

Changé, July 29, 2014

Activity at June 30, 2014

Revenue excluding IFRIC 12: -4.4% at constant exchange rates

**High 2013 basis for comparison
Exceptional business conditions in the NHW division in Q2**

Revenue excluding IFRIC 12 of €213.4m (down -4.4% at constant exchange rates)

- HW division (revenue: -2.8% at constant exchange rate): momentum in Service and Recovery activities; unfavorable basis for comparison in Platform business lines
- NHW (revenue: -7.1%): recurrence of markets with public authorities; high 2013 basis in Depollution activities; exceptionally reduced availability in incineration

Preliminary earnings at June 30, 2014 (not audited)

- EBITDA between €36m and €38m (vs. €38.2 million at June 30, 2013)
- Operating income between €5m and €7m (vs. €15.6m at June 30, 2013): one-time charges of €8.4m posted under Current Operating Income (COI)

Commercial success in Laval concluded in July: innovative project in heat network management

- Coriance/Séché Environnement Grouping: DSP contract for €100m over 20 years for the management and extension of the Laval heating network (Séché Environnement share: 35%)
- Séché Environnement: revenue of €40m over 20 years for the supply of reclaimed energy to DSP in charge of Laval heat network management

Séché Environnement's consolidated revenues at June 30, 2014 came out to €216.4 million versus €239.2 million one year earlier.

This change (€-22.8m) reflects:

- for €12.5m, **the reduction, as expected over the period, of concession investments** (consolidated as income, in keeping with IFRIC 12) that amount to €3.0m over H1 2014 vs. €15.5m one year earlier;
- for €10.3m, **the change in consolidated revenue excluding IFRIC 12**, which came to €213.4m, down from €223.7m at June 30, 2013, **a drop of 4.6%** (-4.4% at constant exchange rates).

Over the first half of 2014, Séché Environnement had uneven activity depending on business lines and divisions. Consolidated activity was driven by the momentum of Services and Recovery which partially offset the lesser contribution by treatment activities.

The first half compares less favorably with a strong first half of 2013, in both the Hazardous Waste division and the Non-Hazardous Waste division, due to the end of major contracts which had contributed significantly to revenue in the Depollution and Platforms activities last year.

At the end of the first half, the Group also had exceptional business conditions in the Non-Hazardous Waste incineration activity, which penalized growth in that division.

The **Hazardous Waste division** benefited from solid markets, characterized by the momentum of service activities (Comprehensive Offers; Depollution) and recovery. However, the division's performance over the half-year was penalized by a higher basis for comparison in the first half of 2013, in conjunction with the end of a major spot contract in platform activities.

The **Non-Hazardous Waste division** is supported by the recurrence of its contracts with the public authorities. Activity for the period is compared with a strong 2013 basis in the Depollution/Decontamination business lines, with, among others, the end of the rehabilitation contract of La Gabarre in Guadeloupe.

The division is also suffering from slower energy sales, in line with the industrial action that affected the availability of the Strasbourg-Sénerval incinerator during the second quarter.

These circumstances weighed on operating profitability for the first half¹, resulting in losses totaling €9-€10m, of which €8.4m in costs were qualified as exceptional and, for this reason, posted under Operating Income (OI) at June 30, 2014.

As such, at June 30, 2014², Séché Environnement anticipates Gross Operating Income (EBIDTA) of between €36m and €38m and Operating Income (OI) of between €5m and €7m.

Consolidated data in €m

At June 30	2013	2014	Change at current exchange rates	Change at constant exchange rates
Hazardous Waste (HW) division	138.6	134.3	-3.1%	-2.8%
Non-Hazardous Waste (NHW) division	85.1	79.1	-7.1%	-7.1%
Revenue excluding IFRIC 12	223.7	213.4	-4.6%	-4.4%
<i>IFRIC 12 revenue</i>	<i>15.5</i>	<i>3.0</i>	-	-
Consolidated revenue (reported)	239.2	216.4	-9.5%	-9.3%

Reported revenue at constant exchange rates stood at €238.7 million at June 30, 2013.

¹ See press release dated June 16, 2014.

² Preliminary earnings (not audited)

Q2 2014 activity:

Consolidated revenues at June 30, 2014 came out to €110.2 million versus €121.9 million one year earlier.

This includes IFRIC 12³ revenue of €1.8m, down from €7.6m one year ago. This loss reflects the expected change over the period of investments made on the disposed assets.

Restated for IFRIC 12 revenue, **revenue for the period stood at €108.4m**, down from €114.3m, a **downturn of -5.2%** compared to the second quarter 2013 (**-5.0% at constant exchange rates**).

During the second quarter, Séché Environnement experienced uneven activity: May had a particularly strong contraction in activity (around -10% compared to the same period in 2013), while June was favorable.

The period suffered from a high basis for comparison, when compared to the same period in 2013. Within the Non-Hazardous Waste division, energy sales were also slower in the second quarter.

 **HW division:** Revenue at June 30 stood at €70.0m (vs. €70.8m one year earlier), marking a slight contraction of -1.1% (-0.7% at constant exchange rates).

- **In France**, revenue was virtually stable compared to Q2 2013, at €64.3m vs. €64.6m, the slight decline in treatment activities and, above all, the end of a major spot contract in platform activities being offset by the momentum in Service activities (Total Solutions, Asbestos Removal) and Recovery business lines (Purification, etc.).
- **Internationally**, revenue stood at €5.7m in the second quarter (vs. €6.1m one year earlier). Revenue internationally was penalized by the Argentine peso's €0.3m depreciation. At a constant exchange rates, revenue fell -2.7%.

 **NHW Division:** Revenue excluding IFRIC 12 was €38.4m vs. €43.6m in Q2 2013, a contraction of -11.9%.

This change reflects an unfavorable basis for comparison with the same period of 2013 in Depollution/Decontamination activities, with the end of the La Gabarre rehabilitation project in Guadeloupe.

It also includes €1.8m not billed for energy in incineration, because the Strasbourg-Sénerval incinerator was unavailable over the period.

Restated for this item, the division's downturn over the second quarter comes to -7.8% (and -4.9% for the half-year).

³ Investments made on the disposed assets and booked as revenue in accordance with IFRIC 12.

Business developments in heat network management

Séché Environnement won a competitive bid from the City of Laval with an innovative project, pairing development, energy services and circular economy

In early July 2014, the Coriance/Séché Environnement Grouping was awarded the public service contract for the management and development of the urban heating network.

The aim of this 20-year contract is to operate and develop the current network, increasing from 35,000 MWH/year to 75,000 MWH/year by using Reclaimed Energy produced at the Séché Environnement site in Changé.

LEN (Laval Energie Nouvelle), which will be created and 65% owned by Coriance, 35% by Séché Environnement, will be the holder of the DSP contract beginning on September 1, 2014.

It will be consolidated using the equity method in the financial statements of Séché Environnement beginning on its creation date.

LEN's expected revenue is around €100m over 20 years.

In addition, Séché Environnement will provide the bulk of the heating thanks to the reclaimed energy produced by its Changé facilities and via a hot-water system between Changé and the LEN heating network. The project provides for the realization of an energy production facility and an 11km heating network to supply the urban network of the City of Laval in the context of its extension.

This network, and the equipment upgrade, will require an investment of some €17m to be made between end-2015 and 2016, and some of it will be subsidized.

The revenue expected by Séché Environnement for this optimization of its energy recovery is around €40m over 20 years, beginning in Q4 2016.

This is the first concrete implementation of the circular economy by increasing the recovered fraction of the waste: most of the energy will come from Solid Recovered Fuel (SRF) produced in Changé using non-recyclable waste. This process gives the waste a second life as fuel.

To date, there is no dedicated recovery unit of this type in France.

The equipment will be used to replace fossil fuels with recovered fuels (biogas and SRF); it will have average power, spread widely throughout France (Activity zones, etc.).

This project illustrates Séché Environnement's commitment to a circular economy that pairs economic development with the use of resources produced from a territory's waste.

Conference call

A conference call will be held in French today at 6pm (Paris time).

To join the conference, please dial: +33 1 48 50 50 80 - Code: 44 32 06 46#

The slideshow for the conference is available at: http://www.groupe-seche.com/EN/accueil_56.html

The conference may be heard later, at +33 (0)1 48 50 50 89 – Code 50 33 67 #

Next communication

Consolidated results at June 30, 2014

September 8, 2014 after market close.

Contact

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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, 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 and treatment markets.*

The Group offers integrated specialized services:

- *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.

*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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