

## Results at December 31, 2007

### Excellent operating performance Current operating income at 17.5% of revenues

- Continued growth in EBITDA to 28% of revenues (versus 26.9% pro forma in 2006)
- Sharp improvement in financial income
- Finalization of planned disposals outside France: capital loss of EUR 3.5 million on the disposal of Tribel

- Further increase in net income from consolidated companies to EUR 35.8 million (9.6% of revenues versus 9.2% pro forma in 2006)

- 2008: continued improvement in operating profitability (at constant structure)

At December 31, 2007, Séché Environnement's current operating income was up sharply to EUR 65.2 million (versus EUR 62.5 million in 2006 – pro forma data) and represented 17.5% of consolidated revenues.

This high level of profitability, which is at the top end of the Séché Environnement's target range, reflects the Group's solid operating performance, confirmed for all activities in France but still impacted overseas by the negative contribution of the Brazilian subsidiary, Tribel, which has now been sold.

Net income from consolidated companies, which is representative of the high current profitability of the activities in which the Group operates, was up once again to EUR 35.8 million, representing 9.6% of revenues (compared to 9.2% of revenues one year ago – pro forma data).

#### Consolidated data under IFRS

As at December 31 In EUR m	2006 actual	2006 p.f.	2007	07/06 p.f. change
Revenues	379.3	375.8	373.7	-0.6%
<b>Current operating income</b>	<b>61.9</b>	<b>62.5</b>	<b>65.2</b>	<b>+4.4%</b>
Financial income	(7.5)	(7.4)	(5.8)	-22.1%
<b>Net income from consolidated companies</b>	<b>34.8</b>	<b>34.7</b>	<b>35.8</b>	<b>+3.4%</b>

### **Continued growth in operating profitability in France**

The 4.4% increase in current operating income is due to the continued improvement in operating performance in France and the moderate increase in amortization.

- In France, EBITDA totaled EUR 102.4 million (versus EUR 97.9 million at December 31, 2006 – pro forma data), representing 29.3% of revenues (compared to 27.8% one year earlier). This high level of profitability is thanks to regular growth in productivity due to scale effects, industrial optimization measures and favorable changes to the business mix. This growth was bolstered in 2007 by one-off social and tax optimization operations in the amount of EUR 1.5 million.
- Outside France, EBITDA came out to EUR 2.3 million, representing 9.8% of revenues. This includes the poor operating performance of the Brazilian subsidiary, Tribel, which was withdrawn from the consolidation scope as of July 1, 2007.
- The moderate increase in amortization and provisions reflects the recent sound management of investments.

At 17.5% of revenues, current operating income was up 4.4% and, as such, was at the high end of the Group's target range.

The capital loss on shares of EUR 3.5 million reported when Tribel was sold reduced consolidated operating income to EUR 61.0 million, a level comparable with 2006 (16.3% of revenues).

Excluding the impact of the capital loss on the disposal of Tribel, operating income would have risen 4.8% compared to 2006 (pro forma data).

### **Further increase in net income from consolidated companies to 9.6% of revenues**

Financial income increased very positively to EUR (5.8) million thanks to the absence of significant foreign currency differences.

The increased cost of net debt linked to the 33% acquisition of HIME was offset by financial income from the convertible bond subscription issued by the acquisition holding of Saur Group.

Following the booking of a EUR 19.4 million tax expense, net income from consolidated companies was up once again to EUR 35.8 million versus EUR 34.7 million one year earlier (pro forma data), which illustrates the excellent level of current profitability generated by group controlled activities.

### **Group net income: contribution of HIME taken into account over nine months**

Séché Environnement's Group net income includes the contribution of HIME over 9 months, consolidated using the equity method.

With revenues of EUR 1,121 million for the first nine months of the 2007-2008 fiscal year, ending on December 31, 2008, HIME generated EBITDA of EUR 141.5 million, representing 12.6% of revenues.

Over these first nine months, current operating income stood at EUR 77.6 million (i.e. 6.9% of revenues).

After booking of:

- financial income over 9 months of EUR (84.2) million;
  - a one-off income tax expense of EUR (27.2) million, booked in anticipation of the impacts of the tax consolidation of HIME Group at the level of the parent company;
- HIME's nine-month consolidated net income totaled EUR (37.2) million.

Séché Environnement's share in HIME's nine-month consolidated net income amounted to EUR (12.3) million, and, consolidated by the equity method, brought consolidated group net income to EUR 23.5 million.

Consolidated data under IFRS

As at December 31 In EUR m	2006 actual	2006 p.f.	2007	07/06 p.f. change
Net income from consolidated companies	34.8	34.7	35.8	+3.4%
C <sup>ies</sup> accounted for by the equity method (1)	0.0	0.0	(12.2)	NA
<b>Group net income</b>	<b>34.3</b>	<b>34.2</b>	<b>23.5</b>	<b>-31.3%</b>

(1) including HIME

### Balance sheet structure optimized

Cash flow generated by operating activities was up sharply from EUR 64.0 million to EUR 88.4 million, which reflects the Group's strong operating performance and the significant improvement in working capital requirement.

This solid financial position enabled the Group to step up its industrial investments, particularly in the areas of future energy recovery. As such, industrial investments booked totaled EUR 45.9 million (versus EUR 31.2 million in 2006), i.e. 12.3% of revenues.

Financial investments amounted to EUR 267.9 million, essentially due to the purchase of a 33% stake in HIME Group.

Net debt totaled EUR 266.2 million at December 31, 2007, and shareholders' equity increased to EUR 365.0 million, generating corporate type ratios:

- "net debt/shareholders' equity": 0.7x;
- "net debt/EBITDA": 2.5x.

### 2008: further growth in operating profitability expected

The Board of Directors will propose a net dividend of EUR 1.30 per share to the Shareholders' Meeting scheduled for April 25, 2008.

Séché Environnement is reconfirming its annual growth target of around +7% for 2008.

The continuation of the positive dynamic reported over 2007 should enable the Group to once again post an increase in operating profitability (current operating income/revenues) which should come out at around 18% of consolidated revenues (at constant structure).

Séché Environnement should make the most of 2008 to increase its involvement in the Water business, through its strategic acquisition at the beginning of 2007 of a 33% stake in Saur Group, France's #3 in the Water business.

### **Presentation of results**

Annual results will be posted live on March 11, 2008 from 11.30a.m. at the following address:  
<http://clients.dbee/seche/20080311/en/>

They will subsequently be available on Séché Environnement's website:  
[www.groupe-seche.com](http://www.groupe-seche.com)

### **Next meeting:**

Publication of Q1 2008 revenues on April 24, 2008 after the close of the markets.

### **About Séché Environnement**

Séché Environnement is one of the leading players in the treatment and storage of all types of non-radioactive industrial and household waste in France. Its facilities enable it to offer high-quality global solutions that incorporate all environmental requirements.

It is the leading independent operator in the country with a unique positioning in activities downstream of waste collection, concentrating on the higher added-value end of the waste management and storage markets.

The Group offers integrated specialized services:

- the treatment (by incineration, physical-chemical treatment and solvent regeneration) and processing for energy recovery of hazardous and non-hazardous industrial waste (HIW and NHIW);
- final waste storage for industrial clients (HIW or NHIW) and household waste (HW).

In April 2007, Séché Environnement acquired a 33% stake in Saur Group, the No. 3 player in the Water and Environmental Services sector in France.

Séché Environnement has been quoted on Eurolist by Euronext since November 27, 1997. In 2008, the stock was admitted to Compartment A of Eurolist and is also eligible to OSRD.

### **Contacts**

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