)
Other changes	/	/	3 751	(81)	3 670
31/12/10	212 875	370	6 863	155 014	375 122
Changes in consolidation scope	/	/	/	/	/
Increases	/	770	39	4 984	5 793
Decreases	/	/	/	(162)	(162)
Other changes	/	/	10	93	103
30/06/11	212 875	1 140	6 912	159 929	380 856

Goodwill : In the absence of indications of impairment losses, impairment tests are performed annually, on 31 December.
There were no indications of impairment in the first half of 2011

Note 2 – Investments in affiliates

Note 2.1 Summary of investments in affiliates

The investments in affiliates held by the Group are as follows:

(IN THOUSANDS OF EUROS)	% HELD BY GROUP	AMOUNT OF SHARE-HOLDERS' EQUITY	LATEST PROFIT OR LOSS	NET BOOK VALUE OF INVESTMENTS
HIME	33%	63 567	(23 601)	32 952
La Barre Thomas	40%	(154)	(10)	/
Altergies	19.91%	359	(14)	254
SCI Noiseraie	20%	143	46	29
TOTAL				33 235

Note 2.2 Changes to investments in affiliates

The changes in investments in affiliates held by the Group break down as follows:

(IN THOUSANDS OF EUROS)	VALUE AT 31/12/09	VALUE AT 31/12/10	INCOME	CHANGES IN FAIR VALUE THROUGH EQUITY	GOOD-WILL	CHANGES IN CONSOLIDATION SCOPE	OTHER CHANGES	VALUE AT 30/06/11
HIME	60 815	33 650	(7 788)	5 670	294	1 123	3	32 953
La Barre Thomas	/	/	(4)	/	/	/	4	/
Altergies	302	257	(3)	/	/	/	/	254
SCI Noiseraie	2	19	9	/	/	/	/	29
TOTAL	61 119	33 926	7 786	5 670	294	1 123	8	33 235

The change in fair value of the equity of HIME corresponds to the change in the fair value of its cash flow hedging instruments.

Note 2.3 Financial information on affiliates

A summary of financial information on affiliates is provided below:

(IN THOUSANDS OF EUROS)	HIME	LA BARRE THOMAS	ALTERGIES	SCI NOISERAIE
Date of most recent financial information known				
	30/06/11	30/06/11	30/06/11	30/06/11
% held	33%	40%	19.91%	20%
• Non-current assets	3 134 310	34	116	1 450
• Current assets	1 056 200	668	613	203
• Non-current liabilities	2 839 707	/	/	1 324
• Current liabilities	1 280 615	856	370	186
• Revenues	823 418	1 798	163	210
• EBITDA	90 836	(9)	(6)	172
• Current operating income	40 124	(9)	(6)	101
• Operating income	42 010	(9)	(6)	101
• Net income	(23 601)	(10)	(14)	46

Note 2.4 Transactions with affiliates

The Group did not carry out any significant transactions with La Barre Thomas, Altergies or SCI Noiseraie.

Significant transactions between Séché Group and HIME were as follows:

The Group subscribed to 33% of HIME's issue of bonds convertible into shares, representing an initial investment of EUR 147.4 million.

In conformity with IAS 39, these bonds break down into:

- On the one hand, pure convertible bonds bearing a nominal interest rate of 9.89%. Interest accrued but not paid by 30 April of each year is capitalized;
- On the other, the value of the incorporated derivative component corresponding to the conversion option, booked under "investments in affiliates" in accordance with the underlying nature of the instrument.

As of 30 June 2011, no conversion rights have been exercised. Interest accrued at 30 April 2011 was capitalized. The amount of interest booked by the Group in the first half of 2011 was EUR 6.9 million.

	31/12/09			31/12/10			30/06/11		
(IN THOUSANDS OF EUROS)	NC	C	TOTAL	NC	C	TOTAL	NC	C	TOTAL
"Bond" portion (principal)	106 298	/	**106 298**	106 298	/	**106 298**	106 298	/	**106 298**
"Bond" portion (capitalized interest)	18 614	/	**18 614**	25 520	/	**25 520**	40 343	/	**40 343**
"Bond" portion (interest)	8 291	/	**8 290**	10 361		**10 361**	2 424	/	**2 424**
TOTAL "bond" portion (AFS)	**133 202**	**/**	**133 202**	**142 179**	**/**	**142 179**	**149 065**	**/**	**149 065**
Pure "derivative" portion	41 070	/	**41 070**	41 070	/	**41 070**	41 070	/	**41 070**
Tax effect	(14 140)	/	**(14 140)**	(14 140)	/	**(14 140)**	(14 140)	/	**(14 140)**
TOTAL "derivative" portion (PEA)	**26 930**	**/**	**26 930**	**26 930**	**/**	**26 930**	**26 930**	**/**	**26 930**
TOTAL	**160 132**		**160 132**	**169 109**		**169 109**	**175 995**		**175 995**

Note 3 – Financial instruments

The financial instruments booked in the balance sheet break down as follows:

	31/12/09			31/12/10			30/06/11		
IN THOUSANDS OF EUROS)	NC	C	TOTAL	NC	C	TOTAL	NC	C	TOTAL
Available-for-sale financial instruments	135 811	/	**135 811**	144 613	/	**144 613**	151 487	/	**151 487**
Financial loans and receivables at amortized cost	2 080	124	**2 204**	2 737	88	**2 825**	2 578	37	**2 615**
NON-CURRENT FINANCIAL ASSETS	**137 891**	**124**	**138 015**	**147 350**	**88**	**147 438**	**154 066**	**37**	**154 103**
Trade and other receivables	/	106 319	**106 319**	1 759	112 665	**114 424**	1 567	116 269	**117 836**
Other current assets (incl. corporation tax receivables)	/	22 194	**22 194**	/	12 372	**12 372**	/	17 128	**17 128**
LOANS AND RECEIVABLES AT AMORTIZED COST		**128 513**	**128 513**		**125 037**	**126 796**	**1 567**	**133 397**	**134 964**
Hedging instruments - assets	/	/	/	/	/	/	129	/	**129**
Other instruments at fair value by the income statement	/	/	/	/	/	/	/	/	/
FINANCIAL ASSETS AT FAIR VALUE BY THE INCOME STATEMENT	**/**	**/**	**/**	**/**	**/**	**/**	**129**	**/**	**129**
Cash and cash equivalents	/	19 108	**19 108**	/	43 431	**43 431**	/	25 222	**25 222**
TOTAL FINANCIAL ASSETS	**137 891**	**147 745**	**285 636**	**149 109**	**168 556**	**317 665**	**155 761**	**158 656**	**314 417**
Financial debts	233 151	31 195	**264 346**	193 716	44 648	**238 364**	34 762	190 079	**224 841**
Hedging instruments - liabilities	3 561	1 690	**5 251**	1 984	609	**2 593**	227	298	**525**
Other liabilities	238	100 811	**101 049**	1 350	119 874	**121 224**	966	124 258	**125 224**
TOTAL FINANCIAL LIABILITIES	**236 950**	**133 696**	**370 646**	**197 050**	**165 131**	**362 181**	**35 955**	**314 635**	**350 590**

Interim consolidated financial statements at 30 June 2011

Note 3.1 Financial assets

Note 3.1.1 Available-for-sale financial assets

(EN MILLIERS D'EUROS)	31/12/09	31/12/10	CHANGES IN FAIR VALUE THROUGH EQUITY	ACQUISITIONS	OTHER CHANGES	DISPOSALS/ LIQUIDATIONS	30/06/11
Bonds (principal + capitalized interest)	124 912	131 818	/	/	14 823	/	146 641
Bonds (non-capitalized interest)	8 291	10 361	/	6 886	(14 823)	/	2 424
TOTAL "BONDS" PORTION	133 203	142 179	/	6 886	/	/	149 065
TOTAL NON-CONSOLIDATED INVESTMENTS	/	/	/	/	/	/	/
TOTAL OTHER INVESTMENTS	2 608	2 434	(57)	58	/	(13)	2 422
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	135 811	144 613	(57)	6 944	/	(13)	151 487

Note 3.1.2 Loans and receivables at amortized cost

	31/12/09			31/12/10			30/06/11		
(IN THOUSANDS OF EUROS)	NC	C	TOTAL	NC	C	TOTAL	NC	C	TOTAL
Deposits and bonds of indemnity	918	24	942	1 505	/	1 505	1 334	2	1 336
Loans	1 162	100	1 262	1 232	88	1 320	1 244	35	1 279
FINANCIAL LOANS AND RECEIVABLES	2 080	124	2 204	2 737	88	2 825	2 578	37	2 615
Trade receivables and other debtors	/	106 319	106 319	1 759	112 665	114 424	1 567	116 269	117 836
Other current assets	/	22 194	22 194	/	12 372	12 372	/	17 128	17 128
LOANS AND RECEIVABLES CONCERNING OPERATIONS	/	128 513	128 513	1 759	125 037	126 796	1 567	133 397	134 964
LOANS AND RECEIVABLES AT AMORTIZED COST	2 080	128 637	130 717	4 496	125 125	129 621	4 145	133 434	137 579

Note 3.1.3 Financial assets at fair value by the income statement

	31/12/09			31/12/10			30/06/11		
(IN THOUSANDS OF EUROS)	NC	C	TOTAL	NC	C	TOTAL	NC	C	TOTAL
Hedging instruments	/	/	/	/	/	/	129	/	129
Call options for 18%	/	/	/	/	/	/	/	/	/
FINANCIAL ASSETS AT FAIR VALUE BY THE INCOME STATEMENT	/	/	/	/	/	/	129	/	129

A call option for 18% of HIME's share capital was granted by Caisse des Dépôts to Séché Environnement. This call option may be exercised between 27 May 2008 and 26 May 2012. If the call option is so exercised, the price paid by Séché Environnement to acquire the 18% share of HIME will be the higher of the following two values: EUR 130 million plus an amount sufficient to provide FSI with a return of 8%, or a market valuation defined by an expert.

This call option was recorded in the financial statements at its fair value, i.e. purchase cost, as it was a transaction between independent and informed parties for which the underlying element (shares of an unlisted company) had been the subject of a recent transaction about which the parties were fully informed.

In accordance with IAS 39, any changes in the fair value of the call option will be booked in the income statement.

At 30 June 2011, no change in fair value had been recorded.

Note 3.1.4 Cash and cash equivalents

(IN THOUSANDS OF EUROS)	31/12/09	31/12/10	30/06/11
Mutual funds	9 733	36 771	15 837
Cash	9 375	6 660	9 385
TOTAL	**19 108**	**43 431**	**25 222**

Note 3.2 Financial liabilities

Note 3.2.1 Financial debt

CHANGES IN DEBT	31/12/09			31/12/10			30/06/11		
(IN THOUSANDS OF EUROS)	NC	C	TOTAL	NC	C	TOTAL	NC	C	TOTAL
Financial debt liabilities	212 583	26 952	**239 535**	176 794	40 232	**217 026**	20 074	185 128	**205 202**
Effective interest rate impact	(759)	(569)	**(1 327)**	(168)	(524)	**(692)**	(18)	(350)	**(368)**
BORROWINGS/BANK LOANS	211 824	26 383	238 208	176 626	39 708	216 334	20 056	184 778	204 834
Financial leases	20 273	4 292	**24 565**	16 033	4 339	**20 372**	13 668	4 546	**18 214**
Other financial debt	1 053	34	**1 087**	1 057	19	**1 076**	1 038	29	**1 067**
Short-term bank borrowing	/	486	**486**	/	582	**582**	/	726	**726**
TOTAL	**233 151**	**31 195**	**264 346**	**193 716**	**44 648**	**238 364**	**34 762**	**190 079**	**224 841**

Changes in debt over the period can be analysed as follows:

(IN THOUSANDS OF EUROS)	31/12/09	31/12/10	INCREASES	REPAYMENTS	CHANGES IN SCOPE	AMORTIZED COST	GOODWILL	OTHER CHANGES	30/06/11
Bank loans	238 208	216 334	8 300	(20 123)	/	323	/	/	204 834
Financial leases	24 565	20 372	/	(2 157)	/	/	/	(1)	18 214
Other financial debt	1 087	1 076	354	(363)	/	/	/	/	1 067
Short-term bank borrowing	486	582	143	/	/	/	/	1	726
TOTAL	**264 346**	**238 364**	**8 797**	**(22 643)**		**323**		**0**	**224 841**

DEBT TABLE

At 30/06/11, Group net financial debt broke down as follows:

(IN THOUSANDS OF EUROS)		TYPE OF RATE (BEFORE HEDGING)	AMOUNT	MATURITY	HEDGING
Other bank loans	Variable		183 102	less than one year	Debt contracted at a variable interest rate Interest rate hedge of EUR 170 M
			7 768	from 1 to 5 years	
			845	more than 5 years	
	Fixed	beetween 0% and 4%	1 676	less than one year	/
			8 217	from 1 to 5 years	/
			3 226	more than 5 years	/
	TOTAL		**204 834**		
Financial leases	Variable		3 630	less than one year	Interest rate hedge of EUR 14.3 M
			10 522	from 1 to 5 years	
			1 647	more than 5 years	
	Fixed	beetween 4% and 13%	916	less than one year	/
			1 499	from 1 to 5 years	/
				more than 5 years	/
	TOTAL		**18 214**		
Other miscellaneous financial debt	Fixed		0	less than one year	/
			762	from 1 to 5 years	/
			0	more than 5 years	/
	Fixed		29	less than one year	/
			250	from 1 to 5 years	/
			26	more than 5 years	/
	TOTAL		**1 067**		
Short-term bank borrowings	Variable		726	less than one year	/
	TOTAL		**224 841**		
Of which current			*190 079*	*less than one year*	/
Of which non-current			*34 762*	*from 1 to 5 years*	/

Note 3.2.2 Financial liabilities at fair value by the income statement

Financial liabilities at fair value by the income statement correspond to the derivative instruments used for hedging:

	31/12/09			31/12/10			30/06/11		
(IN THOUSANDS OF EUROS)	NC	C	TOTAL	NC	C	TOTAL	NC	C	TOTAL
Hedging instruments - liabilities	3 561	1 690	**5 251**	1 984	609	**2 593**	227	298	**525**

Hedging instruments break down by their nature (assets or liabilities) as follows:

(IN THOUSANDS OF EUROS)	31/12/09		31/12/10		30/06/11	
	NOMINAL TRANSACTION	FAIR VALUE	NOMINAL TRANSACTION	FAIR VALUE	NOMINAL TRANSACTION	FAIR VALUE
Swaps	88 167	(2 311)	121 609	(1 271)	116 066	99
Collars/tunnels	80 667	(2 355)	67 109	(1 025)	66 566	(405)
Hybrid instruments	87 500	(585)	25 000	(297)	25 000	(90)
TOTAL	**256 334**	**(5 251)**	**213 717**	**(2 593)**	**207 632**	**(396)**

At 30 June 2011, the maturity of the cash flow hedging instruments was as follows:

	LESS THAN ONE YEAR	FROM 1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
Swaps	13 613	102 453	/	**116 066**
Collars/tunnels	26 113	40 453	/	**66 566**
Hybrid instruments	17 500	7 500	/	**25 000**
TOTAL	**57 226**	**150 406**	**/**	**207 632**

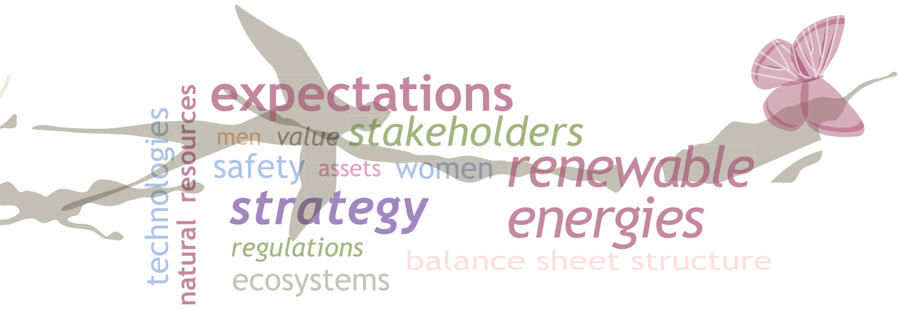
Note 4 - Current and non-current provisions

(IN THOUSANDS OF EUROS)	31/12/09	31/12/10	OTHER CHANGES	ALLOCATIONS	WRITE-BACKS USED	WRITE-BACKS UNUSED	30/06/11
Employee benefits (*)	134	169		36			205
Other non-current provisions (**)	3 549	2 652	1	550			3 203
NON-CURRENT PROVISIONS	3 683	2 821	1	586			3 408
Provision for litigation	565	1 037		52	(2)	(13)	1 074
Provision for BEFS (sub-contractor)	50	662		1			663
Provisions for other risks	2 391	2 028	4	50		(1 198)	884
Provision for waste to be treated	168	152		13	(24)		141
Provisions for site rehabilitation	9 397	9 915	8	222	(229)		9 916
Provisions for other costs	827	3 287	2	230	(697)	(20)	2 802
CURRENT PROVISIONS	13 398	17 081	14	568	(952)	(1 231)	15 480
TOTAL	17 081	19 902	15	1 154	(952)	(1 231)	18 888

(*) Provisions for end-of-career payment commitments are calculated according to the method prescribed in the accounting principles and methods section of this report

(**) Provision for 30-year monitoring period

With effect from 1 January 2011, because of the time lag between the date of committing to expenditure incurred for future major maintenance and/or repairs to assets included in concessions, and the actual occurrence of such expenses, these are recorded under accrued expenses in the category of other current liabilities (liabilities for the renewal of assets included in concessions), instead of under current provisions. For comparability purposes, provisions booked at the end of 2009 and the end of 2010 for these items (respectively EUR 125 K et EUR 903 K) have been reclassified under other current liabilities.



Note 5 - Off-balance sheet commitments

Note 5.1 Off-balance sheet commitments arising from normal operations

(IN THOUSANDS OF EUROS)	31/12/09	31/12/10	30/06/11
Loans ceded before maturity (bills, Daily Act)	**/**	**/**	**/**
Sureties	**32 993**	**37 055**	**38 002**
• Financial guarantees (*)	21 601	21 601	22 390
• Other guarantees	11 392	15 454	15 612
Secured guarantees	**/**	**/**	**/**
• Tangible and intangible assets pledged as collateral	/	/	/
• Securities pledged as collateral	/	/	/
Arising from partner's responsibilities in property companies	**/**	**/**	**2 850**
TOTAL OFF-BALANCE SHEET COMMITMENTS RELATED TO NORMAL OPERATIONS	**32 993**	**37 055**	**40 852**

(*) This concerns a EUR 22.4 million surety granted to a financial institution during the setting up of financial guarantees extended by it under the Ministerial Order of 1 February 1996

Note 5.2 Off-balance sheet commitments given or received in connection with Group debt

(IN THOUSANDS OF EUROS)	31/12/09	31/12/10	30/06/11
Business loans ceded	**1 086**	**953**	**340**
Sureties and letters of intent	**3 640**	**4 380**	**2 963**
Secured guarantees	**11 021**	**9 436**	**13 062**
• Tangible and intangible assets pledged as guarantees and collateral	11 021	9 436	13 062
• Securities pledged as guarantees and collateral	/	/	/
• Mortgages	/	/	/
Borrowing commitments received	**3 900**	**5 000**	**40 118**
TOTAL OFF-BALANCE SHEET COMMITMENTS RELATED TO DEBT	**19 646**	**19 769**	**56 483**

As part of its asset financing, the company signed commitments not to sell its shareholdings in Sénergies, Séché-Eco-Industries and Mézerolles.

All the above-mentioned off-balance sheet commitments cover balance sheet debt, with the exception of a EUR 0.8 million guarantee.

The increase in mortgages principally concerns the financing of assets conceded in the framework of the Strasbourg public service delegation contract for EUR 34.1 million, over the residual duration of the contract, at a rate which has still to be set.

Note 6 - Shareholders' equity

Note 6.1 Breakdown of share capital

SHARE CATEGORY	NUMBER	PAR VALUE
1- Shares comprising the share capital at the start of the year	8 634 870	0.20€
Capital increase		
2- Shares comprising the share capital at the end of the year	8 634 870	0.20€
Of which shares with single voting rights	*4 992 779*	
Of which shares with double voting rights	*3 642 091*	

Note 6.2 Premiums

Premiums are made up exclusively of additional paid-in capital from the different capital increases, net of charges:

(IN THOUSANDS OF EUROS)	
Capital increase of 27/11/1997	11 220
Capital increase of 19/12/1997	112
Capital increase of 01/10/2001 (to pay for Alcor shares)	10 795
Capital increase of 05/07/2002 (to pay for Trédi shares)	192 903
Charges on additional paid-in capital	(1 578)
Issuance of 596 408 share subscription warrants in favour of Caisse des Dépôts on 12/12/2006	10 908
Exercise of share subscription warrants by Caisse des Dépôts on 24/04/2007	74 718
TOTAL	**299 079**

Note 6.3 Breakdown of consolidated reserves

	31/12/09	31/12/10	INCREASE	DECREASE	31/12/10
Legal reserve	173	173	/	/	173
Regulatory reserves	/	/	/	/	/
Retained earnings	90 382	119 190	42 901	(11 145)	150 947
Other reserves	6 037	6 037	/	/	6 037
Sub-total - legal and regulatory reserves	**96 592**	**125 400**	**42 901**	**(11 145)**	**157 156**
Consolidated reserves (excluding foreign currency translation differences)	(62 347)	(83 596)	/	(7 518)	(91 114)
TOTAL RESERVES (excluding foreign currency currency translation differences)	**34 245**	**41 804**	**42 901**	**(18 663)**	**66 042**
Foreign currency translation differences	(1 176)	(1 204)	91	/	(1 112)
TOTAL RESERVES (including foreign currency currency translation differences)	**33 069**	**40 600**	**42 992**	**(18 663)**	**64 930**

Note 6.4 Dividends

In the first half of 2011, Séché Environnement paid out EUR 11 225 331 in dividends, or EUR 1.30 per share, regardless of the type of share. As a reminder, dividends concerning treasury stock, i.e. EUR 80 110 were booked in retained earnings.

6.4.2. Notes to the income statement

Note 7 - Income from ordinary activities

(IN THOUSANDS OF EUROS)	30/06/09	30/06/10	30/06/11
Revenue	178 168	192 994	209 603
Of which sales of goods	*15 288*	*20 074*	*26 545*
Of which sales of services	*162 880*	*172 919*	*183 058*
Other business income	812	2 012	2 650
Transfers of expenses	1 161	1 582	1 983
INCOME FROM ORDINARY ACTIVITIES	**180 141**	**196 588**	**214 236**

Note 8 - Current operating income

(IN THOUSANDS OF EUROS)	30/06/09	30/06/10	30/06/11
INCOME FROM ORDINARY ACTIVITIES	180 141	196 588	214 236
Purchases used for operational purposes	(24 697)	(27 223)	(31 939)
External expenses	(52 269)	(63 839)	(70 297)
Of which subcontracting	*(29 574)*	*(36 412)*	*(39 901)*
Taxes other than on income	(16 463)	(15 230)	(15 738)
Employee benefit expenses	(41 868)	(42 405)	(46 603)
EBITDA	44 845	47 891	49 659
Cost of restoration of assets included in concessions	(420)	(411)	(1 984)
Cost of treatment site rehabilitation	(33)	(112)	(1 133)
Other operating income and expenses	(530)	(408)	(78)
Net allocations to provisions	1 312	(1 224)	(936)
Net allocations to amortization	(16 480)	(15 956)	(16 548)
CURRENT OPERATING INCOME	**28 693**	**29 779**	**28 979**

Note 9 - Operating income

(IN THOUSANDS OF EUROS)	30/06/09	30/06/10	30/06/11
CURRENT OPERATING INCOME	28 693	29 779	28 979
Reassessment of fixed assets	(68)	328	20
Income on sale of fixed assets	(246)	/	/
Consolidation scope variation effects (*)	/	(4 854)	/
Other	/	(750)	(271)
OPERATING INCOME	28 378	24 503	28 728

(*) In 2010, these correspond to the change of method imposed by amended IFRS 3 concerning treatment of the cost of acquisition of shares in the framework of a business combination

Note 10 - Net financial income

Note 10.1 Breakdown of net financial income

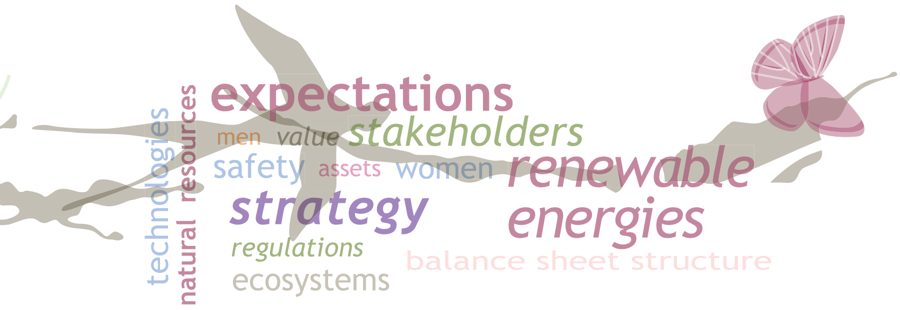
(IN THOUSANDS OF EUROS)	30/06/09	30/06/10	30/06/11
Income from cash and cash equivalents	5 735	6 447	7 194
Gross financial borrowing costs	(6 065)	(5 232)	(3 450)
Other financial income and expenses	941	294	1 135
TOTAL	610	1 509	4 880

The cost of gross financial debt changed as follows:

(IN THOUSANDS OF EUROS)	30/06/09	30/06/10	30/06/11
Financial liabilities at amortized cost	(3 431)	(2 163)	(2 388)
Income on hedging instruments	(2 634)	(3 068)	(1 062)
COST OF GROSS FINANCIAL DEBT	(6 065)	(5 232)	(3 450)

The cost of net financial debt varied under the combined impact of:

- The rise in income from cash and cash equivalents resulting from the Group's purchase of HIME convertible bonds bearing capitalized interest of 8% (before the removal of the conversion rights) and 9.89% (after removal);
- The reduction in the cost of net debt due to the efficiency of the impacts of hedging, and the effectiveness of the Group’s debt reduction efforts.



Note 10.2 Breakdown of other financial income and expenses

(IN THOUSANDS OF EUROS)	30/06/09	30/06/10	30/06/11
Foreign exchange gain (loss)	145	37	230
Net gain (loss) on the sale of financial fixed assets	1 128		1 198
Net impairment on financial assets	(1 089)	994	(106)
Other financial income and expenses	757	(739)	(187)
TOTAL	**941**	**294**	**1 135**

Note 11 - Taxes

(IN THOUSANDS OF EUROS)	30/06/09	30/06/10	30/06/11
Net income before taxes	28 989	26 012	33 608
Income tax payable	8 478	7 707	8 507
Deferred tax	740	478	1 500
TOTAL TAX EXPENSE	**9 218**	**8 185**	**10 007**
Current statutory tax rate	31.80%	31.47%	29.77%

The current statutory tax rate remains structurally below the actual rate of tax paid by reason of the fact that part of the interest income from convertible bonds is not taxed.

6.4.3. Financial risk management

Note 12 - Exposure to credit risk

Credit risk is the risk of financial loss being incurred by the Group in the event that a client or counterparty to a given asset fails to meet its contractual obligations. This risk arises mainly from trade receivables and hybrid financial instruments (HIME convertible bonds).

The book value of the financial assets represents the Group's maximum exposure to credit risk. At the close of the half-year, maximum credit risk exposure broke down as follows:

	31/12/09			31/12/10			30/06/11		
(IN THOUSANDS OF EUROS)	NC	C	TOTAL	NC	C	TOTAL	NC	C	TOTAL
Available-for-sale financial assets	135 811	/	**135 811**	144 613	/	**144 613**	151 488	/	**151 488**
Financial loans and receivables at amortized cost	2 080	124	**2 204**	2 737	88	**2 825**	2 578	37	**2 615**
Non-current financial assets	137 891	124	138 015	147 350	88	147 438	154 066	37	154 103
Trade and other receivables	/	106 319	**106 319**	1 759	112 665	**114 424**	1 567	116 269	***117 836***
Other current assets (incl. corporation tax receivables)	/	22 194	22 194	/	12 372	**12 372**	/	17 128	**17 128**
Loans and receivables at amortized cost	/	128 513	128 513	1 759	125 037	126 796	1 567	133 397	134 964
Hedging instruments - assets	/	/	/	/	/	/	129	/	**129**
Other instruments at fair value by the income statement	/	/	/	/	/	/	/	/	
Financial assets at fair value by the income statement	/	/	/	/	/	/	129	/	129
Cash and cash equivalents	/	19 108	**19 108**	/	43 431	**43 431**		25 222	**25 222**
TOTAL FINANCIAL ASSETS	137 891	147 745	285 636	149 109	168 556	317 665	155 762	158 656	314 418
"Derivative" portion of convertible bonds (*)	26 929	/	**26 929**	26 929	/	**26 929**	26 929	/	**26 929**
TOTAL	**164 820**	**147 745**	**312 565**	**176 039**	**168 556**	**344 595**	**182 691**	**158 656**	**341 347**

(*) Booked under "investments in affiliates"; this does not correspond to the definition of a financial asset under IAS 39

Income, expenses, profits and impairments recognized in the financial statements for the first half of 2011 as financial assets were almost exclusively comprised of interest on convertible bonds totalling EUR 6.9 million.

Note 13 - Exposure to counterparty risk

Counterparty risk corresponds to the loss that the Group could suffer if one or more counterparties were to fail to fulfil its obligations. It concerns loans and receivables (financial or operational) at amortized cost and short-term investments of excess cash.

The aged balance of loans and receivables at amortized cost is as follows:

(IN THOUSANDS OF EUROS) 30/06/11	NET VALUE (C AND NC)	OF WHICH NOT YET DUE	OF WHICH DUE 0-6 months	6 months-1 year	More than 1 year
Financial loans and receivables at amortized cost	2 615	2 615	/	/	/
Trade and other receivables	117 836	90 733	26 406	410	287
Other assets	17 128	16 036	297	0	795
TOTAL	**137 579**	**109 384**	**26 703**	**410**	**1 082**

The aged balance of loans and receivables at amortized cost at the closing of the preceding two financial years was as follows:

(IN THOUSANDS OF EUROS) 31/12/10	NET VALUE (C AND NC)	OF WHICH NOT YET DUE	OF WHICH DUE 0-6 months	6 months-1 year	More than 1 year
Financial loans and receivables at amortized cost	2 825	2 825	/	/	/
Trade and other receivables	114 424	87 584	25 805	684	351
Other assets	12 372	11 491	478	399	4
TOTAL	**129 621**	**101 900**	**26 283**	**1 083**	**355**

(IN THOUSANDS OF EUROS) 31/12/09	NET VALUE (C AND NC)	OF WHICH NOT YET DUE	OF WHICH DUE 0-6 months	6 months-1 year	More than 1 year
Financial loans and receivables at amortized cost	2 204	2 204	/	/	/
Trade and other receivables	106 319	74 870	30 139	547	763
Other assets	22 194	21 004	608	4	578
TOTAL	**130 717**	**98 078**	**30 747**	**550**	**1 340**

In the Group's opinion, it is not exposed to any significant counterparty risk.

Note 14 - Exposure to liquidity risk

Liquidity risk is the risk that the Group may have difficulty honouring its debts at their maturity.

At 30 June 2010, the residual contractual maturities of the Group's financial liabilities broke down as follows:

(IN THOUSANDS OF EUROS)	BOOK VALUE	CONTRACTUAL CASH FLOW	< 1 YR	FROM 1 TO 5 YRS	> 5 YRS
Bank loans	204 834	210 530	188 049	17 678	4 803
Lease finance debt	18 214	20 275	4 689	14 065	1 521
Other financial debt	1 067	1 066	29	1 012	25
Short-term bank borrowings	726	726	726	/	/
Trade and other payables (incl. corporation tax debts)	124 031	124 031	123 066	965	/
Liabilities for future asset restoration	1 193	1 193	1 193	/	/
TOTAL NON-DERIVATIVE FINANCIAL LIABILITIES	**350 065**	**357 821**	**317 752**	**33 720**	**6 349**
Hedging instruments	525	525	298	227	/
TOTAL DERIVATIVE FINANCIAL LIABILITIES	**525**	**525**	**298**	**227**	**/**

For comparison purposes, the residual contractual maturities of the Group's financial liabilities at the closing of the preceding two financial years were as follows:

AT 31 DECEMBER 2010 (IN THOUSANDS OF EUROS)	BOOK VALUE	CONTRACTUAL CASH FLOW	< 1 YR	FROM 1 TO 5 YRS	> 5 YRS
Bank loans	216 333	221 624	42 873	175 969	2 783
Lease finance debt	20 373	22 220	4 834	15 453	1 933
Other financial debt	1 076	1 093	36	867	190
Short-term bank borrowings	582	582	582	/	/
Trade and other payables (incl. corporation tax debts)	119 712	119 712	118 362	1 350	/
Liabilities for future asset restoration	904	904	904	/	/
TOTAL NON-DERIVATIVE FINANCIAL LIABILITIES	**358 980**	**366 135**	**167 591**	**193 639**	**4 906**
Hedging instruments	2 593	2 593	609	1 984	/
TOTAL DERIVATIVE FINANCIAL LIABILITIES	**2 593**	**2 593**	**609**	**1 984**	**/**

AT 31 DECEMBER 2009 (IN THOUSANDS OF EUROS)	BOOK VALUE	CONTRACTUAL CASH FLOW	< 1 YR	FROM 1 TO 5 YRS	> 5 YRS
Bank loans	238 208	245 639	29 622	212 338	3 679
Lease finance debt	24 565	26 685	5 053	19 151	2 481
Other financial debt	1 087	1 087	34	1 028	25
Short-term bank borrowings	486	486	486	/	/
Trade and other payables (incl. corporation tax debts)	99 234	99 234	98 996	238	/
Liabilities for future asset restoration	125	125	125	/	/
TOTAL NON-DERIVATIVE FINANCIAL LIABILITIES	**363 705**	**373 256**	**134 316**	**232 755**	**6 185**
Hedging instruments	5 251	5 251	1 690	3 561	/
TOTAL DERIVATIVE FINANCIAL LIABILITIES	**5 251**	**5 251**	**1 690**	**3 561**	**/**

The covenanted financial ratios to be complied with (under pain of default rendering all debt immediately payable) in connection with the Group's principal debt are as follows:

RATIO	COVENANT RATIO
Net financial debt/Equity	< 1.1
Net financial debt/EBITDA	< 3

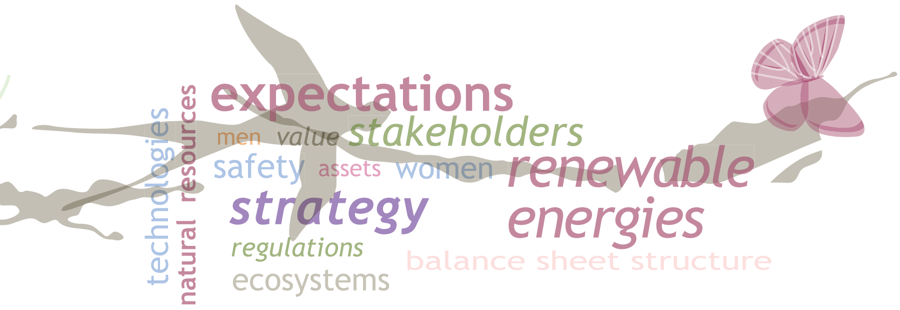
Note 15 - Exposure to interest rate risk

Séché Environnement's corporate debt, any hedging excluded, is subject to a variable rate of interest.

The Group uses hedging instruments to cover itself against any rise in interest rates, and to optimize the cost of its debt. The Group's credit line requires a minimum of 50% hedging over a three-year period. The instruments used include swaps, caps, floors and collars. Their use is managed directly by the Group Finance Department.

Interest-rate risk is analysed on the basis of projected trends in financial debt on the credit lines and maturities of interest-rate hedges:

- A 50 basis point decline in interest rates would have a negative impact of EUR 1.7 million on Group shareholders' equity
- A 1% instant upward change in interest rates would have a negative impact of EUR 1.5 million on the Group's financial costs in 2011.



Note 16 - Exposure to exchange rate risk

The exchange rate risk to which the Group is exposed arises from:

- The conversion of contributions from foreign subsidiaries outside the euro zone to its balance sheet and income statement. However, this risk is increasingly limited thanks to the Group's ongoing efforts to refocus on its European activities in the euro zone;
- Bank debt financing, denominated almost exclusively in euros, of the investments of its foreign subsidiaries carried out in local currencies (for those subsidiaries not considered as long-term foreign investments).

Changes in foreign exchange income break down as follows:

(IN THOUSANDS OF EUROS)	30/06/09	30/06/10	30/06/11
Foreign exchange income, Europe	(24)	90	224
Foreign exchange income, Americas	169	(52)	6
TOTAL	145	37	230

To date, this risk is not the subject of specific hedging at the Group level.

6.4.4. Joint ventures – proportional consolidation

Séché Group’s sole joint venture is Sogad, in which it has a 50% holding.

(IN THOUSANDS OF EUROS)	31/12/09	31/12/10	30/06/11
• Group share of current assets	665	557	581
• Group share of non-current assets	1 349	947	844
• Group share of current liabilities	2 855	2 265	2 195
• Group share of non-current liabilities	519	413	401

(IN THOUSANDS OF EUROS)	30/06/09	30/06/10	30/06/11
• Group share of revenue	1 061	1 030	1 087
• Group share of EBITDA	324	345	308
• Group share of current operating income	195	223	171
• Group share of operating income	195	223	171

6.4.5. Earnings per share

The earnings per share figure presented at the foot of the income statement is the ratio of the net income attributable to shareholders of the parent company, to the weighted average number of shares making up the share capital of the parent company which were in circulation over the period, i.e. EUR 1.86.

The Group has no dilutive instruments, therefore diluted EPS is equal to net EPS.

6.4.6. Key events since the closing of accounts

We are aware of no significant event occurring after the closing of accounts likely to have a significant impact on the Group's assets, financial position or operating results.

As far as the company is aware, there is no litigation, arbitration or exceptional event occurring after the closing likely to have, or to have had in the recent past, a significant effect on the financial position, earnings, business or assets of the Company or the Group.

Statutory Auditors' Review Report

Period from 1 January 2011 to 30 June 2011

To the Shareholders,

Following our appointment as statutory auditors by your Annual General Meeting and in accordance with article L.451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- The review of the accompanying condensed half-yearly consolidated financial statements of Séché Environnement SA for the six-month period ended 30 June, 2011,

- The verification of information contained in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of your Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared in all material respects in accordance with IAS 34 - the standard of the IFRS as adopted by the European Union applicable to interim financial statements.

II - Specific verification

We have also verified information given in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Rennes, on the 30 August 2011

KPMG Audit
A department of KPMG SA
Jean François Merlet
Partner

Laval, on the 30 August 2011

Acorex Audit Audit

Vincent Broyé
Partner

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