

Changé, Tuesday, January 29, 2013

Reported 2012 revenue: +4.2% to €441.9m

Sound performance by most businesses in a listless economic environment

Revenue excluding IFRIC 12: €425.0m, up 0.5% over the fiscal year

✚ HW division¹: solid performance by the division penalized by slowdown in PCB activity

✚ NHW division²: decline in storage businesses offset by strong sales dynamic

2012 COI estimated at 8%-9% of revenue excluding IFRIC 12

2013 trends: business growth bolstered by the HW division's strong performance and by developments made in the NHW division during 2012

Séché Environnement posted 2012 consolidated revenue of €441.9m, up by 4.2% compared to the previous year (€424.2m). Restated for concession investments³, revenue excluding IFRIC 12 stood at €425.0m vs €422.8m in 2011, an increase of 0.5%.

The downbeat macroeconomic backdrop, particularly at the industrial level, was the main story of the 2012 fiscal year. In this difficult climate, most of Séché Environnement's businesses showed their resilience while the Group demonstrated a strong sales dynamic to win over new industrial clients (comprehensive services, etc.) and large communities (outsourced public service contracts, etc.).

Within the **HW division**, business lines (especially incineration and platforms) maintained a healthy level of activity, and revenue for the year (-0.1% to €269.8m) mainly reflects the clear slowdown in PCB processing business (-23.5% in relation to 2011 at €20.3m). Excluding PCB, the division's growth stood at +2.4% for 2012, attesting to the strength of markets for recovering and treating the most technical waste, even in a weak industrial environment.

Within the **NHW division**, revenue growth was driven by the strong performance of the incineration (excluding Strasbourg), recovery and rehabilitation businesses. However, it was negatively impacted by lower volumes in the storage business lines, which deteriorated over the second half, as well as reduced availability at the Strasbourg incinerator due to the major concession investments carried out there during the second quarter of 2012. Overall, the division grew by 1.6% over the year to €155.2m, strengthened at the end of the period by contracts won over the fiscal year (Nantes-Alcéa, Scherwiller, etc.) and by the consolidation of Tree in the fourth quarter.

¹ HW = Hazardous Waste

² NHW = Non-Hazardous Waste

³ Investments made for disposed assets and booked as revenue in accordance with IFRIC 12. In 2012, these were basically investments in modernizing the Strasbourg incinerator.

Audited consolidated figures in €m under IFRS

At December 31	2011	2012	Change 2012/2011
HW division:	270.1	269.8	-0.1%
NHW division (excl. IFRIC 12):	152.7	155.2	+1.6%
Revenue excluding IFRIC 12	422.8	425.0	+0.5%
IFRIC 12 revenue	1.4	16.9	not significant
Revenue (reported)	424.2	441.9	+4.2%

International consolidated revenue totaled €26.5m at December 31, 2012 (compared with €24.9m one year earlier), i.e. a 6.4% increase over the period. At constant exchange rates, international consolidated revenue would have reached €24.7m at December 31, 2011, demonstrating a lack of significant foreign exchange effects over the period.

Activity is clearly growing in Q4 2012 - revenue excluding IFRIC 12: +5.9%

In a still gloomy macroeconomic environment, Séché Environnement performed well in Q4 2012, bolstered by the established upward trend of its HW division and, within the NHW division, by the contribution of new contracts and consolidation of Tree.

For the fourth quarter, the Group posted revenue of €122.8m, including €7.9m in concession investments. Restated for these investments, revenue excluding IFRIC 12 stood at €114.9m vs €108.5m over the same period in 2011, i.e. a 5.9% increase.

The two divisions therefore generated business levels that were generally satisfactory, which underscores the resilience of Séché Environnement's markets and its strong sales dynamic:

- ✚ With revenue clearly growing in Q4 2012 (+5.7% to €72.8m versus €68.8m), the **HW division** continued to turn in solid results as its business lines, especially incineration and platforms, and improved conditions on the PCB markets contributed to performance over the period. In fact, PCB revenue stood at €7.0m versus €5.3m (+32.2%) for Q4 2011, driven by a renewal of very strong activity in Latin America due to a substantial spot contract. Excluding PCB, revenue for the division was up 3.5% in the fourth quarter.
- ✚ The NHW division posted revenue of €50.0m (versus €40.1m in Q4 2011). Restated for IFRIC 12 revenue (€7.9m in Q4 2012 versus €0.5m one year ago), the division's business was up 6.2% with revenue of €42.1m versus €39.6m in Q4 2011. However, the division was negatively impacted by reduced storage volumes, which began during the fiscal year but worsened at the end of the period. At the same time, the Strasbourg incinerator experienced increased downtime due to work carried out to modernize the furnaces. These factors were offset by positive sales results, particularly the beginning of the contract with Nantes-Alcéa and, to a lesser extent, of that with Scherwiller. Furthermore, Tree, a Class 2 storage site, was consolidated for the first time during the fourth quarter, making a €0.7m contribution over the period.

2012 operating income: profitability has bottomed out

The level of activity generated during the fiscal year ended came out at the low end of Séché Environnement's expected range, resulting in an inability to achieve the target for current operating income (COI), which was approximately 11% of revenue excluding IFRIC 12⁴.

Operating profitability is also expected to be impacted by increased negative mix effects, with the decline of certain higher added-value activities such as PCB and especially storage, for which volumes deteriorated even more sharply over the second half compared to the beginning of the year. In addition, some treatment facilities proved lower availability than expected at the end of the year.

Consequently, Séché Environnement expects COI to total 8%-9% of revenue excluding IFRIC 12, which is expected to be a low point for operating profitability, both in terms of expected developments in 2013 as well as for medium-term prospects.

More positive 2013 trends

Due to the unpredictable macroeconomic environment, Séché Environnement is assuming that the status quo will be maintained, especially in the industrial context.

In 2013, Séché Environnement's businesses should be characterized by:

- ✚ a slowdown of PCB activities as in 2012 in the **HW division** which should post growth close to that of last fiscal year,
- ✚ storage businesses in line with 2012, in the **NHW division**. Growth will be reinforced by full-year contributions from the contracts won in 2012 and the integration of Tree, while the Strasbourg-Sénerval incinerator will be fully operational again for the fiscal year.

⁴ See press release dated September 3, 2012: "COI around 11% of revenue excluding IFRIC 12, for growth in revenue excluding IFRIC 12 around +2.0%"

HIME – SAUR: activity as of December 31, 2012

As at December 31, 2012, Hime-Saur generated consolidated revenue of €1,727.5m, up 4.9% compared to 2011 (€1,646.5m).

At constant scope, activity would be up 3.2% over the period.

An analysis by division shows the following:

- + **Water:** revenue stood at €1,383.4m versus €1,304.6m as of December 31, 2011, reflecting growth of 6.0%. At comparable scope, growth stood at 3.9%
 - **France:** revenue stood at €1,212.8m versus €1,176.7m a year ago, including a scope effect of €24.8m. At constant scope, revenue rose 1.0% to €1,188.0m, driven by the solid performance of the Water & Sanitation division (+1.3% to €1018.8m) while Engineering and Works activities posted a slight decline (-1.3% to €166.1m).
 - **International:** International business was up sharply (+33.4% to €170.6m), including a scope effect of €3.1m. At constant scope, international business rose significantly (+31.0% to €167.5m) due to the contribution of contracts signed in Saudi Arabia.
- + **Environmental Services:** revenue increased slightly (+0.6%) to €343.9m versus €341.0m at December 31, 2011. The unfavorable pricing trends for secondary raw materials and the reduced activity in industrial markets were offset by the strong performance of services to local authorities.

Consolidated data in €m (under IFRS)

At December 31	2011	2012	Change 2012/2011	2012 constant	Change 2012/2011
Water	1,304.6	1,383.5	+6.0%	1,355.5	+3.9%
Environmental Services	341.9	343.9	+0.6%	343.9	+0.6%
Consolidated revenue	1,646.5	1,727.4	+4.9%	1,699.4	+3.2%

A conference call will be held today in French
at 6:00 p.m. sharp (Paris time)

at: +33 1 48 50 50 80
code: 44 32 06 46#

A presentation of the earnings report is also available at:
http://www.groupe-seche.com/EN/accueil_56.html

A recording of the conference will be made available starting on January 30, 2013, by dialing:

+33 1 48 50 50 89 code: 50 33 67 #

About Séché Environnement

Séché Environnement is one of the leading players in the treatment and recovery of all types of non-radioactive industrial and household waste in France, whether from industry or from local communities. Its facilities enable it to offer high-quality comprehensive solutions that incorporate all environmental requirements.

Séché Environnement is the leading independent operator in the country with a unique positioning at the hub of the high value-added waste recovery, treatment and storage markets.

The Group offers integrated specialized services:

- material recovery or energy recovery of hazardous and non-hazardous waste;
- treatment (incineration, physical-chemical, etc.);
- storage of ultimate hazardous and non-hazardous waste,

It is actively developing its business on waste management outsourcing markets for its clientele of large communities and major industrial companies.

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 Eurolist by Euronext since November 27, 1997
Compartment B – ISIN: FR 0000039139 – Bloomberg: SCHP.FP – Reuters: CCHE.PA)

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