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Press Release

Changé, September 7, 2015

Consolidated results at June 30, 2015

Strong activity
- Solid sales momentum and positive market trends
- Activities postponed until the second half

Improved operating and financial results
- EBITDA of €34.0m versus €35.9m at 06/30/2014: impact of postponed activities
- Operating income of €12.4m versus €5.1m at 06/30/2014: non-renewal of extraordinary items from H1 2014.
- Financial income of -€6.9m versus -€8.2m: impact of bond and bank refinancing

Net income (Group share) up +€3.6m vs. -€4.3m decline at 06/30/2014

Targets confirmed for 2015

Strengthened market for DASRI (medical waste)
- France: acquisition of two treatment sites in Fleuré (Vienne department) and Petit-Bourg (Guadeloupe)
- International: 49% stake acquired in Kanay (Lima, Peru)

At the Board of Directors' meeting on August 27, 2015 called to approve the interim financial statements, Joël Séché underscored the quality of results for the period and solid prospects for the current year:
"Results from the first half of 2015 are characterized by positive changes in most of our operating totals. Favorable mix effects generated by the solid level of treatment activities, as well as the non-renewal of extraordinary items that had a negative impact on the first half of 2014, led to a strong improvement in Operating Income. In financial terms, we benefited from the initial effects of the bond and bank refinancing carried out at the beginning of 2014 and 2015. As such, net income (Group share) was up +€3.6m, comparing very favorably to the -€4.3m decline over the same period last year.
These trends confirm our activity and results targets for 2015.
Séché Environnement has the human, technological and financial resources required for its development, and is pursuing its growth strategy on the most technically-challenging waste management markets in France and internationally. As such, the second half will see the growing contribution of new highly competitive services, such as bromide waste recovery or lithium battery treatment, as well as the company's development on high value-added markets such as medical waste, where the Group has recently taken up new positions in France and internationally.
The recent increase in the percentage of family-held shares reflects its confidence in the success of the company's profitable growth strategy over the medium and long term, as well as its lasting commitment to the Group's development."

Comments on consolidated results at June 30, 2015[1]

At June 30, 2015 **Séché Environnement recorded positive net income: +€3.6m, versus a €4.3m loss** a year earlier (restated data)**.**

In the first half of 2015, Séché Environnement experienced an environment marked by positive sales momentum and a positive trend in its main markets, both industrials and local authorities[2].

The solid performance of the treatment businesses came through favorable mix effects in terms of EBITDA.

However, these mix effects were more than offset over the period by the impact of the postponement of activities in the Hazardous Waste division and by changes in some structural expenses, particularly by supporting the expansion of the Group's scope of activity.

As a result, EBITDA fell to €34.0m, a 2.1% decline compared to June 30, 2014 (€35.9m - restated 2014 data).

The change in COI, in line with EBITDA, and the disappearance of extraordinary items that had impacted the operating income in the first half of 2014, led to **significant improvement in operating income (+146% to €12.4m)**, vs. €5.1m a year earlier—restated data).

As such, net income from consolidated companies, confirmed by the improved financial income (non-renewal of expenses related to bond refinancing in May 2014), reached +€4.2m versus a loss of -€2.4m at June 30, 2014 (restated data).

Following a significant improvement in net income from consolidated companies– -€0.4m vs. -€1.4m at June 30, 2014 (restated data) due to the non-renewal of the Gerep restructuring provision, **net income (Group share) came out to +€3.6m (vs. -€4.3m at June 30, 2014**—restated data).

At June 30, 2014, net financial debt amounted to €242.9m (vs. €226.3m at June 30, 2014—restated data). **Gearing reached** 1.0x and **leverage amounted to** 3.0x.

[1] Application of IFRIC 21, effective January 1, 2015, and retroactive application through restatement of 2014 data.
[2] See press release dated July 27, 2015

Details on changes to main operating totals

Revised consolidated data in €m

At June 30	2014 restated	2015	Change (organic)
Revenue (reported)	216.4	223.2	+3.1%
IFRIC 12 revenue[3]	*3.0*	*3.0*	
Compensation for diverted waste	*-*	*8.2*	
Contributed revenue	**213.4**	**212.0**	**-0.6%**
Earnings before interest, tax, depreciation and amortization (EBITDA)	35.9	34.0	-5.2%
Current operating income (COI)	13.8	12.2	-12.0%
Operating income	5.1	12.4	+146.4%
Net income from consolidated companies	(2.4)	4.2	-
Net income from ongoing activities	(3.9)	3.8	-
Group net income	**(4.3)**	**3.6**	**-**

Cash flow	24.5	28.2	+15.4%
Industrial CAPEX booked (excluding IFRIC 12)	17.1	16.7	-2.3%
Net financial debt	**226.3**	**242.9**	**+7.3%**

Sharp improvement in Operating Income

- EBITDA: positive mix effects offset by gaps in activity in the second half
- COI: change in line with EBITDA
- Operating income: non-renewal of extraordinary items in the first half of 2014

EBITDA amounted to €34.0m, down by €1.9m relative to June 30, 2014 (restated data). This situation reflects:

- improved profitability of treatment activities (+€3.8m)
- The impact of postponed activities and availability issues, which will benefit the second half (-€3.2m)
- change in structural expenses, supporting the expansion of the scope of activity, and miscellaneous expenses (-€2.5m).

The impact of postponements, resulting in the deferral of margins to the second half, includes the postponement of soil remediation projects and purification initiatives as well as the impact of periodical technical shutdowns of incinerators.
Apart from these postponements, EBITDA came out to €37.2 million..

COI changed in line with EBITDA, and came out at €12.2m, a €1.7m decline compared to the first half of 2014 €13.8m at restated data).

Operating income includes the non-recurrence of extraordinary items recognized in the first half of 2014 (linked to the Strasbourg-Sénerval incinerator for €8.4m) and **grew significantly (+146%) to €12.4m, representing 5.9% of contributed revenue** (vs. €5.1m, representing 2.4% of contributed revenue, a year earlier—restated data).

[3] *Investments made for disposed assets and booked as revenue in accordance with IFRIC 12*

Net income up by +€7.9m

- Financial income improving: impact of bond and bank refinancing
- Improved contribution from the share in income from associates

Financial income amounted to -€6.9m at June 30, 2015 vs. -€8.2m a year earlier. This improvement mainly reflects the impact of refinancing carried out in 2014 (bonds) and in 2015 (bank), for which the Group made early repayments of issuance fees (€2.4m for 2014 and €1.2m for 2015).
Apart from this one-time impact, financial income benefited from the drop in the annualized cost of net debt at 4.40% vs. 4.97% a year earlier, despite the increase in average debt over the period.

After booking a tax charge of €1.4m (marking a €2.1m increase compared to the first half of 2014), **net income from consolidated companies amounted** to €4.2m, **up +€6.6m** compared to the -€2.4m loss at June 30, 2014 (restated data).

The share of income from associates improved considerably to -€0.4m vs. -€1.4m in the first half of 2014, a period that saw an exceptional provision of €1m (restructuring of Gerep incineration activity).

As a result, consolidated net income (Group share) totaled +€3.6m, at June 30, 2014, versus a -€4.3m loss a year earlier (restated data).

Solid financial structure

- CAPEX under control
- Cash flow up significantly
- Change in debt ratios reflect the share buyback transaction

In the first half, the Group maintained a policy of targeted investments. Industrial CAPEX therefore totaled €19.7m (vs. €20.3m a year earlier), of which concession investments represented €3.0m (vs. €3.2m a year earlier).
Proprietary investments therefore represented 7.9% of contributed revenue at June 30, 2015 (vs. 8.0% one year ago). These include development investments of €3.2m, particularly in recovery tools, in addition to €5.5m in investments related to rebuilding the Changé sorting facility.

Cash flow from operating activities recorded significant growth: +15.4%, at €28.2m at June 30, 2015 (vs. €24.5m a year earlier) and represents 143% of industrial investments (vs. 120% in the first half of 2014).

The change in the financial structure and balance-sheet ratios therefore primarily reflect the buyback transaction carried out during the period, which was financed by debt and which led to the cancellation of €23.3m in capital stock:

- **Group shareholders' equity amounted to €231.4m at June 30, 2015** (vs. €258.2m at December 2014), a change that is mainly due to the cancellation of shares held as treasury stock following the buyback transaction;
- **Net financial debt amounted to €242.9m at June 30, 2015** (vs. €226.3m at December 31, 2014), essentially due to the need to finance the share buyback.
- **Gearing** (net financial debt/equity) amounted to **1.0x** and **leverage** (net debt/EBITDA) amounted to **3.0x**.

Targets confirmed for 2015

In the second half of 2015, positive trends for industrial markets and local authorities will likely continue, particularly for treatment activities, whereas service businesses (particularly pollution remediation, which should record a significant rebound compared to the first half) should contribute significantly to growth.

In particular, the Hazardous Waste division will see an increased contribution from its new bromide recovery and lithium battery treatment activities, whereas pollution remediation activities will likely post very strong growth, impacted by the rebound in project starts after postponements in the first half.

The Non-Hazardous Waste division should post a solid level of activity in incineration businesses, whereas storage volumes should be comparable to the level reached last year.

The steep rise in consolidated activity in the second half confirmed projections of slight growth in contributed revenue for the current year (contributed revenue = published revenue – IFRIC 12 revenue – compensation for diverted waste).

To date, Séché Environnement estimates IFRIC 12 revenue at €8.5m for 2015 (versus €8.1m in 2014) and compensation for diverted waste, collected in accordance with the "asbestos amendments" agreed to with EuroMétropole Strasbourg, at €11.0m in 2015 (versus €3.4m in 2014).

The solid performance of most businesses and the expected recovery of deferred margins resulting from postponed activities in the first half will likely contribute to sharp growth in EBITDA for the second half of 2015 compared to the same period in 2014.

This positive outlook means that Séché Environnement can confirm its goal of achieving EBITDA greater than or equal to last year's, with an operating margin (EBITDA/contributed revenue) similar to last year's.

Development strategy for high value-added markets
External growth on medical waste markets

Séché Environnement is positioned on high value-added waste recovery and treatment markets. In France, its expertise is particularly recognized for the most complex waste.

These markets are sustained by the positive impact of regulations that impose stringent obligations for waste producers, industrial groups and local authorities in terms of waste recovery and treatment:

- In France, the regulatory framework is defined at the European Union level and applies in areas as diverse as environmental conservation, healthcare and living spaces, the energy transition or even the circular economy.

- Internationally, we note that a number of emerging countries have environmental regulations comparable to those of the most developed countries.

Given this context, Séché Environnement's growth strategy is focused on four major areas: specialization in the most complex waste, circular economy businesses, services for industrial groups and local authorities, and international development.

Under this strategy, the Group decided to strengthen its position on the medical waste market: (i) in France, where it is already the third-largest national operator with a client base concentrated in large hospitals and (2) internationally, where it aims to operate in emerging markets and benefits from favorable regulatory trends.

In France, Séché Environnement acquired two treatment sites for sanitizing medical waste in Fleuré (Vienne department) and Petit-Bourg (Guadeloupe). These acquisitions, completed for a total amount of less than €1.0m, enable Séché Environnement to strengthen its position on the broad market for medical waste, where its presence is currently rather small.

Internationally, in Peru, Séché Environnement acquired a 49% stake in Kanay, a relatively new company (founded in 2013) that is authorized to collect, transport and incinerate waste.

This company, which is the only company in Peru with a comprehensive range of services that includes helping clients with sorting and an incineration service as an alternative to landfills, posted 2014 sales that were not significant but will likely see rapid growth boosted by the quantitative and qualitative increase in the country's needs.

The acquisition of the 49% stake represented a USD 2.8m investment. It includes a buy option enabling the Group to increase its equity stake by an additional 2%-11%, to bring it to between 51% and 60% within five years.

Next communication

Publication of consolidated revenue at September 30, 2015 October 26, 2015 (after market close)

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APPENDICES
CONSOLIDATED FINANCIAL STATEMENTS AS AT JUNE 30, 2015

APPENDIX 1: CONSOLIDATED INCOME STATEMENT AT JUNE 30, 2015

	Pro forma June 2014		June 2015	
Revenue (reported)	**216 415**	*-9,5%*	**223 206**	*3,1%*
Revenue (excl. IFRIC 12)	**213 371**	*-4,6%*	**220 243**	*3,2%*
EBITDA	**35 869**	*16,8%*	**34 006**	*15,4%*
CURRENT OPERATING INCOME (COI)	**13 823**	*6,5%*	**12 159**	*5,5%*
OPERATING INCOME (OI)	**5 052**	*2,4%*	**12 449**	*5,7%*
FINANCIAL INCOME	**(8 229)**	*-3,9%*	**(6 903)**	*-3,1%*
Tax	727	0,3%	(1 359)	-0,6%
INCOME OF CONSOLIDATED COMPANIES	**(2 450)**	*-1,1%*	**4 187**	*1,9%*
Share of income of affiliates	(1 434)	-0,7%	(375)	-0,2%
Discontinued operations	(383)		(220)	
Minority interests	(35)	0,0%	(17)	0,0%
NET INCOME (Group share)	***(4 302)***	*-2,0%*	***3 574***	*1,6%*

APPENDIX 2: BALANCE SHEET AT JUNE 30, 2015

	December 2014	June 2015
NON-CURRENT ASSETS	504 397	518 422
CURRENT ASSETS (excl. cash and cash equivalents)	180 716	174 230
Cash and cash equivalents	38 756	44 858
Assets held for sale	351	365
TOTAL ASSETS	**724 220**	**737 876**
SHAREHOLDERS' EQUITY	258 281	231 524
OTHER EQUITY CAPITAL	131	131
FINANCIAL LIABILITIES	271 653	309 722
HEDGING INSTRUMENTS (LIABILITIES)	1 143	503
PROVISIONS	12 778	13 274
OTHER LIABILITIES	179 883	182 357
Liabilities intended for sale	351	365
TOTAL LIABILITIES	**724 220**	**737 876**

APPENDIX 3: CONSOLIDATED STATEMENT OF CASH FLOWS AT JUNE 30, 2015

	December 2014	June 2015
CASH FLOW FROM OPERATING ACTIVITIES before tax and financial expenses	24 460	28 233
Change in WCR	14 513	-3 778
Income tax paid	159	-1 482
CASH FLOW GENERATED BY OPERATING ACTIVITIES	**39 133**	**22 973**
Investments in property, plant and equipment and intangible assets	-23 942	-17 892
Proceeds from disposal of fixed assets	166	5 046
Net financial investments	-493	-404
Net cash flow on acquisition and disposal of subsidiaries		276
CASH FLOW FROM INVESTING ACTIVITIES	**-24 268**	**-12 974**
Dividends paid to equity holders of the parent	-8 145	-7 413
Proceeds and repayment of borrowings	24 747	34 446
Interest paid	-7 052	-7 693
Other cash flows	-49	-23 347
CASH FLOW FROM FINANCING ACTIVITIES	**9 501**	**-4 006**
CHANGE IN CASH FLOW FROM ONGOING OPERATIONS	**24 365**	**5 993**
CHANGE IN CASH FLOW FROM DISCONTINUED ACTIVITIES	**-55**	**-11**
CHANGE IN CASH FLOW	**24 310**	**5 982**
Impact of exchange rate fluctuations	-196	23
CASH, BEGINNING OF PERIOD	**27 733**	**38 629**
CASH, END OF PERIOD	**51 846**	**44 634**

About Séché Environnement

Séché Environnement *is one of the leading players in the recovery and treatment of all types of waste in France, from both industry and from local communities.*

Séché Environnement *is the leading independent operator in the country with a unique positioning specializing in technical risk, at the hub of the closed markets with high entry barriers in waste treatment and recovery.*

Its facilities and expertise enable it to provide high value-added solutions to its industrial and public authority clients, targeting the challenges of the circular economy and sustainable development requirements such as:

- *recovery or energy recovery of hazardous and non-hazardous waste;*
- *all types of treatments for solid, liquid or gaseous waste (thermal, physical-chemical or biological treatment);*
- *storage of final hazardous and non-hazardous waste;*
- *eco-services such as pollution remediation, decommissioning, asbestos removal and rehabilitation.*

Based on its extensive expertise, Séché Environnement has successfully developed its environmental services business lines in waste management outsourcing markets for its clientele of large communities and major industrial companies both in France and abroad.

Séché Environnement *has been listed on Eurolist by Euronext since November 27, 1997.*

It is eligible for equity savings funds dedicated to investing in SMEs and is listed in the CAC Mid&Small and Enternext PEA-PME 150 indexes.

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