

Changé, September 5, 2011

## Consolidated results at June 30, 2011

### Sharp increase in net income to EUR 15.9 million, i.e. 7.6% of revenue (vs. EUR 8.7m i.e. 4.5% of revenue at June 30, 2010)

#### **Solid organic growth: revenue +8.6% to EUR 209.6m**

- Good performance of markets in France and abroad
- Contribution of new customers

#### **Good operating performance despite the impact of non-recurring or exogenous factors**

- EBITDA maintained at high level to EUR 49.7m (+3.7%), i.e. 23.7% of revenue
- Current Operating Income down slightly to EUR 29.0m (-2.7%), i.e. 13.8% of revenue
- Operating income up markedly to EUR 28.7m (+17.2%), i.e. 13.7% of revenue

#### **Earnings up sharply**

- Income from cons.<sup>ted</sup> companies up to EUR 23.6m (+32.4%), i.e. 11.3% of revenue
- Net income Group share up to EUR 15.9m (+82.1%), i.e. 7.6% of revenue  
(exc. impact from IFRS 3 revised at H1 2010, it would have increased +27%)

#### **Good level of cash flow and financial situation secured**

- Cash flow of 22% of revenue financing growth investments (Capex: 11% of revenue)
- Deleveraging confirmed: Net debt/EBITDA of 1.88x

#### **Favorable 2011 outlook**

- Revenue growth of approximately +7%<sup>(1)</sup>
- COI (in value terms) maintained at roughly 2010 levels
- Net income Group share up again
- Preparing the future: CAPEX of about EUR 50m<sup>(1)</sup>

#### **Hime – Saur:**

- Revenue: +8.4% to EUR 823.4m (+5.6% at constant scope)
- Increase in EBITDA: +4.6% to EUR 90.8m
- Net loss reduced to EUR (23.6)m vs. EUR (28.2)m

Commenting on these figures, Joël Séché highlighted the solidity of the activity and the quality of the results: *"Performance in the first half of 2011 reinforces our strategy on the high-growth markets of waste recovery and treatment. Our Group is well positioned to seize every development opportunity on its markets and to strengthen its solid and profitable growth by offering leading industrial groups and major local governments the most appropriate solutions for managing all their waste challenges. Séché Environnement is successfully developing its businesses on the high-growth markets of waste management outsourcing and is actively investing in the businesses of the future such as waste recovery and renewable energies, which are linked to its historic business. For fiscal year 2011, Séché Environnement is expected to continue its strong organic growth while, once again, considerably increasing its net income. Séché Environnement, which now has several profitable growth drivers and a healthy financial structure, has affirmed its high-performance model anchored in Sustainable Development markets - the Group is actively laying the groundwork for its industrial future while creating value for its shareholders."*

<sup>1</sup> Excluding investments made under utility delegation contracts

With consolidated revenue up +8.6% in the first six months of 2011, reaching EUR 209.6m, Séché Environnement recorded solid operating performance and its net income Group share increased sharply.

Reviewed consolidated figures in EURm (under IFRS)

At June 30	2010	2011	Change 2011/2010
Revenue	193.0	209.6	+8.6%
EBITDA <sup>2</sup>	47.9	49.7	+3.7%
<b>Current operating income</b>	<b>29.8</b>	<b>29.0</b>	<b>-2.7%</b>
Operating income	24.5	28.7	+17.2%
Net income from consolidated companies	17.8	23.6	+32.6%
<b>Group net income</b>	<b>8.7</b>	<b>15.9</b>	<b>+82.1%</b>

Accounts approved by the Board of Directors on August 30, 2011.

### Solid operating performance integrating non-recurring or exogenous elements

In the 1<sup>st</sup> half of 2011, Séché Environnement maintained a high level of operating profitability, despite the impact of exogenous and non-current items:

- **EBITDA** reached **EUR 49.7m, i.e. 23.7% of revenue, up 3.7%** versus the first six months of 2010.

This increase reflects the positive contribution of organic growth and development in the business activity mix over the period.

It was, however, penalized by exogenous items, such as the increase in the cost of energy for EUR 1.3m, and by one-off charges (incident with a turbine in Salaise in Q1, increase in other taxes, etc.) for EUR 1.6m;

- **COI (Current operating income)** reached **EUR 29.0m, i.e. a variation of -2.7% to 13.8% of revenue.**

The change in COI reflects the change in EBITDA but also the inclusion of concession expenses (EUR +1.5m), linked notably to Sénerval (not consolidated in H1 2010) as well as the increase in site rehabilitation expenses (EUR +1.0m).

- **Operating income rose markedly (+17.2%)** compared with the first half of 2010 to **EUR 28.7m**, mainly due to the non-renewal of the expense recorded at June 30, 2010 linked to the application of the revised IFRS 3 standards (impact: EUR 5 million).

<sup>2</sup> Note that the accounting presentation for charges relating to the renewal of assets under concession and site rehabilitation was modified in 2011 compared with 2010, with a limited effect on EBITDA (EUR +0.5m) and no effect on current operating income.

## Net income Group share expands substantially

**Financial income** was positive and increased to **EUR 4.9m** versus EUR 1.5m one year ago. This increase reflects not only the stability of financial debt and the cost of the debt but higher interest income on Hime convertible bonds, as well.

After corporate income tax (EUR 10.0m versus EUR 8.2m at June 30, 2010, at a nominal corporate tax rate of 29.8% versus 31.5% in 2010), the **net income from consolidated companies** (measuring the profitability of activities under operational control) increased markedly to **EUR 23.6m**, i.e. **11.3% of revenue** (vs. EUR 17.8m or 9.2% of revenue last year).

The share in income of affiliates remained negative at EUR -7.8m although it improved slightly year-on-year (EUR -9.4m), as the net loss at Hime was reduced.

**Net income Group share** increased **+82.1%** to **EUR +15.9m** compared with H1 2010 (EUR 8.7m).

Without the impact of the revised IFRS 3 standards, which hurt net income at June 30, 2010, the increase would have been +27% versus last year.

## Cash flow growth and financial stability reinforced

**Gross cash margin** totaled **EUR 45.4m**, i.e. 22% of revenue. The Group is easily able to finance its investments with cash. Likewise, investments were up significantly over the period (EUR 26.1m versus EUR 12.4m one year ago).

Higher investment levels were mostly the result of the strong increase in development investments in high-growth businesses such as materials recovery (production of solid fuels from waste recovery) and renewable energy production linked to the Group's historic business lines (e.g., solar power farm in Le Vigeant)

**Consolidated net debt** and financial ratios remained stable at **EUR 199.6m**, i.e. **0.52x shareholders' equity** and **1.88x EBITDA** (vs. EUR 194.9m at December 31, 2010, i.e. 0.53x shareholders' equity and 1.91x EBITDA), thus confirming the Group's sound financial footing.

## Favorable 2011 outlook

Séché Environnement is a specialist in waste treatment and recovery and is present on long-standing growth markets that have been driven by regulations from the French ecological summits known as Grenelles de l'Environnement and new sustainable development issues its client base, which includes industrial clients and local governments, is faced with.

Business activities with high added-value in terms of recovering materials from waste, including energy recovery, are developing rapidly on these markets.

The Group is constantly adapting its offer to provide its clients with the best recovery and treatment solutions for all types of waste and to seize new commercial opportunities arising from these issues (e.g. waste management outsourcing for large industrial groups and major local governments).

This has led it to steer its growth model through an enlarged commercial offer toward new long term businesses such as public service delegations for managing waste recovery and treatment infrastructure, and to reinforce its facilities by promoting an active investment policy to develop high-growth businesses such as sorting and recovery (waste-derived fuel production) as well as the production of renewable energies linked to its historic businesses.

Thus, Séché Environnement plans to invest EUR 50m in industrial projects (excluding investments made for concession contracts) in 2011.

On the back of these positive trends in its markets and the Group's robust sales activity, Séché Environnement is re-iterating its 2011 revenue guidance of approximately 7%.

Given the non-recurring or exogenous elements recorded in the H1 EBITDA, the current operating income for 2011 (in value terms) is expected to be maintained at 2010 levels<sup>3</sup>.

Net income Group share is expected to increase versus 2010.

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<sup>3</sup> "current operating income of greater than EUR 70m" as published in the 2010 annual results on February 28, 2011.

## Hime – Saur

### Increase in current operating income

### Reduction in half-yearly net loss

The consolidated earnings of the sub-group Hime, for the first half-year 2011, included:

- ✚ High revenue growth (+8.4% to EUR 823.4m) integrating a scope effect. As such, growth at constant scope is lowered to +5.6%.
- ✚ EBITDA was up +4.6% to EUR 90.8m, i.e. 11.0% of revenue. The increase in EBITDA over the period was fuelled by improving margins abroad in the Water business and the increase in secondary raw material prices at Environmental Services;
- ✚ Current operating income up markedly: +32.8% to EUR 40.1m. This strong increase was mostly the result of International provisions not being renewed, which had penalized COI in the first half of 2010;
- ✚ Slightly higher financial income of EUR (69.6)m versus EUR (64.8)m at June 30, 2010, due to the combination of rising net debt and cost of debt and increasing interest on convertible bonds;

At June 30, 2011, Hime's consolidated net income stood at a loss of EUR 23.6m versus a net loss of EUR 28.2m the previous year.

Net financial debt rose to EUR 1,665.1m (vs. EUR 1,553.9m one year ago), which led the financial ratios to finish the period roughly flat, at 8.04x EBITDA.

### Key figures

Consolidated data in EUR m (under IFRS)

At June 30	2010	2011	Change 2011/2010
Revenue	759.8	823.4	+8.4%
<b>EBITDA</b>	<b>86.9</b>	<b>90.8</b>	<b>+4.6%</b>
Current operating income	30.2	40.1	+32.8%
Financial income	(64.8)	(69.6)	-
Tax income	7.4	4.5	-39.2%
Consolidated net income (Group share)	(28.2)	(23.6)	-

The results presentations will be available  
September 6, 2011 (11:30 a.m. Paris time) at:

<http://www.groupe-seche.com/majic/pageServer/1b0100000m/fr/Presentations-SFAF.html>

The press conference can be downloaded starting September 7, 2011 at the same address.

## APPENDICES

Consolidated income statement at June 30, 2011  
Consolidated balance sheet at June 30, 2011  
Consolidated cash flow statement at June 30, 2011

## Calendar:

Publication of consolidated revenue at September 30, 2011 on **October 27, 2011 (after market close)**

## 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, concentrating on the higher added-value end of the recovery, waste management and storage markets.

The Group offers integrated specialized services:

- recovery or energy recovery of hazardous and non-hazardous waste;
- processing (incineration, physical chemical, etc.);
- storage of final residue comprised of hazardous or non-hazardous industrial waste (HIW and NHIW).

It is actively developing its business on the outsourcing markets, waste management for major local authorities and leading industrial clients.

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 listed on Euronext's Eurolist since November 27, 1997. (Compartment B – ISIN: FR 0000039139 – Bloomberg: SCHP.FP – Reuters: CCHE.PA).

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## APPENDICES

### Consolidated income statement at June 30, 2011

	ACTUAL 12/31/10		ACTUAL 06/30/10		ACTUAL 06/30/2011	
Revenue	402,122		192,994		209,603	8.6%
EBITDA	103,704	25.8%	47,891	24.8%	49,659	23.7%
CURRENT OPERATING INCOME (COI)	66,887	16.6%	29,779	15.4%	28,979	13.8%
OPERATING INCOME	60,431	15.0%	24,503	12.7%	28,728	13.7%
FINANCIAL GAIN OR LOSS	6,892	1.7%	1,509	0.8%	4,880	2.3%
Tax	21,226	5.3%	8,185	4.2%	10,007	4.8%
INCOME FROM CONSOLIDATED COMPANIES	46,097	11.5%	17,827	9.2%	23,601	11.3%
Share of income of affiliates	(19,201)	4.8%	(9,360)	4.8%	(7,786)	3.7%
Minority interests	(470)	0.1%	(274)	0.1%	(99)	0.0%
Net income (Group share)	27,366	6.8%	8,742	4.5%	15,915	7.6%

### Consolidated balance sheet at June 30, 2011

	12/31/2010 (restated)	06/30/11
NON-CURRENT ASSETS	575,268	584,794
Current assets (excl. cash and cash equivalents)	133,144	142,012
Cash and cash equivalents	43,431	25,222
<b>TOTAL ASSETS</b>	<b>751,843</b>	<b>752,029</b>
SHAREHOLDERS' EQUITY	369,728	382,508
FINANCIAL LIABILITIES	238,363	224,841
HEDGING INSTRUMENTS	2,593	525
PROVISIONS	20,838	18,931
OTHER LIABILITIES	120,321	125,224
<b>TOTAL LIABILITIES</b>	<b>751,843</b>	<b>752,029</b>

Consolidated cash flow statement at June 30, 2011

	12/31/2010 (restated)	06/30/10	06/30/11
CASH FLOW before tax and financial expenses	100,757	47,294	45,433
CHANGE IN WORKING CAPITAL REQUIREMENT	3,577	5,059	4,636
Income tax paid	-11,731	-4,286	-13,839
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>92,604</b>	<b>48,067</b>	<b>36,230</b>
Investments in tangible and intangible assets	-29,214	-13,783	-26,273
Proceeds from fixed asset disposals	2,239	1,388	187
Net financial investments	4,461	-472	32
Net cash from acquisition and disposal of subsidiaries	-56	-11	2
<b>NET CASH FROM INVESTMENTS</b>	<b>-22,571</b>	<b>-12,878</b>	<b>-26,052</b>
Dividends paid to equity holders of the parent	-10,748	-11,151	-11,145
Proceeds and repayment of borrowings	-26,812	-13,493	-14,000
Interest paid	-8,544	-4,522	-3,340
Other cash flow	230	-4	-11
<b>NET CASH FROM INVESTMENTS</b>	<b>-45,873</b>	<b>-29,171</b>	<b>-28,497</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>24,160</b>	<b>6,019</b>	<b>-18,319</b>
Foreign exchange fluctuation	67	110	-34
<b>CASH FLOW AT OPENING</b>	<b>18,622</b>	<b>18,622</b>	<b>42,849</b>
<b>CASH FLOW AT CLOSING</b>	<b>42,849</b>	<b>24,747</b>	<b>24,496</b>