"IT'S A CAUSE AND EFFECT CHAIN **THAT IMPROVES THE WHOLE SYSTEM**"

Interim activity report at June 30, 2018

Séché environnement
Séché global solutions

Contents

Consolidated interim activity report

Introduction

A word from the Chairman of the Board

Dear Shareholders,

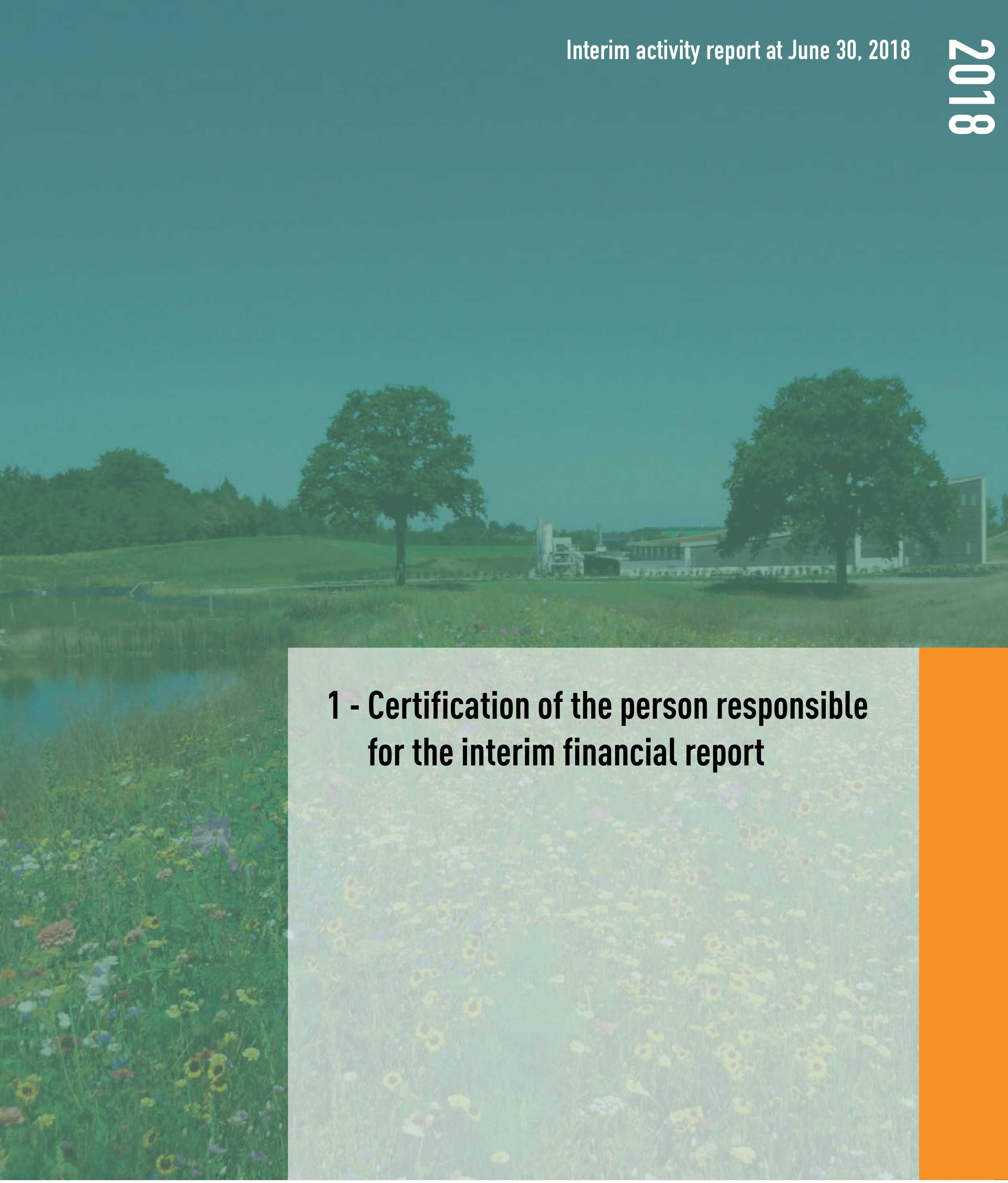
The dynamism of our businesses and the notable progression of our results in the first half of 2008 reflect the quality of Séché Environnement's positioning on the high-value-added markets of waste treatment and materials and energy recovery from waste, especially industrial waste, in a favorably oriented economic context. In particular, the strong growth in our activities and results internationally, especially in our recently-acquired subsidiaries, illustrates the pertinence of our development strategy outside France. Also, as announced, the Group continues to maintain a controlled investment strategy, while consolidating its debt reduction program and posting a strengthened financial situation.

These solid achievements enable us to envision the remainder of fiscal 2018 with confidence, with a second half expected to closely resemble the first half, both in terms of business activity and in terms of operational results. Beyond this particularly favorable fiscal year 2018, those achievements confirm our objectives for the year 2020 defined in our medium-term development plan.

Moreover, our bank and bond refinancing, finalized at the beginning of July, makes available to our Group significant new sources of funds, thus ensuring the consistency of our dynamic growth strategy, with particular emphasis on growth by acquisition, within the financial means at our disposal.

Profitable organic growth over time, financial solidity, and a strong cash position give us the capacity to pursue our strategy of profitable growth, both by organic development and by acquisition, on waste markets both in France and in the rest of the world.

Joël Séché
Chairman of the Board of Directors



1 - Certification of the person responsible for the interim financial report

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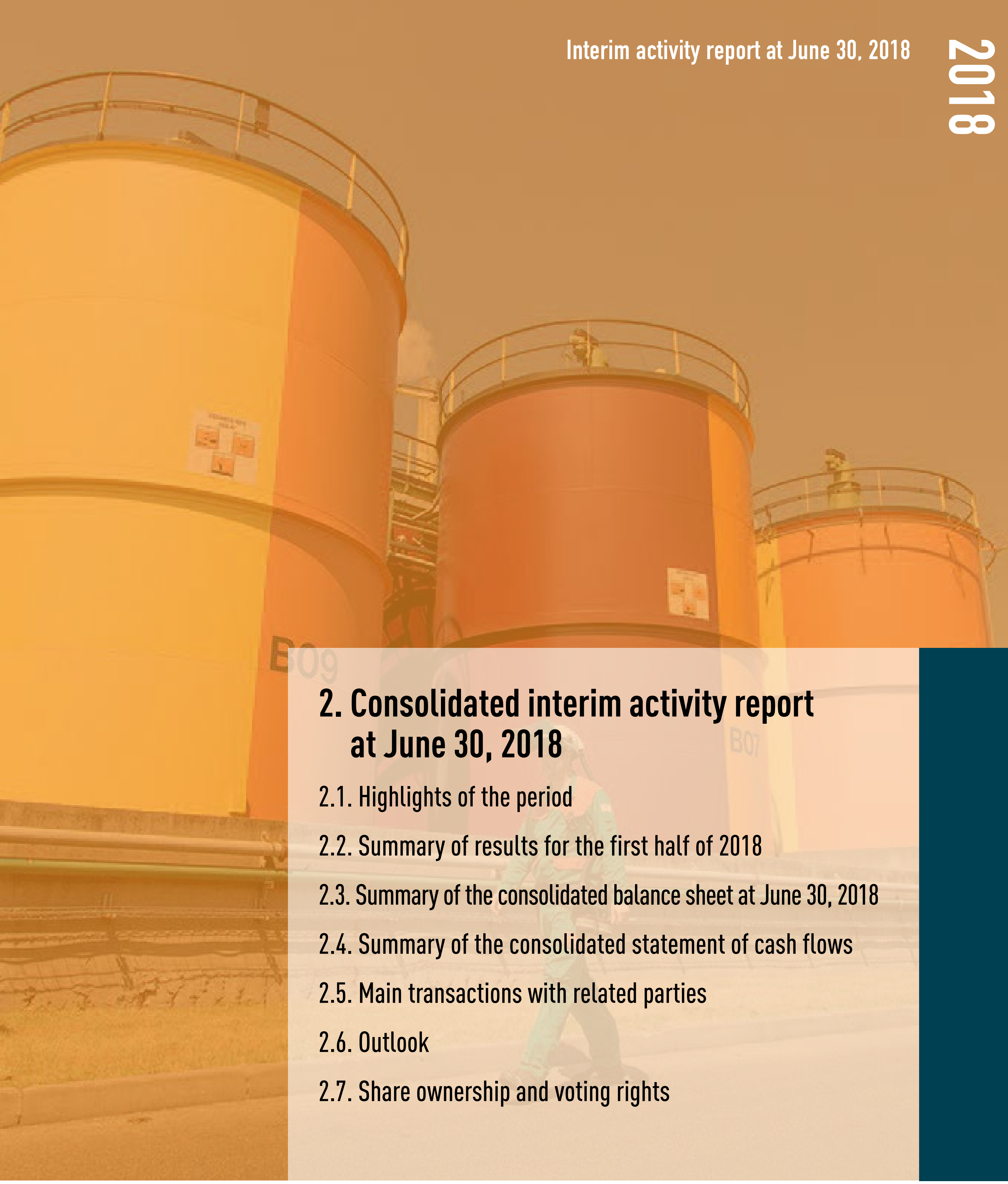
Certification of the **person responsible** for the **interim financial report**

"I hereby certify that, to the best of my knowledge, the summary accounts for the half-year reporting period have been drawn up in accordance with applicable accounting standards and provide a faithful and accurate image of the financial situation and income of the Company and all companies included in the consolidation scope, and that the attached interim activity report provides an accurate description of the major events that occurred during the first six months of the financial year, their impact on the accounts, the main transactions with affiliates and a description of the principal risks and uncertainties for the remaining six months of the year."

The Chairman of the Board of Directors,
Joël Séché
Changé, September 12, 2018



2. Consolidated interim activity report at June 30, 2018

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Consolidated interim activity report at June 30, 2018

2.1. HIGHLIGHTS OF THE PERIOD

In the first half of 2018, Séché Environnement experienced solid organic growth, sustained by favorable market orientation in France, and by the development of its international activities, in particular in its recently acquired subsidiaries.

In France, most of its activities exhibited a positive dynamic. Waste treatment activities, particularly landfill and incineration, benefited from the positive orientation of industrial markets, and a favorable economic climate in general. Materials recovery activities, especially regeneration, were sustained by buoyant industrial markets, while energy recovery activities benefited from the ramping up of the new solid recovered fuel (SRF) facility at Changé. Services, especially decontamination, maintained high levels of activity.

Internationally, most of the growth came from the entities acquired in 2017, confirming their strong development potential and the pertinence of Séché Environnement's external growth strategy. Hazardous waste treatment activities (landfill) enjoyed rapid development in Peru and Chile under the influence of a dynamic sales strategy and increased capacity. Services businesses in the rest of the world enjoyed high levels of activity, contrasting with the sluggishness observed in the first half of 2017.

Strengthened by good levels of activity in its principal businesses, Séché Environnement enjoyed a high level of operating profitability over the period, and notable growth in both its France and international consolidation scopes. Its consolidated results show a significant increase compared with the first half of 2017.

At the same time, Séché Environnement has led a controlled policy of industrial investments, after a number of years characterized by emphasis on significant development investments.

Its financial situation has been strengthened by a considerable reduction in net debt and an improvement in its financial ratios, particularly leverage (net financial debt to EBITDA), which at June 30, 2018, stood at 3x, corresponding to the objective set for the end of fiscal 2018.

Taking advantage of favorable market conditions, Séché Environnement refinanced EUR 420 million of its financial debt, through a double operation involving a private bond issue of EUR 150 million and a bank loan of EUR 120 million, associated with a revolving credit facility (RCF) of EUR 150 million which includes performance criteria in the areas of innovative management of the environment, human resources and corporate governance.

These operations enable Séché Environnement to benefit from more favorable interest rates on longer maturities, and from a single and more flexible covenant ratio, at 3.95 times EBITDA, which may be extended in the case of an acquisition to 4.25 times EBITDA.

This additional liquidity allows Séché Environnement to ensure that its strategy of development through external acquisitions is consistent with the financial resources available to it.

Lastly, the decision to include in the credit agreement criteria on the Company's environmental impact reaffirms the positioning of Séché Environnement as a significant actor in the field of sustainable development. If three particular objectives specified under this approach are achieved (commitment to biodiversity, energy efficiency policy, and environmental, social and governance criteria), Séché Environnement could benefit from a further improvement in the financial conditions available to it.

2.2. SUMMARY OF RESULTS FOR THE FIRST HALF OF 2018

NB: Percentages are calculated on contributory revenue[1].

2.2.1. Summary

(in millions of EUR)	Group		of which France		of which International	
	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018
Published revenue	266.7	287.8	241.7	256.4	25.0	31.4
Of which contributory revenue[1]	**252.6**	**277.6**	**227.5**	**246.2**	**25.0**	**31.4**
EBITDA	43.0	51.8	40.1	46.5	2.9	5.3
%	17.0%	18.7%	17.6%	18.9%	11.4%	17.0%
Current operating income	13.6	20.7	12.5	17.3	1.0	3.3
%	5.4%	7.4%	5.5%	7.0%	4.1%	10.6%
Operating income	12.8	18.7	11.9	15.5	0.9	3.2
%	5.1%	6.7%	5.2%	6.3%	3.6%	10.3%
Financial income	(7.1)	(6.5)				
%	2.8%	2.3%				
Income from consolidated companies	4.1	9.2				
%	1.6%	3.3%				
Share of income of affiliates	Ns	0.3				
Net income, ongoing operations	**4.2**	**9.5**				
Net income, discontinued operations	(0.5)	/				
Minority interests	Ns	(0.3)				
Net income (Group share)	3.7	9.2				
%	1.5%	3.3%				

2.2.2. Activities

Consolidated revenue at June 30, 2018 amounted to EUR 287.8 million, versus EUR 266.7 million at June 30, 2017, thus achieving revenue growth in the first half of 2018 of + 7.9%.

It includes IFRIC 12 revenue from investments in assets under public service delegation contracts (concessions) of EUR 2.8 million, compared with EUR 2.7 million a year earlier.

It also includes EUR 7.3 million of indemnities (versus EUR 11.4 million at June 30, 2017) received by Séneval in respect of loss of business, net of variable costs saved, to cover the extra costs incurred to ensure continuity of contracted service to the public during work to remove asbestos from the Strasbourg incinerator.

Consolidated revenue not including IFRIC 12 revenue and the indemnities received by Séneval therefore amounted to EUR 277.6 million, compared with EUR 252.6 million at June 30, 2017, up by + 9.9% in raw data over the period (+ 10.3% at constant exchange rates).

1: Contributory revenue equals published revenue, net of (1) IFRIC 12 revenue corresponding to investments in assets under public service delegation contracts (concessions), booked as revenue according to the IFRIC 12 standard, and net of (2) indemnities and compensation received by Séneval, net of variable costs saved, to cover the extra costs incurred to ensure continuity of contracted public service during asbestos removal operations on the incinerator.

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Consolidated interim activity report at June 30, 2018

2.2.2.1. Revenue by division

Consolidated data in millions of EUR

Activity	June 30, 2017	Change %	June 30, 2018
HW treatment	163.1	+ 6.4%	173.5
NHW treatment (excluding non-contributory revenue)	89.5	+ 16.3%	104.1
Contributory revenue	**252.6**	**+ 9.9%**	**277.6**
Non-contributory revenue (IFRIC 12 and net indemnities)	14.1	- 28.3%	10.1
Consolidated revenue	**266.7**	**+ 7.9%**	**287.8**
Of which international	25.0	+ 25.4%	31.4
Of which energy	9.9	+ 10.7%	10.9

Changes in contributory revenue by division were as follows:

- Hazardous Waste (HW): the increase of EUR + 10.4 million (+ 6.4%) reflects, in France, the good level of activity recorded in most business areas (particularly in landfill and incineration, carried by volume effects) and, in the International scope, the ramping up of the subsidiaries acquired in 2017 in waste treatment (increases in landfill capacities) and services to industrial customers, where strong levels of activity contrasted with the relative weakness of revenue observed in the first half of 2017;
- Non-Hazardous Waste (NHW): the increase of EUR +14.6 million (+16.3%) demonstrates the favorable dynamic of the division's landfill activities which benefited from noteworthy volume effects. The growth of the division was further strengthened in the area of materials and energy recovery by the ramping up of the new SRF (solid recovered fuel) facility at Changé. Services activities, particularly decontamination, proved particularly resilient over the period, compared with the levels of activity recorded in the first half of 2017.

2.2.2.2. Revenue by geographical region

Consolidated data in millions of EUR

At June 30	2017		2018	
	in millions of EUR	%	in millions of EUR	%
France	242.7	91.0%	256.4	89.1%
International	24.0	9.0%	31.4	10.9%
Total consolidated revenue	**266.7**	**100%**	**287.8**	**100%**

The France scope posted consolidated revenue of EUR 256.4 million. Contributory revenue, net of IFRIC 12 revenues and indemnities received by Séneval, amounted to EUR 246.4 million, an increase of + 8.2% compared with the first half of 2017 (EUR 227.5 million). Activities in France benefited from a favorable economic climate which ensured sustained demand for services, and increased volumes in waste treatment (landfill and incineration).

The International scope (11.3% of consolidated contributory revenue) saw its activities progress by + 25.4% in raw data, to EUR 31.4 million. This was essentially the result of the ramping up of HW landfill activities in Peru and high levels of activity in services at Solarca, compared with a lackluster first half in 2017. At constant exchange rates, the activity progressed by +30.3% compared with the first half of 2017.

2.2.3. EBITDA (Earnings before interest, tax, depreciation and amortization)

In the first half of 2017, the Group posted EBITDA of EUR 43.0 million, or 17.0% of contributory revenue. In the first half of 2018, EBITDA amounted to EUR 51.8 million, or 18.7% of contributory revenue, an improvement of EUR + 8.8 million. This change resulted from increases in EBITDA both in the France scope (EUR + 6.3 million) and in the International scope (EUR + 2.5 million).

In France, the increase in EBITDA was due to:

■ increases in operating profit margins brought about by growth in activities in all areas	EUR + 6.0 million
■ increases in the size of the labor force needed to respond to increased demand	EUR – 1.2 million
■ increases in structural costs related to the Group's development	EUR – 0.5 million
■ an exceptional gain recorded by Séché Eco-industries following the administrative decision not to increase the taxable bases of property taxes for fiscal 2017 and 2018	EUR + 2.0 million.

In the International scope, EBITDA increased as a result of:

■ service activities at Solarca	EUR + 1.7 million
■ landfill activities in Peru and Chile	EUR + 0.7 million
■ recovery activities in Spain	EUR + 0.1 million.

2.2.4. Current operating income

At June 30, 2017, the Group posted current operating income of EUR 20.7 million (7.4% of contributory revenue) versus EUR 13.6 million at June 30, 2017 (5.4% of contributory revenue). The increase of EUR + 7.1 million is mainly attributable to changes in:

■ EBITDA	EUR + 8.8 million
■ amortization charges	EUR – 2.1 million
■ provisions for 30-year monitoring	EUR + 0.8 million
■ other net operating costs	EUR – 0.6 million.

The change in provisions for 30-year monitoring results from the one-time effect, in 2017, of their revaluation in the context of the new operating authorization for Changé which generated a non-cash charge of EUR 1 million.

2.2.5. Operating income

The Group's operating income came out at EUR 18.8 million (6.7% of contributory revenue). Its principal components were:

- EUR + 20.7 million of current operating income for the period;
- EUR + 0.7 million concerning the writeback of a provision created to take account of the increase in the taxable base of land tax (taxe foncière) for fiscal 2017, following the administrative decision not to impose an extra tax charge on Séché Eco-industries;
- EUR – 1.8 million in respect of the provision in connection with the customs investigation on the Le Vigeant site and application of a reduction in tax on polluting activities (TGAP) by reason of the site's operating in "bioreactor" mode;
- EUR – 0.3 million of costs directly incurred in business combination operations;
- EUR – 0.4 million of costs incurred in the reorganization of management and site functions in favor of the development of the Group.

2.2.6. Net financial income

The net financial income result for the Séché Environnement Group, which does not take account of the debt refinancing in 2018 since this occurred after the closing, came out at June 30, 2018 at EUR – 6.5 million, compared with EUR – 7.1 million at June 30, 2017, an improvement of EUR + 0.7 million. This improvement is mainly due to a decrease in the annualized interest rate (3.11% in 2018 versus 3.38% a year earlier), the average amount of net debt remaining largely stable over the period.

Consolidated interim activity report at June 30, 2018

2.2.7. Net income of consolidated companies

Net income of consolidated companies at June 30, 2018 amounted to EUR 9.2 million, an increase compared with the net income of consolidated companies posted at June 30, 2017 (EUR 4.1 million) of EUR + 5.0 million. This change results from variances in:

- operating profitability EUR + 6.0 million
- net financial income EUR + 0.7 million
- tax charges EUR – 1.6 million.

2.2.8. Share of income of affiliates

This line mainly consists of the Group share of the net income of Sogad, Gerep and Kanay.

For the first half of 2018, this amounted to EUR + 0.3 million, compared with an insignificant result at June 30, 2017, an improvement due to increased profitability at Kanay, in line with the development of its decontamination activities.

2.2.9. Consolidated net income, Séché Environnement Group share

Given the progression in net income of consolidated companies, on the one hand, and changes in the Group share of income of affiliates on the other, the Séché Environnement Group posted net income (Group share) in the first half of 2018 of EUR + 9.2 million (3.3% of revenue), compared with net income of EUR 3.7 million (1.5% of revenue) in the same period in 2017.

2.3. SUMMARY OF THE CONSOLIDATED BALANCE SHEET AT June 30, 2018

Consolidated balance sheet (in millions of EUR)	Dec. 31, 2017 actual	June 30, 2018 actual
Non-current assets	645	642
Current assets (excluding cash and cash equivalents)	179	198
Cash and cash equivalents	53	48
Assets held for sale	Ns	Ns
TOTAL ASSETS	**877**	**888**
Shareholders' equity (including minority interests)	247	249
Non-current liabilities	385	344
Current liabilities	245	295
Liabilities held for sale	Ns	Ns
TOTAL LIABILITIES	**877**	**888**

2.3.1. Non-current assets

Non-current assets primarily consist of fixed assets (intangible, including goodwill, tangible, and financial), deferred tax assets, and debts of maturity greater than 1 year.

Non-current assets decreased by EUR 3 million during the first half, to EUR 642 million, versus EUR 645 million at December 31, 2017. The principal factors of this increase were:

- EUR – 0.3 million from: industrial investments over the period (EUR + 24.3 million), net of amortization of EUR – 24.2 million; sales of fixed assets (EUR – 0.3 million); and other movements (exchange rate effects) (EUR – 0.1 million);
- EUR – 1.0 million in relation to deferred tax assets;
- other non-current assets (EUR – 1.7 million).

2.3.2. Current assets (excluding cash and cash equivalents)

Current assets amount to EUR 198 million, an increase of EUR + 19.0 million over the half-year, in line with the development of business activities.

2.3.3. Shareholders' equity

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

(in millions of EUR)	Group	Minority interests
Shareholders' equity at December 31, 2017	**244.4**	**2.8**
Dividends paid	(7.5)	Ns
Net earnings (Group share)	+ 9.2	+ 0.3
Foreign currency differences	+ 0.3	Ns
Hedging instruments	(0.1)	/
Treasury stock	Ns	/
Actuarial variances	(0.2)	/
Entries into scope	/	+ 0.1
Other changes	(0.8)	/
Shareholders' equity at June 30, 2018	**245.4**	**3.2**

2.3.4. Current and non-current liabilities

(in millions of EUR)	Dec. 31, 2017			June 30, 2018		
	Non-current	Current	TOTAL	Non-current	Current	TOTAL
Financial debt	365.2	46.8	412.0	322.5	75.7	398.2
Hedging instruments	0.5	/	0.5	0.5	/	0.5
Provisions	18.9	2.4	21.3	20.3	3.7	24.0
Other liabilities	0.9	194.3	195.2	0.3	214.4	214.7
Tax due	/	0.8	0.8	0.4	1.0	1.4
TOTAL	**385.5**	**244.3**	**629.8**	**344.0**	**294.8**	**638.8**

The increase in current and non-current liabilities of EUR 9.0 million is principally due to increases in other current liabilities.

The Group's net financial indebtedness changed over the period, as shown below:

(in millions of EUR)	Dec. 31, 2017	June 30, 2018
Bank loans (excluding non-recourse debts)	317.7	307.0
Non-recourse bank loans	32.9	30.1
Bonds	49.4	49.5
Finance lease debt	9.2	8.5
Miscellaneous financial debt	1.6	1.5
Short-term bank borrowings	1.2	1.5
Shareholdings	/	/
TOTAL FINANCIAL DEBT (CURRENT AND NON-CURRENT)	**412.0**	**398.2**
Cash and cash equivalents	(53.5)	(47.6)
NET FINANCIAL DEBT	**358.5**	**350.6**
Of which less than one year	(6.7)	28.1
Of which more than one year	365.2	322.5

2.4. SUMMARY OF THE CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of EUR)	Dec. 31, 2017	June 30, 2017	June 30, 2016
Cash flow from operating activities	112.1	50.9	39.5
Cash flow from investment activities	(128.0)	(98.6)	(24.6)
Cash flow from financing activities	53.2	58.0	(20.9)
Change in cash flow, ongoing operations	**37.3**	**10.4**	**(6.0)**
Change in cash flow, discontinued operations	Ns	0.1	/
CHANGE IN CASH FLOW	**37.3**	**10.5**	**(6.0)**

In the first half of 2018, the Séché Environnement Group posted a negative net cash flow change of EUR – 6.0 million (compared with EUR + 10.5 million in the same period in 2017).

Cash flow from operating activities

Operating activities yielded cash flow amounting to EUR + 39.5 million in the first half of 2018, as follows:

- cash from operations, before taxes and financial charges, of EUR + 45.1 million;
- changes in WCR (EUR – 4.0 million) related to the temporarily unfavorable WCR situation under the Strasbourg-Sénerval public service delegation contract;
- cash outflows related to corporation tax payments on account of EUR – 1.7 million.

The change in cash flow from operating activities between the first half of 2017 and the first half of 2018 (EUR – 11.4 million) is mainly due to:

- decreased changes in WCR (EUR – 18.4 million), the first half of 2017 having been marked by a considerable improvement in WCR related to the entry into scope of the Group's new subsidiaries, the collection of receivables from local authorities, including Eurométropole de Strasbourg, and the effect of the payment-on-account method to payments of taxes on polluting activity (TGAP);
- improvements in cash flow generated by operations (EUR + 9.3 million) as a result of overall profitability improvements within the Group;
- an increase from one period to the other in the net amount of corporation tax payments made (EUR – 2.4 million), as a result of application of the payment-on-account method.

Net cash paid out for investments

Investment outflows (net of gains realized on disposals) over the period amounted to EUR 24.6 million, and concern on the one hand, financial outflows relating to acquisitions of companies, and on the other, industrial investments.

(in millions of EUR)	June 30, 2016	June 30, 2017	June 30, 2018
Capital expenditure	(24.9)	(32.6)	(24.3)
Financial investments	(0.5)	(72.4)	(0.4)
INVESTMENTS BOOKED	**(25.4)**	**(105.0)**	**(24.7)**
Capital expenditure	(22.0)	(28.3)	(24.2)
Financial investments	(2.5)	(70.3)	(0.4)
NET INVESTMENTS PAID OUT	**(24.5)**	**(98.6)**	**(24.6)**

Capital investments booked by the Group in the first half of 2018 amounted to EUR 24.3 million, including EUR 2.7 million invested in assets for public service delegation contracts (concessions). Capital investments for the Group's own purposes therefore amounted to EUR 21.6 million, of which 92% were for recurrent investments.
These recurrent investments mainly concerned landfill capacities and incinerator maintenance

Net cash from financing activities

Net cash from financing activities amounted to a net outflow of EUR – 20.9 million in the first half of 2018, corresponding principally to:

- new specific financings for industrial investments (EUR + 5.4 million);
- repayment of finance lease liabilities according to agreed payment schedules (EUR – 1.5 million) and of other financings (EUR – 19.3 million);
- interest payments on debt made in the first half of the year (EUR – 5.5 million).

2.5. MAIN TRANSACTIONS WITH RELATED PARTIES

The Group's main transactions with related parties are presented in Note 2.4 in the notes to the present interim financial statements.

2.6. OUTLOOK

2.6.1. Risks and uncertainties

The Group's assessment of the main risks and uncertainties to which its businesses are exposed has not changed from that detailed on pages 38 to 46 of the 2017 Registration Document filed with the AMF (Autorité des Marchés Financiers, the French financial markets authority) under number D. 18-0299.

2.6.2. Outlook

In the coming months, Séché Environnement should maintain a good level of business activity, in France sustained by a more stable macro-economic context compared with the first half, and internationally by rapid development of its high-growth activities, in Latin America in particular.

However, the performance levels already achieved in the first half by certain high-value-added activities suggest that revenue and EBITDA in the second half should match the order of the first half.

Séché Environnement anticipates cash generation enabling it to maintain its leverage ratio (net financial debt to EBITDA) at around 3 times at year-end (not including external acquisitions).

The Group considers fiscal 2018 a good year, and maintains its objectives for 2020 of consolidated contributory revenue of between EUR 550 and 600 million, and EBITDA of around 20% of contributory revenue (at constant 2018 scope).

2.7. SHARE OWNERSHIP AND VOTING RIGHTS

Share ownership at June 30, 2018	Number of shares	%	Voting rights[3]	%
Joël Séché	402 400	5.12%	804 800	7.76%
Groupe Séché (formerly, Amarosa family trust)[1]	3 526 467	44.88%	5 462 503	52.65%
Sub-total. Joël Séché family	**3 928 867**	50.00%	**6 267 303**	60.41%
CDC Group	710 617	9.04%	710 617	6.85%
Treasury stock[2]	57 784	0.74%	57 784	0.56%
Employees' stock	37 249	0.47%	69 338	0.67%
Free float	3 123 215	39.75%	3 270 074	31.51%
Total	**7 857 732**	100.00%	**10 375 116**	100.00%

1: The Groupe Séché family trust is majority controlled by Joël Séché

2: 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.

3: By virtue of a Resolution of the Extraordinary General Meeting of Shareholders held on October 8, 1997, double voting rights attach to all fully paid up shares for which a named shareholder has been registered in the same name for at least 4 years.

3 - Interim consolidated financial statements at June 30, 2018

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Interim consolidated financial statements
at June 30, 2018

3.1. CONSOLIDATED BALANCE SHEET

(in thousands of EUR)	Dec. 31, 2016	Dec. 31, 2017	June 30, 2018	Note
Goodwill	233 403	264 727	265 485	1
Intangible fixed assets included in concessions	49 947	49 618	50 525	1
Other intangible fixed assets	13 055	16 213	16 413	1
Property. plant and equipment	187 260	230 213	228 805	1
Investments in affiliates	2 885	2 888	3 238	2
Non-current financial assets	8 469	9 457	9 292	3
Hedging instruments – non-current assets	/	/	/	3
Other non-current assets	44 926	41 515	41 183	3
Deferred non-current corporation tax assets	/	1 229	179	
Deferred tax assets	31 862	28 788	27 820	
NON-CURRENT ASSETS	**571 807**	**644 648**	**642 941**	
Inventories	11 560	12 195	12 556	3
Trade and other receivables	159 549	136 533	153 429	3
Corporation tax receivables	4 081	1 123	964	3
Current financial assets	761	827	1 183	3
Hedging instruments – current assets	/	/	/	3
Other current assets	24 638	28 477	28 962	3
Cash and cash equivalents	16 732	53 459	47 594	3.1.4
CURRENT ASSETS	**217 321**	**232 613**	**245 253**	
Assets held for sale	437	/	/	3
TOTAL ASSETS	**789 565**	**877 262**	**887 630**	
Share capital	1 572	1 572	1 572	6.1
Additional paid-in capital	74 061	74 061	74 061	6.2
Reserves	160 076	153 385	160 531	6.3
Net income (Group share)	3 908	15 353	9 249	
Shareholders' equity (Group share)	239 617	244 370	245 414	
Minority interests	151	2 832	3 199	
TOTAL SHAREHOLDERS' EQUITY	**239 769**	**247 202**	**248 612**	
Other equity	162	245	245	
Non-current financial debt	296 691	365 167	322 510	3.2.1
Hedging instruments – non-current liabilities	637	478	466	3.2.2
Employee benefits	5 190	5 554	6 210	4
Deferred tax liabilities	/	199	50	
Other non-current provisions	11 259	13 221	14 040	4
Other non-current liabilities	2 439	860	321	3
NON-CURRENT LIABILITIES	**316 217**	**385 480**	**343 598**	
Current financial debt	33 092	46 784	75 671	3.2.1
Hedging instruments – current liabilities	22	14	53	3.2.2
Current provisions	6 632	2 408	3 685	4
Taxes payable	249	814	1 349	
Other current liabilities	192 987	194 315	214 418	3
CURRENT LIABILITIES	**232 981**	**244 335**	**295 176**	
Liabilities held for sale	437	/	/	3
TOTAL LIABILITIES	**789 565**	**877 262**	**887 630**	

3.2. CONSOLIDATED INCOME STATEMENT

(in thousands of EUR)	Note	June 30, 2016	June 30, 2017	June 30, 2018
REVENUE	7	230 040	266 705	287 726
Other business income		2 690	3 798	2 706
Transfers of expenses		1 423	348	510
Purchases used for operational purposes		(32 194)	(33 792)	(35 813)
External expenses		(86 459)	(108 775)	(113 176)
Taxes other than on income		(19 068)	(21 626)	(23 378)
Employee benefits expenses		(58 011)	(63 698)	(66 828)
EBITDA	**8**	**38 422**	**42 960**	**51 801**
Expenses for rehabilitation and/or maintenance of sites included in concessions		(5 053)	(5 372)	(5 513)
Other net operating expenses		(652)	4	545
Net allocations to provisions		(811)	(1 997)	(1 982)
Net allocations to amortization		(20 474)	(22 036)	(24 182)
CURRENT OPERATING INCOME	**8**	**11 433**	**13 558**	**20 669**
Income on sale of fixed assets		(181)	1 029	59
Impairment of assets		(48)	(54)	(6)
Consolidation scope variation effects		(122)	(897)	(328)
Other operating income and expenses		(541)	(872)	(1 656)
OPERATING INCOME	**9**	**10 540**	**12 764**	**18 738**
Income from cash and cash equivalents		171	104	32
Gross financial borrowing costs		(5 185)	(6 199)	(5 866)
COST OF NET FINANCIAL DEBT		**(5 014)**	**(6 096)**	**(5 835)**
Other financial income		4 120	563	871
Other financial expenses		(4 718)	(1 605)	(1 487)
FINANCIAL INCOME	**10**	**(5 612)**	**(7 138)**	**(6 450)**
Corporation tax	**11**	**(2 124)**	**(1 477)**	**(3 094)**
INCOME OF CONSOLIDATED COMPANIES		2 803	4 149	9 194
Share of income of affiliates		(192)	6	322
Net income from ongoing operations		2 612	4 156	9 516
Net income from discontinued operations		(160)	(480)	/
NET INCOME OF CONSOLIDATED COMPANIES		**2 452**	**3 676**	**9 516**
Of which minority interests		15	(32)	266
Of which attributable to equity holders of the parent		2 437	3 707	9 249
Net earnings per share		0.31€	0.48€	1.19€
Diluted earnings per share		0.31€	0.48€	1.19€

3.3. STATEMENT OF NET INCOME AND PROFITS AND LOSSES DIRECTLY RECOGNIZED IN EQUITY

(in thousands of EUR)	June 30, 2016 Actual	June 30, 2017 Actual	June 30, 2018 Actual
Items not restated later in the income statement			
Actuarial variances	(445)	(38)	(266)
Tax effects	144	15	78
Sub-total (A)	**(301)**	**(22)**	**(188)**
Foreign currency differences	(192)	(1 369)	(315)
Change in fair value of financial hedging instruments	(408)	225	(221)
Change in fair value of available-for-sale financial assets	(259)	(50)	(234)
Share of profits and losses of affiliates booked directly under shareholders' equity and accounted for by the equity method	/	/	/
Tax effects	141	(78)	76
Sub-total (B)	**(720)**	**(1 272)**	**(694)**
Sub-total of gains and losses booked directly under shareholders' equity (A) + (B)	*(1 021)*	*(1 293)*	*(883)*
Net income for the period	2 452	3 676	9 516
Net income and profits (losses) booked directly under shareholders' equity	1 432	2 383	8 633
Of which Group share	*1 417*	*2 471*	*8 340*
Of which attributable to minority interests	*15*	*(89)*	*292*

3.4. STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in thousands of EUR)	Capital	Additional paid-in capital	Number of shares held as treasury stock	Consolidated reserves and net income	Profits and losses booked directly in equity	Total attributable to equity holders of the parent	Total attributable to holders of minority interests	Total shareholders' equity
	Note 8	Note 9		Note 10				
Shareholders' equity at Dec. 31, 2015	**1 572**	**90 805**	**(3 387)**	**163 294**	**(8 270)**	**244 014**	**(288)**	**243 726**
Profits and losses booked directly in equity					(1 021)	(1 021)		(1 021)
Net income for half-year to June 30, 2016				2 437		2 437	15	2 452
Net income and profits and losses booked directly in equity				2 437	(1 021)	1 417	15	1 432
Dividends paid				(7 412)		(7 412)	(19)	(7 431)
Treasury stock			63			63	/	63
Other changes		(16 744)		16 744		/	266	266
Shareholders' equity at June 30, 2016	**1 572**	**74 061**	**(3 324)**	**175 062**	**(9 290)**	**238 082**	**(26)**	**238 056**
Shareholders' equity at Dec. 31, 2016	**1 572**	**74 061**	**(3 336)**	**176 533**	**(9 213)**	**239 617**	**151**	**239 769**
Profits and losses booked directly in equity					(1 236)	(1 236)	(57)	(1 293)
Net income for half-year to June 30, 2017				3 707		3 707	(32)	3 676
Net income and profits and losses booked directly in equity				3 707	(1 236)	2 471	(89)	2 383
Dividends paid				(7 465)		(7 465)	(31)	(7 495)
Treasury stock			86			86		86
Other changes				30		30	2 231	2 262
Shareholders' equity at June 30, 2017	**1 572**	**74 061**	**(3 250)**	**172 806**	**(10 449)**	**234 740**	**2 264**	**237 003**
Shareholders' equity at Dec. 31, 2017	**1 572**	**74 061**	**(3 355)**	**183 607**	**(11 516)**	**244 370**	**2 832**	**247 203**
Profits and losses booked directly in equity				(686)	(223)	(909)	26	(883)
Net income for half-year to June 30, 2018				9 249		9 249	266	9 516
Net income and profits and losses booked directly in equity				8 563	(223)	8 340	292	8 633
Dividends paid				(7 465)		(7 465)	(22)	(7 486)
Treasury stock			12			12		12
Other changes				156		156	95	251
Shareholders' equity at June 30, 2018	**1 572**	**74 061**	**(3 343)**	**184 862**	**(11 738)**	**245 414**	**3 199**	**248 613**

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3.5 CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands of EUR)	June 30, 2016	June 30, 2017	June 30, 2018
Income of consolidated companies	**2 803**	**4 149**	**9 194**
Elimination of income and expenses with no cash impact or not related to operating activities			
Dividends from companies consolidated by the equity method	47	113	71
Amortization and provisions	17 141	23 771	26 611
Net capital gains on disposals	4 042	(1 002)	(31)
Deferred taxes	1 009	189	953
Other income and expenses	745	1 517	716
Cash flow from operating activities	**25 788**	**28 736**	**37 514**
Corporation tax	1 116	1 289	2 141
Cost of gross financial debt net of long-term investments	4 752	5 769	5 486
Cash flow from operating activities before taxes and financing costs	**31 656**	**35 794**	**45 141**
Change in working capital requirement	(2 902)	14 388	(3 969)
Tax paid	(4 601)	734	(1 662)
NET CASH FLOW FROM OPERATING ACTIVITIES	**24 153**	**50 916**	**39 509**
Cost of acquisition of fixed assets	(22 831)	(28 604)	(24 486)
Proceeds from disposals of fixed assets	850	351	276
Outflows for acquisition of financial investments	(678)	(394)	(607)
Inflows from disposals of financial investments	155	59	56
Net cash outflows for acquisitions of subsidiaries	(1 998)	(70 827)	(2)
Net cash inflows from disposals of subsidiaries	/	820	144
NET CASH FLOW FROM INVESTMENT ACTIVITIES	**(24 502)**	**(98 595)**	**(24 618)**
Dividends paid to equity holders of the parent	(7 412)	28	/
Dividends paid to minority shareholders of consolidated companies	(19)	(31)	(22)
Capital increases in cash	/	/	/
Net cash inflows from disposals of holdings without loss of control	/	/	(14)
Treasury stock movements	62	227	14
Changes in other shareholders' equity	/	/	/
Borrowings	11 300	81 059	5 387
Repayment of borrowings	(15 028)	(17 051)	(20 762)
Interest paid	(4 129)	(6 198)	(5 479)
Net cash flow from financing activities	**(15 227)**	**58 034**	**(20 876)**
Total cash flows for the period, ongoing operations	**(15 576)**	**10 355**	**(5 985)**
Cash flows for the period, discontinued operations	(6)	123	/
Total cash flows for the period	**(15 582)**	**10 478**	**(5 985)**
Cash and cash equivalents at beginning of period	30 453	15 185	52 278
Of which cash at beginning of period for ongoing operations	*30 443*	*15 178*	*52 278*
Of which cash at beginning of period for discontinued operations	*10*	*7*	/
Cash and cash equivalents at end of period	14 731	25 578	46 131
Of which cash at end of period for ongoing operations[1]	*14 727*	*25 448*	*46 131*
Of which cash at end of period for discontinued operations	*4*	*130*	/
Effect of changes in foreign exchange rates	(139)	(85)	(162)
Of which of changes in foreign exchange rates at end of period for ongoing operations	*(139)*	*(85)*	*(162)*
Of which of changes in foreign exchange rates at end of period for discontinued operations	/	/	/
1: Of which:			
Cash and cash equivalents	*16 632*	*25 843*	*47 594*
Short-term bank borrowings (current financial liabilities)	*(1 904)*	*(395)*	*(1 463)*

3.6. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2018

3.6.1. Accounting principles and methods

Since January 1, 2005, the Group's consolidated financial statements have been prepared in accordance with IFRS as adopted in the European Union through EU regulation 1606/2002 of July 19, 2002, which instituted the IFRS reporting framework. When drawing up the financial statements at June 30, 2018, no change was made in terms of the accounting principles and methods used for the annual financial statements for the year 2017, which are detailed in the Registration Document filed with AMF (French Financial Markets Authority) under number D. 18-0299.

The interim consolidated financial statements for the period ended June 30, 2018 were prepared in accordance with IAS 34 "interim financial reporting". They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Séché Environnement Group for the year ended December 31, 2017.

When drawing up the interim financial statements at June 30, 2018, the Séché Environnement Group:

- applied the same standards and interpretations as it did in drawing up its annual consolidated financial statements for 2017;
- applied the IFRS 15 standard "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" on January 1, 2018, the date on which those standards became mandatory.
  - The application of IFRS 15 has no effect on the financial statements of the Séché Environnement Group, since the Group's practices are already in conformity with the provisions of this standard.
  - IFRS 9 also defines new rules for the classification and measurement of financial instruments, for impairment of the credit risk of financial assets, and general hedge accounting, without restating financial statements for comparison purposes.
    - Concerning the classification of assets, all assets classified as available-for-sale under IAS 39 are now classified as fair value through the income statement;
    - concerning the impairment of accounts receivable, after analyzing the default history of creditors, it is considered that provisions for impairment constituted in the past and based on the age of the debt, cover the impairments to be recognized under IFRS 9 as newly arising debts (the expected losses test);
    - concerning interest rate hedging instruments, the standard does not induce any significant change in the practice of Séché Environnement (reclassification as other comprehensive income of EUR – 0.2 million). The change in fair value of hedging instruments corresponding to the effective portion is recognized as OCI, and the change in fair value of the ineffective portion is recognized as income.
- The Group also applied, with no impact on its financial statements, the following standards and interpretations from January 1, 2018, the date on which their application became mandatory:
  - the IFRIC 22 interpretation "Foreign Currency Transactions and Advance Consideration";
  - the amendment to IFRS 2 "Classification and Measurement of Share-based Payment Transactions";
  - the amendment to IAS 40 "Investment Property";
  - the amendment to IFRS 4 "Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts'";
  - the Annual Improvements to IFRS Standards, 2014–2016 Cycle.

The Group has elected not to anticipate any other standards or interpretations applicable on or after January 1, 2018 where early application was permissible

The Group has initiated transition procedures for the application, on January 1, 2019, of IFRS 16 "Leases", which will replace the IAS 17 standard. At this stage, the Séché Environnement Group:

- has elected to adopt as transitory arrangements the simplified retrospective method;
- has put in place a tool for the monitoring of leases, which will list all current leases of more than one year, and which will still be current at the transition date;
- at the present stage of the analysis, the assets over which the Group holds an unconditional right-of-use under IFRS 16, and which will require a different accounting treatment at the transition date, consist of industrial equipment and some buildings.

The financial statements were approved by the Board of Directors of Séché Environnement on September 6, 2018. Financial data are presented in thousands of EUR rounded to the nearest thousand. The financial statements have been prepared with reference to historical costs, except for derivative instruments, which are recognized at fair value.

In order to prepare consolidated financial statements in accordance with IFRS, management is required to exercise its judgment and make estimates and assumptions that impact the application of the Group's accounting policies and the amounts of assets and liabilities, and income and expenses. The estimates and underlying assumptions are based on past experience and other factors considered reasonable under the circumstances. They serve as the basis for any judgment required for determining the book value of assets and liabilities when such amounts cannot be obtained directly from other sources. The estimates made by the Group primarily concern the recoverable amount of tangible and intangible assets and the recognition of provisions, particularly those for employee benefits. Due to the inherent uncertainty of such valuation processes, estimates and underlying assumptions are continuously reviewed. Actual future results from these operations may differ from these estimates.

3.6.2. Presentation of the accounts and comparability

During the first half of 2018, the Group acquired directly or indirectly:

- 24% of the share capital of Karu Energy SAS, a project company based in Guadeloupe working on a project to produce energy from biomass;
- 5.2% of the minority shares of Sodicome, by exercising the purchase option applicable since taking control of this company. Sodicome is henceforth 100% owned by the Group.

3.6.3. Consolidation scope

3.6.3.1. Parent company

Séché Environnement, a French limited company (Société Anonyme)
with share capital of EUR 1 571 546.40
Les Hêtres – CS 20020 – 53811 Changé, France

3.6.3.2. Consolidated subsidiaries

Company name		SIREN registration number	% holding	Consolidation method
Alcéa	Changé (France)	751 380 569	100.00	Full
Béarn Environnement	Pau (France)	393 439 203	100.00	Full
Drimm	Montech (France)	339 278 871	100.00	Full
Ecosite de la Croix Irtelle	Changé (France)	444 698 641	100.00	Full
Energécie	Changé (France)	523 490 332	74.60	Full
Gabarre Energies	Les Abymes (France)	820 626 000	51.00	Full
IberTredi Medioambiental	Barcelona (Spain)		100.00	Full
Opale Environnement	Calais (France)	332 359 637	100.00	Full
Sabsco Asia	Singapore (Singapore)		76.00	Full
Sabsco Limited	Kent (UK)		76.00	Full
Sabsco Malaysia	Petaling Jaya (Malaysia)		76.00	Full
Séché Alliance	Changé (France)	556 850 279	99.94	Full
Séché Développement	Changé (France)	813 605 839	100.00	Full
Séché Éco-services	Changé (France)	393 307 053	99.98	Full
Séché Éco-industries	Changé (France)	334 055 183	99.99	Full
Séché Energies	Changé (France)	504 440 330	100.00	Full
Séché Environnement Ouest	Changé (France)	392 585 279	100.00	Full
Séché Healthcare	Changé (France)	812 631 679	100.00	Full
Séché Transports	Changé (France)	391 918 885	99.50	Full
Sénergies	Changé (France)	503 859 274	80.00	Full
SCI LCDL	Changé (France)	410 629 752	99.80	Full
SCI Les Chênes Secs	Changé (France)	397 475 138	99.80	Full
SCI Mézerolles	Changé (France)	340 493 840	99.99	Full
Sem Tredi	(Mexico)		100.00	Full
Sotrefi	Etupes (France)	315 669 218	100.00	Full
Sénerval	Strasbourg (France)	519 253 355	99.90	Full
Singapour MTT	Singapore (Singapore)		76.00	Full
Sodicome	Saint-Gilles (France)	431 912 620	100.00	Full
Solena	Viviez (France)	823 197 322	60.00	Full
Solarca SL	La Selva Del Camp (Tarragona) (Spain)		76.00	Full
Solarca Castilla	Puertollano (Spain)		76.00	Full
Solarca France	Marseille (France)		71.03	Full
Solarca Portugal	Setubal (Portugal)		76.00	Full
Solarca Qatar	Doha (Qatar)		37.24	Full
Solarca Russie	Moscow (Russia)		76.00	Full
Solarca USA	La Porte, Texas (USA)		76.00	Full
Soluciones Ambientales Del Norte	(Chile)		100.00	Full
Speichim Processing	Saint-Vulbas (France)	389 218 850	100.00	Full
Taris (formerly Befesa Peru)	(Peru)		92.99	Full
Tredi Argentina	Buenos Aires (Argentina)		100.00	Full
Tredi SA	Saint-Vulbas (France)	338 185 762	100.00	Full
Triadis Services	Etampes (France)	384 545 281	100.00	Full
UTM	Lübeck (Germany)		100.00	Full
Valls Quimica	Valls (Spain)		100.00	Full
La Barre Thomas	Rennes (France)	392 583 563	40.00	Equity
Kanay	Lima (Peru)	13038686	49.00	Equity
Karu Energy SAS	Baie-Mahault (France)	824 146 773	24.00	Equity
SAEM Transval	St Georges les Baillargeaux (France)	539 131 698	35.00	Equity
Gerep	Paris (France)	320 179 559	50.00	Equity
Sogad	Le Passage (France)	322 323 783	50.00	Equity

3.6.4. Explanatory notes to the financial statements

3.6.4.1. Notes to the balance sheet

Note 1 – Goodwill, tangible and intangible fixed assets

	Goodwill	Software, patents	Intangible fixed assets included in concessions	Other intangible fixed assets	Tangible fixed assets	TOTAL
GROSS VALUE						
DECEMBER 31, 2016	**259 297**	**9 590**	**58 736**	**16 790**	**703 449**	**1 047 862**
Increases	/	969	3 101	3 627	53 066	60 763
Decreases	(1 181)	(479)	/	(1 313)	(27 020)	(29 993)
Other changes	32 504	433	/	1 680	63 196	97 813
DECEMBER 31, 2017	**290 620**	**10 512**	**61 837**	**20 784**	**792 690**	**1 176 444**
Increases	645	689	2 794	507	20 325	24 960
Decreases	/	(352)	(100)	(159)	(3 570)	(4 181)
Other changes	114	71	/	(99)	(187)	(102)
JUNE 30, 2018	**291 379**	**10 919**	**64 531**	**21 033**	**809 258**	**1 197 121**
AMORTIZATION						
DECEMBER 31, 2016	**/**	**(8 681)**	**(8 789)**	**(4 640)**	**(515 462)**	**(537 572)**
Allocations	/	(931)	(3 430)	(544)	(40 705)	(45 611)
Write-backs	/	469	/	13	23 545	24 027
Other changes	/	(227)	/	(542)	(29 010)	(29 779)
DECEMBER 31, 2017	**/**	**(9 370)**	**(12 219)**	**(5 713)**	**(561 631)**	**(588 934)**
Allocations	/	(513)	(1 872)	(379)	(21 419)	(24 183)
Write-backs	/	340	85	97	3 414	3 936
Other changes	/	/	/	(1)	1	/
JUNE 30, 2018	**/**	**(9 543)**	**(14 006)**	**(5 996)**	**(579 636)**	**(609 182)**
IMPAIRMENTS						
DECEMBER 31, 2016	**(25 894)**	**(4)**	**/**	**/**	**(727)**	**(26 625)**
Increases	/	/	/	/	(131)	(131)
Decreases	/	4	/	/	12	15
Other changes	/	/	/	/	/	/
DECEMBER 31, 2017	**(25 894)**	**/**	**/**	**/**	**(846)**	**(26 739)**
Increases	/	/	/	/	/	/
Decreases	/	/	/	/	29	29
Other changes	/	/	/	/	/	/
JUNE 30, 2018	**(25 894)**	**/**	**/**	**/**	**(817)**	**(26 711)**
NET VALUE						
DECEMBER 31, 2016	**233 403**	**905**	**49 947**	**12 150**	**187 260**	**483 665**
Increases	/	37	(329)	3 083	12 230	15 021
Decreases	(1 181)	(7)	/	(1300)	(3 463)	(5 951)
Other changes	32 504	206	/	1 139	34 186	68 035
DECEMBER 31, 2017	**264 727**	**1 142**	**49 618**	**15 071**	**230 213**	**560 771**
Increases	645	175	922	128	(1 094)	777
Decreases	/	(12)	(15)	(62)	(128)	(216)
Other changes	114	70	/	(100)	(186)	(102)
JUNE 30, 2018	**265 485**	**1 376**	**50 525**	**15 038**	**228 805**	**561 229**

Goodwill : the Group has examined its half-yearly results against its expectations, and the results of previous half-yearly periods. The conclusion of this analysis is that the profitability achieved is in line with expectations.

The Group considers that its present half-yearly results are not indicative of any impairment, and has therefore not performed any impairment test.

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Note 2 – Investments in affiliates

Note 2.1 Summary of investments in affiliates

Investments in affiliates held by the Group are as follows:

(in thousands of EUR)	% held by Group	Shareholders' equity	Latest profit or loss	Net book value of investments
La Barre Thomas	40%	302	17	121
Kanay	49%	645	896	2 887
Karu Energy SAS	24%	(1)	/	/
Transval	35%	74	/	26
Gerep	50%	(164)	(134)	/
Sogad	50%	30	(74)	204
TOTAL				**3 238**

Note 2.2 Changes to investments in affiliates

Changes in investments in affiliates held by the Group break down as follows:

(in thousands of EUR)	Value at Dec. 31, 2016	Value at Dec. 31, 2017	Net income	Changes in fair value through equity	Translation differences	Changes in consolidation scope	Other changes	Value at June 30, 2018
La Barre Thomas	124	114	7	/	/	/	/	121
Kanay	2 364	2 421	458	/	8	/	1	2 887
Karu Energy SAS	/	/	/	/	/	/	/	/
Laval Energie Nouvelle	/	/	/	/	/	/	/	/
Transval	35	28	(2)	/	/	/	/	26
Gerep	/	/	(93)	/	/	/	93	/
Sogad	362	326	(48)	(3)	/	/	(71)	204
TOTAL	**2 885**	**2 888**	**322**	**(3)**	**8**	**/**	**23**	**3 238**

Note 2.3 Financial information on affiliates

A summary of financial information on affiliates is provided below:

(in thousands of EUR)	La Barre Thomas	Kanay	Karu Energy SAS	Transval	Gerep	Sogad
Date of most recent financial information known	June 30, 2018	June 30, 2018	June 30, 2018	June 30, 2018	June 30, 2018	June 30, 2018
% held	40%	49%	24%	35%	50%	50%
Non-current assets	11	5 585	/	/	1 065	669
Current assets	1 279	5 963	1	149	640	1 492
Shareholders' equity	302	645	(1)	74	(164)	30
Non-current liabilities	/	3 612	/	/	576	621
Current liabilities	987	7 291	2	75	1 293	1 510
Revenue	1 567	7 647	/	93	1 054	2 065
EBITDA	18	1 575	/	/	(109)	62
Current operating income	17	1 408	/	/	(132)	(72)
Operating income	17	1 408	/	/	(133)	(72)
Net income	17	896	/	/	(134)	(74)

Note 2.4 Transactions with affiliates

The Group did not carry out any significant transactions with La Barre Thomas, Kanay, Karu Energy SAS, SAEM Transval, Gerep or Sogad.

Note 3 – Financial instruments
The financial instruments shown on the balance sheet break down as follows:

(in thousands of EUR)	December 31, 2016			December 31, 2017			June 30, 2018		
	NC	C	TOTAL	NC	C	TOTAL	NC	C	TOTAL
Available-for-sale financial instruments	1 436	/	1 436	1 541	/	1 541	1 469	/	1 469
Financial loans and receivables at amortized cost	7 033	761	7 794	7 916	827	8 743	7 823	1 183	9 006
Financial assets	8 469	761	9 230	9 457	827	10 283	9 292	1 183	10 475
Trade and other receivables	43 082	159 549	202 631	40 881	136 533	177 414	41 163	153 429	194 592
Other current assets (incl. corporation tax receivables)	1 843	28 719	30 562	1 864	29 600	31 464	199	29 926	30 125
Loans and receivables at amortized cost	44 926	188 268	233 194	42 745	166 133	208 877	41 362	183 355	224 717
Hedging instruments – assets	/	/	/	/	/	/	/	/	/
Other instruments at fair value by the income statement	/	/	/	/	/	/	/	/	/
Financial assets at fair value by the income statement	/	/	/	/	/	/	/	/	/
Cash and cash equivalents	/	16 732	16 732	/	53 459	53 459	/	47 594	47 594
Total financial assets		205 761	259 155	52 201	220 418	272 620	50 654	232 133	282 787
Financial debts		33 092	329 783	365 167	46 784	411 952	322 510	75 671	398 181
Hedging instruments – liabilities	637	22	659	478	14	493	466	53	520
Other liabilities	2 439	193 235	195 674	860	195 129	195 989	321	215 767	216 088
Total financial liabilities		226 349	526 116	366 506	241 927	608 433	323 297	291 491	614 788

NC: non-current – C: current

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Note 3.1 Financial assets

Note 3.1.1 Available-for-sale financial assets

(in thousands of EUR) (net value)	Dec. 31, 2016	Dec. 31, 2017	Changes in fair value through equity	Acquisitions	Other changes	Disposals/ repay-ments	June 30, 2018
Bonds (principal + capitalized interest)	/	/	/	/	/	/	/
Bonds (non-capitalized interest)	/	/	/	/	/	/	/
TOTAL bond portion, gross	/	/	/	/	/	/	/
Provision on bond portion	/	/	/	/	/	/	/
TOTAL bond portion, net	/	/	/	/	/	/	/
TOTAL non-consolidated investments	/	/	/	/	/	/	/
Emertec	1 164	993	72	/	/	/	921
Other investments	272	548	/	/	/	/	548
TOTAL other investments	**1 436**	**1 541**	**72**	**/**	**/**	**/**	**1 469**
Total available-for-sale financial assets	**1 436**	**1 541**	**72**	**/**	**/**	**/**	**1 469**

Note 3.1.2 Loans and receivables at amortized cost

(in thousands of EUR)	December 31, 2016			December 31, 2017			June 30, 2018		
	NC	C	TOTAL	NC	C	TOTAL	NC	C	TOTAL
Deposits and bonds of indemnity	2 582	59	2 641	3 408	43	3 451	3 563	432	3 995
Loans	1 274	97	1 371	1 471	104	1 575	1 471	71	1 542
Trade receivables (concessions)	3 177	606	3 782	3 036	680	3 716	2 788	680	3 468
Financial loans and receivables	**7 033**	**761**	**7 794**	**7 915**	**827**	**8 743**	**7 823**	**1 183**	**9 006**
Trade receivables and other debtors	43 082	159 549	202 631	40 881	136 533	177 414	41 163	153 429	194 592
State	/	15 942	15 942	/	17 599	17 599	/	19 187	19 187
Corporation tax receivables	/	4 081	4 081	1 230	1 123	2 353	179	964	1 143
Prepaid accounts	/	1 955	1 955	/	2 071	2 071	/	2 373	2 373
Social security receivables	/	323	323	/	397	397	/	335	335
Receivables from disposal of fixed assets	/	1 818	1 818	/	2 106	2 106	/	1 815	1 815
Other receivables	1 843	3 945	5 789	634	5 935	6 569	20	4 631	4 651
Current accounts receivable	/	654	654	/	369	369	/	623	623
Other current assets	1 843	28 719	30 562	1 864	29 600	31 464	199	29 926	30 125
Operational loans and receivables	**44 926**	**188 268**	**233 194**	**42 745**	**166 133**	**208 877**	**41 362**	**183 355**	**224 718**
Loans and receivables at amortized cost	**51 958**	**189 029**	**240 987**	**50 660**	**166 960**	**217 620**	**49 185**	**184 539**	**233 724**

NC: non-current – C: current

On December 26, 2017, the Group assigned a non-recourse debt of EUR 22 978 thousand, associated with insurance of the debt assigned. On June 26, 2018, the Group carried out a similar operation in the amount of EUR 23 477 thousand.

Depreciation and impairment on loans and receivables at amortized cost break down as follows:

(in thousands of EUR)	December 31, 2016			December 31, 2017			June 30, 2018		
	Gross	Depreciation/ impairment	Net	Gross	Depreciation/ impairment	Net	Gross	Depreciation/ impairment	Net
Loans and financial receivables	10 042	(2 248)	**7 794**	11 050	(2 307)	**8 743**	9 014	(7)	**9 006**
Trade receivables and other debtors	206 605	(3 974)	**202 631**	182 236	(4 822)	**177 414**	200 420	(5 828)	**194 592**
Other assets	30 647	(85)	**30 562**	31 472	(8)	**31 464**	30 151	(25)	**30 125**
Loans and receivables at amortized cost	**247 294**	**(6 307)**	**240 987**	**224 758**	**(7 138)**	**217 620**	**239 584**	**(5 861)**	**233 724**

Note 3.1.3 Financial assets at fair value by the income statement

	December 31, 2016			December 31, 2017			June 30, 2018		
(in thousands of EUR)	NC	C	TOTAL	NC	C	TOTAL	NC	C	TOTAL
Hedging instruments	/	/	/	/	/	/	/	/	/
Financial assets at fair value by the income statement	/	/	/	/	/	/	/	/	/

NC: non-current – C: current

Note 3.1.4 Cash and cash equivalents

(in thousands of EUR)	December 31, 2016	December 31, 2017	June 30, 2018
Mutual funds (SICAVs)	7 234	5 165	15 198
Cash	9 498	48 293	32 396
Total	**16 732**	**53 459**	**47 594**

Note 3.2 Financial liabilities

Note 3.2.1 Financial debt

Changes in debt

(in thousands of EUR)	December 31, 2016			December 31, 2017			June 30, 2018		
	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current	Total
Financial debt liabilities	241 205	28 503	**269 708**	310 277	42 390	**352 667**	292 918	45 851	**338 769**
Effective interest rate impact	*(1 202)*	*(610)*	***(1 813)***	*(1 192)*	*(877)*	***(2 069)***	*(780)*	*(837)*	***(1 617)***
Borrowings/bank loans	240 003	27 892	**267 895**	309 085	41 513	**350 598**	292 139	45 013	**337 152**
Bonds outstanding	50 000	/	**50 000**	50 000	/	**50 000**	25 000	25 000	**50 000**
Effective interest rate impact	*(484)*	*(202)*	***(686)***	*(335)*	*(258)*	***(593)***	*(223)*	*(244)*	***(466)***
Bonds	49 516	(202)	**49 314**	49 665	(258)	**49 407**	24 777	24 756	**49 534**
Financial leases	7 149	2 712	**9 861**	6 395	2 797	**9 192**	5 571	2 943	**8 514**
Other financial debt	23	1 135	**1 158**	23	1 551	**1 574**	23	1 495	**1 518**
Short-term bank borrowings	/	1 554	**1 554**	/	1 181	**1 181**	/	1 463	**1 463**
TOTAL	**296 691**	**33 092**	**329 783**	**365 167**	**46 784**	**411 952**	**322 510**	**75 671**	**398 181**

Changes in debt over the period can be analyzed as follows:

(in thousands of EUR)	Dec. 31, 2016	Dec. 31, 2017	Increases	Repayments	Changes in scope	Amortized cost	Translation differences	Other changes	June 30, 2018
Bank loans	267 895	350 598	5 387	(19 286)	/	452	1	/	337 152
Bonds	49 314	49 407	/	/	/	126	/	/	49 534
Finance leases	9 861	9 192	778	(1 476)	/	/	20	/	8 514
Other financial debt	1 158	1 574	/	(56)	/	/	/	/	1 518
Short-term bank borrowings	1 554	1 181	283	/	/	/	/	/	1 463
TOTAL	**329 783**	**411 952**	**6 448**	**(20 818)**	**/**	**578**	**21**	**/**	**398 181**

Debt Table

At June 30, 2018, Group debt broke down as follows:

(in thousands of EUR)	Type of rate (before hedging)	Amount	Maturity	Hedging
Other bank loans	Variable	27 817 190 981 /	less than one year from 1 to 5 years more than 5 years	Debt contracted at a variable interest rate Interest rate hedge of EUR 115 M
	Fixed Between 0% and 6%	17 197 61 061 40 096	less than one year from 1 to 5 years more than 5 years	
	Total	**337 152**		
Bonds	Variable	/ / /	less than one year from 1 to 5 years more than 5 years	
	Fixed Between 3% and 5%	24 756 24 777 /	less than one year from 1 to 5 years more than 5 years	
	Total	**49 534**		
Financial leases	Variable	393 516 /	less than one year from 1 to 5 years more than 5 years	
	Fixed Between 0% and 6%	2 550 4 867 188	less than one year from 1 to 5 years more than 5 years	
	Total	**8 514**		
Other miscellaneous financial debt	Variable	/ / /	less than one year from 1 to 5 years more than 5 years	
	Fixed	1 495 / 23	less than one year from 1 to 5 years more than 5 years	
	Total	**1 518**		
Short-term bank borrowings	Variable	1 463	less than one year	
	TOTAL	**398 181**		
Of which current		75 671	less than one year	
Of which non-current		322 510	more than one year	

Note 3.2.2 Financial hedging instruments

The financial instruments used by the Group are for hedging cash flows related to its financing. These instruments, which are traded on organized markets, are managed by the Group's Finance Department.

(in thousands of EUR)	December 31, 2016			December 31, 2017			June 30, 2018		
	NC	C	TOT	NC	C	TOT	NC	C	TOT
Hedging instruments – assets	/	/	/	/	/	/	/	/	/
Hedging instruments – liabilities	637	22	659	478	14	493	466	53	520

NC: non-current – C: current – TOT: Total

Hedging instruments (assets and liabilities) break down by their nature as follows:

(in thousands of EUR)	December 31, 2016		December 31, 2017		June 30, 2018	
	Nominal transaction	Fair value	Nominal transaction	Fair value	Nominal opération	Fair value
Swaps	30 000	(353)	30 000	(198)	20 000	(163)
Collars	65 000	(307)	102 500	(303)	95 000	(357)
Hybrid instruments	/	/	/	/	/	/
Total	**95 000**	**(659)**	**132 500**	**(493)**	**115 000**	**(520)**

At June 30, 2018, the maturity of the cash flow hedging instruments was as follows:

(in thousands of EUR)	Less than one year	From 1 to 5 years	More than 5 years	TOTAL
Swaps	10 000	10 000	/	**20 000**
Collars	/	95 000	/	**95 000**
Hybrid instruments	/	/	/	**/**
Total	**10 000**	**105 000**	**/**	**115 000**

Note 4 - Current and non-current provisions

(in thousands of EUR)	Dec. 31, 2016	Dec. 31, 2017	Other changes	Impact on shareholders' equity	Allocations	Write-backs used	Write-backs unused	June 30, 2018
Employee benefits[1]	5 190	5 554	(1)	256	416	(15)	/	6 210
Other non-current provisions[2]	11 259	13 221	43	/	831	(54)	/	14 040
Non-current provisions	**16 450**	**18 775**	**42**	**256**	**1 246**	**(70)**	**/**	**20 250**
Provisions for litigation	1 815	1 193	2	/	230	(64)	(204)	1 157
Provision for other risks	/	14	/	/	2 162	/	/	2 176
Provision for waste to be treated	147	135	/	/	/	/	/	135
Provisions for other charges	4 670	1 065	/	/	99	(271)	(677)	216
Current provisions	**6 632**	**2 408**	**2**	**/**	**2 491**	**(335)**	**(881)**	**3 685**
TOTAL	**23 082**	**21 183**	**44**	**256**	**3 737**	**(404)**	**(881)**	**23 935**

1: Provisions for end-of-career payment and long-service medals commitments are calculated according to the method described in the accounting principles and methods section of this report.
2: Including provision for 30-year monitoring.

In the first half of 2018, Séché Eco-industries underwent a customs investigation at its Le Vigeant site. The administration queried the company's application of a reduction in the tax on polluting activities (TGAP) in previous fiscal years on a landfill cell, on the "bioreactor"criterion. The company contests this tax adjustment of EUR 1.8 million, and has provisioned the entire amount in its accounts, and recognized a charge of the same amount against operating income.

Note 5 - Off-balance sheet commitments

Note 5.1 Off-balance sheet commitments arising from current operations

(in thousands of EUR)	December 31, 2016	December 31, 2017	June 30, 2018
Loans ceded before maturity (bills, Dailly Act)	/	/	/
Sureties		**133 413**	**133 020**
Financial guarantees[1]	52 183	82 810	83 198
Other guarantees	38 382	50 604	49 822
Secured guarantees	/	/	/
Tangible and intangible assets pledged as collateral	/	/	/
Securities pledged as collateral	/	/	/
Related to shareholder responsibilities in property companies		/	/
Total off-balance sheet commitments related to current operations		**133 413**	**133 020**

1: This concerns a EUR 83 million surety granted to a financial institution during the setting up of financial guarantees extended by it under the Ministerial Order of February 1, 1996.

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Note 5.2 Off-balance sheet commitments given or received in connection with Group debt

(in thousands of EUR)	December 31, 2016	December 31, 2017	June 30, 2018
Business loans ceded		/	/
Sureties and letters of intent		55 075	46 226
Secured guarantees	/	/	4 716
Tangible and intangible assets pledged as guarantees and collateral	/	/	4 716
Securities pledged as guarantees and collateral	/	/	/
Mortgages	/	/	/
Borrowing commitments received	/	/	/
TOTAL off-balance sheet commitments related to debt	**34 399**	**55 075**	**50 943**

As part of its asset financing, the Company signed commitments not to sell its shareholdings in Sénergies, Séché Eco-industries and Mézerolles.
All the above-mentioned off-balance sheet commitments cover balance sheet debt, with the exception of a EUR 0.8 million guarantee.
Under its public service delegation contracts, Séché Environnement makes commitments to each delegating authority in respect of proper execution of the contract.

Note 6 - Shareholders' equity

Note 6.1 Breakdown of share capital

Share category	Number	Par value
Shares comprising the share capital at the start of the period	**7 857 732**	**0.20€**
Capital decrease (by cancellation of the Company's own shares)	**/**	
Shares comprising the share capital at the end of the period	7 857 732	0.20€
Of which shares with single voting rights	5 341 278	
Of which shares with double voting rights	2 516 454	

Note 6.2 Additional paid-in capital

This line is made up exclusively of additional paid-in capital from the different capital increases, net of charges:

(in thousands of EUR)	
Capital increase of November 27, 1997	11 220
Capital increase of December 19, 1997	112
Capital increase of October 1, 2001 (to pay for Alcor shares)	10 795
Capital increase of July 5, 2002 (to pay for Tredi shares)	192 903
Charges on additional paid-in capital	(1 578)
Issuance of 596 408 share subscription warrants in favor of Caisse des Dépôts on Dec. 12, 2006	10 908
Exercise of share subscription warrants by Caisse des Dépôts on April 24, 2007	74 718
Pay-out of dividends on June 10, 2014	(8 148)
Charges on additional paid-in capital on April 25, 2014	(169 445)
Pay-out of dividends on June 10, 2015	(8 203)
Charges on additional paid-in capital on April 28, 2015	790
Cancellation by Séché Environnement of its own shares on June 17, 2015	(23 268)
Charges on additional paid-in capital on April 28, 2016	(16 744)
TOTAL	**74 061**

Note 6.3 Breakdown of consolidated reserves

(in thousands of EUR)	December 31, 2016	December 31, 2017	Increases	Decreases	Reclassifi-cations	June 30, 2018
Legal reserve		173	/	/	/	173
Regulatory reserves		/	/	/	/	/
Retained earnings		12 113	824	/	/	12 937
Other reserves		/	/	/	/	/
Sub-total – legal and regulatory reserves		**12 286**	**824**	**/**	**/**	**13 110**
Consolidated reserves (excluding foreign currency translation differences)	163 206	147 192	6 665	/	(686)	153 170
Total reserves (excluding foreign currency translation differences)	**163 431**	**159 478**	**7 488**	**/**	**(686)**	**166 280**
Foreign currency translation differences		(6 093)	345	/	/	(5 749)
Total reserves (including foreign currency translation differences)	**160 076**	**153 385**	**7 833**	**/**	**(686)**	**160 531**

Note 6.4 Dividends

In the first half of 2018, the Annual General Meeting of Shareholders of Séché Environnement resolved to pay out EUR 7 464 845.40 in dividends in respect of earnings in fiscal 2017, or EUR 0.95 per share, regardless of the type of share. This amount was distributed in July 2018.

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3.6.4.2. Notes to the income statement

Note 7 - Income from ordinary activities

(in thousands of EUR)	June 30, 2016	June 30, 2017	June 30, 2018
Revenue	**230 040**	**266 705**	**287 779**
Of which sales of goods	*33 683*	*33 067*	*34 932*
Of which sales of services	*196 357*	*233 638*	*252 848*
Other business income	**2 690**	**3 798**	**2 706**
Transfers of expenses	**1 423**	**348**	**510**
Income from ordinary activities	**234 153**	**270 851**	**290 996**

Note 8 – Current operating income

(in thousands of EUR)	June 30, 2016	June 30, 2017	June 30, 2018
Income from ordinary activities	**234 153**	**270 851**	**290 996**
Purchases used for operational purposes	(32 194)	(33 792)	(35 813)
External expenses	(86 459)	(108 775)	(113 176)
Of which subcontracting	*(47 607)*	*(62 650)*	*(65 928)*
Taxes other than on income	(19 068)	(21 626)	(23 378)
Employee benefit expenses	(58 011)	(63 698)	(66 828)
EBITDA	**38 422**	**42 960**	**51 801**
Cost of renewal of assets included in concessions	(4 371)	(4 699)	(4 719)
Cost of treatment site rehabilitation	(682)	(673)	(794)
Other operating income and expenses	(652)	4	545
Net allocations to provisions	(811)	(1 997)	(1 982)
Net allocations to amortization	(20 474)	(22 036)	(24 182)
Current operating income	**11 433**	**13 558**	**20 669**

Note 9 – Operating income

(in thousands of EUR)	June 30, 2016	June 30, 2017	June 30, 2018
CURRENT OPERATING INCOME	**11 433**	**13 558**	**20 669**
Income on disposal of fixed assets	(181)	1 029	59
Impairment of assets	(48)	(54)	(6)
Effect of changes in consolidation scope[1]	(122)	(897)	(328)
Other[2]	(541)	(872)	(656)
OPERATING INCOME	**10 540**	**12 764**	**18 738**

1: These correspond to expenses incurred in constituting business combination projects.

2: The sums recorded on the "Other" line correspond principally to the following:

- in 2016, operating costs incurred by the Group, concerning the management under contract of the Strasbourg-Sénerval public service delegation, which was complicated by the presence of asbestos in the delegated assets;
- In 2017 :
  - EUR – 0.1 million of further operating costs incurred by the Group, concerning the management under contract of the Strasbourg-Sénerval public service delegation, which was complicated by the presence of asbestos in the delegated assets;
  - EUR – 0.4 million of expenses made or committed to in connection with a performance plan intended to optimize management functions;
  - EUR – 0.4 million in respect of the contested property tax adjustment concerning Séché Eco-industries;
- In 2018 :
  - EUR – 1.8 million in respect of the contested tax on polluting activities (TGAP) adjustment concerning Séché Eco-industries;
  - EUR + 0.7 million in respect of the net write-back of the provision concerning the contested property tax adjustment at Séché Eco-industries;
  - EUR – 0.4 million of expenses made or committed to in connection with a performance plan intended to optimize management functions.

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Note 10 – Net financial income

Note 10.1 Breakdown of net financial income

(in thousands of EUR)	June 30, 2016	June 30, 2017	June 30, 2018
Income from cash and cash equivalents	171	104	32
Gross financial borrowing costs	(5 185)	(6 199)	(5 866)
Other financial income and expenses	(598)	(1 042)	(616)
TOTAL	**(5 612)**	**(7 138)**	**(6 450)**

The cost of gross financial debt evolved as follows:

(in thousands of EUR)	June 30, 2016	June 30, 2017	June 30, 2018
Financial liabilities at amortized cost	(4 924)	(5 971)	(5 976)
Gain (loss) on hedging instruments	(261)	(228)	10
COST OF GROSS FINANCIAL DEBT	**(5 185)**	**(6 199)**	**(5 866)**

Note 10.2 Breakdown of other financial income and expenses

(in thousands of EUR)	June 30, 2016	June 30, 2017	June 30, 2018
Foreign exchange gain (loss)	(20)	(445)	(41)
Net gain (loss) on the sale of financial fixed assets	/	(21)	/
Net impairment on financial assets	(480)	(562)	(631)
Other financial income and expenses	(98)	(15)	56
TOTAL	**(598)**	**(1 042)**	**(616)**

Note 11 – Taxes

(in thousands of EUR)	June 30, 2016	June 30, 2017	June 30, 2018
Net income before taxes	**4 928**	**5 626**	**12 288**
Corporation tax payable	(1 116)	(1 289)	(2 141)
Deferred tax	(1 009)	(189)	(953)
Total tax expense	**(2 124)**	**(1 477)**	**(3 094)**
Current effective tax rate	43.10%	26.25%	25.18%

3.6.4.3. Financial risk management

Note 12 - Exposure to credit risk

Credit risk is the risk of financial loss being incurred by the Group in the event that a customer or counterparty to a given asset were to fail to meet its contractual obligations. This risk arises mainly from trade receivables.

The Group's maximum exposure to credit risk is represented by the book value of financial assets. At the close of the half-year, maximum credit risk exposure broke down as follows:

	December 31, 2016			December 31, 2017			June 30, 2018		
(in thousands of EUR)	**NC**	**C**	**TOTAL**	**NC**	**C**	**TOTAL**	**NC**	**C**	**TOTAL**
Available-for-sale financial assets	1 436	/	1 436	1 541	/	1 541	1 469	/	**1 469**
Financial loans and receivables at amortized cost	7 033	761	7 794	7 916	827	8 743	7 823	1 183	**9 006**
Financial assets	8 469	761	***9 230***	9 457	827	***10 283***	9 292	1 183	***10 475***
Trade and other receivables	43 082	159 549	202 631	40 881	136 533	177 414	41 163	153 429	**194 592**
Other current assets (incl. corporation tax credits)	1 843	28 719	30 562	1 864	29 600	31 464	199	29 926	**30 125**
Loans and receivables at amortized cost	44 926	188 268	***233 194***	42 745	166 133	***208 877***	41 362	183 355	***224 717***
Hedging instruments – assets	/	/	/	/	/	/	/	/	/
Other instruments at fair value by the income statement	/	/	/	/	/	/	/	/	/
Financial assets at fair value by the income statement	/	/	/	/	/	/	/	/	/
Cash and cash equivalents	/	16 732	16 732	/	53 459	53 459	/	47 594	47 594
Total financial assets	**53 394**	**205 761**	**259 155**	**52 201**	**220 418**	**272 620**	**50 654**	**232 133**	**282 787**

NC: non-current – C: current

Revenue, expenses, income and impairments recognized in the financial statements for the first half of 2018 as financial assets were not significant, and corresponded to income related to the management of marketable securities.

Note 13 - Exposure to counterparty risk

Counterparty risk corresponds to the loss that the Group could suffer if one or more counterparties were to fail to fulfill their obligations. It concerns loans and receivables (financial or operational) at amortized cost, and short-term investments of excess cash.

The aged balance of loans and receivables at amortized cost is as follows:

(in thousands of EUR)	June 30, 2018				
	Net value (C and NC)	**Of which not due**	**Of which due**		
			0-6 months	6 months -1 year	More than 1 year
Financial loans and receivables at amortized cost	9 006	9 006	/	/	/
Trade and other receivables	194 592	161 522	26 065	2 392	4 613
Other assets	30 126	28 857	873	12	384
TOTAL	**233 724**	**199 385**	**26 938**	**2 404**	**4 997**

The aged balance of loans and receivables at amortized cost at the closing of the preceding two financial years was as follows:

(in thousands of EUR)	December 31, 2017				
	Net value (C and NC)	**Of which not due**	**Of which due**		
			0-6 months	6 months -1 year	More than 1 year
Financial loans and receivables at amortized cost	8 743	8 743	/	/	/
Trade and other receivables	177 414	151 614	17 807	3 150	4 843
Other assets	31 464	30 808	145	12	499
TOTAL	**217 620**	**191 165**	**17 952**	**3 161**	**5 342**

(in thousands of EUR)	December 31, 2016				
	Net value (C and NC)	**Of which not due**	**Of which due**		
			0-6 months	6 months -1 year	More than 1 year
Financial loans and receivables at amortized cost	7 794	7 794	/	/	/
Trade and other receivables	202 631	181 396	14 673	2 357	4 205
Other assets	30 562	29 644	11	12	895
TOTAL	**240 987**	**218 834**	**14 685**	**2 369**	**5 100**

In the Group's opinion, it is not exposed to any significant counterparty risk.

Note 14 – Exposure to liquidity risk

Liquidity risk is the risk that the Group may have difficulty honoring its debts at their maturity. At June 30, 2018, the residual contractual maturities of the Group's financial liabilities broke down as follows:

(in thousands of EUR)	Book value	Contractual cash flows	Less than 1 yr	From 1 to 5 yrs	More than 5 yrs
Bank loans	386 686	414 479	79 430	291 433	43 616
Lease finance debt	8 514	8 915	2 805	5 921	189
Other financial debt	1 518	1 518	1 495	/	23
Short-term bank borrowings	1 463	1 463	1 463	/	/
Trade and other payables (incl. corporation tax debts)	206 927	206 927	206 210	717	/
Liabilities for renewal of assets included in concessions	9 162	9 162	9 162	/	/
TOTAL NON-DERIVATIVE FINANCIAL LIABILITIES	**614 269**	**642 464**	**300 565**	**298 071**	**43 828**
Hedging instruments	520	520	53	466	/
TOTAL DERIVATIVE FINANCIAL LIABILITIES	**520**	**520**	**53**	**466**	**/**

For comparison purposes, the residual contractual maturities of the Group's financial liabilities at the closing of the fiscal years 2017 and 2016 were as follows:

(in thousands of EUR) – December 31, 2017	Book value	Contractual cash flows	Less than 1 yr	From 1 to 5 yrs	More than 5 yrs
Bank loans	400 005	433 383	51 350	333 233	48 800
Lease finance debt	9 192	9 299	2 767	6 250	283
Other financial debt	1 574	1 574	1 551	/	23
Short-term bank borrowings	1 181	1 181	1 181	/	/
Trade and other payables (incl. corporation tax debts)	186 656	186 656	185 795	860	/
Liabilities for renewal of assets included in concessions	9 333	9 333	9 333	/	/
TOTAL NON-DERIVATIVE FINANCIAL LIABILITIES	**607 940**	**641 426**	**251 977**	**340 343**	**49 106**
Hedging instruments	493	493	14	478	/
TOTAL DERIVATIVE FINANCIAL LIABILITIES	**493**	**493**	**14**	**478**	/

(in thousands of EUR) – December 31, 2016	Book value	Contractual cash flows	Less than 1 yr	From 1 to 5 yrs	More than 5 yrs
Bank loans	317 209	351 734	35 982	266 027	49 724
Lease finance debt	9 861	10 263	2 876	6 829	558
Other financial debt	1 158	1 158	1 135	/	23
Short-term bank borrowings	1 554	1 554	1 554	/	/
Trade and other payables (incl. corporation tax debts)	185 708	185 708	183 269	2 439	/
Liabilities for renewal of assets included in concessions	9 966	9 966	9 966	/	/
TOTAL NON-DERIVATIVE FINANCIAL LIABILITIES	**525 457**	**560 383**	**234 782**	**275 295**	**50 305**
Hedging instruments	659	659	22	637	/
TOTAL DERIVATIVE FINANCIAL LIABILITIES	**659**	**659**	**22**	**637**	/

Ratios prescribed by the credit covenant and bond issuance agreement
The Group's credit agreement signed on May 12, 2015 and one of its bond issuance agreements include a commitment to respect two financial ratios based on the Group's consolidated financial statements. Compliance with these financial ratios is checked twice per year for the twelve-month periods ending December 31 and June 30.

Non-compliance with these ratios would constitute default and, in the case of most lenders, would render all debt immediately due.

The Group's principal debt agreements require compliance with ratios, on pain of immediate exigibility. Following the acquisitions made in 2017, the ratio limits were revised for a 12-month period:

RATIOS	Applicable in 2016	Applicable in 2017	Applicable in 2018
2018			
Net financial debt/equity	<1.4	<1.6	<1.4
Net financial debt/EBITDA	<3.5	<3.7	<3.5

Under its operation to refinance its bank debt, Séche Environnement renegotiated the clause concerning its net financial debt to equity ratio. A change in the definition of shareholder equity led to a modification in the limit of the ratio: from now on, shareholders' equity is defined as "the total of all shareholders' equity (Group share)" without exception.

At June 30, 2018, the Group's bank gearing was 1.30 and debt-to-earnings stood at 2.98.

At June 30, 2017, the Group's bank gearing was 1.46 and debt-to-earnings stood at 3.49.

Ratios of the second bond issuance agreement

The second bond issuance agreement similarly includes a commitment to respect the same two financial ratios calculated on the basis of the Group's consolidated financial statements. Compliance with these financial ratios is checked twice per year for the twelve-month periods ending December 31 and June 30. Non-compliance with these ratios would constitute default and, in the case of most lenders, would render all debt immediately due.

The financial ratios to be complied with are as follows:

RATIOS	COMMITMENT
Net financial debt/equity	<1.1
Net financial debt/EBITDA	<3.5

Note 15 – Exposure to interest rate risk

The Group uses hedging instruments to cover itself against any rise in interest rates, and to optimize the cost of its debt.
The credit agreement requires a minimum of 50% hedging over a three-year period. The instruments used are swaps, caps, floors and collars. Their use is managed directly by the Group Finance Department.

Interest-rate risk is analyzed on the basis of projected trends in financial debt on the credit lines and maturities of interest-rate hedges:

- a 50 basis point decline in interest rates would have a negative impact on shareholders' equity of EUR 0.9 million;
- a 100 basis point instantaneous upward change in interest rates would have a negative impact of EUR 0.8 million on the Group's annual financial costs, based on its indebtedness at June 30, 2018 and its reimbursement profile at that date.

Note 16 – Exposure to exchange rate risk

The exchange rate risk to which the Group is exposed arises from:

- the conversion of contributions from foreign subsidiaries outside the euro zone to its balance sheet and income statement. However, this risk is increasingly limited thanks to the Group's ongoing efforts to refocus on its European activities in the euro zone;
- bank debt financing, denominated almost exclusively in EUR, of the investments of its foreign subsidiaries carried out in local currencies (for those subsidiaries not considered as long-term foreign investments).

Changes in foreign exchange income break down as follows:

(in thousands of EUR)	June 30, 2016	June 30, 2017	June 30, 2018
Foreign exchange income, Europe	7	(251)	(20)
Foreign exchange income, Americas	(27)	(87)	(23)
Foreign exchange income, rest of world	/	(107)	2
TOTAL	**(20)**	**(445)**	**(41)**

To date, this risk is not the subject of specific hedging at Group level.

3.6.4.4. Earnings per share

The earnings per share figure presented at the foot of the income statement is the ratio of the net income attributable to shareholders of the parent company, to the weighted average number of shares making up the share capital of the parent company which were in circulation over the period, i.e. EUR 1.19.

The Group has no dilutive instruments, therefore diluted EPS is equal to net EPS.

3.6.4.5. Key events since the closing of accounts

We are aware of no significant event occurring after the closing of accounts likely to have a significant impact on the Group's assets, financial position or operating results. with the exception of the following item:

In July 2018, Séché Environnement refinanced its financial debt by means of a private bond issue of EUR 150 million and a bank loan of EUR 120 million, associated with a revolving credit facility (RCF) of EUR 150 million which includes performance criteria in the areas of innovative management of the environment, human resources and corporate governance. These operations enable Séché Environnement to benefit from more favorable interest rates on longer maturities, and from a single and more flexible covenant ratio, at 3.95 times EBITDA, which may be extended in the case of an acquisition to 4.25 times EBITDA.

As far as the Company is aware, there is no litigation, arbitration or exceptional event occurring after the closing likely to have, or to have had in the recent past, a significant effect on the financial position, earnings, business or assets of the Company or the Group.

4 - Statutory Auditors' Limited Review Report on the interim financial report at June 30, 2018

4 CHAP

4 CHAP

Statutory Auditors' Limited Review Report on the interim financial report at June 30, 2018

Séché Environnement S.A.

Registered Office: Les Hêtres - CS 20020 - 53811 Changé Cedex 09
Share Capital: EUR 1 571 546

Statutory Auditors' Limited Review Report on the interim financial report at June 30, 2018

Period from January 1, 2018 to June 30, 2018

Following our appointment as statutory auditors by your Annual General Meeting, and in accordance with article L.451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we have carried out:

- a limited review of the condensed half-yearly consolidated financial statements of Séché Environnement SA for the period from January 1, 2018 to June 30, 2018 which are attached to the present report;
- the verification of information contained in the half-yearly management report.

These condensed half-yearly consolidated financial statements have been drawn up under the responsibility of your Board of Directors. Our role is to express our conclusion on these financial statements based on our limited review.

I - Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France. A limited review of interim financial information essentially consists in making inquiries of persons responsible for financial and accounting matters, and applying analytical review procedures. A limited review is substantially less broad in scope than an audit conducted in accordance with professional standards applicable in France, and consequently does not enable us to obtain more than a moderate assurance, less than would be obtained in the case of an audit, that the financial statements do not contain significant anomalies.

Based on our limited review, no significant anomaly has come to our attention that would cause us to doubt that the accompanying condensed half-yearly consolidated financial statements are prepared in all material respects in accordance with IAS 34, the IFRS standard as adopted by the European Union applicable to interim financial statements.

Notwithstanding the conclusion expressed above, we draw your attention to § 3.6.1. "Accounting principles and methods" which describe the new standards and interpretations applied by the company.

II – Specific verification

We also verified the information given in the half-yearly management report commenting on the condensed half-yearly consolidated financial statements submitted to our limited review. We have no observations to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Nantes, September 6, 2018
KPMG Audit
A department of KPMG SA

Franck Noël
Partner

Rennes, September 6, 2018
Mazars

Gwenaël Chedaleux
Associé

Ludovic Sevestre
Associé

A French limited liability company (SA) with share capital of EUR 1 571 546.40
Company registration: B 306 915 535 RCS Laval
Les Hêtres - CS 20020 - 53811 Changé Cedex 09 - France
Tel: + 33 (2) 43 59 60 00 - Fax: + 33 (2) 43 59 60 61
Tour Maine Montparnasse - BP 25
33 avenue du Maine - 75755 Paris Cedex 15 - France
Tel: + 33 (1) 53 21 53 53 - Fax: + 33 (1) 53 21 53 54
E-mail: actionnaires@groupe-seche.com
www.groupe-seche.com