

Séché Environnement

Société anonyme au capital de 1 607 692,40 €uros

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Exercice social : du 1^{er} janvier au 31 décembre

Half-year activity report

1. HIGHLIGHTS OF THE PERIOD

1.1 New agreements within the HIME consortium

In the first half of 2008, additional agreements were signed between HIME shareholders in favor of the merger of Séché Environnement and Saur with the introduction of a new management team overseen by Joël Séché, appointed executive chairman of HIME and Saur, and Olivier Brousse, appointed CEO of HIME and SAUR.

This new management team has been put in place in respect with changes in governance rules with the following three main objectives:

- ⇒ ensuring the financial interest of the co-shareholders with the introduction of a supervisory committee and the confirmation of the provisions of the previous shareholders' agreement concerning veto rights;
- ⇒ guaranteeing compliance with regulations regarding competition rules by setting up a ring-fencing mechanism under the terms of which Coved - who can act on markets identical to those of Séché Group - is under the exclusive responsibility of Olivier Brousse;
- ⇒ foster the roll-out of a structured industrial and commercial approach in order to optimize the performance of Saur Group in line with Séché Environnement's strategy.

Moreover, the Caisse des dépôts granted Séché Environnement a call option for 18% of the capital of HIME, thus reinforcing their strategic partnership. This option can be exercised by Séché Environnement from May 27, 2008 to May 26, 2012 subject to approval by HIME's banks. The exercise of this option would increase Séché Environnement's stake to 51%, giving the Group control of the HIME sub-group, with:

- ⇒ the set-up of a new governance system for HIME, whose primary objective would involve eliminating the ring-fencing mechanism and altering the rules of appointment to the supervisory board of HIME;

- ⇒ the introduction of a liquidity mechanism (which can be activated as of the transfer of the 18% to Séché Environnement), granting Séché Environnement the right to acquire the remaining 49% of the capital of HIME, which is currently owned by AXA and the Caisse des dépôts, in 2018 at the latest. However, as of 2013 and before 2018, minority interests will be able to propose the sale of the remaining 49% to Séché Environnement, which is under no obligation to accept.
- ⇒ The strengthening of the partnership between the Caisse des dépôts and Séché Environnement with the extension of the duration of the shareholders' agreement between Joël Séché and the Caisse des dépôts within Séché Environnement until April 2022.

These agreements, which combine the strength of the shareholder structure with an ambitious long-term industrial strategy, create the ideal context for the development of Saur and contribute to the emergence of a new range of environmental services in France.

1.2 Positioning in renewable energies in line with Séché Environnement's activities

In addition to these major events, Séché Environnement and Sergies set up a shared subsidiary - Senergies - in the first half of 2008, with a view to producing electricity using renewable energies in the Vienne department. 80%-owned by Séché Environnement and 20% by Sergies (a mixed-economy company combining energy distribution and production), Senergies will first aim to develop biogas recovery at the Vigeant site.

1.3 Optimization of the Group's traditional businesses

As part of the optimization of its traditional scope, in the first half of 2008, Séché Environnement:

- ⇒ sold its 49% stake in SEA. This transaction, which generated consolidated earnings of EUR 1.2 million, put a permanent end to the dispute opposing Séché Environnement and the co-shareholder of SEA since 2002;
- ⇒ injected EUR 960,000 by using the current account of its subsidiary Opale Environnement to reinforce its shareholder's equity. This capital increase will allow the subsidiary to carry out the significant investments planned in energy production, thus preventing an unfavorable financial position with regard to regulations governing undercapitalization;

In July 2008, the Group decided to recapitalize its Hungarian subsidiary, Hungaropec, in the amount of EUR 2.5 million, all of which was injected by using its current account. This transaction will be used to recapitalize this company's shareholders' equity in compliance with

Hungarian legislation. As the co-shareholder did not wish to participate in this transaction, the Group's stake in Hungaropec will increase from 87% to 99.6% in the second half of 2008.

2. ACTIVITY

At June 30, 2008, consolidated revenue stood at EUR 185.4 million versus reported revenue of EUR 178.9 million at June 30, 2007. With pro forma revenue for the first half of 2007 at EUR 175.8 million, the Group posted 5.5% growth for the first half of 2008.

In line with current market trends in terms of segmentation, the Group decided to group its activities together into two businesses in order to meet the new definitions of waste in effect: "Hazardous Waste" or "HW" (formerly HIW) and "Non-hazardous Waste" or "NHW" (formerly NHIW-HW). In the first half of 2007, EUR 16.8 million of the revenue generated by the "Upstream" activities was allocated to the HW division and EUR 10.5 million to the NHW division.

Growth per division breaks down as follows:

Consolidated data in millions of euros

Activities	30/06/08	30/06/07 Pro forma	% change	30/06/07
Hazardous Waste	128.4	119.1	+7.8%	122.2
Non-hazardous Waste	57.0	56.7	+0.5%	56.7
Consolidated revenue	185.4	175.8	5.5%	178.9
<i>o.w. international</i>	<i>11.1</i>	<i>10.8</i>	<i>2.9%</i>	<i>13.9</i>

At constant exchange rates, pro forma growth also stood at 5.5%, as the net impact of changes in scope and exchange rates were immaterial for the period.

2.1. Businesses

First-half growth came out at 5.5% on a pro forma basis and breaks down as follows:

- the Hazardous Waste division enjoyed growth of 7.8%, benefiting from the strength of the technical waste treatment and recovery businesses, notably in France, and the robust performance of the material recovery businesses;
- the Non-hazardous Waste division delivered growth of 0.5%, as growth rates returned to more moderate levels following the very sharp development seen in recent years. A temporary market improvement in the second quarter in the balance between available capacities and client needs also contributed to this performance.

Séché's international subsidiaries, representing less than 6% of Group activity, generated EUR 11.1 million as at June 30, 2008, while pro forma growth came out at 3%. These results, which have little impact at the Group level, reflect the strength of its businesses in the euro

zone, notably in Spain, which is offset by the weaker performance of the American businesses.

It should also be noted that the Group's authorization to operate a Class 1 site in Hungary was extended for its subsidiary, Hungaroproc. Now at over 50,000 metric tons per year (as against 10,000 metric tons previously), this extension durably strengthens Séché Environnement's growth prospects on this market.

3. SUMMARY OF RESULTS FOR THE FIRST HALF OF 2008

3.1. Summary

	Group			o.w. France			o.w. International		
	June 2008	June 2007 (*) pro forma	June 2007	June 2008	June 2007 (*) pro forma	June 2007	June 2008	June 2007 (*) pro forma	June 2007
Revenue	185.4	175.8	178.9	174.3	165.0	165.0	11.1	10.8	13.9
EBITDA %	47.5 25.6%	44.9 25.5%	45.8 25.6%	46.2 26.5%	43.7 26.5%	44.5 27.0%	1.3 11.5%	1.2 11.2%	1.3 9.4%
Current operating income %	30.2 16.3%	27.6 15.7%	27.0 15.1%	29.7 17.1%	27.2 16.5%	27.2 16.5%	0.5 4.3%	0.5 4.3%	(0.1) (1.0%)
Operating income %	30.6 16.5%	27.7 15.8%	23.4 13.1%	30.1 17.3%	27.3 16.5%	27.3 16.5%	0.5 4.3%	0.5 4.3%	(3.8) (27.6%)
Financial income %	(1.2) (0.7%)	(2.5) (1.4%)	(1.3) (0.7%)						
Inc. cons. comp. (**) %	20.1 10.9%	16.5 9.4%	13.2 7.4%						
Equity (***)	(7.3)	(9.5)	2.4						
Net income %	12.9 7.0%	6.6 3.7%	15.3 8.6%						

(*) Scope as at 30/06/08

(**) Income of consolidated companies

(***) Revenue of investments in affiliates

3.2. EBITDA (earnings before interest, tax, depreciation and amortization)

In the first half of 2008, Séché Group posted EBITDA of EUR 47.5 million, or 25.6% of revenue for the same period. Over the same period of the previous year, the Group turned in pro forma EBITDA of EUR 44.9 million, or 25.5% of revenue. The stability in Group margins is due to:

- stable external expenses (at EUR 61.5 million) thanks to the optimized management of waste, which was rechanneled within the Group, thus reducing outsourcing costs;
- a like-for-like increase of EUR 5.1 million in purchases used for operational purposes attributable to raw materials (EUR 2.9 million) for the development of recovery activities and to energy costs (EUR 2.2 million).

3.3. Current operating income and operating income

The Group reported current operating income of EUR 30.2 million at June 30, 2008, representing 16.3% of revenue. This figure was EUR 2.6 million higher on a like-for-like basis (i.e. EUR 27.6 million, or 15.7% of revenue), thus rising in line with EBITDA. The EUR 1.5 million increase in amortization due to the investment strategy implemented over the past two years was offset in the first half with the disappearance of a previously provisioned client risk and the write-back of the corresponding provision.

The France scope contributed EUR 29.7 million, more than 98%, to the Group's current operating income, representing 17.1% of revenue for the region. The international scope made a positive contribution of EUR 0.5 million, or 4.3%, to remain stable on last year on a like-for-like basis.

The Group's operating income totaled EUR 30.6 million (16.5% of revenue) at June 30, 2008, in line with current operating income.

3.4. Financial income

At June 30, 2008, Séché Environnement Group's financial income stood at EUR -1.2 million as against EUR -2.5 million at June 30, 2007 on a pro forma basis, which comes out to an improvement of EUR 1.3 million:

- The cost of net financial debt includes interest expenses on the corporate loan (as well as the staggering of refinancing charges at the effective interest rate and the hedging costs) net of financial income from the HIME convertible bonds held by the Group. As the cost of financial debt remained stable despite the rise in rates (due to the quality of hedging), the improvement in net financial debt is attributable to the increase in income from the HIME convertible bonds with the capitalization of interest accrued at April 30, 2008.
- Other financial income and expenses include income from exchange rate fluctuations and miscellaneous income and expenses. Other financial income and expenses improved in 2008 thanks to the write-back of provisions that had become obsolete (EUR 0.5 million), as income from exchange rate fluctuations remained stable for the period.

3.5. Income of consolidated companies

With the 10.3% improvement in Group operating income along with the solid management of financial income, up 51%, the Group posted EUR 20.2 million in income of consolidated companies at June 30, 2008. This EUR 3.7 million increase on the June 30, 2007 pro forma figure represents an increase of over 22%.

3.6. Share of income of affiliates

This item is almost exclusively comprised of Séché Group's share of the income of the HIME sub-group.

In the first half of 2008, it amounted to EUR -7.3 million, of which EUR -7.5 million attributable to the HIME sub-group. Over the same period of the previous year, the Group turned in share of income of affiliates of EUR -9.5 million on a pro forma basis (of which EUR -8.7 million attributable to the HIME sub-group). As such, share of income of affiliates increased by EUR 2.2 million due to the improvement in HIME's results.

3.6.1 Business items

The main business figures for HIME Group are presented in the table below:

HIME income by sector	June 30, 2008 (ACTUAL)			June 30, 2007 (PF)		
	WATER	WASTE	TOTAL	WATER	WASTE	TOTAL
Revenue	602.1	156.1	758.1	571.0	154.0	725.0
<i>% growth</i>	5.4%	1.3%	4.6%			
EBITDA	58.3	16.8	75.1	52.9	17.9	70.8
<i>% revenue</i>	9.7%	10.8%	9.9%	9.3%	11.6%	9.8%
Current operating income	22.6	5.0	27.6	24.2	2.4	26.6
<i>% revenue</i>	3.8%	3.2%	3.6%	4.2%	1.6%	3.7%
Operating income	22.5	4.7	27.2	23.2	3.2	26.4
<i>% revenue</i>	3.7%	3.0%	3.6%	4.1%	2.1%	3.6%
Financial income			(56.2)			(62.5)
Net income			(22.6)			(29.2)
Share held by Séché			(7.5)			(9.6)

"Water" business

In the "Water" business, HIME generated EUR 602.1 million in revenue, i.e. growth of 5.4%, EBITDA of EUR 57.7 million, up EUR 5.2 million like-for-like on 2007, and operating income of EUR 21.9 million, down by EUR 0.9 million on a pro forma basis as against the figure at June 30, 2007. These contrasting results between EBITDA and operating income are mainly due the favorable impact of business growth - thus boosting EBITDA - combined with the

impact of six full months under the savings plan launched in 2007, representing an increase of EUR 9.1 million. This positive impact absorbed:

- the unfavorable impact of slightly higher amortization expenses as a result of increased investment over the past two years: EUR -3.5 million;
- one-off costs booked in the first half of 2008 related to the "sortie" of the LBO, representing EUR 7.6 million.

"Waste management" business

Given the current ring fencing rules, Séché Environnement has very little information on the waste management business and doesn't comment on it.

With the combination of the respective trends in operating income of the "Water" business and the "Waste management" business, HIME recorded stable operating profitability for the first half of 2008, i.e. 3.6% of revenue.

Against this backdrop, the improvement in the Group's share of net income of the HIME sub-group, at EUR 6.6 million, is primarily the result of the EUR 6.3 million increase in financial income, which includes:

- ⇒ a reduction in the cost of net financial debt thanks to optimized management of Saur's cash position, which was invested on a daily basis (1% increase in the average yield);
- ⇒ the improvement in "other financial income and expenses", as the 2007 accounts suffered from the loss in value of the shares of a minority interest outside France, representing EUR 4 million.

3.6.2 Balance sheet items

The main balance sheet items of the HIME sub-group at June 30, 2008 come out as follows:

In millions of euros	30/06/08	31/12/07
Non-current assets	3,121	3,129
Current assets net of cash	969	948
Cash and cash equivalents	230	216
Shareholders' equity (incl. minority interests)	352	355
Non-current liabilities	2,679	3,043
Current liabilities	1,289	1,251

Non-current assets mainly comprise goodwill (EUR 1,992 million), property, plant and equipment and other intangible assets (EUR 1,056 million).

Liabilities (current and non-current) break down as indicated in the table below:

In millions of euros	June 30, 2008		
	Non-current	Current	TOTAL
Financial liabilities	2,045	13	2,058
Provisions	633	10	643
Other borrowings	1	1,266	1,267
Income tax payable			
TOTAL	2,679	1,289	3,968

In compliance with IFRS, the convertible bonds issued by HIME are booked as follows:

- ⇒ EUR 360.5 million under financial liabilities;
- ⇒ EUR 84.3 million under shareholders' equity.

Non-current provisions include a provision for a deferred tax liability of EUR 324.1 million, of which EUR 250 million in first consolidation differences booked under intangible assets.

3.6.3 Statement of cash flow

In millions of euros	30/06/08	30/06/07 PF
Cash flow from operating activities	58	57
Cash flow used in investing activities	(38)	(1,615)
Cash flow from financing activities	(46)	1,494
CHANGE IN CASH FLOW	(26)	(64)

3.7. Consolidated net income (Group share)

Due to the sharp rise in income of consolidated companies (22%) and the upturn in the Group's share of income of affiliates (23%), Séché Environnement reported consolidated Group net income of EUR 12.9 million in the first half of 2008, representing 7% of revenue (as against EUR 6.6 million or 3.7% of revenue in the first half of 2007 on a pro forma basis). This comes out at growth in consolidated net income (Group share) of over 95%.

4. SUMMARY OF THE CONSOLIDATED BALANCE SHEET AT 30/06/08

In millions of euros	30/06/08	31/12/07
Non-current assets	654	643
Current assets net of cash	144	132
Cash and cash equivalents	13	14
Shareholders' equity (incl. minority interests)	374	365
Non-current liabilities	262	269
Current liabilities	175	156

4.1. Non-current assets

Investments classified as non-current assets comprise intangible assets (including goodwill), property, plant and equipment, financial assets, deferred tax assets, and receivables remaining due from the Cintec disposal with maturities of more than one year.

The EUR 11 million increase in non-current assets recorded in the first half of 2008 is primarily attributable to the following factors:

- a. the EUR 4.7 million increase in net property, plant and equipment (mainly including investments in energy production);
- b. EUR 5.5 million in interest booked over the period on the HIME convertible bonds subscribed to by Equilibra in 2007 and sold to Séché Environnement on April 30, 2008;
- c. the change in the value of HIME shares accounted for by the equity method (EUR -1.1 million) due to the losses recorded in the first half of 2008 (EUR -7.4 million), the change in the fair value of hedging instruments contributed by HIME (EUR 4.9 million) and a change in HIME's shareholders' equity linked to a change in accounting method (EUR 1.4 million);
- d. the increase in the Group's stake in the Emertec fund (EUR 2.0 million);

On April 30, 2008, Equilibra sold its HIME convertible bonds following its subscription to the HIME bond issue in 2007 to Séché Environnement for their net book value including accrued interest (representing EUR 159.6 million). This transaction, which does not have an impact on income, was carried out once all HIME shareholders had been informed of it, in accordance with the agreement binding the consortium members.

4.2. Current assets (excluding cash and cash equivalents)

Current assets rose by EUR 12 million due to:

- ⇒ the EUR 4.8 million increase in prepaid expenses mainly attributable to EUR 3.9 million in expenses booked by the Group in the first half of 2008 in order to enable Séché to eventually take control of the HIME Group;
- ⇒ the EUR 4.1 million increase in trade receivables (up 3.7%) in line with business growth;
- ⇒ the increase in inventories due to the development of the recovery business.

4.3. Shareholders' equity

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

<i>(in millions of euros)</i>	Group	<i>o.w. HIME share</i>	Minority interests
- Shareholders' equity at 01/01/08	363.8	<i>(9.9)</i>	1.2
- Dividends paid	(11.2)		
- Income	12.9	<i>(7.4)</i>	(0.1)
- Translation difference	0.1		ns
- Hedging instruments	6.2	<i>4.9</i>	
- Treasury stock	(0.5)		
- Other changes	1.3	<i>1.4</i>	0.1
- Shareholders' equity at 30/06/08	372.6	<i>(11.0)</i>	1.2

The change in the fair value of hedging instruments (up EUR 6.2 million) primarily stems from the instruments contributed by HIME for the share held by Séché (EUR 4.9 million).

Other changes include a change in accounting method by HIME involving annuities from borrowings contributed on behalf of local authorities. As regards changes in accounting methods, the impact of the correction on previous years is booked directly under shareholders' equity.

4.4. Current and non-current liabilities

	June 30, 2008			December 31, 2007		
	Non-current	Current	TOTAL	Non-current	Current	TOTAL
Financial liabilities	256.8	33.4	290.2	263.7	16.9	280.6
Provisions	4.0	15.7	19.7	3.9	17.9	21.8
Other borrowings	0.9	126.0	126.9	1.0	120.2	121.2
Income tax payable		0.3	0.3		1.0	1.0
TOTAL	261.7	175.4	437.1	268.6	156.0	424.6

Current and non-current liabilities increased by EUR 12.4 million, which was mainly attributable to:

- ⇒ the increase in other borrowings and income tax payable (EUR 5.0 million, primarily trade and tax accounts payable) in line with business growth.
- ⇒ the EUR 2.2 million reduction in provisions, which includes the Group's EUR 0.7 million payout as a result of the BEFS-PEC affair and the disappearance of a previously provisioned client risk (positive impact of EUR 1.2 million);
- ⇒ the EUR 9.6 million increase in gross financial debt. After accounting for cash and cash equivalents (EUR 12.9 million), net financial debt stood at EUR 277.3 million, up by EUR 11.1 million. Net financial debt breaks down as follows:

	<i>(in millions of euros)</i>	30/06/08	31/12/07
- Bank debt		242.8	248.3
- Financial lease liabilities		29.9	31.1
- Sundry financial debt		0.3	0.4
- Short-term bank borrowings		16.4	Ns
- Employee profit sharing		0.8	0.8
TOTAL LIABILITIES		290.2	280.6
- Cash		(12.9)	(14.4)
NET FINANCIAL DEBT		277.3	266.2
<i>Portion due within one year</i>		<i>20.6</i>	<i>2.5</i>
<i>Portion due beyond one year</i>		<i>256.7</i>	<i>263.7</i>

The increase in net financial debt at June 30, 2008 is due to investment financing for the portion of that was not self-financed, in line with expectations.

5. SUMMARY OF THE CONSOLIDATED STATEMENT OF CASH FLOW AT 30/06/08

(in millions of euros)	30/06/08	30/06/07	31/12/07
INCOME OF CONSOLIDATED COMPANIES	20,123	13,163	35,837
<i>Elimination of income and expenses with no cash impact or not related to operating activities:</i>			
- Amortization and provisions	16,784	20,343	35,294
- Net capital gain on disposals	(1,195)	668	4,971
Other income and expenses	536	(679)	285
CASH FLOW FROM OPERATING ACTIVITIES	36,248	33,495	76,387
Income tax expense	9,269	8,988	19,403
Cost of financial debt after long-term investments	1,560	2,162	5,221
CASH FLOW FROM OPERATING ACTIVITIES before taxes and financing costs	47,078	44,645	101,011
Change in working capital requirement	(3,915)	9,946	8,216
Income tax paid	(10,100)	(11,614)	(20,822)
NET CASH FLOW FROM OPERATING ACTIVITIES	33,063	42,977	88,406
Purchases of fixed assets	(26,631)	(168,235)	(187,454)
Proceeds from disposals of fixed assets	147	471	2,393
Subsidies received			
Net cash outflow for acquisitions and disposals of subsidiaries	2,480	(116,791)	(120,437)
CASH FLOW USED IN INVESTING ACTIVITIES	(24,005)	(284,556)	(305,498)
Dividends paid to equity holders of the parent	(11,150)	(11,146)	85,746
Dividends paid to minority shareholders of consolidated companies	(1)	(2)	(11,146)
Capital increase in cash		85,746	(2)
Changes in other shareholders' equity	(747)	(876)	(516)
Borrowings	889	248,532	248,468
Repayments of borrowings	(8,405)	(73,398)	(78,199)
Interest paid	(7,443)	(4,294)	(12,487)
NET CASH FLOW FROM FINANCING ACTIVITIES	(26,858)	244,561	231,864
TOTAL CASH FLOW FOR THE PERIOD	(17,800)	2,983	14,771
Cash and cash equivalents at beginning of year	14,371	(341)	(341)
Cash and cash equivalents at end of year (1)	(3,431)	2,677	14,371
Effect of changes in foreign exchange rates	(2)	35	(59)
<i>(1) of which:</i>			
Cash and cash equivalents	12,924	11,032	14,448
Short-term bank borrowings (current financial liabilities)	(16,355)	(8,355)	(77)

In the first half of 2008, the Group posted cash flow from operating activities of EUR 33.1 million, which enabled Séché Environnement to meet its financing requirements (EUR 26.8 million) as well as self-finance some of its investments (EUR 6.2 million out of a total of EUR 24.0 million in investing activities). The rest of the Group's financing activities were financed through debt, as planned. As such, the Group posted a negative cash flow balance for the period of EUR -17.8 million.

Cash flow from operating activities

Cash flow from operating activities amounted to EUR 33.1 million for the first half of 2008, reflecting:

- a rise in cash flow before taxes and financing costs of EUR 2.4 million, in line with EBITDA (EUR 2.6 million);
- an increase in WCR of EUR 4.0 million due to business growth, notably in the recovery business.

Cash flow used in investing activities

Investment expenditure (net of realized gains on disposals) amounted to EUR 24 million over the period and breaks down as follows:

- ⇒ industrial investments in the amount of EUR 26.5 million, in line with forecasts;
- ⇒ income on the sale of SEA for EUR 2.4 million.

Cash flow from financing activities

Cash flow from financing activities totaled EUR 26.8 million in the first half of 2008, which includes:

- the repayment of the corporate loan according to the payment schedule (EUR 6.2 million);
- the repayment of finance lease liabilities according to the payment schedules (EUR 2 million);
- the interest on the debt paid off in the first half (EUR 7.4 million);
- the payout of dividends on 2007 results (EUR 11.2 million).

6. OUTLOOK

Specializing in waste recovery and recovery, Séché Environnement benefits from robust fundamentals on its strong added-value markets with high barriers to entry. Sustained by increasingly restrictive regulations, these markets are characterized by the ever-existent imbalance between increasing client needs and the reduction in durable waste treatment solutions.

In the second half of the year 2008, Séché Environnement successfully pursued its profitable growth strategy, which is based on an extended range of services that exceed client expectations.

After a mid-year low, growth is expected to resume and pick up over the next few months, enabling Séché Environnement to reach its initial target of growth nearing 7% of its revenue for 2008.

The Group also confirms its operating margin, with current operating income of around 18% of revenue.

In the medium term, the Group reasserts its confidence with a target for average annual growth of approximately 7% while continuing to increase profitability, with current operating income of about 20% of revenue by 2010.

7. SECHE ENVIRONNEMENT PARENT COMPANY FINANCIAL STATEMENTS

Séché Environnement reported net income of EUR 33.5 million at June 30, 2008 compared with EUR 18.5 million for the first half of 2007. This EUR 15 million increase in net income breaks down as follows:

In millions of euros	30/06/08	30/06/07	Change
Revenue	7.4	7.7	(0.3)
Operating income	0.5	(19.4)	18.9
Financial income	31.5	36.9	(5.4)
Extraordinary items	0.2	(0.4)	0.6
Income tax (incl. tax consolidation)	1.3	1.3	/
Net income	33.5	18.5	15.0

Séché Environnement's net income for the first half of 2007 was significantly impacted by the acquisition of the 33% stake in HIME (expenses linked directly to the acquisition, cost of a new corporate loan). As this acquisition only affected 2007 income, in the first half of 2008, the Group once again saw its operating income virtually balanced, financial income mainly comprised of dividends received from investments (EUR 34.2 million) and net tax income booked from the tax consolidation gain.

8. OWNERSHIP STRUCTURE

Share ownership at June 30, 2008	Number of shares	%	Voting rights	%
Joël Séché	3,585,400	41.5%	7,170,800	58.1%
Amarosa family trust (*)	116,036	1.4%	232,072	1.9%
Sub-total, Joël Séché family	3,701,436	42.9%	7,402,872	60.0%
CDC Group	1,726,974	20.0%	1,726,974	14.0%
Treasury stock (**)	62,956	0.7%	62,596	0.5%
Free float	3,143,504	36.4%	3,146,293	25.5%
Total	8,634,870	100.0%	12,339,095	100.0%

(*) The Amarosa family trust is 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 crossings.

On February 29, 2008, Pictet Asset Management Ltd (United Kingdom) declared that it had crossed the threshold of 5% of the share capital of Séché Environnement on October 26, 2007 following the sale of shares on the market. On March 4, 2008, Pictet Asset Management Ltd declared that it owned a 3.91% stake in Séché Environnement, representing 2.73% of the voting rights.

The Company was informed by UBS Global Asset Management that it had crossed the threshold of 1% of the share capital on April 16, 2008, increasing its stake to 1.04% of the capital, or 0.73% of the voting rights.

Since June 30, 2008 and until the date of this meeting, Séché Environnement has not been informed of any other ownership threshold crossings in either direction.