ANNUAL REPORT 2014

REPORT OF THE BOARD OF DIRECTORS

Séché environnement

Séché global solutions

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MANAGEMENT

REPORT

1 MANAGEMENT REPORT

.1.1 Highlights of the year

During the fiscal year 2014, Séché Environnement confirmed its status as a reference player in the French waste management industry, and reaffirmed the priority it places on improving profitability.

Strengthening Séché Environnement's status as a reference player in the French waste management industry

In 2014 Séché Environnement continued its efforts to develop market share on waste management markets in France, reaffirming its strategy of differentiation. This applies both to local authorities markets, where the Group contributes to the structuring of local areas through the circular economy, and to industrial markets, where the Group is a major player mobilizing rare resources and leading the way in industrial ecology.

On the local authorities market, Séché Environnement strengthened its position in all sectors of activity, particularly waste treatment (landfill and incineration), mainly on sites with broad operating authorizations including materials and energy recovery as well as treatment. These sites constitute tools that impact on infrastructure, and therefore contribute to the good organization and competitiveness of local areas.

For example, Séché Environnement concluded a significant contract in July for the supply of energy to the urban heating system of the town of Laval. SRF (solid recovered fuel) from energy recovery at the neighboring household waste incinerator at Changé will be burned to produce energy. The 20-year contract illustrates the Group's capacity to innovate within the circular economy to bring value to local communities.

At the energy recovery unit at Nantes-Alcéa, where Séché Environnement is the public service concessionnaire, the Group successfully completed its mission to optimize the energy efficiency of the plant by installing Organic Rankine Cycle (ORC) low-temperature energy recovery equipment. Two years of investments have enabled, in turn, modernization of the sorting center and improvements in installed capacity for materials recovery, and enhanced energy recovery capacity. Once again, Séché Environnement demonstrates the quality of its innovative methods, especially on growth markets such as the delegated management of large infrastructures for materials and energy recovery from household waste.

On industrial markets, and especially hazardous waste markets, Séché Environnement has confirmed its position in the recovery of rare resources and as a major player in industrial ecology. The Group's differentiating expertise in the application of complex techniques for the recovery of high-added-value substances of considerable geo-strategic interest, such as zinc, molybdenum, etc., has enabled it to reinforce its business positions with large industrial customers across dynamic markets for recovery from industrial effluents.

Moreover, the Group's global approach to the challenges of waste management in terms of services enabled it to win new customers on growth markets for the outsourcing of waste management. So-called "global offerings" on these markets increased markedly by around 10% over the year, illustrating Séché Environnement's strong potential on these industrial segments.

In this way, Séché Environnement upgraded its performance in strong total waste management contracts for fine chemicals and pharmaceuticals, with the renewal of its principal contracts and the signing of significant new contracts, notably with the United States chemicals giant DuPont.

The Group continued to diversify toward new industrial segments, such as mechanical engineering with the signing of a major contract with Volvo Trucks, and food processing, with the conclusion of a contract for management of all aspects of waste management with one of Europe's leading dried fruit producers. This contract includes the management of infrastructures, recovery from effluents and construction of a waste water treatment plant, and demonstrates the relevance of Séché Environnement's technological approach to industrial markets, bringing together highly differentiated know-how and the broad span of its services offering.

Priority to profitability and improvement of net income

During 2014, Séché Environnement actively pursued its business development activities in the direction of higher added-value activities, while striving to optimize the profitability of its operations.

In this way, the Group enjoyed a good level of successful sales activity, which accelerated the development of its revenue over the year, especially in the second half. In terms of growth, the early months of 2014 suffered from an unfavorable comparison base relative to the previous year, in which non-recurring revenue from several significant spot contracts was booked. This concerned both the hazardous and non-hazardous waste divisions. By contrast, the fourth quarter was unaffected by these comparison base impacts, and the strong growth it displayed is more characteristic of the Group's sales dynamic and the solid nature of its markets.

Over the year, the business mix developed favorably toward treatment activities such as landfill, which, like incineration, returned creditable performance in both hazardous and non-hazardous waste, especially in the second half.

In 2014, in terms of operating profitability, Séché Environnement benefited from the improvement in its business mix. The group also began to reap the benefits of its actions to improve profitability undertaken in the previous year, such as those relating to water treatments.

Concerning the Strasbourg-Sénerval incinerator in particular, for which

Séché Environnement holds the public service delegation contract, the Group pursued its efforts to identify the sources of the industrial problems at the root of the malfunctioning of the plant. The first corrective measures put in place enabled the Group to record a significantly larger contribution to its operating results from the Strasbourg-Sénerval contract in 2014 compared with 2013.

At the end of 2014, the enforced closure of the plant by the State authorities following the discovery of asbestos (which falls under the responsibility of the urban community of Strasbourg as delegating authority) did not affect the operating results of this contract. A codicil to the contract provides that the urban community of Strasbourg shall cover operating losses resulting from loss of energy sales caused by the closure of the incinerator, plus all other additional operating costs resulting from the implementation by Séché Environnement of alternative treatment solutions.

The favorable movements in business mix and the measures taken to optimize operational efficiency, which affected both the Group's own assets and those operated under public service concession contracts, led to appreciable improvements in EBITDA and current operating profit margins.
In May, Séché Environnement finalized the refinancing of its bond debt through the issuance of new bonds in a Euro PP private placement for a total of EUR 50 million. The characteristics of this issue were as follows:

- one tranche of EUR 25 million, maturity five years (May 22, 2019);
- one tranche of EUR 25 million, maturity seven years (May 22, 2021).

The funds raised by the first tranche made it possible to refinance the bonds issued in April 2012 for EUR 25 million, and those raised by the second to cover the general and growth needs of the Group. This operation constitutes a significant step in Séché Environnement's strategy of diversifying its sources of financing and enhancing its financial flexibility.

At the same time, Séché Environnement obtained from its bankers a revision of one of the two key financial ratios included in its senior debt covenants: thus, leverage was changed from 3 times EBITDA to 3.5 times EBITDA. The other ratio (gearing) remains unchanged at 1.1 times equity.

Despite an operating result which was exceptionally penalized by the consequences of industrial action at the Strasbourg-Sénerval site in the first half of the year, and a financial result impacted by the costs of partial refinancing operations at the beginning of the year, consolidated net income made significant progress in 2014, and is testimony to a long-term net income improvement trend set to continue into the future.

.1.2 Recent events

In the early months of 2015, Séché Environnement worked to improve the operating conditions at certain of its facilities, particularly the Strasbourg-Sénerval incinerator, and has pursued actions to develop new markets especially in the area of hazardous waste.

Concerning Strasbourg-Sénerval, on January 30, 2015 Séché Environnement agreed with the urban community of Strasbourg (now Eurométropole Strasbourg) a codicil to its concession contract which provides that the local authority shall bear the financial consequences to Séché Environnement of the work to remove asbestos from the site until it is returned to full availability, i.e. lost energy sales and additional operating costs related to the implementation of alternative waste treatment solutions.

On the sales side, and to diversify its offering in the direction of high-value-added waste markets, Séché Environnement created a dedicated subsidiary, Séché Énergies, to develop the very-low-level radioactive waste (VLLW) market. Séché Énergies aims to treat very-low-level radioactive waste from nuclear facilities in the energy, research and manufacturing sectors, including waste products from the oil and gas industry (with high natural background radiation), and nuclear medicine and radiotherapy departments of hospitals.

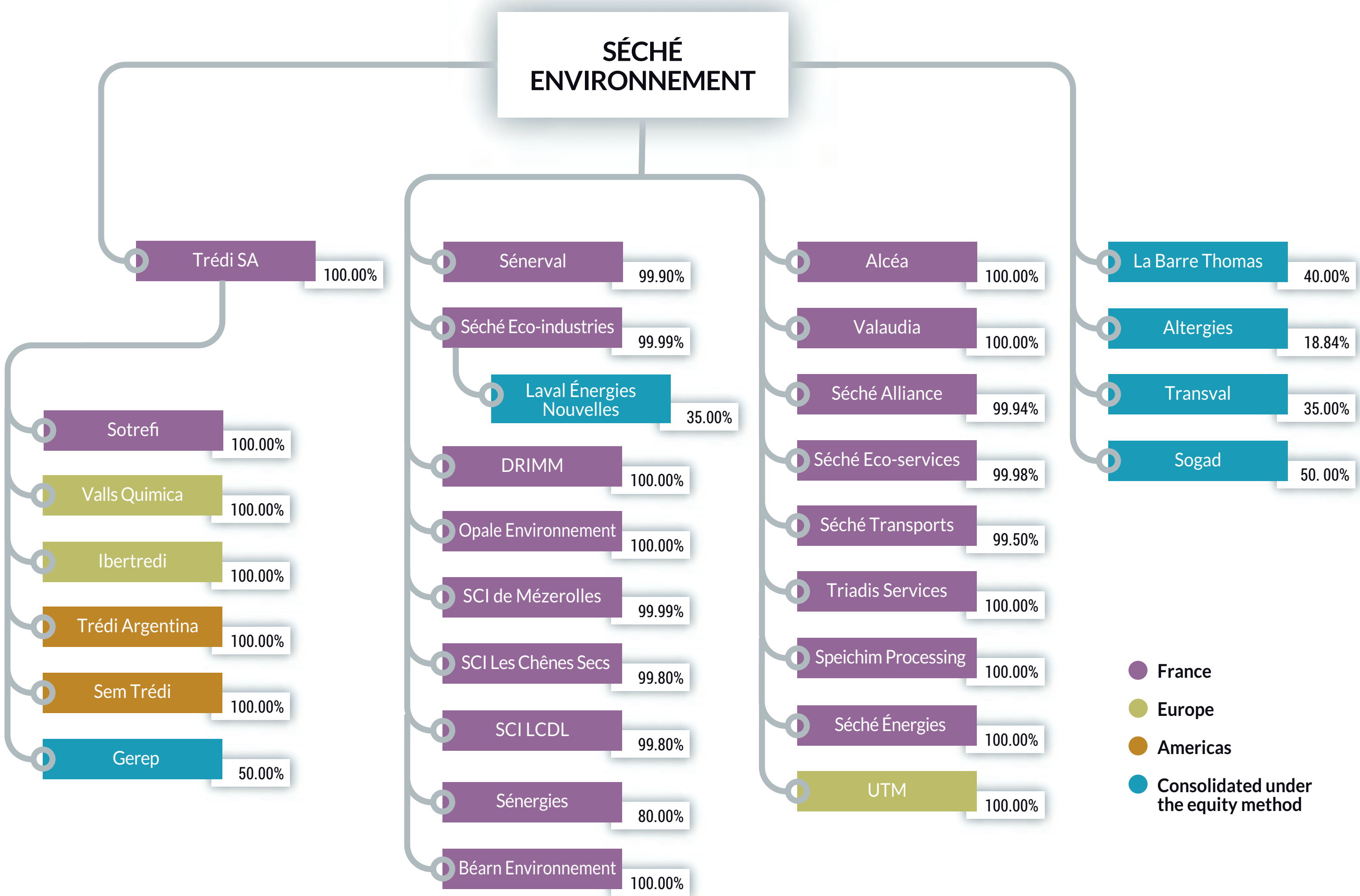
These markets support the sustainable development efforts of the industries concerned, and their rapid growth makes them attractive business development vehicles for Séché Environnement, both in France and internationally.

This strategy adds to the Group's store of competence available to its existing customer base of industrial companies and hospitals, and is a gateway to gaining new customers in France and elsewhere, to whom Séché Energies will be able to offer initial project studies, engineering, innovative waste treatment and packing processes, and/or industrial facilities management packages for these types of waste.

.1.3 Organization, R&D, subsidies and investments

1.3.1. *Organization chart*

ORGANIZATION CHART
(IN % HELD)



1.3.2 Research and development, patents and licenses

As a specialist in materials recovery by thermal, chemical and biological methods (including sorting, which modifies the characteristics of waste products to reduce their volume and/or hazardousness), Séché Environnement provides solutions which are able to reconcile economic activity, industrial development and the preservation of natural resources and biodiversity.

The Group is a key player in the development of innovative ecological technologies designed to respond to all significant environmental challenges: recycling, materials recovery, management of industrial impacts, and sustainable development.

The aim of the Group's multi-disciplinary approach to R&D and its practical applications is both continuous improvement of existing processes, and also the exploration of possible new lines of eco-development:

- bio-synthesis of plastics for packaging (the PHApack project);
- materials recovery from decorative wood products (the Vadéboam project);
- transformation of waste into workable new raw materials (the Matières project).

The Group regularly commits funds to its research and development efforts to improve its tools and processes.

For many of these development projects, which have not yet reached the maturity necessary for them to find industrial application in the short term, the Group has benefited from tax credits for research projects for a cumulative total since 2009 of EUR 2.1 million, which break down annually as follows:

Dec. 31, 2014	EUR 0.3 million;
Dec. 31, 2013	EUR 0.3 million;
Dec. 31, 2012	EUR 0.5 million;
Dec. 31, 2011	EUR 0.3 million;
Dec. 31, 2010	EUR 0.5 million;
Dec. 31, 2009	EUR 0.2 million.

No research and development expenses have been recognized as assets in the Group's financial statements.

1.3.3 Subsidies

In connection with the expansion of its waste treatment activities, the Group may receive investment or operating subsidies. The total of such subsidies attributed to the Group was

- in 2014: EUR 1.6 million;
- in 2013: EUR 3.1 million;
- in 2012: EUR 4.2 million.

1.3.4 Investments

M€	2012 restated	2013	2014
Capital expenditures	49.0	56.6	42.4
Financial investments	0.5	1.0	1.4
INVESTMENTS BOOKED	**49.5**	**57.4**	**43.8**
Of which finance leases	*-*	*0.2*	*0.4*
INVESTMENTS BOOKED (excluding finance leases)	**49.5**	**57.2**	**43.4**

In 2014, capital expenditures booked by the Séché Group amounted to EUR 42.4 million (excluding finance leases). They concerned:

- investments in concessions within the framework of the Group's public service delegation contracts (EUR 8.1 million);
- development investments for a total of EUR 14.6 million (including EUR 6.2 million for materials recovery equipment, EUR 3.4 million for dedicated facilities for contracts or specific customer projects, and EUR 4.4 million for capacity development and specific adaptations of thermal treatment equipment);
- recurrent investments of EUR 19.4 million, of which EUR 7.0 million for the acquisition of land and the building of landfill cells, EUR 2.0 million for regulatory and safety investments, EUR 1.9 million for utility and other vehicles, and EUR 8.6 million for facilities maintenance investments.

Concerning future investments, the management of the Group did not enter into any firm commitment, except for investments in concessions under public service delegation contracts, which are almost entirely financed by bank borrowings. The total value of investments expected to be made in this way in the next two years is around EUR 16.7 million.

In 2013, capital expenditures booked by the Séché Group amounted to EUR 56.6 million. They concerned:

- investments in concessions within the framework of the Group's public service delegation contracts (EUR 25.4 million);
- development investments for a total of EUR 10.4 million (including EUR 5.6 million for materials recovery equipment; EUR 1.1 million for logistics and sorting platforms; and EUR 1.0 million for capacity development and specific adaptations of thermal treatment equipment);
- recurrent investments of EUR 20.8 million, including EUR 5.6 million for the acquisition of land and the building of landfill cells; EUR 1.6 million for regulatory and safety investments; EUR 2.6 million for utility and other vehicles; and EUR 10.9 million for maintenance investments (of which EUR 4.5 million for incineration facilities, EUR 3.0 million for landfill facilities, EUR 1.0 million for IT projects and EUR 2.4 million for other activities).

In 2012, capital expenditures booked by the Séché Group amounted to EUR 49.9 million. They concerned:

- investments in concessions within the framework of the Group's public service delegation contracts (EUR 17.2 million)
- development investments for a total of EUR 8.3 million (including EUR 3.3 million for a logistics platform, EUR 2 million for materials recovery equipment, and EUR 1.3 million for specific equipment);
- recurrent investments of EUR 24.5 million, of which EUR 7.0 million for the acquisition of land and the building of landfill cells, EUR 3.0 million for regulatory and safety investments, EUR 3.6 million for utility and other vehicles, and EUR 8.8 million for maintenance investments (of which EUR 5.9 million for incineration facilities and EUR 2.9 million for other activities).

1.4 Activity and results in 2014

1.4.1 *Information on the activities and results of the Group*

Except where expressly stated otherwise, percentages are calculated after restatement of revenue concerning investments in concessions (IFRIC 12 revenue) [1]

M€

Extract from consolidated income statement	2012 restated	2013	2014
Revenue	439.9	469.1	444.7
Of which revenue outside the scope of IFRIC 12	423.0	444.0	436.6
EBITDA (earnings before interest, tax, depreciation and amortization)	78.8	78.6	82.3
% of revenue	*18.6%*	*17.7%*	*18.8%*
Current operating income	37.3	32.7	35.7
% of revenue	*8.8%*	*7.4%*	*8.2%*
Operating income	28.9	31.8	32.9
Net financial income	(156.1)	(11.9)	(14.0)
Tax	54.0	(6.7)	(7.1)
Net income from consolidated companies	(73.2)	13.1	11.8
Share of income of affiliates	(9.6)	(0.6)	(1.3)
Net result of discontinued operations	NS	(3.9)	(0.6)
Total net income of consolidation scope	(82.8)	8.7	9.9
Minority interests	(0.4)	NS	0.1
Consolidated net income (Group share)	(82.4)	8.7	9.8

1 : Revenue from investments in concessions (or IFRIC 12 revenue) corresponds to investments in assets under public service delegation contracts (concessions), booked as intangible fixed assets, and as revenue according to the recommendations of IFRIC 12.

1.4.1.1 Revenue

In 2014 Séché Environnement achieved revenue of EUR 444.7 million, compared with EUR 469.1 million in 2013, a decrease of – 5.2% on the year.

Consolidated revenue not including revenue within the scope of IFRIC 12 came out at the end of 2014 at EUR 436.6 million, against EUR 444.0 million a year earlier, a variance of – 1.7%, or – 1.5% at constant exchange rates.

The Group benefited from recurring business with local authorities, particularly in treatment (landfill, incineration), while on the industrial side, activity was sustained by the dynamism of the Group's service businesses (global offerings, decontamination, etc.) and materials and energy recovery.

Growth in the first nine months of 2014 was penalized by a high comparison base in the same period in 2013, which had enjoyed the beneficial effects of two non-recurring contracts, completed in the 3rd quarter of 2013 and together representing a contribution of EUR 8.2 million. Aside from the effects of those two contracts, and at constant exchange rates, annual revenue (not including IFRIC 12 revenue) was stable compared to 2013 (+ 0.3%).

M€ Breakdown of revenue by division	2012 restated M€	2012 restated %	2013 M€	2013 %	2014 M€	2014 %
Hazardous waste (HW) treatment	267.6	60.8%	274.9	58.6%	271.4	61.0%
Non-hazardous waste (NHW) treatment (not including IFRIC 12)	155.2	35.3%	169.1	36.1%	165.2	37.1%
TOTAL REVENUE NOT INCLUDING IFRIC 12	**423.0**	**96.1%**	**444.0**	**94.7%**	**436.6**	**98.1%**
Revenue under IFRIC 12	16.9	3.9%	25.1	5.3%	8,1	1.9%
CONSOLIDATED REVENUE	**439.9**	**100.0%**	**469.1**	**100.0%**	**444.7**	**100.0%**
Of which energy	*22.9*	*5.2%*	*25.5*	*5.4%*	*23.7*	*5.3%*

In the hazardous waste (HW) treatment activity, revenue fell by – 1.3% (– 1.1% on a constant consolidation scope and constant exchange rate basis). In 2013, this activity had benefited from the effects of a non-recurring contract in the amount of EUR 5.3 million. Disregarding that contract, and at constant exchange rates, revenue achieved by the division was almost entirely stable, at + 0.9%. Significant contributors were service activities (global offerings, decontamination, etc.) and materials and energy recovery (chemical purification).

The non-hazardous waste (NHW) activity (not including revenue from investments in concessions) returned a slight fall in revenue of – 2.3%. This activity was impacted on the one hand by the unfavorable comparison base in 2013 because of a non-recurring decontamination contract completed in 2013 worth EUR 2.9 million, and on the other hand by a reduction in energy sales of EUR – 1.8 million due to the exceptional industrial action which affected the availability of the Strasbourg-Sénerval incinerator during the second half. When restated without these items, revenue for this division was stable at + 0.5%, supported by recurrent business from local authorities, especially in waste treatment areas such as landfill and incineration.

M€ Breakdown of revenue by region	2012 restated M€	2012 restated %	2013 M€	2013 %	2014 M€	2014 %
Subsidiaries in France	415.7	94%	447.7	95%	423.2	95%
International subsidiaries	24.2	6%	21.4	5%	21.5	5%
TOTAL	**439.9**	**100%**	**469.1**	**100%**	**444.7**	**100%**

The activities of the Group's international subsidiaries are, in Spain, solvent regeneration; in Germany, gas treatment and, in Latin America, pre-treatment activities which help generate business for PCB treatment facilities in France.

Over the year, the businesses of the Group's international subsidiaries posted growth of + 0.5% (+ 3.4% at constant exchange rates). The principal contributor to this growth was regeneration activities in Spain.

1.4.1.2 EBITDA (earnings before interest, tax, depreciation and amortization)

The Group's EBITDA for the year 2014 came out at EUR 82.3 million, an increase of EUR + 3.7 million on EBITDA earned by the Group in 2013 (EUR 78.6 million). This growth in EBITDA is essentially explained by:

- margin differences resulting from negative organic growth EUR – 1.3 million;
- foreign exchange effects EUR – 0.1 million;
- favorable mix effects EUR + 2.0 million;
- isolated and/or exogenous effects EUR – 0.9 million;
- return to normal operating profitability of the NHW incinerators EUR + 4.0 million.

Isolated and/or exogenous effects include the first effects of economy measures in the area of water treatment (EUR + 0.6 million), additional logistics costs on an international contract (EUR – 0.7 million) and increased development costs (EUR – 0.7 million).

Mix effects principally concern the reorientation of purification activities toward customized services (EUR + 1.5 million) and landfill (EUR + 1.6 million). PCB activities (EUR – 0.8 million) and physico-chemical treatment (EUR – 0.5 million) exerted negative effects.

1.4.1.3. Current operating income

Operating profitability at the end of 2014 amounted to EUR 35.7 million (8.2% of revenue), versus EUR 32.7 million (7.4% of revenue) at the end of 2013, a rise of EUR + 3.0 million mainly attributable to:

- the increase in EBITDA of EUR + 3.7 million);
- a reduction in charges for the rehabilitation of treatment sites of EUR + 0.5 million;
- increases in allocations to amortization amounting to EUR – 1.3 million, under the combined effects of commencing amortization of assets under concession contracts, and the investment policy of the last two years.

The French operations consolidation scope contributed approximately 96% of the total current operating income of the Group, at EUR 34.2 million, or 8.2% of the revenue generated in this consolidation scope (versus 7.5% in 2013, at EUR 31.6 million).

The international operations consolidation scope returned a positive contribution of EUR 1.5 million, representing 7.0% of revenue, an increase of EUR + 0.5 million compared with 2013 (EUR 1.0 million). This increase is mainly attributable to the Group's solvent regeneration activities in Spain.

1.4.1.4 Operating income

The Group posted operating income in 2014 of EUR 32.9 million (7.5 % of revenue). In 2013, operating income came to EUR 31.8 million. Apart from the rise in current operating income, this increase is due to:

- increased operations costs of EUR – 8.4 million borne by Séneval during the industrial action in the first half of the year, which led to the shutdown of the incineration plant at from March 22nd to June 6th, 2014; during this period the company was obliged to put in place alternative treatment solutions to provide the public service under the terms of its contract;
- net gains on sales of fixed assets amounting to EUR + 4.8 million, including an insurance claim paid out by the Group's insurers in respect of the fire damage to the Changé sorting center in May 2014;
- the indemnity of EUR + 1.3 million received from the Covaldem 11 local authority grouping in respect of the losses incurred by the Séché Group following cancellation by the court of its public service delegation contract.

1.4.1.5. Net financial income

Net financial income for 2014 amounted to EUR – 14.0 million, compared with EUR – 11.9 million in 2013, a decrease of EUR – 2.1 million. The financial result for 2014 was impacted by refinancing costs of EUR – 2.4 million concerning the Group's bond issue of 2012. (This amount breaks down between advance amortization of the issue premium and initial refinancing costs, for EUR – 2.1 million, and early repayment premiums of EUR – 0.3 million.) Not counting these non-recurring items, net financial income for 2014 improved, the reduction in the annualized interest rate on net debt from 5.1% in 2013 to 4.84% in 2014 compensating for the increase in average net debt (from EUR 225.4 million in 2013 to EUR 242 million in 2014.

The improvement in annualized interest rate on net debt reflects the first effects of the new conditions of the Group's bond financing.

1.4.1.6 Net income of consolidated companies

In consequence of the factors explained above, and of the corporation tax charge which stood for 2014 at EUR – 7.1 million (against EUR 6.7 million in 2013), net income from consolidated companies amounted in 2014 to EUR 11.8 million, versus EUR 13.1 million in 2013.

1.4.1.7 Share of income of affiliates

The Group's share in income from affiliates consists mainly of its holdings in Gerep and Sogad. In 2014, net income of affiliates (Group share) was affected by the Group's share of a provision of EUR 0.8 million for the suspension of incineration activities at Gerep.

M€	2012 HIME	2012 Others	2013 Others	2014 Others
Current operating income	20.3	(0.3)	(1.1)	(2.6)
Financial income	(69.0)	0.2	(0.1)	0.1
Tax	5.5	-	NS	(0.1)
Net income of affiliates (Group share)	(29.1)	(0.1)	(1.3)	(2.5)
Share of net income of affiliates	**(9.6)**	**NS**	**(0.6)**	**(1.3)**
TOTAL SHARE OF NET INCOME OF AFFILIATES	**(9.6)**		**(0.6)**	**(1.3)**

In 2012, the "other" affiliates were La Barre Thomas, SCI Noiseraie, Altergies and Transval. From 2013 onward, they also include Gerep and Sogad. In 2014, they also include LEN.

1.4.1.8 Consolidated net income, Group share

By reason of changes in the French simplified tax regime (RSI) on the one hand, and changes in the Group's share of net income of consolidated companies on the other, the Séché Group recorded net income from continuing operations for the year 2014 of EUR + 10.4 million, compared with EUR + 12.6 million in 2013.

As a consequence of the Group's discontinuing its operations in Hungary, the result of these activities is recorded on a separate line of the income statement. In 2014, the result was a loss of EUR – 0.6 million. In 2013, a net loss of EUR – 3.9 million was recorded, including impairment of assets in the amount of EUR - 2.4 million.

As a result, total net income of companies within the consolidation scope came out in 2013 at EUR 9.9 million, compared with EUR 8.7 million in 2013.

1.4.2 *Key contracts*

In 2014, Séché Environnement maintained commercial relations with 7 755 customer groups, representing 14 413 producers of waste.

The Group does not consider itself to be significantly at risk in respect of any single contract: in 2014, the average value per contract per customer group was around EUR 56 thousand, and the top ten customer groups represented 24.1% of revenue.

During the year, the Group achieved 32% of its revenue (excluding IFRIC 12) with local authorities and 68% with industrial customers:

- on the local authorities market: contracts in general cover several years, typically with terms of 3 to 5 years, and are automatically renewed. They concern treatment of, and materials and energy recovery from, non-hazardous waste (such as household and similar waste) or hazardous waste (e.g. polluted soils, residues from the incineration of household waste, etc.)
- on industrial markets, contracts are usually spot contracts, or short-term in nature (less than one year). They concern either hazardous or non-hazardous waste.

Séché Environnement strives to develop higher visibility in its commercial relations with its industrial customers. In 2014, the Group achieved 7% of its revenue (excluding IFRIC 12) through its "global offering" contracts lasting from 3 to 5 years on average, but which can be extended to 7 years or more as required by the characteristics of the mission. Under these contracts Séché Environnement takes charge of the entire area of waste management for its industrial customers.

The duration and value of customer contracts vary according to their purpose and complexity.

Whether they concern local authorities or industrial customers, all these contracts are concluded under private law with the exception of 5 public service delegation contracts (concessions). Two of the latter contracts are among the largest in unit value held by the Group:

- public service delegation contract for the operation of the Strasbourg-Sénerval incinerator: EUR 400 million over 20 years (2010-2030);
- public service delegation contract for the operation of the Nantes-Alcéa incinerator: EUR 144 million over 12 years (2012-2024).

The most important contracts concluded during the year are outlined in the present report under "Highlights of the year" on pages 2-3.

1.4.3 *Financial situation of the Group*

M€

Extract from consolidated balance sheet at Dec. 31	2012 restated	2013	2014
Non-current assets	487	504	504
Current assets (excluding cash and cash equivalents)	173	172	181
Cash and cash equivalents	23	28	39
Assets held for sale	4	1	NS
Shareholders' equity (including minority interests)	257	257	258
Non-current liabilities	226	235	258
Current liabilities	202	211	207
Liabilities held for sale	1	1	NS

1.4.3.1 Non-current assets

Non-current assets primarily consist of fixed assets (tangible and intangible – including goodwill – and financial) and deferred tax assets.

Total non-current assets increased slightly by EUR + 0.8 million, the increase being primarily attributable to:

- tangible and intangible fixed assets (EUR + 0.1 million), plus capital expenditure over the period (EUR 42 million), compensated for by disinvestments and scrapping of assets (EUR – 4.2 million) and amortization (EUR – 33.6 million) and the reclassification as financial assets of part of the investments in the Nantes concession, for the portion representing the unconditional right to receive cash from Nantes Métropole;
- non-current tax credits EUR – 4.4 million;
- non-current financial assets and holdings in affiliates: EUR + 3.5 million, of which EUR 3.9 million correspond to the non-current portion of the unconditional right to receive cash from Nantes Métropole;
- other non-current assets EUR + 1.6 million.

1.4.3.2 Current assets (excluding cash and cash equivalents)

Current assets excluding cash and cash equivalents rose over the period to EUR 181 million, an increase of EUR + 9 million compared with December 31, 2013. The increase is notably due to:

- an increase in accrued income of EUR + 2.6 million from Sydom de l'Aude, a local authority grouping, concerning the termination of the public service delegation contract with Valaudia (increasing current assets by EUR + 2.6 million);
- an increase of EUR – 2.6 million in Agenda 21 ecologically rational management costs financed by Sénerval in advance of its public service delegation contract;
- recognition of an item of accrued income of EUR + 2.9 million from Eurométropole Strasbourg (the urban community of Strasbourg) in respect of the Group's claim for compensation for the dilapidated state of the facilities (claim currently under investigation).

1.4.3.3 Shareholders' equity

Changes in shareholders' equity (Group share) over the period break down as follows:

M€	Group	Minority interests
SHAREHOLDERS' EQUITY AT JANUARY 1, 2014	**256.9**	**0.1**
Dividends paid	(8.1)	NS
Net earnings (Group share)	9.8	NS
Foreign currency differences	(0.1)	-
Hedging instruments	0.5	-
Actuarial differences	(0.7)	-
Fair value of assets available for sale	(0.1)	-
Treasury stock	NS	-
Changes in scope	-	-
Other changes	-	-
SHAREHOLDERS' EQUITY AT DECEMBER 31, 2014	**258.2**	**0.1**

1.4.3.4 Current and non-current liabilities

Current liabilities represent all liabilities with a maturity of less than one year.

Non-current liabilities represent all liabilities with a maturity of more than one year. They break down as follows:

M€	Dec. 31, 2012			Dec. 31, 2013			Dec. 31, 2014		
	NC	C	T	NC	C	T	NC	C	T
Financial debt	218.2	28.0	**246.2**	222.6	30.8	**253.4**	241.8	29.8	**271.6**
Hedging instruments	3.3	0.7	**4.0**	1.8	0.2	**2.0**	0.6	0.6	**1.2**
Provisions	4.8	9.9	**14.7**	7.9	8.8	**16.7**	10.9	1.9	**12.8**
Other liabilities	0.2	162.1	**162.3**	2.9	171.4	**174.3**	4.9	174.4	**179.3**
Tax due	-	0.9	**0.9**	-	0.3	**0.3**	-	0.6	**0.6**
TOTAL	**226.5**	**201.6**	**428.1**	**235.2**	**211.5**	**446.7**	**258.2**	**207.3**	**465.5**

Current and non-current liabilities at year-end amounted to EUR 465.5 million, an increase of EUR + 18.8 million. This increase principally reflects an increase in financial debt (EUR + 18.2 million) and an increase in current operational debt (EUR + 5.0 million), almost entirely compensated for by a reduction in provisions (EUR – 3.9 million) and fair value of hedging instruments (EUR – 0.8 million).

The provisions line is impacted mainly by the internationalization of the Group's commitment for end-of-career payments (EUR + 1.7 million), and the reclassification as accrued expenses of the provision in respect of the tax dispute involving Valls Quimica (EUR – 6.5 million), which in turn affected current operational debts included in the Other liabilities line. Not counting that particular element, current operational debts declined by EUR – 1.5 million.

The Group's indebtedness and financing structure are shown below in the section on financing (see page 30).

1.4.4 *Cash, financings and capital*

1.4.4.1 Cash flow

In 2014, the Group posted net cash flow of EUR + 110 million, compared with EUR + 5.6 million in 2013.

The consolidated cash flow table for the Séché Group can be summarized as follows:

M€	Dec. 31, 2012 restated	Dec. 31, 2013	Dec. 31, 2014
Cash flow from operating activities	52.3	76.2	54.5
Cash flow from investment activities	(57.9)	(56.1)	(39.4)
Cash flow from financing activities	4.3	(14.3)	(3.8)
Change in cash flow, continuing operations	(1.3)	5.8	11.2
Change in cash flow, discontinued operations	(0.1)	(0.2)	(0.2)
CHANGE IN CASH FLOW	(1.4)	5.6	11.0

1.4.4.1.1 *Net cash from operations*

Over the period, cash flow generated by the Séché Group's operating activities amounted to EUR 54.5 million (compared with EUR 76.2 million in 2013), a decrease of EUR – 21.7 million. This change was due to the combined effects of:

- a net tax outflow of EUR – 0.2 million in 2014, versus a net tax inflow in 2013 of EUR + 11.1 million. The atypical situation observed in 2013 is explained by the time difference between recognizing expenses and making payments under the advance payments method;
- a decline in cash flow generated by operations of EUR - 2.7 million, in line with variations in current operating income before non-cash charges and non-recurring charges;
- changes in WCR (a negative variation of EUR – 8.6 million, representing an unfavorable variance of EUR – 7.7 million compared with the WCR change recorded in 2013). In 2014, changes in WCR were impacted in the amount of EUR 8.1 million by the accrual of income to be received from Covaldem 11 in connection with the dispute with Valaudia, and by the accrual of sums to be received from Eurométropole Strasbourg concerning the Group's claims relating to the state of the incinerator. Excluding these exceptional items, changes in WCR in 2014 would have amounted to EUR – 0.5 million, stable compared with 2013.

1.4.4.1.2 *Net cash paid out for investments*

M€	2012 restated	2013	2014
Capital expenditures	49.0	56.6	42.4
Financial investments	0.5	1.0	1.4
Investments booked	49.5	57.6	43.8
Capital expenditure	40.9	54.9	37.8
Financial investments	0.7	1.1	1.4
Acquisition of subsidiaries – net cash cost [1]	16.3	0.1	0.2
Net investments paid out	57.9	56.1	39.4

1 : The acquisition of Tree on October 1, 2012 represented a net cash outflow for the Group of EUR 16.3 million.

Details of the Group's capital investments over the last three fiscal years are shown on page 22.

The Group's capacity to self-finance its investments (excluding investments in concessions under public service delegation contracts, which are entirely financed by bank borrowings) is presented below:

M€ Cash flow and investments booked	2012 restated	2013	2014
Cash flow (before taxes and financial expenses) (A)	66.7	66.0	63.3
CAPITAL EXPENDITURES (B)	49.0	56.6	42.4
HW	35%	24%	42%
NHW (excluding investments in concessions)	30%	31%	38%
Investments in concessions	35%	45%	20%
(A) / (B)	136%	117%	151%
FINANCIAL INVESTMENTS (C)	0.4	1.0	1.4

Investments in concessions under public service delegation contracts are financed by specific matched credit lines.

1.4.4.1.3 *Financing flows*

The Group's financing flows are those arise from its debt (new borrowings, loan repayments, interest payments) and from shareholder remuneration in the form of dividends.

In 2014, the Group subscribed to new loans in the amount of EUR 73.6 million, of which EUR 9.6 million for investments in concessions under public service delegation contracts.

1.4.4.2 Group indebtedness and financing structure

The following table shows changes in the Group's net indebtedness over the last three years:

M€	2012 restated	2013	2014
Bank loans (excluding non-recourse debts)	205.4	216.4	192.9
Non-recourse bank loans	-	-	21.8
Bonds	22.7	22.9	48.9
Finance lease debt	15.9	12.1	7.0
Miscellaneous financial debt	0.9	0.8	0.4
Short-term bank borrowings	0.5	0.5	0.1
Investments	0.8	0.7	0.5
TOTAL FINANCIAL DEBT (CURRENT AND NON-CURRENT)	246.2	253.4	271.7
Of which less than one year (current)	*28.0*	*30.8*	*29.9*
Of which more than one year (non-current)	*218.2*	*222.6*	*241.8*
Cash and cash equivalents	(22.6)	(28.0)	(38.8)
NET FINANCIAL DEBT	223.6	225.4	232.9
Of which less than one year [1]	*5.4*	*2.8*	*(8.9)*
Of which more than one year	*218.2*	*222.6*	*241.8*
NET BANK INDEBTEDNESS [2]	221.4	223.9	210.2

1: Cash and cash equivalent liabilities are considered to be of maturity less than one year.
2: Calculated according to the conditions of the banking contracts, which exclude certain types of financial debt from the definition of indebtedness.

1.4.5 *Probable trends, outlook for the future and key events since the closing of accounts*

1.4.5.1 Key events since the closing of accounts

At the date on which the present management report was drafted, the Group was not aware of any significant event occurring after the closing likely to have a significant impact on the Group's assets, financial position or operating income.

As far as the Company is aware, there were no legal disputes, arbitration or exceptional events occurring after the closing liable to have, or to have had in the recent past, a significant effect on the financial position, earnings, activity or assets of the Company or the Group.

1.4.5.2 Recent events and outlook for 2015

1.4.5.2.1 *Recent events*

During the early months of the fiscal year 2014, Séché Environnement worked on improving the operating conditions of certain of its facilities, particularly the Strasbourg-Sénerval incinerator, and continued its efforts to develop new markets, especially in the hazardous waste area.

Concerning Strasbourg-Sénerval, Séché Environnement concluded a codicil with Eurométropole Strasbourg dated January 30, 2015, under which Eurométropole Strasbourg will take the financial responsibility for the consequences of the removal of asbestos from the plant until full availability is restored: operating losses resulting from lost energy sales, and increased operating costs incurred by the need to put in place alternative treatment solutions.

On the business development side, to enhance its offering in the area of treatment of high-value-added waste, Séché Environnement began to diversify in the direction of markets for very low-level radioactive waste, by creating a dedicated subsidiary, Séché Energies.

Séché Energies will treat very low-level radioactive waste (VLLW) from nuclear facilities in the energy, research and industrial sectors, for example from the oil and gas industry (with high natural background radiation), and nuclear medicine and radiotherapy departments of hospitals.

These markets are derived from the sustainable development activities of the industries concerned, and therefore can be expected to grow rapidly. They thus constitute reservoirs of future growth for Séché Environnement, both in France and internationally.

This new activity complements the expertise which Séché Environnement already provides to its existing customers in the industrial and hospital sectors, and will enable the Group to access new customers in France and other countries. Séché Energies will provide these customers with upstream studies, engineering, innovative waste treatment and packing solutions, and/or operating contracts for industrial facilities to treat these kinds of waste.

1.4.5.2.2 *Outlook for 2015*

The year 2014 was characterized, for Séché Environnement, by significant improvements in its principal operating results and financial capacity. The Group intends to confirm these favorable orientations in 2015 by giving priority to profitable growth.

Séché Environnement thus anticipates a slight increase in its consolidated revenue and a similar level of operating margin (EBITDA on revenue, excluding IFRIC 12) to that achieved in 2014.

To this end, Séché Environnement will build on the commercial successes achieved in the second half of 2004, particularly in treatment activities (landfill), with a view to maintaining the strong contribution of these activities to the overall mix in 2015. The Group will also continue to pursue measures to optimize productivity especially at certain sites such as sorting platforms.

Net income should increase substantially, sustained on the one hand by improvements in operating results (i.e. an increase in current operating income, and the disappearance of certain exceptional items which affected operating income in 2014) and, on the other, a rise in financial income, all other factors being equal.

In 2015, the Group intends to invest around EUR 60 million, including EUR 11 million in investments in concessions under public service delegation contracts (notably, the removal of asbestos from the Strasbourg-Sénerval site), and EUR 15 million for the reconstruction of the sorting center at Changé. From 2016 onward, the Group should have returned to more "normal" levels of capital expenditure (of the order of 9% of revenue) which will make it possible to aim at leverage of around 2 x EBITDA at the end of 2017.

The Group's net financial indebtedness at December 31, 2014 stood at EUR 232.9 million, an increase of EUR + 7.5 million compared with the position at December 31, 2013 (EUR 225.4 million).

During the period, apart from drawing on specific credit lines relating to investments in concessions (EUR + 9.6 million), and the setting up of new matched credit lines (EUR 14 million), the Group partially re-financed its debt (to a value of EUR 25 million) by issuing bonds through a Euro PP (private placement) issue of EUR 50 million, of which EUR 25 million of maturity five years and EUR 25 million of maturity seven years.

At December 31, 2014, 83% of financial debt was covered at a fixed rate (versus 82% in 2013 and 88% in 2012).

Information about the Group's financing policies and liquidity risk are presented on page 40.

1.4.6 *Accounts of the parent company Séché Environnement SA and appropriation of net income*

1.4.6.1 Income statement for Séché Environnement SA

K€	Dec. 31, 2012 restated	Dec. 31, 2013	Dec. 31, 2014	Change
Revenue	12 690	13 578	12 792	(786)
Operating income	(9 832)	1 790	(1 949)	(3 739)
Financial income	(317 317)	(19 587)	(44 425)	(24 838)
Extraordinary items	(2 201)	(17 145)	(6 211)	10 934
Corporation tax (including tax consolidation)	10 807	10 741	9 969	(772)
NET INCOME	**(318 543)**	**(24 201)**	**(42 616)**	**(18 415)**

Net income of Séché Environnement SA for 2014 came out at EUR – 42.6 million, a fall of EUR – 18.4 million in comparison with the net income recorded a year earlier (EUR – 24.1 million).

The net income result for 2014 was affected by the following factors:

- non-recurring costs linked to the refinancing of bond debt of EUR – 1.2 million recorded under operating income, and EUR – 0.8 million recorded under financial income;
- non-recurring development and restructuring costs (EUR – 2.0 million);
- additional allocations to impairment in respect of Trédi shares (EUR – 54.7 million). In the previous year, Séché Environnement recorded impairment of EUR – 43.3 million. The variance from one year to the next was therefore EUR – 11.1 million;
- tax consolidation effects (including provisions), which generated net income of EUR 3.8 million, versus EUR 7.1 million in 2013, a variance of EUR – 3.2 million over the period.

1.4.6.2 Results of Séché Environnement SA for the last five fiscal years

€	2010	2011	2012	2013	2014
Financial position at year-end					
Share capital	1 726 974	1 726 974	1 726 974	1 726 974	1 726 974
Number of outstanding ordinary shares	8 634 870	8 634 870	8 634 870	8 634 870	8 634 870
Total earnings from ordinary operations					
Revenue	14 683 448	12 989 543	12 689 963	13 578 188	12 792 381
Income before taxes, profit-sharing, amortization and provisions	41 316 461	44 145 678	22 206 481	(301 468 805)	9 564 728
Corporation tax	2 583 433	1 718 231	(10 807 179)	(10 741 295)	(9 969 076)
Employee profit-sharing due for the year	-	-	-	-	-
Income after taxes, profit-sharing, amortization and provisions	42 900 877	41 638 368	(318 543 509)	(24 201 222)	(42 616 377)
Amount of net income distributed as dividends [1]	11 225 331	11 225 331	8 203 126	8 203 126	8 203 126
Income from operations, per share					
Income from operations after taxes, profit-sharing, but before amortization and provisions	4.49	4.91	3.82	(33.67)	2.26
Income after taxes, profit-sharing, amortization and provisions	4.97	4.82	(36.89)	(2.8)	(4.94)
Dividends paid, per share [1]	1,30	1,30	0,95	0,95	0,95
Number of employees					
Number of employees	25	29	27	25	28
Total employment costs	2 592 260	2 884 815	2 852 951	2 813 525	3 869 916
Amount of employee benefits paid	1 054 263	1 191 603	1 171 758	1 174 828	1 510 782

1: Subject to approval by the Annual General Meeting of April 28, 2015.

1.4.6.3 Payment terms and breakdown of accounts payable by due date

In compliance with the measures prescribed in the French Economic Modernization Act, the following table provides information on payment terms for supplier accounts at December 31:

K€	Accounts payable [1]	Due	30 days	60 days	> 60 days
Dec. 31, 2014	1 336.6	110.6	1 060.1	166.0	-
Dec. 31, 2013	829.5	-	698.5	130.9	-
Dec. 31, 2012	1 775.9	285.0	817.7	401.4	271.7

1 : Excluding suppliers of financial fixed assets corresponding to non-paid-up capital on investment funds or mutual funds.

On average, in 2014, suppliers (excluding suppliers of financial fixed assets) were paid within 30 days, versus 19 days in 2013 and 39 days in 2012.

1.4.6.4 Appropriation and distribution of earnings

In the resolutions submitted for their approval, shareholders are asked to approve the financial statements for 2014, and after noting the recognition of a net loss of EUR 42 616 376.98, to approve the following appropriation and distribution of earnings proposed by the Board of Directors:

- allocation of the loss of EUR – 42 616 376.98 to the retained earnings account;
- distribution of EUR 8 203 126.50 from the share premium account.

The dividend payment to be distributed for the year would therefore be set at EUR 0.95 per share. This dividend entitles French-resident individual shareholders to a 40% personal income tax reduction (i.e. EUR 0.38 per share), except for the portion of any dividend funded from the share premium account, in accordance with article 112.1° of the French Tax Code. The dividend would be paid out on or after June 11, 2015.

1.4.7 *Information on dividends*

1.4.7.1 Payment of dividends

Dividends are paid annually at the time and places stipulated by the Annual General Meeting, in the nine months following the close of the previous fiscal year.

No recovery of dividends can be demanded from shareholders, except in the event of the distribution of fictitious dividends or fixed or interim interest, which are prohibited by law.

Dividends remaining unclaimed within five years of their allocation for payment are transferred to the State.

1.4.7.2 Dividends paid over the past three fiscal years

In conformity with the provisions of article 243 bis of the French Tax Code, we present below the dividends per share paid out for the past three fiscal years and the corresponding personal income tax reductions.

Fiscal year	Dividend	Personal income tax reduction
2011	1.30 €	40%
2012	0.95 €	40%
2013	0.95 €	-

1

MANAGEMENT REPORT

chapter 2

MANAGEMENT AND ADMINISTRATION
OF THE COMPANY

.2 .1 Composition of the Board of Directors

At December 31, 2014, the Board of Directors of Séché Environnement SA consisted of the following members:

		Date first appointed	Date of AGM at which reappointed	Reappointed until AGM of
Chairman and Chief Executive Officer, and Director	Joël Séché	October 19, 1981	June 8, 2012	2015
Directors	Dominique Cyrot	August 30, 2011	June 8, 2012	2015
	Jean-Pierre Vallée	November 29, 1993	June 8, 2012	2015
	CDC [1], represented by Jean Bensaïd	December 12, 2006	May 12, 2011	2017
	Philippe Valletoux	May 11, 2007	June 7, 2013	2016

1: CDC entered the Board of Directors of Séché Environnement on December 12, 2006. When it sold its shareholding to FSI on July 15, 2009, CDC ceased to be a member of the Board of Directors. When FSI sold its shareholding back to CDC on July 10, 2013, FSI transferred its seat on the Board of Directors of Séché Environnement back to CDC for the remainder of its mandate, i.e. until 2014.

The principle of balanced representation of men and women on the Board of Directors, as prescribed by the French Law of January 17, 2011, is respected, since the proportion of women on the Board is 20%.

2.1.1 *Information on directors*

Joël Séché

Business address:
Les Hêtres – CS20020
53811 Changé Cedex 09

MANDATES AND FUNCTIONS HELD

Positions held at December 31, 2014

Séché Eco-services SAS	Chairman
Séché Transport SAS	Chairman
Séché Eco-industries SAS	Chairman
Séché Alliance SAS	Chairman
Trédi SA	Director
SCI La Croix des Landes	Manager
SCI Les Chênes Secs	Manager
SCI Mézerolles	Manager
SCI La Montre	Manager
SCI de La Censie	Manager
SCI Saint Kiriec	Manager
SCI La Perrée	Manager
SC Amarosa	Manager
Altamir Amboise SCA	Chairman of the Supervisory Board

Positions relinquished in the last 5 financial years

HIME SAS	Chairman until May 27, 2012
Saur SAS	Chairman until May 27, 2012
HIME SAS	Member of the Supervisory Board until July 26, 2013

The companies of which Joël Séché is or has been a director are all unlisted.

Professional career:

Joël Séché grew up in a family of entrepreneurs in the French département of the Mayenne, and set up his first company at the age of 20. After beginnings in the transportation business, he took over his family's building business which employed some 8 people, and led it to a sector which was already beginning to show great promise: waste treatment.

Always ahead of his time, he built the business up around two key values: careful integration into the environment, and emphasis on the human factor.
He was the first entrepreneur to achieve ISO 14001 certification for the quality of his environmental management.

To raise funds to finance its growth, Séché Environnement went public on the Paris stock exchange in 1997, and took control of Alcor in 2001 and Trédi in 2002.

The Group has now attained international multi-skill status for the treatment of all types of waste, as well as materials and energy recovery. Today, with its 1,700-strong workforce, Séché Environnement is a major player in the waste management industry.

Joël Séché is French and is 60 years old.

Jean Bensaïd

Business address:
56 rue de Lille
75007 Paris

MANDATES AND FUNCTIONS HELD

Positions held at December 31, 2014		Positions relinquished in the last 5 financial years	
Galaxy	Director, representative of CDC	Eutelsat Communication SA	Permanent representative of CDC Infrastructure up to 2012
SANEF	Permanent representative of CDC Infrastructure	SIG	Director up to 2012
GRT GAZ	Director	TDF	Permanent representative of CDC Infrastructure up to April 2010
HIG	Director	MAP SUB	Chairman up to April 2010
		HIME SAS	Chairman of the Supervisory Board, representative of FSI up to July 26, 2013

The companies of which Jean Bensaïd is or has been a director are all unlisted except Eutelsat Communication SA.

Professional career:

Jean Bensaïd is a graduate of the École Normale Supérieure, Cachan, and ENSAE Paris Tech (INSEE directors' class). He began his career at the French national statistics institute INSEE, before moving to the forecasting department of the Ministry of Finance. He served at the French Embassy in Washington, D.C. from 1994 to 1997 as Financial Attaché. In 1997, he became an adviser to the Prime Minister for macroeconomic and tax questions. From 2002 to 2004 he was again at the Finance Ministry, as Deputy Director in the areas of social policy and employment. He joined Caisse des Dépôts et Consignations (CDC) in 2004 as Deputy Director in charge of finance and strategy. In 2008 he became Managing Director of CDC Infrastructure and joined the Management Board of CDC. In 2014 he joined the Executive Committee of Icade, in charge of asset management. He holds the ASC qualification from the Institut Français des Administrateurs, and is decorated with the rank of Chevalier de l'Ordre National du Mérite.

He is French, and aged 53.

Philippe Valletoux

Business address:
28 boulevard Raspail
75007 PARIS

MANDATES AND FUNCTIONS HELD

Positions held at December 31, 2014		Positions relinquished in the last 5 financial years	
		Dexia Crédit Local	Vice-Chairman of the Management Committee up to September 30, 2009
Société du Parc du Futuroscope SA	Member of the Supervisory Board	FLORAL	Chairman and Chief Executive Officer up to October 15, 2009
		DEXIA Sofaxis	Director up to December 4, 2009
		DEXIA Public Finance Switzerland	Director up to April 28, 2009
		HIME SAS	Member of the Supervisory Board up to June 25, 2012

The companies of which Philippe Valletoux is or has been a director are all unlisted, except Dexia Crédit Local.

Professional career:

Philippe Valletoux has successively held responsibilities in the French commission on new towns, the Ministry of the Interior, and Caisse des Dépôts et Consignations where he was in charge of research into local development. From 2005 to 2009 he was President of Floral (bond issues for local authorities). Previously, in 1987 he had managed the local authority finance activity at Crédit Local de France, where he was also advisor to the President. In 2000 he became Vice-President of the Management Committee of Dexia Crédit Local, until 2009.

He is French and aged 71.

Dominique Cyrot

Business address:
8 rue de la Pompe
75116 PARIS

MANDATES AND FUNCTIONS HELD

Positions held at December 31, 2014		Positions relinquished in the last 5 financial years	
Interparfums SA	Director since April 2002	SAFETIC	Director up to 2012

Interparfums SA and SAFETIC are listed companies.

Professional career:

Dominique Cyrot is a graduate in management studies of the Université Paris Dauphine. From 1973 to 2011 she held various positions at the insurers AGF (now Allianz): financial analyst, head of research, head of French securities in insurance portfolios, later piloting UCITS issues based on French stocks, and convertible bond issues on large cap companies.

She is 63 years old and of French nationality.

Jean-Pierre Vallée

Business address:
3 allée Cassard
44000 NANTES

MANDATES AND FUNCTIONS HELD

Positions held at December 31, 2014	Positions relinquished in the last 5 financial years	
	B.C.B. Rennes (a subsidiary of the Lafarge Group) SA	Director up to January 29, 2010
	Simat (a subsidiary of the Saint-Gobain Group) SA	Director up to January 31, 2010
	Letulle Brevets et Modèles (a subsidiary of the Saint-Gobain Group) SAS	Director up to January 31, 2010

The companies of which Jean-Pierre Vallée is or has been a director are all unlisted.

Professional career:

Jean-Pierre Vallée is a graduate of ICG ("Gustave Eiffel" class) and holds a diploma from the Institut Français des Administrateurs (IFA). From 1996 to 2000 he held responsibilities in the Potier Group and at Saint-Gobain, where he was successively branch manager, Regional Director and National Director in the areas of ready-mix concrete and industrial fabrications. From 2000 to 2010 he was in charge of external development and operations in the same group.

He is 63 years old and is French.

2.2 Remuneration and benefits of senior officers of Séché Environnement

On December 2, 2008, the Board of Directors of the Séché Group unanimously adopted the MEDEF and AFEP recommendations regarding the remuneration of senior officers of the Company. These recommendations concern the prohibition of holding a work contract concurrently with a mandate of senior officer, the banning of golden parachutes, reinforcement of the supervision of supplementary pension plans, the granting of stock options connected to the policy of encouraging participation in the company's share capital, and improvement of transparency in connection with the components of senior officers' remuneration.

2.2.1 Remuneration of senior officers

For the past three fiscal years, the only senior officer has been Joël Séché (Chairman and Chief Executive Officer).

Joël Séché is paid for his role as Chairman and Chief Executive Officer by Séché Environnement SA. He receives no remuneration from any subsidiary of the Group.

There is no contractual commitment for the payment of any particular indemnities or benefits in the event of cessation or change of position. No stock options or performance shares were granted to senior officers.

Regarding retirement pensions, the senior officer benefits from a supplementary pension plan, with defined contributions. This is a funded pension plan based on 5% of the annual salary received, within the limit of tranche B of the annual social security ceiling.

.2 .3 Remuneration of non-executive directors

The only remuneration of non-executive directors consists of directors' fees. None of the Company's directors received any remuneration or benefits of any kind from any of the companies controlled by the Company. No stock options were granted to the senior officers. Furthermore, no loans or guarantees were granted in favor of any members of the Board of Directors.

Table of directors' fees	2012	2013	2014
Joël Séché	12 000	12 000	12 000
CDC/FSI	12 000	10 500	7 200
Dominique Cyrot	12 000	10 500	12 000
Jean-Pierre Vallée	12 000	12 000	12 000
Philippe Valletoux	12 000	12 000	12 000
TOTAL	**60 000**	**57 000**	**55 200**

Joël Séché is the only director who is paid a salary, which is for his role as Chairman and Chief Executive Officer. In 2014, the breakdown of his remuneration is as follows:

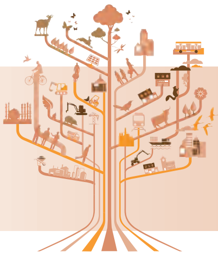
Remuneration, options and shares allocated to Joël Séché	2012	2013	2014
Remuneration due for the financial year (details below)	426 062	426 062	426 062
Value of options allocated during the period	-	-	-
Value of performance shares allocated during the period	-	-	-
TOTAL	**426 062**	**426 062**	**426 062**

Remuneration summary, Joël Séché	2012		2013		2014	
	Due	Paid	Due	Paid	Due	Paid
Fixed remuneration	400 000	400 000	400 000	400 000	400 000	400 000
Variable remuneration	-	-	-	-	-	-
Exceptional remuneration	-	-	-	-	-	-
Benefits in kind [1]	14 062	14 062	14 062	14 062	14 062	14 062
Directors' fees	12 000	12 000	12 000	12 000	12 000	12 000
TOTAL	**426 062**	**426 062**	**426 062**	**426 062**	**426 062**	**426 062**

1: Use of company cars.

chapter 3

CORPORATE HR, ENVIRONMENTAL AND SOCIAL RESPONSIBILITY DATA



.3 .1 Principles of reporting methodology [1]

3.1.1. *Data collection scope*

3.1.1.1 *Definition of data collection scope*

Séché Environnement has been listed on Euronext Paris since 1997 and therefore has published since 2002 consolidated HR and environmental indicators according to the stipulations of article 116 of the French Commercial Code, and from 2012 onward HR, environmental and societal indicators as required by article 225 of Law no. 2010-788 dated July 12, 2010 on the national commitment to the environment.

Almost all the Group's subsidiaries in France operate on classified sites requiring compulsory authorizations in order to operate. Since their activities are consolidated into the overall reporting of Séché Environnement, information on individual sites is not provided.

Trédi SA, the only subsidiary of the Group with more than 500 employees and revenue in excess of EUR 100 million, has opted for exemption from the requirement to publish separately the HR and environmental information concerning it from December 31, 2013 onward (fiscal year 2014), since this information is published by the consolidating parent company.

The consolidation scope consists of the parent company Séché Environnement SA and its majority-controlled French subsidiaries which were fully consolidated at December 31, 2014.

The Group's international activities (5% of revenue and 5% of employees in 2014) have not been included in the HR and environmental data consolidation scope because they are relatively insignificant, and because any attempt to consolidate them would be difficult given the different regulatory contexts compared with France.

3.1.1.2 Changes in consolidation scope

The rules concerning movements in and out of scope are determined with reference to the rules of consolidation under IFRS 5 and IFRS 10. The consolidation scope for environmental reporting is updated every quarter in line with the consolidation for accounting purposes undertaken by the Group's consolidation department. HR and environmental data are collected on an annual basis for the calendar year.

The scope for environmental data, unlike that for HR data, is defined for Séché Environnement as all sites classified for the protection of the environment (IPCE) operated by the Group and for which the Group holds a prefectoral authorization, whether directly or via a subsidiary. This rule, based on responsibility toward the State authorities, has applied since 2013.

In the case of public service delegation (PSD) contracts (concessions), environmental data:

- are reported together with those for Séché Environnement when the subsidiary holding the concession contract is the legal entity to which prefectoral authorization was granted (as is the case for Sénerval and Alcéa);
- are not consolidated when the prefectoral authorizations for these sites are in the name of the local authorities concerned, as is the case for the Oléron household waste incinerator and the Scherwiller composting site operated by Séché Eco-industries.

For the same reason, customers' industrial sites on which Séché Eco-industries operates are not included in the environmental reporting scope for Séché Environnement, since they are included in the reporting scope of the companies in question which are themselves the respective holders of the prefectoral authorizations.

Concerning 2014 in particular, the Sénerval site experienced operating difficulties during the year due to industrial action, which led to its being shut down for several months. Its environmental data for the year were therefore not included in the 2014 consolidation as being too intermittent to be pertinent; however, its HR data were consolidated.

Exceptionally, therefore, data on Sénerval concerning air, water, energy, greenhouse gases, waste, etc., have not been included in the Group's consolidated environmental data for the year 2014, and data for 2013 have been restated excluding Sénerval to enable comparability. A reminder of 2013 data as published is given as a footnote to the relevant tables.

3.1.2 *Reference systems used*

The following HR, environmental and social responsibility data correspond to an economic vision of Séché Environnement (consolidated) as it existed in 2014 in France. It includes information concerning the environmental and societal impacts of the Group's operations, as required under article 225 of Law no. 2010-788 dated July 10, 2010, and listed in Decree no. 2012-557 dated April 24, 2012.

Concerning environmental reporting, this regulation lists generically 14 subject headings under which data are to be provided in corporate management reports. New items since the "NRE" decree of 2001 concern only aspects of climate change and the protection of biodiversity. Consequently, Séché Environnement has maintained unchanged its mode of reporting under the other 12 headings, and takes as its basis the list of indicators published in Decree no. 2002-221 dated February 20, 2002 issued in application of article L.225-102-1 of the French Commercial Code. Information

1: Reporting principles are explained in a specific, detailed note on procedures which can be obtained on request to the Sustainable Development Department of Séché Environnement, by e-mailing dd@groupe-seche.com.

concerning waste generated is given according to the requirements of the Order of April 30, 2002.

Electronic management of E-PRTR (European Pollutant Release and Transfer Register) has been put in place to respond to the recommendations of the European Union concerning the recording of environmental data (European Pollutant Release and Transfer Register Protocol, and Regulation 166/2006). Declarations into this database are obligatory for sites which are classified for environmental protection (ICPE) of the type operated by Séché Environnement (Order dated December 26, 2012, amending Order dated January 31, 2008, relative to annual declarations of pollutants and waste products). The criteria for data to be placed in this database may vary from one site to another according to the particularities of their prefectoral authorizations, especially in relation to the specific risks or impacts of certain activities.

Declarations made by site operators are validated by the competent inspection authorities (DREAL, regional health authorities, police, water agencies, nuclear safety authorities, etc.) for the site concerned. As these obligatory declarations are made under the control of the authorities, they also form the basis for the Group's environmental reporting. Data are validated internally by the management of the Group's laboratories before being integrated into the Group's reports and submitted as definitive to the authorities.

Concerning HR data, Decree no. 2012-557 dated April 24, 2012 explicitly adds to reporting requirements the following four aspects of the fundamental conventions of the ILO (International Labor Organization), which must be taken account of in the reporting process:

- the right to freedom of association and the right to collective bargaining;
- the abolition of discrimination in employment and occupation;
- the abolition of forced or compulsory labor;
- the effective abolition of child labor.

As a law-abiding company operating principally in France, Séché Environnement has always applied these standards automatically. The innovations introduced by the 2012 Decree are minimal, and concern breakdowns of employee numbers by age, gender and geographical location. These breakdowns were already included in the Group's earlier annual reports, and were drafted in accordance with articles L.2323-70 and R.2323-17 of the French Labor Code relative to the HR data content of company reports.

The frames of reference used by Séché Environnement are national and/or international standards or regulations:

- Commitments:
  - > OECD guiding principles;
  - > ILO (International Labor Organization) conventions;
  - > Principles of the United Nations Global Compact;
  - > ISO 26000 standard on social responsibility for businesses and organizations.
- Management:
  - > ISO 9000 for the certification of production quality;
  - > ISO 14001 for environmental management;
  - > OHSAS 18001 specification for the management of occupational health and safety;
  - > MASE (manual of enterprise safety improvement) certification for integrated management in chemical environments.
- Reporting :
  - > GRI3 (Global Reporting Initiative) guidelines;
  - > French Commercial Code HR data reporting guidelines.
- E-PRTR environmental indicators;
- the "BEGES" greenhouse gas (GHG) accounting methodology as defined by article 75 of French Law no. 2010-788 dated July 12, 2010, based on a specific calculation method developed for the Group by 3E - Performances and ECO_2 Initiative, in consistency with:
  - > the Bilan Carbone® carbon accounting method initiated by the French Agency for the Environment and Energy Management (ADEME);
  - > the quantification protocol for greenhouse gas emissions from waste management initiated in 2006 by a number of French operators in this sector and the association EpE (Enterprises for the Environment). This protocol aims to harmonize quantification, reporting and verification practices for GHG emissions generated and avoided by waste treatment activities. Since its inception it has been updated several times. The most recent critical review is that carried out by the World Resource Institute (WRI) which, with the World Business Council for Sustainable Development (WBCSD), initiated the GHG Protocol, the most widely internationally recognized method for carbon accounting.

A table showing the correspondences between these frames of reference is included in a guide to CSR reporting and the new legal and regulatory requirements in France, published by the French employers federation MEDEF, with the help of the expertise of Deloitte®, in May 2012.

3.1.3 *Principles*

3.1.3.1 Measurements

3.1.3.1.1 ***Types of indicator***

The indicators used by the Group fall into three categories:

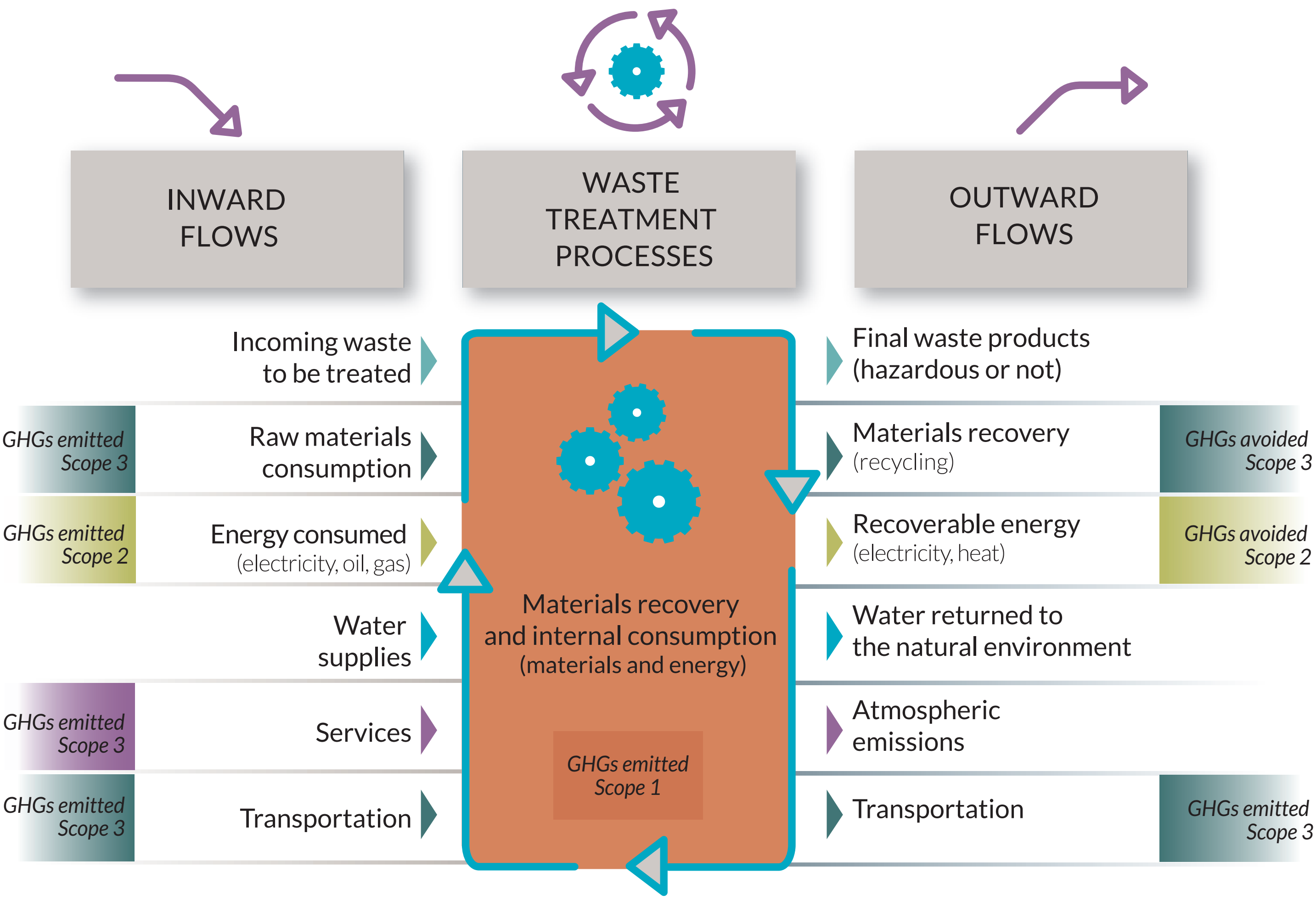
- "Structural" or "stock" data from documentary sources (for example, land areas or the number of collective bargaining agreements concluded);
- "Simple operational" indicators based on direct measurements, which break down into two sub-categories:
  - > standardized flows according to official measurement protocols, recognized in

particular by the French authorities in the context of reports on sites classified for the protection of the environment (for example, for pollutant flows);

> measures adopted by the Group on its own initiative, for example the use of lichens to measure air quality, measurements of biodiversity richness, etc;

- "Complex" indicators derived from calculations involving the choice of certain assumptions and perimeters, conversion factors, consolidation protocols, etc., concerning for example energy, GHGs or carbon accounting.

Indicators for a waste treatment site



Origin of data

The HR data presented is drawn from the Human Resources Department database according to the definitions in current use in France, in particular for the compilation of HR data reports for the legal entities required to file them. They correspond to the regulatory declarations made to various administrative bodies and welfare organizations.

The environmental data in this report are extracted from declarations (including those made electronically for the European Pollutant Emission Register) provided regularly by the Group's industrial sites to the competent government authorities (DREAL, regional health authorities, water agencies) which oversee and regulate them. These data are derived from measurements carried out either internally (self-audits) or by certified organizations.

The economic data in this report are taken from accounting information drawn up according to professional standards currently in force, and are certified by the statutory auditors. Accounting data relating to environmental aspects in the individual and consolidated financial statements of the companies concerned are presented according to Recommendation no. 2003-r02 dated October 21, 2003 of the Conseil National de la Comptabilité (French national council for accounting standards).

3.1.3.1.2 ***Comparability***

The results of these measurements have been regularly recorded for several years by means of an environmental reporting software package, and are monitored both site by site and at national level. Data capture and consolidation methods correspond to the same definitions over the whole of this period, with the exception of the calculation of GHG emissions which migrated in 2011 to those of the Bilan Carbone® system.

3.1.3.1.3 ***Materiality***

The environmental indicators considered pertinent, given the nature of the Group's activities, are those prescribed in the prefectoral authorizations granted to Group companies.

Certain reporting errors or inaccuracies in previous years may be detected during completion of the reporting for the current year, in particular concerning certain environmental indicators. A materiality threshold of 5% of the value of the indicator concerned is observed by default for adjustments to data from past years identified during the year under review. A commentary is provided for any corrections above this threshold.

In the particular case of the BEGES GHG emissions figure, an indicator resulting from several complex calculations, an uncertainty coefficient is applied to correct for possible errors from elementary data sources:

- 1% data captured by means of legally controlled measurements (metrology test);
- 10% data from invoices;
- 30% data obtained through calculation or extrapolation;
- 80% data which are unavailable, and therefore estimated.

Concerning biodiversity indicators, beyond the particular protected status accorded to certain areas (Natura 2000, ZNIEFF, Important Bird Areas, etc.), the Group has for several years deployed programs to monitor various species or groups of fauna on these sites, especially birds and amphibians which are bio-indicators of air and run-off water quality. A centralized database of biodiversity indicators was set up in the course of 2014 to fulfill the commitment entered into by the Group in its action plan under the National Biodiversity Strategy (SNB), recognized by the French Ministry for ecology, sustainable development and energy in January 2014.

3.1.3.2 Transparency – data audits

The following environmental data were the focus of a special audit by Bureau Véritas Consulting for fiscal years 2002 through 2012.

In compliance with the Order prescribing the detail of the audit method instituted under Law no. 2010-788, Séché Environnement appointed KPMG to carry out the audit of its HR, environmental and societal indicators presented in the present chapter of the Annual Report since 2003. From 2014 onward, KPMG verifies, to a reasonable level of assurance, certain selected indicators marked by the symbol ☑.

.3 .2 HR data

3.2.1 Employment

3.2.1.1 Worldwide headcount

December 31	2012	2013	2014
Séché Environnement (parent company)	27	28	27
Fully consolidated French subsidiaries	1 605	1 633	1 663
Sub-total (scope defined in Article 225 of NRE Law)	1 632	1 661	1 690
Proportionately consolidated French subsidiaries [2]	5	-	-
Foreign subsidiaries, Europe [3]	64	63	63
Foreign subsidiaries, Americas [4]	27	28	27
TOTAL	**1 728**	**1 752**	**1 780**

3.2.1.2 Headcount in France [5]

3.2.1.2.1 *Headcount at December 31*

3.2.1.2.1.1 **By category and gender**

December 31	2012			2013			2014		
In headcount units	**M**	**W**	**T**	**M**	**W**	**T**	**M**	**W**	**T**
Executives	226	85	**311**	236	92	**328**	253	91	**344**
Supervisors	341	105	**446**	330	101	**431**	328	105	**433**
Clerical	122	144	**266**	115	152	**267**	127	144	**271**
Workers	572	37	**609**	595	40	**635**	604	38	**642**
TOTAL HEADCOUNT UNITS	**1 261**	**371**	**1 632**	**1 276**	**385**	**1 661**	**1 312**	**378**	**1 690**
% men/women	*77.3*	*22.7*		*76.8*	*23.2*		*77.6*	*22.4*	

M: men – W: women – T: total

3.2.1.2.1.2 **By type of contract and gender**

December 31	2012			2013			2014		
In headcount units	**M**	**W**	**T**	**M**	**W**	**T**	**M**	**W**	**T**
Permanent contracts	1 220	354	**1 574**	1 243	349	**1 592**	1 271	364	**1 635**
Fixed-term contracts	41	17	**58**	33	36	**69**	41	14	**55**
TOTAL HEADCOUNT UNITS	**1 261**	**371**	**1 632**	**1 276**	**385**	**1 661**	**1 312**	**378**	**1 690**
% fixed-term/total headcount	*3.3*	*4.6*	***3.6***	*2.6*	*9.4*	***4.2***	*3.1*	*3.7*	***3.3***

M: men – W: women – T: total

2: Company 50% held, but without operational control. 3: Spain (solvent regeneration), Germany (gas treatment), Hungary (landfill facilities), deconsolidated in 2013 with effect from 2012. 4: Mexico and Argentina (decontamination of transformers). 5: LA1.

3.2.1.2.1.3 **Age distribution**

December 31	Men	Women	TOTAL
< 26 years	64	25	**89**
from 26 to 29 years	90	34	**124**
from 30 to 34 years	159	66	**225**
from 35 to 39 years	200	49	**249**
from 40 to 44 years	241	83	**324**
from 45 to 49 years	203	59	**262**
from 50 to 54 years	191	38	**229**
from 55 to 56 years	66	11	**77**
from 57 to 62 years	94	11	**105**
63 years and above	4	2	**6**
Proportion of seniors (> 45 years)	42.5%	32.0%	*40.2%*
AVERAGE AGE	**42**	**40**	**41.7**

3.2.1.2.2 ***Average headcount in FTE (full-time equivalents)***

December 31	2012			2013			2014		
In headcount units	**M**	**W**	**T**	**M**	**W**	**T**	**M**	**W**	**T**
Full-time equivalents	1 258	360	1 618	1 273	371	1 644	1 310	368	**1 677**
Monthly average	1 211	364	1 575	1 264	368	1 632	1 301	381	**1 681**

M: men – W: women – T: total

3.2.1.3 Workforce changes over the year [6]

3.2.1.3.1 ***Recruitments by type of contract and gender***

December 31	2012			2013			2014		
In headcount units	**M**	**W**	**T**	**M**	**W**	**T**	**M**	**W**	**T**
Permanent contracts	135	39	**174**	102	19	**121**	116	34	**150**
Fixed-term contracts	36	15	**51**	48	39	**87**	64	15	**79**
Of which due to increased activity	*34*	*7*	-	*44*	*30*	-	*57*	*7*	**64**
Of which replacements	*2*	*8*	-	*4*	*9*	-	*7*	*8*	**15**
TOTAL HEADCOUNT UNITS	**171**	**54**	**225**	**150**	**58**	**208**	**180**	**49**	**229**
% men/women	*84.0*	*16.0*		*72.1*	*27.9*		*78.6*	*21.4*	

M: men – W: women – T: total

6: LA2.

3.2.1.3.2 *Departures by reason and gender*

December 31	2012			2013			2014		
In headcount units	M	W	T	M	W	T	M	W	T
Resignations	10	7	**17**	11	5	**16**	13	4	**17**
Individual dismissals	22	5	**27**	13	4	**17**	9	2	**11**
Departures during trial period	4	1	**5**	3	0	**3**	2	2	**4**
Negotiated departures	15	5	**20**	6	4	**10**	12	8	**20**
Redundancies	2	5	**7**	0	1	**1**	1	0	**1**
Intra-Group transfers	10	3	**13**	13	4	**17**	7	0	**7**
Retirements and early retirements	6	0	**6**	10	1	**11**	9	2	**11**
Deaths	0	0	**0**	3	0	**3**	0	0	**0**
End of fixed-term contracts	51	23	**74**	31	16	**47**	36	22	**58**
Other	0	0	**0**	7	0	**7**	3	0	**3**
TOTAL HEADCOUNT UNITS	**120**	**49**	**169**	**97**	**35**	**132**	**92**	**40**	**132**
% men/women	*71*	*29*		*73*	*27*		*70*	*30*	

M: men – W: women – T: total

3.2.1.3.3 *Length of service distribution*

December 31, 2014	Men	Women	TOTAL
< 1 year	105	31	**136**
from 1 to 5 years	252	72	**324**
from 6 to 10 years	249	83	**332**
from 11 to 15 years	248	83	**331**
from 16 to 20 years	214	48	**262**
from 21 to 25 years	109	35	**144**
from 26 to 30 years	90	17	**107**
> 30 years	45	9	**54**
AVERAGE LENGTH OF SERVICE	**11.0**	**10.0**	**11.0**

3.2.1.4 Remuneration [7]

3.2.1.4.1 *Overall employment cost*

K€	2012	2013	2014
Gross wage bill	60 133	63 939	66 431
Employer SS contributions	29 633	31 685	33 107
OVERALL EMPLOYMENT COST	**89 766**	**95 624**	**99 538**

3.2.1.4.2 *Profit-sharing schemes*

K€ or headcount units	2012	2013	2014
Total profit-sharing reserves	**2 168**	**1 546**	**1 577**
NUMBER OF BENEFICIARIES	**1 525**	**687**	**849**
Total amount distributed	**435**	**0**	**0**
NUMBER OF BENEFICIARIES	**905**	**0**	**0**

The Group does not distribute free shares or attribute stock options.

7: EC1 & EC5.

3.2.1.4.3 *Distribution of remuneration of permanent staff (12 months), by gender* [8]

K€ or headcount units	Men		Women		TOTAL	
2012	**K€**	**Units**	**K€**	**Units**	**K€**	**Units**
≤ 0.8 x SS ceiling (≤ 29 098 €)	4 308	214	1 394	74	5 701	288
> 0.8 x SS ceiling (> 29 098 €)	4 380	186	878	56	5 257	242
> 1.0 x SS ceiling (> 36 372 €)	3 238	142	820	31	4 058	173
> 1.2 x SS ceiling (> 43 646 €)	3 727	111	812	21	4 540	132
> 1.5 x SS ceiling (> 54 558 €)	1 285	34	476	6	1 761	40
> 1.8 x SS ceiling (> 65 470 €)	1 222	13	269	4	1 491	17
> 2.0 x SS ceiling (> 72 744 €)	7 324	67	966	8	8 290	75
TOTAL	**25 484**	**767**	**5 614**	**200**	**31 098**	**967**

SS (Social Security) ceiling = 36 372 €

K€ or headcount units	Men		Women		TOTAL	
2013	**K€**	**Units**	**K€**	**Units**	**K€**	**Units**
≤ 0.8 x SS ceiling (≤ 29 625 €)	8 335	313	2 968	117	11 303	430
> 0.8 x SS ceiling (> 29 625 €)	10 331	312	2 420	73	12 751	385
> 1.0 x SS ceiling (> 37 032 €)	7 360	182	1 785	45	9 145	227
> 1.2 x SS ceiling (> 44 438 €)	7 491	153	1 394	28	8 885	181
> 1.5 x SS ceiling (> 55 548 €)	3 724	58	1 098	18	4 822	76
> 2.0 x SS ceiling (>77 064 €)	8 580	77	1 139	11	9 719	88
TOTAL	**45 821**	**1 095**	**10 804**	**292**	**56 625**	**1 387**

SS (Social Security) ceiling = 37 032 €

K€ or headcount units	Men		Women		TOTAL	
2014	**K€**	**Units**	**K€**	**Units**	**K€**	**Units**
≤ 0.8 x SS ceiling (≤ 30 038 €)	8 715	380	2 918	127	11 633	507
> 0.8 x SS ceiling (> 30 038 €)	10 466	311	2 296	68	12 762	379
> 1.0 x SS ceiling (> 37 548 €)	7 709	188	1 702	42	9 411	230
> 1.2 x SS ceiling (> 45 058 €)	7 266	148	1 216	24	8 482	172
> 1.5 x SS ceiling (> 56 322 €)	3 949	61	1 051	17	5 000	78
> 2.0 x SS ceiling (> 75 096 €)	8 857	78	1 305	12	10162	90
TOTAL	**46963**	**1 166**	**10 487**	**290**	**57 450**	**1 456**

SS (Social Security) ceiling = 37 548 €

8: LA14.

3.2.2 *Organization of work*

3.2.2.1 Organization of working time

The official working week is 35 hours.

3.2.2.1.1 *Part-time employment*

December 31	2012			2013			2014		
Number of contracts	M	W	T	M	W	T	M	W	T
At employees' request	6	49	**55**	6	55	**61**	2	52	**54**
Imposed by employer	-	1	**1**	-	-	**-**	4	-	**4**

M: men – W: women – T: total

3.2.2.1.2 *Shift work*

Employees at December 31	2012			2013			2014		
working in shifts	F	A	T	F	A	T	F	A	T
2 shifts	67	118	**185**	97	172	**269**	97	118	215
3 shifts	5	122	**127**	7	23	**30**	-	34	34
> 3 shifts	-	212	**212**	-	277	**277**	-	276	276
TOTAL	**72**	**452**	**524**	**104**	**472**	**576**	**97**	**428**	**525**
% shift workers/total			*32.1*			*34.7*			*31.1*

F: fixed – A: alternating – T: total

3.2.2.1.3 *Overtime*

Number of overtime hours	2012	2013	2014
Overtime hours worked and paid	36 438	36 667	47 437
% Overtime/theoretical total hours	*1.2*	*1.2*	*1.5*

3.2.2.1.4 *Temporary employment, by reason*

Average headcount (FTE)	2012	2013	2014
Replacement of absentee workers	122	63	81
Increased workload	57	104	106
TOTAL	**179**	**168**	**187**

3.2.2.2. Absenteeism [9]

3.2.2.2.1 *Number of days of absence*

Number of days	2012	2013	2014
TOTAL for the whole Group	**25 227**	**22 939**	**34 708**
Average per employee	*16.0*	*13.7*	*20.5*

3.2.2.2.2 *Absenteeism rate, by reason*

% of theoretical number of days worked	2012	2013	2014
Sickness	4.91	4.11	5.33
Maternity leave	0.48	0.47	0.63
Occupational and commuting accidents	0.34	0.36	0.95
Family events, other	1.29	1.23	2.15
TOTAL	**7.02**	**6.16**	**9.06**

3.2.3 *Industrial relations*

3.2.3.1 Collective bargaining agreements [10]

% of headcount	2012	2013	2014
Union des Industries Chimiques (UIC)	41	38	37
Waste activities	44	46	47
FG3E	7	8	8
Road transportation	4	4	4
Public works	3	4	4
TOTAL HEADCOUNT FRANCE	**100**	**100**	**100**

3.2.3.2 Organization of industrial dialog

The organization of industrial dialog is governed by strict application of regulations and collective bargaining agreements currently in force (see the section on collective bargaining agreements, § 3.2.3.1).

	2012			2013			2014		
Number of members of	**M**	**W**	**T**	**M**	**W**	**T**	**M**	**W**	**T**
Works councils	17	4	**21**	14	7	**21**	19	10	**29**
Central works councils	5	2	**7**	7	3	**10**	7	3	**10**
Individual staff delegates	24	3	**27**	20	5	**25**	23	2	**25**
Hygiene, safety and working conditions committees (for sites > 50 employees)						**28**			**36**

M: men – W: women – T: total

Number of meetings of	2012	2013	2014
Works councils	72 [11]	57	74
Central works councils	7	12	10
Individual staff delegates	84	67	70
Hygiene, safety and working conditions committees	9	50	62

9: LA7. 10: LA4. 11: Data corrected with respect to data published for 2012.

3.2.3.3 Summary of collective agreements

The subjects dealt with tend to reflect trends in regulatory change, and the sectors affected by official collective bargaining agreements. At the end of 2014, subjects discussed during the year included:

- forward-looking management of jobs and skills, which was included in agreements with senior employees (covering 100% of the labor force);
- agreements on jobs of an arduous nature, including psycho-social risks:
  > 59% of the labor force are not concerned by this, 36% are covered by an agreement and 5% are still in the analysis phase;
- an agreement on professional equality, covering 90% of the labor force:
  > (this is not compulsory for the other 10%, since they work in structures of fewer than 50 employees);
- management of handicapped workers (100% of the labor force is covered by an agreement at Group level):
  > training plans (100% of the labor force covered);
  > company and/or employee agreements, etc. depending on local conditions.

3.2.4 *Health and safety*

3.2.4.1 Health and safety conditions at work [12]

3.2.4.1.1 *Occupational diseases*

The Group has four declared cases of occupational diseases, of which three have been recognized as known musculoskeletal disorders (MSDs).

3.2.4.1.2 *Wellbeing at work*

An initial study into psycho-social risks has been carried out at Trédi, and concerns approximately 30% of Group employees.

3.2.4.1.3 *Organization*

All sites have their own Health, Safety, Environment and Quality (HSEQ) Manager responsible for implementing policy at local level. All sites also have health, safety and working conditions committees (CHSCTs), in compliance with the requirements of French legislation.

Under article L.4644-1 of the French Labor Code, which modifies the organization of supervisory and preventive health measures in the workplace, the Group appoints in each subsidiary concerned a worker representative for work-related risks. These representatives act in liaison with company medical staff.

3.2.4.1.4 *Safety training*

Specific training modules are provided in the management and optimization of safety behaviors, with the aim of reducing the incidence of risky behavior liable to lead to industrial injuries. Management communicates regularly with workers in special on-the-ground sessions, emphasizing the appropriateness or otherwise of the safety measures envisioned in the workplace. The objective is to put in place any corrective measures needed and to ensure that experience is transferred.

3.2.4.1.5 *OHSAS 18001 certifications*

The Group's activities are to a large extent certified OHSAS 18001. Reasoning in terms of tonnage treated on the sites concerned according to activities (the most relevant measure) leads to the following coverage rates:

Landfill	Incineration	Physico-chemical	Regeneration	TOTAL tonnage
96%	90%	37%	-	91%

3.2.4.2 Expenditure on safety

K€	2012	2013	2014
Expenses for the supply of workers' clothing and individual protection [13]	1 719	2 113	2 206
Investments for the improvement of working conditions	611	929	1 022

3.2.4.2 Work-related accidents [14]

Frequency rate with absence from work	2012	2013	2014
FR1 – Employees	18,5	16,4	21,3
FR1 – Employees + temporary personnel	20,7	18,9	24,2

12: LA6. 13: Workers' individual protection (EPI in French). New consolidation method since 2013 including all types of protection equipment; data for 2012 restated on 2013 basis.
14: LA7.

Severity rate	2012	2013	2014
SR – Employees	0.8	0.8	1.2
SR – Employees + temporary personnel	0.7	0.8	1.1

3.2.5 Training

3.2.5.1 Training policies [15]

3.2.5.1.1 Budgets allocated

	2012	2013	2014
in K€	1 187	1 640	1 701
As a % of total employee costs	**2.0**	**2.6**	**2.6**

Each Group company defines its training plans at the level of local structures, in concert with works committees, as prescribed by French law. To ensure full account is taken of job and activity specifics, there is no single Group policy document.

3.2.5.1.2 Subjects of training

% of budgets spent	2012	2013	2014
Environment, quality, security	56	50	4
Safety [16]			44
Job-specific	26	26	24
Management and communication	9	7	8
Administrative, HR	2	8	8
Other	7	9	12

The Group trains its employees in approved training institutions, and in parallel develops its own training modules internally with the aid of specially qualified staff members.

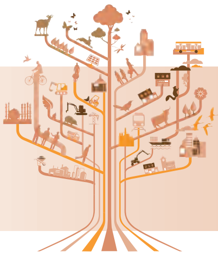
What is original about this process is the integrated nature of the instruction provided. Compulsory regulatory training (for example, of heavy equipment drivers, or crane hands), because of its repetitive character, risks seeming "disconnected" from everyday realities, bringing about a general demotivation on the part of the employees concerned. These types of training are therefore integrated, as far as possible, into broader subject areas. As an illustration, an employee receiving training as a handling machine driver may also receive training on the subject of waste product packing, landfill and labeling.

3.2.5.2 Training modules taught

3.2.5.2.1 Total

Number of employees or hours taught	2012	2013	2014
Number of training modules taught	2 579	3 540	3 629
Number of employees trained		1 280	1 354
Number of hours taught	24 328	30 196	29 955

15: LA11. 16: In previous years, health training expenses were included in the "environment, quality and safety" category.



3.2.5.2.2 *Breakdown of training modules taught, by category of trainees*

Number	2012 M	2012 W	2012 T	2013 M	2013 W	2013 T	2014 M	2014 W	2014 T
Executives	267	123	**390**	449	196	**645**	506	175	**681**
Supervisors	910	179	**1 089**	1 177	183	**1 360**	1 036	177	**1 213**
Clerical	272	98	**370**	339	171	**510**	348	185	**533**
Workers	722	8	**730**	1 015	10	**1 025**	1 143	59	**1 202**
TOTAL	**2 171**	**408**	**2 579**	**2 980**	**560**	**3 540**	**3 033**	**596**	**3 629**
% men/women	*84.2*	*15.8*		*84.2*	*15.8*		*83.6*	*16.4*	

M: men – W: women – T: total

3.2.5.2.3 *Breakdown of number of trainees, by category* [17]

Number	2012 M	2012 W	2012 T	2013 M	2013 W	2013 T	2014 M	2014 W	2014 T
Executives				174	70	**244**	178	66	**244**
Supervisors				303	88	**391**	304	68	**372**
Clerical				112	101	**213**	118	100	**218**
Workers				424	8	**432**	497	23	**520**
TOTAL				**1 013**	**267**	**1 280**	**1 097**	**257**	**1 354**
% men/women				*79.1*	*20.9*		*81.0*	*19.0*	

M: men – W: women – T: total

3.2.5.2.4 *Breakdown of training hours taught by category of trainees*

Hours	2012 M	2012 W	2012 T	2013 M	2013 W	2013 T	2014 M	2014 W	2014 T
Executives	3 054	1 287	4 341	3 872	1 697	5 569	4 599	1 534	**6 132**
Supervisors	7 459	1 533	8 992	8 315	1 175	9 490	7 683	1 205	**8 888**
Clerical	2 492	605	3 097	3 070	1 301	4 371	2 647	1 242	**3 889**
Workers	7 792	106	7 898	10 704	64	10 768	10 759	288	**11 047**
TOTAL	**20 797**	**3 531**	**24 328**	**25 961**	**4 237**	**30 198**	**25 687**	**4 268**	**29 955**
% men/women	*85.5*	*14.5*		*86.0*	*14.0*		*85.8*	*14.2*	

M: men – W: women – T: total

17: New indicator from 2013.

3.2.5.2.5 ***Individual training rights (DIF)***

At Dec. 31 of previous year (in hours)	2012	2013	2014
Cumulative training rights not used	154 531	153 507	160 408
Rights converted into commitments to future training	704	428	130

3.2.6 *Equality of treatment*

3.2.6.1 Male/female equality [18]

Please refer to the chapter on the promotion and respect of ILO conventions (§ 3.2.7).

3.2.6.2 Handicapped persons [19]

100% of employees work in a structure which has concluded an agreement on handicapped workers. The Group has signed an agreement with the French organization AGEFIPH (Fund Management Organization for the Professional Integration of People with Disabilities) under which Séché Environnement undertakes to undertake various actions on all Group sites with a view to recruiting handicapped persons and to maintaining handicapped present members of staff in employment.

Number of beneficiaries [20]	2012	2013	2014
In-company	44	53	58
Sub-contractors in the protected sector	6	6	8
TOTAL	**50**	**59**	**66**

3.2.7 *Promotion and respect of ILO conventions*

3.2.6.7 Freedom of association and the right to collective bargaining [21]

3.2.7.1.1 ***General policy***

The Group's position is expressed in Point 4 of its Code of Behavior and Actions, which was updated in 2013:

"Séché Environnement, as a key participant in society, strictly respects political, religious and philosophical neutrality:

- *The group refuses to contribute financially to candidates, elected representatives or political parties;*
- *Any employee may of course take part individually in political life, outside the workplace and outside working hours, but no employee may make use of the Group's image in support of his or her commitment;*
- *The Group restricts its participation to the financing of associations or foundations, or to sponsoring operations under current legislation, provided that such operations respect the framework of values and priorities defined by the Group."*

3.2.7.1.2 ***Organization and conduct of workplace dialog***

Negotiations are held under the terms of government regulations and collective agreements, and in particular the various official collective bargaining agreements applicable to the Group.

This resulted in 27 agreements being signed in 2014:

- workplace equality: 6
- mandatory annual negotiations: 8
- profit-sharing agreements: 2
- participation agreements: 7
- future-oriented manpower and skills planning: 1
- adjustments to working time: 1
- conflict resolution: 2

18: LA14. 19: LA13. 20: Values determined in February at the time of making the official declarations. 21: HR5 ; LA4.

3.2.7.1.3 *Employee representation*

Number of labor union delegates	2012	2013	2014
TOTAL	**22**	**20**	**18**

3.2.7.1.4 *Employee representatives*

Number of employee representatives	2012	2013	2014
Number	27	28	31
Number of meetings	51	31	80

3.2.7.2 Abolition of discrimination in employment and occupation [22]

The Group is involved in the respect of human rights in all their various forms (freedom to join labor unions, prohibition of forced, compulsory and child labor, respect of indigenous populations, etc.) However, it does not regard itself as highly exposed to these risks, since the Group's operations are mainly located in France, where all salaried employees are covered by a collective bargaining agreement, and where union and employee representative meetings take place under regulations governing industrial relations, and where application of the law prohibits any behavior contrary to human dignity.

The Group will not allow itself to practice discrimination of any kind, whether based on race, color, creed, gender, sexuality or anything else, whether in the areas of recruitment or appointment, or during the execution or at the termination of the work contract.

The Group usually recruits locally, and is rarely faced with problems of this kind. It intends to strive further to maintain balance in the following key areas:

- gender: in an industry where complete gender parity is not achievable because of the arduous nature of certain jobs, the Group offers equality of opportunity (for example: 24.1% of executives are women, while 22.4% of its employees in general are women);
- generation: the age distribution is balanced, with an average employee age of 41 years and employees over the age of 45 representing 40.2% of all employees;
- experience: the length of service distribution is balanced, at around an average of 10 years.
- 90% of all employees are covered by a workplace equality agreement. The other 10% are not covered by such an agreement because they work in structures of fewer than 50 employees, where such agreements are not compulsory.

Séche Environnement is committed to respecting employees' private lives, and has never been the subject of a complaint of any kind in this respect, either from employees or third parties.

3.2.7.3 Abolition of child labor [23] and elimination of forced or compulsory labor [24]

Séché Environnement refuses to countenance child labor and forced or compulsory labor, either directly or through the intermediary of sub-contractors working in or on the Group's sites and facilities. The Group does not purchase supplies or investments from or in countries which do not respect this ethic. Given the geographies in which the Group is active, it is not significantly exposed to these risks.

22 : HR4 ; LA13 & LA14. 23 : HR6. 24 : HR6 & HR7.

.3 .3 Environmental information

3.3.1 *General policy on environmental matters*

3.3.1.1 Organization to take account of environmental aspects

3.3.1.1.1 General policy

Séché Environnement's activity is the recovery and treatment of waste products (except radioactive waste), for all types of customers (private sector and local authorities).

All Séche Environnement sites are officially classified "IPCE" (for the protection of the environment), and respect the stipulations of the prefectoral authorization needed to operate each site (volume and nature of waste to be treated, standards for atmospheric emissions and water-borne effluents, etc.) The traceability of waste throughout the recovery and treatment process, and the observance of environmental standards, are controlled by the authorities.

Thus it is part of the very nature of Séché Environnement to adapt its industrial facilities to reduce their impact on the environment, as soon as new regulations prescribe new maximum or minimum values. These measures are undertaken under the control of the regional environmental authorities (the so-called DREALs) using a broad range of measuring techniques for physico-chemical and biological measurements, such as biodiversity or measuring air quality using lichens. The Group's objective is to treat waste in the interests of the planet, while respecting regulatory standards.

Séche Environnement cannot however set absolute environmental objectives for itself, since the Group's emissions and effluent depend on the quality and mix of the waste products it receives from its customers for treatment. This is particularly true for industrial waste, which tends to be more heterogeneous.

NB:

This means that the Group is unable to commit to an absolute level of performance in terms of atmospheric emissions of sulfur, for example, since such emissions depend on the volume and sulfur content of the waste received from its customers for treatment. Another example illustrates the complete dependence of the Group on the nature of the waste received from its customers for treatment: its inability to limit through proactive policies the amount of final waste it produces. Final waste is almost non-existent in the case of incineration of liquid waste, but, at the other extreme, in the case of treatment of polluted land, the same weight of pollutant will remain as final waste at the end of the process. On average, the mass of clinker produced is about 20% to 30% of the mass of waste entering the process.

3.3.1.1.2 ISO 14001 and MASE certifications

All the Group's industrial activities are certified ISO 14001. Only transportation is not so certified, since the ISO 14001 standard does not deal with this activity. However, it does adhere to other reference systems such as Charte CO_2 for transportation, which aims to reduce greenhouse gas emissions in that sector.

Two of the Group's incineration sites are certified ISO 50001 for their energy management: Béarn Environnement and Alcéa.

3.3.1.2 Organization and information

3.3.1.2.1 Internal organization

This policy is managed by the Director of Industrial Operations who is a member of general management.

A specific post of Director of Health, Safety and Eco-responsibility reports to him. This manager is responsible for monitoring and coordinating the day-to-day actions in this area of different sites. On the ground, each site has its own Health, Safety, Environment and Quality (HSEQ) Manager.

3.3.1.2.2 Information policy

3.3.1.2.2.1 Regulatory level

Local environmental policies are monitored and discussed in local information and monitoring committees known as CLIS [25] or CSS [26] which bring together industry, the authorities, local council members, local associations and residents, etc. At these meetings, environmental results are presented annually, in addition to the returns made to the regional environmental authorities (the DREALs [27]).

3.3.1.2.2.2 Open sites policy and site visits

Opening its sites to customers is not only a process for getting to know each other, it is the expression of Séché Environnement's desire for transparency, and part of its corporate culture. It is also a prime way of giving information to and educating the public, in which Séché Environnement can demonstrate the pride of its employees at their workplace and explain the future of waste management, and show the resources that waste may still contain, provided it has been properly sorted at the appropriate stage.

Visitors are invited to discover the methods and concrete actions implemented in order to protect health, the environment in general, and biodiversity, in particular on landfill sites. These are often located in rural areas, which lend themselves best to these demonstrations.

In 2014, more than 6 000 visitors were welcomed, in over 400 visits, to whom should be added further visitors who were welcomed for specific open day events.

3.3.1.2.2.3 New communications technologies

Séche Environnement began implementing new communications tools in 2011 to broaden the means of communicating with its

25: CLIS: local information and supervision committees. 26: CSS: site monitoring committees. 27: DREAL: regional environment, territorial planning and housing authorities.

stakeholders (employees, associations, institutions, etc.) through the internet: corporate website, blog and Facebook.

3.3.1.3 Resources devoted to preventing risks and pollution [28]

3.3.1.3.1 *Organization*

All Group sites are classified for the protection of the environment, and therefore hold internal operations plans (POI) and prevention and intervention plans (PPI) related to their geographical locations.

Safety audits are performed with insurance companies in particular, and verifications are carried out by the DREAL authorities. Simulation exercises are held with outside emergency services called SDIS [29] such as firefighters, with the objective of mutual instruction.

The Group has set up at general management level an emergency room which can be activated in times of crisis, to mobilize resources as necessary to restore people and property to safety, and to ensure a rapid return to orderly existence. The emergency room will also manage communications fully transparently.

3.3.1.3.2 *Illustrations*

We give below a few examples of measures taken which go beyond technical requirements.

- Noise: management of truck and heavy equipment movements (itineraries and timings) and fitting of sound-proofing hoods on certain types of technical installation such as motors;
- Dust: water sprinkling and/or the planting of shrubs to prevent dust fly-off; gas washing and electrostatic precipitators for incinerator emissions;
- Odors: working in the windward direction on limited surfaces, and covering sites with an active carbon filter at nights and on weekends, and masking odors from the storage of household waste; for incinerator pits, closed buildings equipped with air extractors.

3.3.1.4 Provisions and guarantees for environmental risks [30]

3.3.1.4.1 *Ordinary activities*

As of the date of writing the present report, Séché Environnement has no knowledge of any pollution generated by its activities and/or for which the necessary measures have not been taken to ensure complete rectification of the problem.

3.3.1.4.2 *Supplemental expenses* [31]

Only supplemental expenses incurred for the prevention, reduction or repair of damage caused, or liable to be caused, to the environment by the company's activities may be taken into account. Provisions for 30-year monitoring and site rehabilitation are included in these expenses, which are related to:

- elimination of waste products and efforts undertaken to limit quantities of waste produced;
- initiatives to combat ground, surface water and underground water pollution;
- preservation of air quality and of the climate;
- noise reduction;
- protection of biodiversity and landscapes.

Only supplemental expenses identifiable as such can be taken into account. For example, construction of a waste water treatment facility would count as an environmental expense. However, maintenance costs incurred over the following years would lose their "environmental" character, while supplemental expenses incurred to increase the sewage treatment capacity beyond its initial level would be considered to be environmental expenses.

The following are excluded from the scope of this definition:

- *fines and penalties;*
- *expenses whose prime objective is not the protection of the environment;*
- *expenses which could have a positive influence on the environment, but whose primary objective is to satisfy other needs, such as to improve profitability, hygiene or safety in the workplace (for example, new sorting centers).*

Eco-investments correspond to capital expenditure on projects for the protection of the environment (including methods, techniques, processes or equipment, or parts of these), provided that the objective is to collect, treat, monitor, control, reduce, prevent, or eliminate pollutants and/or pollution and/or any other deterioration of the environment resulting from the ordinary activities of the company.

28: EN 30. 29: SDIS: local fire and rescue service. 30: EC 2. 31: As defined in Recommendation no. 2003-r02 dated October 21, 2003 of the Conseil National de la Comptabilité (French national accounting standards council).

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Eurostat classification	CHANGES IN PROVISIONS FOR ENVIRONMENTAL EXPENSES AND RISKS						OPERATING EXPENSES	INVEST-MENTS	TOTAL EXPENSES
	January 1, 2014	Allocations	Write-backs used	Write-backs not used	Other changes	December 31, 2014	Non-provisioned expenses	Capital expenditure	December 31, 2014
3.3.1.4.2.1 **By category**									
Protection of ambient air and the climate	-	-	-	-	-	-	-	-	71
Waste water management	-	-	-	-	-	-	-	3	143
Waste management	-	-	-	-	-	-	-	-	152
Protection and cleansing of soil, underground water and surface water	-	-	-	-	-	-	-	21	132
Actions to combat noise and vibrations	-	-	-	-	-	-	-	172	-
Protection of biodiversity and the landscape		-	-	-	-	-	-	-	10 -
Protection against radiation	-	-	-	-	-	-	-	-	-
Research and development	-	-	-	-	-	-	-	-	-
Other activities for the protection of the environment	16 248	16 248	1 882	659	457	-	17 014	-	1 588
TOTAL	**16 248**	**16 248**	**1 882**	**659**	**457**	**-**	**17 014**	**205**	**2 086**
3.3.1.4.2.2 **By type of action**									
Pre-treatment, treatment and elimination	-	-	-	-	-	-	-	-	1 550
Measurements and controls	-	-	-	-	-	-	-	205	261
Recycling, recovery	-	-	-	-	-	-	-	-	
Prevention of pollution	16 248	16 248	1 882	659	457	-	17 014	-	275
TOTAL	**16 248**	**16 248**	**1 882**	**659**	**457**	**-**	**17 014**	**205**	**2 086**

3.3.2. *Environmental impacts of waste management*

3.3.2.1 *Water supply, consumption and discharge*

3.3.2.1.1 Water policy

Concerning the management of water (rainwater and water from treatment processes), working areas are watertight, and water is collected and treated on site. Most of the treated water will be re-used on site, either as process inputs (for stabilization), or for washing trucks, cleaning the site or watering garden areas. Aside from water used for sanitation, certain sites are self-sufficient (such as Changé) or return greater quantities to the natural environment than they consume (for example, the physico-chemical plant at Hombourg).

3.3.2.1.2 Water consumption [33]

Sources of supply in thousands of cubic meters	2012	2013 restated	2014
Incineration	4 057	3 073	3 239
Other	233	192	191
TOTAL IN THOUSANDS OF CUBIC METERS	**4 290**	**3 265**	**3 430**

2013 published data: 4 119, of which 3 927 in incineration.

In addition to water consumed for sanitation and cleaning purposes, certain treatment techniques consume significant quantities of water. This is notably the case for purification systems associated with the wet treatment of exhaust gases from incinerators, and the stabilization of final waste before landfill. Significant programs aimed at achieving savings and improving recycling have been implemented in recent years, leading to a constant reduction in water consumption.

3.3.2.1.3 Origin of water consumed [34]

Sources of supply in thousands of cubic meters	2012	2013 restated	2014
TOTAL CONSUMED, IN THOUSANDS OF CUBIC METERS	**4 290**	**3 265**	**3 430**
Of which extracted from water table	*3 785*	*2 900*	*2 898*
Of which taken from drinking water networks		*358*	*382*
Proportion extracted from water table	88.2%	93.7%	88.7%
Water recycled from treatment processes (consumption avoided)		193	175

2013 published data: 4 119 of which 3 748 from water table (94.9%) and 364 from drinking water networks for incineration plants.

Water is taken either from water mains or watercourses, or by pumping it from wells, none of which is situated in a RAMSAR-protected wetlands area.

The quantity of water drawn from the water table is not significant in relation to ground water reserves (less than 5%), and there is no risk that the level of these reserves will be caused to fall. Most ground water is drawn at Saint-Vulbas (Ain) and Salaise (Isère) from non-fossil reserves maintained there in large quantities by Alpine run-off.

In the absence of an industrial water supply, drawing water from the water table in this way has a lesser environmental impact than taking it from a drinking water supply network, where the water would have been previously treated to make it fit for human use, whereas this is not necessary for industrial use.

Recovery initiatives have been implemented on certain sites, for example recycling rainwater or the use of leachates from stored waste in treatment processes, in particular for pre-landfill stabilization of hazardous waste products.

33: EN8. 34: EN9 - only water recycled as part of the treatment process is counted here, to the exclusion of water re-used for watering vegetation or washing trucks or roads.

3.3.2.1.4 *Water returned to the natural environment* [35]

Water returned, in thousands of cubic meters	2012	2013 restated	2014
TOTAL IN THOUSANDS OF CUBIC METERS	**2 542**	**2 508**	**2 393**
Of which returned via a waste water treatment facility		*2 419*	*2 393*
Relative to consumption	59.3%	77.0%	70.0%

2013 published data: 2 812 of which 2 714 via a waste water treatment facility (68.4%).

Part of the water discharge occurs as water vapor from thermal processes. Discharges of water in liquid form are made after the water has been treated and its quality is checked in terms of the different chemical substances it may contain. The parameters used are, for example, the METOX index for heavy metals, chemical oxygen demand (COD) and suspended solids.

It goes without saying that Séché Environnement, because of its activities and the way it is organized, never voluntarily discharges any chemical substance, oil or hydrocarbons into the natural environment. No accidental discharge has been observed in recent years.

The principal sources of discharges into the aquatic environment are:

- leachates from landfill, which are relatively pure, and are partially re-used in stabilization;
- physico-chemical treatment facilities;
- wet treatment of exhaust gases from incinerators

The aquatic environment receives discharges via special waste water treatment facilities into fast-moving watercourses (e.g. the discharge from Salaise at 100 cubic meters per hour into the Rhône river, which flows at an average rate of 3.7 million cubic meters per hour). No discharges are made into sensitive areas or milieus.

3.3.2.1.5 *Quality of water returned to the natural environment* [36]

Contaminants in tonnes per year	2012	2013 restated	2014	
Soluble salts	5 132	7 400	6 903	✔
Chemical oxygen demand (COD)	759	245	197	✔
Suspended solids	50.3	22.3	21.5	✔
Total metals	2.1	1.4	1.0	✔
METOX index	7.3	4.8	2.3	✔
AOX	-	11.5 [37]	1.0	✔

2013 published data: soluble salts 8 921; chemical oxygen demand (COD) 249; suspended solids 22.7; total metals 1.7; METOX index 6.0; AOX 11.7 (corrected value, following publication in error of a value of 0.9 in respect of 2013).

3.3.2.2 Raw materials consumed: quantities and origins [38]

Consumption in thousands of tonnes	2012	2013	2014
From internal recovery from waste	93		New classification from 2013 onward
External purchases	45		
TOTAL IN THOUSANDS OF TONNES	**138**		
% of tonnage treated	*6.3%*		
% recovered from waste	*67.4*		

35: EN10. 36: EN21 - the large increase in soluble salts is explained by an understatement of this line in 2011 and 2012, when, in error, Trédi Saint-Vulbas was not consolidated against this criterion. 37: In 2013, Opale Environnement had part of its leachates, which were particularly abundant in that year, treated in a waste water treatment plant outside its own premises. For this reason, AOX emissions were accounted for under off-site treatment facilities, less efficient than the site's own reverse osmosis facilities. In 2014, this subsidiary treated all its leachates internally. Therefore AOX emissions were accounted for internally.
38: EN1 & EN2 – the list of raw materials liable to contribute to the production of GHGs was revised in 2013

The activities which consume the most raw materials as a proportion of tonnage of waste treated are landfill and stabilization, followed by physico-chemical treatment and incineration. Consumption of raw materials depends on the nature of the waste to be treated (reactive or "chemical" products) and the work to be performed (construction of landfill cells, building materials, etc.) Part of the Group's raw materials needs are covered by internal recycling: waste products, once sorted and treated, can constitute raw materials for the Group's own activities. This new approach to analyzing consumption of inputs began in 2013. The list of raw materials comprising "consumption" has been widened to include products entering into the calculation of GHG emissions, in anticipation of a possible future move by the Group to scope 3.

Consumption in thousands of tonnes	2012	2013 restated	2014
Raw materials purchased (chemicals)		28	31
Raw materials purchased (for building works)		96	114
Total raw materials purchased in thousands of tonnes		**125**	**145**
Raw materials recovered from recycling (building works)		147	131
TOTAL RAW MATERIALS PURCHASED IN THOUSANDS OF TONNES		**272**	**276**
% recovered from waste		*54.5%*	*47.9%*

2013 published data: chemicals 29; total raw materials purchased 126; % recovered from waste 54.2%.

3.3.2.3 Impact of atmospheric emissions [39]

Emissions in tonnes per year	2012	2013 restated	2014
Nitrogen oxides in tonnes of NO_2	546	402	368 ✓
Sulfur dioxide in tonnes of SO_2	339	137	285 ✓
Hydrochloric acid in tonnes of HCl	6.1	7.3	7.2 ✓
Dust in tonnes	13.9	7.5	11.9 ✓
Dioxins and furans in grams	0.092	0.092	0.094 ✓

2013 published data: NO_2 485 tonnes; SO_2 159 tonnes; HCl 9.7 tonnes; dust 10.5 tonnes; dioxins 0.149 grams.

Incineration plants discharge gaseous effluents and dust particles, the cleaning of which is checked very carefully. The principal gases checked for are hydrochloric acid (HCl), sulfur dioxide (SO_2) because of their acidifying power, carbon monoxide (CO) and nitrogen oxides (NO_x), a source of eutrophication.

Emissions in tonnes per year	2012	2013 restated	2014
Volatile organic compounds (VOCs)	-	-	-
Incineration (channeled sources)	11.4	3.9	3.6 ✓
Chemical recovery	39.0	38.3	40.1 ✓
Landfill [40]	33.9	11.7	56.4 ✓
TOTAL	**84.3**	**53.9**	**100.1** ✓

2013 published data: incineration 4.2; total 54.2.

39: EN1, EN2. 40: Published values for 2012 and 2013 were understated for the biogas recovery facilities at Drimm.

Photochemical pollution consists of a set of complex phenomena which lead to the formation of ozone and other oxidizing compounds. Among the sources of these substances are volatile organic compounds (VOCs), produced mainly in the Group's solvent regeneration and incineration activities. Measuring these substances is a delicate task, and one that only began recently. Consequently, the perimeters of these measurements are extended from year to year. Increases in the values measured should not therefore be analyzed as increases in quantities emitted, but rather as improving knowledge of these flows in view of their capture.

3.3.2.4 Land use [41]

A team of ecologists has been active since 1994 ensuring integration of landfill sites into the surrounding landscape. Overall plans are drawn up to preserve sensitive ecological areas, such as wetlands in particular, and simulations are carried out to facilitate exchanges with local residents. During ongoing operations, this team works to ensure a good natural balance, planting local species of trees and plants. It checks that sites are in good order using scientific indicators (IBGN biotic index, bird counting according to the methods of the French National Museum of Natural History, amphibian counting, etc.). The countryside is monitored by means of a dashboard which points up the extent of surfaces as seen from outside the site, showing natural areas, industrial facilities, temporarily visible waste, etc.

A survey carried out using the methods of France's National Biodiversity Strategy reveals 1 344 hectares of land in use by the Group at December 31, 2014.

3.3.2.5 Prevention, recycling and elimination of waste [42]

Séché Environnement's business being waste treatment, the Group produces final waste which is merely what remains after treatment of the 2 204 million tonnes of waste it receives from its customers.

Similarly, and with the same reservations as to the nature and volume of waste received for treatment, Séché Environnement sets itself the priority of recovering energy and/or materials where possible (for example, chromic acid baths or sludge containing metals such as nickel, zinc or molybdenum).

The success of materials recovery depends on the quality of the sorting carried out beforehand on the waste received from customers, to enable recycling. The quality of sorting by the waste producer is of the greatest importance, but lies outside the Group's influence. To optimize its own sorting operations, especially the sorting of used packaging, the Group embarked in 2011 on modernizing its non-hazardous waste sorting platforms, introducing a high degree of automation and state-of-the art technologies such as optical sorting and ballistic sorting. The Group's initial investments in facilities to manufacture solid recovered fuel (SRF) for sale form part of this reasoning in terms of materials recovery.

Hence, Séché Environnement does not itself generate waste, but rather treats waste, extracting value from it, reducing its volume and concentrating its hazardous character into "waste waste" or final waste which is then placed in secure landfill, insulated from any possible contact with the biosphere.

From 2013 onward, statistics in this connection are based on the European system, which distinguishes between recycling (R) and disposal (D). This concerns only waste from operations, and no longer includes volumes of materials recovery carried out on behalf of customers (solvent regeneration, sorting of household waste, etc.).

Recovery in thousands of tonnes (criterion R)	2012	2013 restated	2014
Recovery from production of hazardous waste		7.6	11.2
Recovery from production of non-hazardous waste		89.0	151.7
TOTAL IN THOUSANDS OF TONNES		**96.6**	**162.9**

2013 published data: HW 8; NHW 93; total 100.

Waste production in thousands of tonnes (criterion D)	2012	2013 restated	2014
TOTAL HAZARDOUS WASTE IN THOUSANDS OF TONNES		**127.5**	**139.7**
Of which redirected to another Group site		*91.6*	*97.2*
TOTAL NON-HAZARDOUS WASTE IN THOUSANDS OF TONNES		**68.1**	**106.2**
Of which redirected to another Group site		*22.9*	*95.5*

2013 published data: HW 135.6, of which redirected 91.6; NHW 81.5, of which redirected 36.3.

41: EN11. 42: EN2.

3.3.2.6 Energy [43]

Total in GWh/year	2012	2013 restated	2014
ENERGY PRODUCTION		**704.7**	**620.4** ✓
External sales of energy		559.1	555.7
Internal production and consumption		145.6	64.7 ✓
Purchases of energy		208.8	218.7 ✓
CONSUMPTION OF ENERGY		**354.4**	**283.4**
Energy self-sufficiency		199%	219%

2013 published data: production 1 014.0; sales 763.8; internal production and consumption 250.2; purchases 246.8; self-sufficiency 204%.

The formula for calculating energy self-sufficiency was revised in 2013 to include the Group's own energy consumption, and now constitutes the present indicator.

Future trends are related to the volume and mix of waste received from customers for treatment.

3.3.3 *Climate change*

3.3.3.1 Carbon accounting (article 75 of the "Grenelle" Law)[44]

Article 75 of French Law no. 2010-788 dated July 12, 2010, requires companies to account for greenhouse gas (GHG) emissions under the BEGES system. Séché Environnement began calculating its GHG emissions several years ago. Since 2011, it has applied the regulatory BEGES carbon accounting methods based on Bilan Carbone® V7, initiated by ADEME, the French agency for energy use and the environment, and now managed by the Association Bilan Carbone. The reference period for the first GHG report conducted under these arrangements was the fiscal year 2011.

In compliance with regulations, the operating scope includes all sites likely to emit GHGs directly or indirectly in connection with energy use, i.e. categories or scopes 1 (GHG emissions from either fixed or moveable sources which are controlled by the corporate entity) and 2 (GHG emissions from the production of electricity, steam or heat, imported and consumed by the corporate entity for the benefit of its own operations).

The carbon cycle is a bio-geo-chemical cycle resulting from complex exchanges between the atmosphere, the oceans, living matter and mineral substances.

The short-term biomass carbon cycle

While it grows, biomass assimilates carbon by photosynthesis. Later, its natural degradation through putrefaction in the form of CO_2 and CH_4 naturally releases the carbon stored earlier: this is the short, or biogenic carbon cycle. In this natural, balanced cycle, the impact on the green-house effect of biogenic CO_2 is considered to be close to zero.

Consequently, it is generally admitted that carbon originating in biomass (biodegradable matter, cardboard, organic household waste, etc.) and reemitted as CO_2 during waste treatment, has little or no impact on the greenhouse effect. The global warming potential (GWP) of CH_4, however, is much greater, and often attributable to human activity, for example the partly anaerobic landfill of waste, and must therefore also be taken into account.

The very long-term fossil carbon cycle

The carbon contained in fossil matter was trapped in cycles of several million years in "geological reservoirs", practically without any exchange with the atmosphere over numerous millennia. Burning fossil fuels or matter containing carbon of fossil origin, such as plastics, throws the "natural" carbon cycle out of balance, by injecting massive quantities of CO_2 and CH_4 into the atmosphere, adding net carbon to the atmosphere on a time scale of the order of 100 years.

As a result:

Carbon of fossil origin contributes, on this time scale, to increasing the concentration of CO_2 in the atmosphere and has a decisive impact on climate change.

Biogenic carbon must be quantified separately, since it is considered not to have an impact on climate change. In the case of waste treatment, biogenic carbon comes from the fermentable component of waste.

43: EN3, EN4 & EN5. 44: EN16 & EN17.

GHG emissions for scopes 1 + 2 in Kt eqCO_2	2012	2013 restated	2014
Bilan Carbone® - fossil carbon	Article 75 calculation method not used in 2012	608.1	603.9
Bilan Carbone® - biogenic carbon		287.3	299.4
BILAN CARBONE (BEGES) - TOTAL CARBON		**895.4**	**903.3**
Uncertainty of the Bilan Carbone measurement		133. 4	158.8

2013 published data: fossil carbon 726.2; biogenic carbon 439.9; total carbon 1 161.1; uncertainty 226.7.

3.3.3.2 GHG emissions avoided [45]

3.3.3.2.1 *Principle*

Atmospheric emissions from the treatment of waste depend on the type of waste and the process employed. For example:

- landfill with production of methane: the regulations provide only for the flaring off of methane produced, in order to reduce its global warming potential, which is 25 times greater than carbon dioxide. The Group recovers this methane by producing electricity and steam: the reduction is the same, but the Group avoids GHG emissions because of this energy production which would otherwise have necessitated consumption of a fossil fuel. Since the carbon concerned here is biogenic carbon, under the Bilan Carbone® method these emissions avoided will no longer be accounted for as such;
- incineration with production of energy: first and foremost, the Group possesses smoke treatment equipment which enables it to comply with regulations. Energy production gives rise to a certain quantity of GHG emissions avoided.

R&D efforts have also made it possible to reduce other GHG emissions such as nitrogen oxides by injecting urea into the smoke treatment process, and by capturing the CO_2 present in smoke by means of membrane techniques which have recently been patented;

- treatment of industrial gases: these techniques make it possible to reduce considerably GHG emissions, especially when applied to gases such as CFCs or sulfur hexafluoride (SF_6), which have a global warming potential of 25 000 to 29 000 times that of CO_2.

3.3.3.2.2 *Emissions avoided by energy recovery*

GHGs avoided for scopes 1 + 2 in Kt eqCO_2	2012	2013 restated	2014
BILAN CARBONE® – EXCLUDING OWN ENERGY CONSUMPTION	**ND**	**34.8**	**39.9**

2013 published data: 40.0.

3.3.3.2.3 *Emissions reduced by the treatment of industrial gases with high global warming potential*

Emissions are reduced by the treatment of gases such as CHCs, halons, sulfur hexafluoride (SF_6) with a very high global warming potential (25 000 to 29 000 times that of CO_2).

GHGs reduced in Kt eqCO_2	2012	2013	2014
GHGs reduced excluding industrial gases treated [46]	2 507	4 776	2 920

45: EN18. 46: Values recalculated for 2012 on the basis of an accurate inventory of gases received, which can only be known after treatment has taken place (at the end of the semester following the year-end), with extrapolation to 2013.

3.3.3.3 Adaptive measures

3.3.3.3.1 *Transportation of waste by road*

An important part of Séché Environnement's striving to offer its customers a complete service is its dedicated waste transportation subsidiary, which in December 2010 was awarded the "Target CO_2: Carriers Undertake" accreditation, in recognition of its efforts in the context of a voluntary approach to reducing CO_2 emissions.

3.3.3.3.2 *Transportation of waste by waterway*

Séché Environnement is very aware of the impact of road transportation on densely populated areas, and therefore also initiated in recent months an alternative transportation solution based on the use of waterways for inert waste from the Paris region, destined to be recovered for use in a landscaping operation in the lower Seine valley. To this end, the Group opened a 4 000-square-meter platform in the port of Gennevilliers, near Paris, for this waterway traffic.

3.3.3.3.3 *Transportation of waste by rail*

Séché Environnement is a partner in a multimodal platform project in the Mayenne départment, which opened in 2013. A stretch of disused railroad has been brought back into service at Longuefuye, to convey waste to the Changé site. Partnering with a transportation company and other local industrial operators enabled enough volume to be created to justify reopening the line.

3.3.3.3.4 *Transportation of waste: double multimodal site at Salaise-sur-Sanne*

By virtue of its activity, Séché Environnement is in permanent contact with nature, both on its own sites and elsewhere, through its relationships with its neighbors and its role as a land occupier. Its activity is not so much dependent on its surroundings, as having a potential impact on them.

The link which unites Séché Environnement with the biodiversity surrounding its sites is all the stronger because, as a significant landowner, it is able to implement coherent actions for the preservation and monitoring of animal and plant species. The fruits of these actions go beyond the neighborhoods of its own sites because of the exchanges which exist from one territory to another by means of so-called ecological corridors.

The biodiversity which the Group seeks to preserve is that which surrounds it on a daily basis, that which often goes unnoticed, and is often considered common or ordinary. But it is biodiversity that will bring about the territorial richness of tomorrow.
This is the guiding philosophy behind Séché Environnement's environmental policy, respecting that which exists, in order not to mortgage the future.

In this spirit, Séché Environnement subscribes to France's National Biodiversity Strategy (SNB). Its commitment was recognized by the Ministry for ecology, sustainable development and energy in January 2014, marking the launch of implementation of the Group's three-year action plan. The Group benefits from expertise provided by the LPO (French League for the Protection of Birds) to formalize its commitments. The LPO will accompany the deployment of the Group's action plan.

The Group's commitment is fourfold:

1. Place actions in favor of biodiversity in a continuum of space and time, stimulating progress widely throughout the subsidiaries of the Group.

2. Make biodiversity a cause that will bring people together within the Group.

3. Use biodiversity as a lever to invigorate stakeholders and customers.

4. Develop people's interest in preserving biodiversity by means of an artistic or cultural approach.

The idea of shared biodiversity has been integrated by the Group into its global approach toward protecting natural milieus from the very beginning of every industrial project, aiming to preserve typical landscapes with well-defined characteristics and special interrelationships.

Based on the results of the studies it carries out, and resolute in its desire to preserve local natural heritage, Séché Environnement integrates its sites, from the design stage onward, into a customized landscape plan, designating the natural areas to be protected, and setting out the broad outlines of rehabilitation programs. These "ecologically sensitive" areas belong to geographical regions where the most vulnerable species and/or prominent features of the landscape such as rare trees have been identified.
It has been a purely internal decision by the Group to list them, independently from and in addition to regulatory requirements to list protect spaces (such as Natura 2000, ZNIEFF or natural areas of ecological, flora and fauna interest, ZICO or bird protection areas, etc.)

Beyond the particular protection status granted to such areas, the different species of flora and fauna present are systematically monitored, especially species of avifauna and amphibians which are bio-indicators of air and run-off water quality.

These monitoring campaigns are carried out by naturalists who belong to trained operating teams set up for the purpose, especially for the monitoring of amphibians, urodeles or chiroptera. In the case of avifauna, the monitoring protocol is provided by the French National Natural History Museum, whose "STOC" program for monitoring bird populations over time is based on observations by local naturalists' associations, or by members of the LPO (the League for the Protection of Birds, a member of Bird-Life International).

The process can be summarized in a few points:

- preservation of areas of heritage significance identified at the beginning of the design stage of the project;
- monitoring the maintenance of biodiversity;
- non-dissociation of landscapes and biodiversity, i.e. integrating into landscape or renaturization programs those elements which can contribute to enriching biodiversity, paying particular attention to choice of plants, shrubs, trees, and seeds (preferably endogenous);
- management methods suitable for application in natural areas, especially using differentiated tools to determine resources and timing for the maintenance of protected natural areas and nearby areas (late mowing, ecological engineering of ponds and watercourses, conservation of dead trees etc.) Pastoralism can be useful in policies of this kind, for example using highland cattle to maintain wetlands, or ditch-dwelling goats of a disappearing local species to clear undergrowth from hilly areas which are inaccessible to humans.

From the outset, the Group has been sensitive to this dimension and has worked on the ground with associations and individuals who share these values. Its historical site has been an LPO bird sanctuary since 1994, and the Group's ISO 14001 certification for protection of the environment was achieved as early as 1996, a worldwide first for any company in this business.

Over 20 years ago the Group appointed a naturalist-ecologist to ensure that this dimension of respect for biodiversity is integrated into every decision and every action. This team has expanded over the years, and collaboration began with the National Natural History Museum. Today, all sites have long since integrated the STOC program for monitoring common bird populations over time. Other projects are in progress, studying amphibians, chiroptera and other species present on the Group's sites. These projects are open to the public in a spirit of sharing knowledge.

The Group's social responsibility report gives the details of these measures, and their results over the years.

.3 .4 Commitments to society [47]

3.4.1 *Territorial, economic and societal impacts*

3.4.1.1 Employment and regional development [48]

3.4.1.1.1 Redistribution of revenue

K€	2012	2013	2014
Employees (wage bill and employer charges)	98.8	101.1	105.3
Suppliers	245.5	270.5	257.0
Shareholders (dividends)	11.2	8.2	8.2
Financial establishments	10.7	12.0	14.0
State and local authorities	35.1	35.7	35.1
Value retained by the enterprise	51.9	41.6	25.1
TOTAL REVENUE	**441.9**	**469.1**	**444.7**

3.4.1.1.2 Links to the local community

3.4.1.1.2.1 Employees' places of residence

% of employees	2012	2013	2014
% of employees living < 50 km from the workplace	90	90	91

3.4.1.1.2.2 Local taxation: economic contribution to the local economy

	2012	2013	2014
in K€	2 606	4 487	5 458
In local jobs equivalent	59	102	124

3.4.1.1.3 Cooperation with educational establishments

3.4.1.1.3.1 Work placements (internships) for > 1 month

Number	2012	2013	2014
Executives	3	6	4
Other employees	24	18	21
TOTAL	**27**	**24**	**25**

47: The Group's commitments to society are detailed in its corporate social responsibility report. 48: EC8 & EC9.

3.4.1.1.3.2 Apprenticeship tax paid

K€ Payments made to	2012			2013			2014		
	E	O	T	E	O	T	E	O	T
Regional institutions	21	186	**207**	31	221	**252**	35	75	**110**
National institutions	6	1	**7**	5	3	**8**	22	185	**207**
TOTAL	**27**	**187**	**214**	**36**	**224**	**260**	**57**	**260**	**317**

E: executives – O: others – T: total

3.4.1.1.3.3 **Contributions to education and teaching**

The Group opens its sites to customers, elected representatives, local residents, associations and school groups. Visitors are invited to discover the means implemented and the concrete actions carried out to protect public health, the environment in general, and biodiversity, especially on landfill sites which, being situated in rural areas, tend to be the most appropriate for this purpose.

Also, the Group continues to develop privileged relationships with higher education establishments in a framework of exchanges between industry and universities.

3.4.1.2 Neighboring or local populations [49]

Séché Environnement, with its national footprint of waste treatment and landfill facilities in various regions of France, contributes to the development of those regions both by the local recruitment of most of its employees (91% of employees live less than 50 km from their workplace) and by indirect job creation in local communities.

Employee purchasing power fuels local economies. The same is true for recourse to subcontracting for activities that are remote from the core business of the Group (security, cleaning and maintenance, among others). Indirect job creation in local communities should be added to these direct effects, in the transport, hotel and restaurant services which the Group regularly uses, although it is difficult to quantify these.

Finally, the fact that a region has a waste treatment unit in its area of influence is an asset for its industrialization policy: the plant is an essential part of its infrastructure, in the same way as the development of industrial land, the availability of utilities (energy, water and industrial gases) or connections to communication networks.

3.4.2 *Sub-contractors and suppliers*

K€	2012	2013 [49]	2014
TOTAL SUB-CONTRACTING EXPENSE	**80 972**	**86 260**	**89 474**
% sub-contracting/revenue	*18.4%*	*18.4%*	*20.5%*

3.4.3 *Relations with stakeholders*

3.4.3.1 Regulatory communication

As the main sites of the Group are officially designated for the protection of the environment, their prefectoral operating authorizations require them to convene local information and monitoring committees (CLIS) or site monitoring committees (CSS) under the control of the authorities.
These committees are tripartite bodies for dialog, bringing together industry, citizens (local residents, associations, etc.) and the authorities. When prefectoral authorizations come up for review, exhaustive impact statements are made available to local residents, daily dialog is initiated and public meetings make it possible to answer questions from interested parties.

3.4.3.2 Dialog with stakeholders

Séché Environnement carries out its activities in a spirit of partnership, or at least complementarity, with major active non-governmental organizations (NGOs), especially in the fields of protection of the environment and the preservation of public health.

49: EC1 & EC6. 50: Change in accounting method in 2013. The corresponding amount for 2012 would have been EUR 80 972 thousand.

In addition to this permanent dialog with associations for the protection of the environment concerning the usefulness to society of the Group's activities and its manner of carrying them out, Séché Environnement also initiates targeted partnerships for initiatives to preserve biodiversity around its sites. In 2012 and 2013, an agreement was implemented with the French League for the Protection of Birds (LPO) on the occasion of the latter's centenary, and marking the launch of Séché Environnement's National Biodiversity Strategy plan.

Séché Environnement is convinced that the protection of biodiversity will be a major issue over the coming decades, both as regards its own activities and on a broader scale.

The identification and value analysis of an environment, including appraisal of its biodiversity, must make it possible to reconcile as far as possible the management of so-called natural areas, on the one hand, with areas for industrial or domestic use, on the other, principally where activities needing large land areas are concerned.

To this end, it is necessary to identify the different environmental pressures on these land areas, including sites other than those classified Natura 2000 or situated in regional natural parks or similar areas. Biodiversity is at the very heart of human activity, so its preservation must be taken into account intrinsically in all human activities, as is the case for water and air outputs from industrial processes.

The eco-compatibility of plants, the choice of seeds, differentiated land management and the restoration of wetlands are other factors contributing to protecting biodiversity at the Group's sites. The results from monitoring, particularly from the STOC program to monitor avifauna populations, in collaboration with the French National Natural History Museum, are testimony to the effectiveness of the measures adopted in past years. In line with our aim of continuous improvement, new ecosystem monitoring programs for other fauna groups are currently being implemented.

3.4.4 *Fair practice*

3.4.4.1 Good business practice

Point no. 3 of the Code of Behavior and Actions issued by the Group to all employees contains the following instructions:

"Articulate clearly to customers and suppliers the Group's corporate social responsibility policy, and how it promotes sustainable development both in terms of production methods and in terms of modes of consumption.

Séché Environnement strives to go beyond simply satisfying its customers' elementary needs for waste management, by providing them with:

- *guarantees of the proper execution of the tasks entrusted to the Group, as the customer has a right to expect (management of the environmental impact of its activity, in compliance with regulations in force, and managing all risks);*
- *services at a cost compatible with the general economic environment;*
- *but also, as a promoter of sustainable development, help in managing waste positively, as opposed to the frequent initial reaction that waste is a constraint, by offering them an opportunity to take an active role in protecting the environment in all its social and societal aspects, thus contributing to the protection of health and nature in general.*

Together with its suppliers, Séché Environnement applies a responsible purchasing policy based on principles essentially derived from the following considerations:

- *production methods and modes of consumption absolutely must reduce the environmental and societal risks which today weigh on the planet;*
- *purchases are an important lever with which to extend and generalize good sustainable development practices, by involving the entire value chain, including suppliers;*
- *our responsible purchasing policy must favor a global cost approach.*

In this spirit, Séché Environnement develops partnering relationships to optimize the cost/benefit ratio of each operation."

No bad practice has been detected over the period.

3.4.4.2 Influence strategies and representation of interests

Séché Environnement does not practice isolated lobbying actions. The Group expresses itself through the professional structures of which it is a member. The person in charge is the Group Marketing Director, a member of general management.

3.4.4.2.1 *Representation of interests to stakeholders*

Séché Environnement shares its experience within professional associations and think tanks whose interests coincide with the Group's activities. The advanced technical nature of many subjects and the diversity of their areas of influence mean that a high degree of specialization is required.

The subjects treated are highly technical and necessitate the intervention of experts. The objective of this work is to decipher complexity and make it understandable to our talking partners, whatever their background, without however misrepresenting it, so that they can form their own considered opinions, and take informed decisions.

This work is essential if the Group is to communicate clearly and in an informed manner to decision-makers, to establish a transparent and lasting dialog in view of future regulatory activity which will foster sustainable growth while preserving the environment.

3.4.4.2.2 *Acting as a source of propositions and taking up public positions*

Since regulatory changes stem largely from consultations between national and European authorities, industry organizations representing the environmental sector take part in various working groups set up to draft future regulations.

These industry organizations make known and defend their positions to public authorities and elected representatives, bringing to the debate their expert knowledge and technical skills, while positioning themselves as a source of new ideas in a spirit of transparency and dialog with all stakeholders as they strive toward sustainable development

3.4.4.3 Actions to prevent corruption in all its forms

Point no. 7 of the Code of Behavior and Actions issued by the Group to all employees contains the following instructions:

"Ethics, integrity and legality in commercial relations are all related.

No employee may accept from a competitor, customer or supplier of the Group, or offer to them, any remuneration, gift or other advantage. Only gifts or invitations within acceptable limits according to common usage and anti-corruption laws may be tolerated. On no account may an employee solicit a gift or invitation.

It is prohibited to pay, offer or accept to pay bribes, or to grant undue advantages, directly or via an intermediary, to a public service agent or private person in any country with the intention of obtaining favorable treatment or of influencing the outcome of a negotiation in which the Group has a stake. Such practices are contrary to the law and international conventions on the fight against corruption in most countries.

Ethics and integrity require of all employees total probity in their working practices. All employees must avoid any situation which might give rise to a conflict between the interests of the Group and their own personal interests or those of their families. No employee may hold an interest in a supplier or customer company except by means of quoted shares purchased in the context of a share portfolio, and in compliance with rules prohibiting the use of privileged information. It is likewise prohibited to work for an existing or potential competitor, customer and/or supplier without the agreement of the Group."

No bad practice has been detected over the period.

3.4.4.4 Other actions in support of human rights

The Group has put in place an ethics alert mechanism which can be accessed by any employee (Point no. 8 of the Code of Behavior and Actions):

"The ethics alert mechanism enables any employee, in case of difficulty in interpreting the rules given in the Code of Behavior and Actions, or in case of doubt as to their application in a particular situation which might call into question the Group's responsibility or bring it or its image into disrepute, to refer the matter directly to the Director of Sustainable Development.

Its scope is limited to acts contrary to laws and regulations, or likely to cause serious damage to the functioning of society in general, or concerning the local community to which the originator of the alert belongs.

Alerts must be originated by an identified employee, and may be protected by a confidentiality agreement. In all cases, the act of originating an alert imposes a heavy responsibility on, and engages the ethics of, the originator. Alerts can only function on the basis of factual information communicated in good faith."

.3 .5 The consolidated sub-group Trédi SA

This chapter concerns specific data on Trédi SA in the context of responding to the requirements of article 225 of the French "Grenelle" law on the environment, according to the definitions of scope and data pertinence adopted for the entire Group.

3.5.1 *HR data*

3.5.1.1 Employment

3.5.1.1.1 Headcount in France

3.5.1.1.1.1 By category and gender

December 31	2012			2013			2014		
In headcount units	M	W	T	M	W	T	M	W	T
Executives	66	30	**96**	66	29	**95**	68	29	**97**
Supervisors	156	62	**218**	156	64	**220**	155	65	**220**
Clerical	6	34	**40**	3	37	**40**	2	30	**32**
Workers	166	2	**168**	152	1	**153**	146	4	**150**
TOTAL IN HEADCOUNT UNITS	**394**	**128**	**522**	**377**	**131**	**508**	**371**	**128**	**499**
% men/women	*75*	*25*		*74*	*26*		*74*	*26*	

M: men – W: women – T: total

3.5.1.1.1.2 By type of contract and gender

December 31	2012			2013			2014		
In headcount units	M	W	T	M	W	T	M	W	T
Permanent contracts	373	126	**499**	365	123	**488**	360	122	**482**
Fixed-term contracts	21	2	**23**	12	8	**20**	11	6	**17**
TOTAL IN HEADCOUNT UNITS	**394**	**128**	**522**	**377**	**131**	**508**	**371**	**128**	**499**
% of fixed-term contracts to total headcount	*5.6*	*1.5*	***4.4***	*3.2*	*6.1*	***3.9***	*3.0*	*4.7*	***3.4***

M: men – W: women – T: total

3.5.1.1.1.3 **Age distribution**

December 31, 2014	Men	Women	TOTAL
63 and > 63 years	4	0	**4**
from 57 to 62 years	32	5	**37**
from 55 to 56 years	24	8	**32**
from 50 to 54 years	67	20	**87**
from 45 to 49 years	70	25	**95**
from 40 to 44 years	57	26	**83**
from 35 to 39 years	47	14	**61**
from 30 to 34 years	39	18	**57**
from 26 to 29 years	23	5	**28**
< 26 years	8	7	**15**
Proportion of seniors (> 45 years)	53%	45%	49%
AVERAGE AGE	**44.9**	**42.8**	**44.3**

3.5.1.1.1.4 **Average headcount in full-time equivalents (FTE)**

December 31	2012			2013			2014		
In headcount units	M	W	T	M	W	T	M	W	T
Full-time equivalents	393.5	121.8	**515.3**	377.0	125.4	**502.4**	371.5	122.7	**494.2**
Monthly average	401.7	133.4	**535.1**	385.7	128.7	**514.4**	379.5	128.8	**508.3**

M: men – W: women – T: total

3.5.1.1.2 *Workforce changes over the year*

3.5.1.1.2.1 **Recruitments by type of contract and gender**

December 31	2012			2013			2014		
In headcount units	M	W	T	M	W	T	M	W	T
Permanent contracts	11	3	**14**	5	3	**8**	10	4	**14**
Fixed-term contracts	20	2	**22**	15	12	**27**	21	5	**26**
TOTAL IN HEADCOUNT UNITS	**31**	**5**	**36**	**20**	**15**	**35**	**31**	**9**	**40**
% men/women	*86*	*14*		*57*	*43*		*78*	*22*	

M: men – W: women – T: total

3.5.1.1.2.2 **Departures by reason and gender**

December 31	2012			2013			2014		
In headcount units	**M**	**W**	**T**	**M**	**W**	**T**	**M**	**W**	**T**
Resignations	2	2	**4**	1		**1**	3	2	**5**
Individual dismissals	14	4	**18**	9	2	**11**	4	1	**5**
Departures during trial period	-	1	**1**	-	-	**-**	-	-	**-**
Negotiated departures	5	3	**8**	-	1	**1**	2	1	**3**
Redundancies	2	5	**7**	-	-	**-**	1	-	**1**
Intra-Group transfers	2	-	**2**	1	-	**1**	-	-	**-**
Retirements and early retirements	1	-	**1**	2	1	**3**	4	1	**5**
Deaths	-	-	**-**	1	-	**1**	-	-	**-**
End of fixed-term contracts	27	8	**35**	23	6	**29**	20	7	**27**
Other	-	-	**-**	-	-	**-**	-	-	**-**
TOTAL IN HEADCOUNT UNITS	**53**	**23**	**76**	**37**	**10**	**47**	**34**	**12**	**46**
% men/women	*70*	*30*	-	*79*	*21*	-	*74*	*26*	

M: men – W: women – T: total

3.5.1.1.2.3 **Length of service distribution**

December 31, 2014	Men	Women	Total
< 1 year	19	9	**28**
from 1 to 5 years	42	17	**59**
from 6 to 10 years	63	24	**87**
from 11 to 15 years	73	19	**92**
from 16 to 20 years	42	16	**58**
from 21 to 25 years	49	23	**72**
from 26 to 30 years	60	15	**75**
> 30 years	23	5	**28**
AVERAGE LENGTH OF SERVICE	**15.9**	**14.5**	**15.5**

3.5.1.1.3 *Remuneration*

3.5.1.1.3.1 **Overall employment cost**

K€	2012	2013	2014
Gross wage bill	21 881	21 992	22 082
Employer SS contributions	11 043	11 042	11 126
OVERALL EMPLOYMENT COST	**32 245**	**33 034**	**33 208**

3.5.1.1.3.2 **Employee profit-sharing schemes**

K€ or headcount units	2012	2013	2014
Total profit-sharing reserves	215	-	-
NUMBER OF BENEFICIARIES	**595**	**-**	**-**
Total amount of profit share distributed	167	-	-
NUMBER OF BENEFICIARIES	**595**	**-**	**-**

3.5.1.2 Organization of work

3.5.1.2.1 *Organization of working time*

The official working week is 35 hours (33.6 hours for shift workers).

3.5.1.2.1.1 **Part-time employment**

December 31	2012			2013			2014		
Number of contracts	M	W	T	M	W	T	M	W	T
NUMBER	**2**	**26**	**28**		**24**	**24**	**1**	**27**	**28**

M: men – W: women – T: total

There was no recourse to short-time working during the period.

3.5.1.2.1.2 **Shift work**

Employees at December 31	2012			2013			2014		
working in shifts	F	A	T	F	A	T	F	A	T
2 shifts	-	53	**53**	6	46	**52**	-	25	25
3 shifts	-	8	**8**	-	-	-	-	8	**8**
> 3 shifts	-	144	**144**		136	**136**		135	**135**
TOTAL		**205**	**205**		**182**	**188**		**168**	**168**

F: fixed – A: alternating – T: total

No employees are engaged in repetitive activities according to the definition of assembly line workers [50].

3.5.1.2.1.3 **External (temporary) workers**

Number of hours worked	2012	2013	2014
TOTAL HOURS WORKED BY TEMPORARY STAFF	**71 440**	**71 623**	**83 620**

50: As defined by the Decree of May 10, 1976.

3.5.1.2.2 . *Absenteeism*

3.5.1.2.2.1 Number of days of absence

Number of days	2012	2013	2014
TOTAL	**13 707**	**8 866**	**11 216**
Average per employee	*25.6*	*17.5*	*22.5*

3.5.1.2.2.2 Absenteeism rate by reason

Number of days	2012	2013	2014
Sickness/long-term sickness	10 967	6 780	**7 632**
Maternity/paternity	481	521	**754**
Occupational and commuting accidents	257	507	**1 294**
Family events	236	266	**445**
Other	1 767	792	**1 092**
TOTAL	**13 707**	**8 866**	**11 216**

3.5.1.2.3 *Collective bargaining agreement*

Union des Industries Chimiques (UIC) for all employees.

3.5.1.2.4 *Organization of industrial dialog and collective agreements*

The policies implemented at Group level apply to Trédi SA, and are described in §3.3.5.

3.5.1.2.5 *Diversity and equality of opportunity*

The policies implemented at Group level apply to Trédi SA, and are described in §3.2.6 and 3.2.7.

3.5.1.2.6 *Worker activities: funds allocated to works councils*

K€	2012	2013	2014
TOTAL	**568**	**617**	**572**

3.5.1.3 Health and safety

The policies implemented at Group level apply to Trédi SA, and are described in §3.2.4.

3.5.1.3.1 *Work-related accidents*

Frequency rate with absence from work	2012	2013	2014
FR1 – Employees	16.1	17.9	27.9
FR1 – Employees + temporary personnel	-	17.7	27.8
Severity rate			
SR – Employees	0.45	0.82	1.13
SR – Employees + temporary personnel		0.76	1.03

3.5.1.3.2 *Expenditure to improve working conditions*

K€	2012	2013	2014
TOTAL	**1 216**	**673**	**799**

3.5.1.4 Training

3.5.1.4.1 The policies implemented at Group level apply to Trédi SA, and are described in §3.2.5.

3.5.1.4.1 *Budgets allocated*

	2012	2013	2014
AS A % OF TOTAL EMPLOYMENT COSTS	**2.95**	**2.9**	**2.9**

3.5.1.4.2 *Training modules taught*

	2012	2013	2014
Total number of modules or hours	-	-	396
Number of modules taught	1 379	1 636	1 344
NUMBER OF HOURS TAUGHT	**10 294**	**11 680**	**10 967**

December 31	2012			2013			2014		
Number of trainees	**M**	**W**	**T**	**M**	**W**	**T**	**M**	**W**	**T**
Executives	116	54	**170**	176	79	**255**	163	69	**232**
Supervisors	601	133	**734**	700	128	**828**	584	96	**680**
Clerical	6	60	**66**	6	72	**78**	-	39	**39**
Workers	407	2	**409**	473	2	**475**	384	9	**393**
TOTAL	**1 130**	**249**	**1 379**	**1 355**	**281**	**1 636**	**1 131**	**213**	**1 344**
% men/women	*82*	*18*		*83*	*17*		*84*	*16*	

M: men – W: women – T: total

December 31	2012			2013			2014		
Employees trained	**M**	**W**	**T**	**M**	**W**	**T**	**M**	**W**	**T**
Executives	-	-	-	53	25	**78**	47	21	**68**
Supervisors	-	-	-	153	59	**212**	141	36	**177**
Clerical	-	-	-	4	36	**40**		16	**16**
Workers	-	-	-	149	1	**150**	131	4	**135**
TOTAL	**-**	**-**	**-**	**359**	**121**	**480**	**319**	**77**	**396**
% men/women	-	-	-	*75*	*25*		*81*	*19*	

M: men – W: women – T: total

3.5.2 *Environmental information*

The policies implemented at Group level and the means deployed apply also to Trédi SA, and are described in §3.3. Potential audible, visual, atmospheric and hydric impacts are managed using the same technologies as in the rest of the Group.

They also include measures in support of biodiversity: Trédi sites are among the Group sites concerned by the National Biodiversity Strategy (see §3.3.4).

3.5.2.1 Water supply, consumption and discharge

3.5.2.1.1 *Water consumption*

Consumption in thousands of cubic meters	2012	2013	2014
TOTAL CONSUMED, IN THOUSANDS OF CUBIC METERS	**3 052**	**2 769**	**2 921**
Of which extracted from water table	*2 824*	*2 644*	*2 645*
Of which recycled from treatment processes	*64*	*98*	*81*
Of which taken from drinking water networks	*106*	*122*	*130*
Proportion extracted from water table	93%	95%	91%

3.5.2.1.2 *Water returned to the natural environment*

Water returned, in thousands of cubic meters	2012	2013	2014
TOTAL IN THOUSANDS OF CUBIC METERS	**2 174**	**2 170**	**2 059**
Relative to consumption	71%	78%	70%

3.5.2.1.3 *Quality of water returned to the natural environment*

Contaminants in tonnes per year	2012	2013	2014
Soluble salts	5 132	7 351	6 834
Chemical oxygen demand (COD)	130,7	138,0	135,1
Suspended solids	31,7	16,7	18,5
Total metals	2,0	1,2	0,8
AOX	0,8	0,9	0,9
INDEX IN TONNES PER YEAR	**2012**	**2013**	**2014**
METOX index	6.9	4.6	2.2

3.5.2.2 Impact of atmospheric emissions

The volume and nature of atmospheric emissions depend on the level of activity (volumes treated), but also on the mix of waste received and its chemical composition, especially its content of sulfur, halogens and other molecules. The residual content of these substances remaining in chimneys after smoke treatment has taken place are strictly controlled by the prefectoral authorization to operate.

Emissions per year	2012	2013	2014
Nitrogen oxides in tonnes of NO_2	252.5	272.4	239.9
Sulfur dioxide in tonnes of SO_2	35.7	37.3	35;1
Hydrochloric acid in tonnes of HCl	2.1	3.1	2;4
Volatile organic compounds (VOCs) in tonnes	2.9	3.3	2.7
Dust in tonnes	3.6	5.8	4.9
Dioxins and furans in grams	0.0674	0.0787	0.08706

3.5.2.3 Sustainable use of resources

3.5.2.3.1 *Raw materials consumed*

Consumption in thousands of tonnes	2012	2013	2014
TOTAL IN THOUSANDS OF TONNES	**25,8**		
New list of chemical substances		22,7	22,5

3.5.2.3.2 *Materials recovery*

Trédi specializes in the treatment of hazardous waste. Its priority objective being to ensure the health and safety of property and people, Trédi principally employs detoxification processes. This sector of activity provides few possibilities for recycling, which in general is only possible following a decontamination process or chemical treatment.

Materials recovery mainly yields metallic masses (from the decontamination of transformers), scrap iron (including that derived from clinker) and hydroxide sludge, which can be used in pyro-metallurgy.

Materials recovery in thousands of tonnes	2012	2013	2014
Hazardous waste	0.1	3.6	4.8
Non-hazardous waste	24.8	10.1	11.3
TOTAL IN THOUSANDS OF TONNES	**24.9**	**13.7**	**16.1**

The reporting method was changed in 2013 (see Group pages).

3.5.2.3.3 *Production of final waste*

The main technology used by Trédi is incineration (approximately 95% of the tonnage of waste received). This inevitably leads to production of clinker, of about 20% to 30% of the tonnage incinerated. Under current regulations, the origin of this clinker (from incineration of hazardous waste) means that it must be stored as hazardous final waste. No material recovery is permitted, and it cannot even be used in substrates in road construction. Other final waste includes residues from smoke treatment and sludge from gas neutralization and cleaning (about 6% of tonnages incinerated).

Production of final waste in Kt	2012	2013	2014
Hazardous waste	100.8	99.8	101.9
Non-hazardous waste	0.4	0.5	0.6

3.5.2.4 Energy

Total in GWh per year	2012	2013	2014
ENERGY PRODUCTION		**242.2**	**244.8**
External sales of energy	164.7	225.2	231.8
Internal production and consumption		17.0	13.0
Purchases of energy	130.4	69.6	67.9
CONSUMPTION OF ENERGY		**86.6**	**80.9**
Energy self-sufficiency		280%	302%

3.5.2.5 Climate change

3.5.2.5.1 *Greenhouse gases (GHGs) and carbon accounting*

Since Trédi has more than 500 employees, it is affected by article 75 of French Law no. 2010-788 dated July 12, 2010, which requires companies to account for greenhouse gas (GHG) emissions. The reference period for the first GHG report conducted under these arrangements is fiscal year 2011.

In compliance with these regulations, the operating scope includes all sites emitting GHGs directly or indirectly in connection with energy use, i.e. categories or scopes 1 (GHG emissions from either fixed or moveable sources, controlled by the corporate entity) and 2 (GHG emissions from the production of electricity, steam or heat, imported and consumed by the corporate entity for the benefit of its own operations).

Emissions for scopes 1 + 2 in Kt eqCO_2	2012	2013	2014
Bilan Carbone® - fossil carbon	**Article 75 calculation method not used in 2012**	351.3	346.6
Bilan Carbone® - biogenic carbon		15.6	15.9
BILAN CARBONE (BEGES) – TOTAL		**366.9**	**362.5**
Uncertainty of the Bilan Carbone® measurement		44.2	27.9

3.5.2.5.2 ***Greenhouse gases avoided***

In incineration, when the ovens have reached their operating temperature, waste burns by itself without using external fossil fuel sources (such as gas or petrol derivatives). The heat produced by this combustion is recuperated in a boiler in the form of steam which, in its turn, activates a turbine-alternator group to produce electricity. Energy recovery thus functions at these two levels (steam and electricity).

By convention, emissions avoided are considered equivalent to the emissions which would have been caused by producing the same quantities of energy or raw materials by classical production methods (average local energy system/production from raw materials).

In Kt eqCO_2 under French system	2012	2013	2014
Bilan Carbone®	**Article 75 calculation method not used in 2012**	3.8	4.0

3.5.2.5.3 ***Greenhouse gases avoided industrially***

The policies implemented at Group level apply also to Trédi SA, and are described in §3.3.3.2. Trédi is the only operator of these technologies in the Group.

3.5.3 *Commitments to society*

The policies implemented at Group level apply also to Trédi SA, and are described in §3.4.

The main subject areas concerned are:

- the territorial, economic and labor impacts of the company in terms of employment and regional development on neighboring or local populations;
- how dialog with stakeholders is organized, in particular with associations in support of the unemployed, educational establishments, associations for the defense of the environment, consumer organizations and neighboring or local populations;
- partnerships and sponsorships;
- integration into the purchasing process of societal and environmental issues.

chapter 4

FINANCIAL DATA

AT DECEMBER 31, 2014

.4.1 Consolidated financial statements at December 31, 2014

4.1.1 *Statement of the consolidated financial situation*

K€	Dec. 31, 2012 restated	Dec. 31, 2013	Dec. 31, 2014	Note
Goodwill	228 150	227 604	227 604	1.1
Intangible fixed assets included in concessions	19 212	43 620	44 720	
Other intangible fixed assets	6 480	11 328	11 454	1.2
Property, plant and equipment	168 882	164 925	163 811	2.1
Investments in affiliates	434	753	844	3
Non-current financial assets	4 778	5 358	8 681	4
Hedging instruments – non-current assets	-	-	-	4.3
Other non-current assets	2 105	1 501	3 067	4
Deferred non-current corporation tax assets	677	-	-	
Deferred tax assets	55 965	48 617	44 216	6
Non-current assets		486 683	503 707	504 397
Inventories	10 502	10 894	11 389	
Trade and other receivables	126 540	133 821	139 127	
Corporation tax receivables	12 593	2 171	411	
Current financial assets	131	90	1 038	
Hedging instruments – current assets	-	-	-	4.3
Other current assets	21 954	25 092	28 751	4
Cash and cash equivalents	22 597	28 032	38 756	4.1.3
Current assets	194 318	200 099	219 472	
Assets held for sale	4 111	714	351	
TOTAL ASSETS	**685 111**	**704 520**	**724 220**	
Share capital	1 727	1 727	1 727	8
Additional paid-in capital	299 079	290 931	121 486	9
Reserves	37 726	(44 414)	125 093	10
Net income (Group share)	(82 377)	8 685	9 844	
Shareholders' equity (Group share)	256 155	256 929	258 150	
Minority interests	378	117	130	
TOTAL SHAREHOLDERS' EQUITY		**256 532**	**257 046**	**258 281**
Other equity	31	102	131	
Non-current financial debt	218 154	222 630	241 824	4.2.1
Hedging instruments – non-current liabilities	3 307	1 773	547	4.3
Employee benefits	809	599	2 327	5.3
Deferred tax liabilities	-	-	-	6
Other non-current provisions	3 961	7 254	8 548	5
Other non-current liabilities	189	2 911	4 938	4.2.2
Non-current liabilities	226 420	235 166	258 184	
Current financial debt	28 000	30 788	29 829	4.2.1
Hedging instruments – current liabilities	744	155	596	4.3
Current provisions	9 872	8 842	1 904	5
Taxes payable	904	294	578	
Other current liabilities	162 123	171 413	174 367	4.2.2
Current liabilities	201 643	211 491	207 274	
Liabilities held for sale	486	714	351	
TOTAL LIABILITIES	**685 111**	**704 520**	**724 220**	

4.1.2 *Consolidated income statement*

K€	Note	Dec. 31, 2012 restated	Dec. 31, 2013	Dec. 31, 2014
REVENUE	**12**	**439 904**	**469 082**	**444 737**
Other business income		5 247	4 294	6 636
Transfers of expenses		2 163	1 469	16 944
Other external expenses		(170 426)	(186 065)	(176 790)
Taxes other than on income		(34 973)	(35 710)	(35 092)
Employee benefits expenses		(98 503)	(101 119)	(105 276)
EBITDA	13	78 808	78 610	82 251
Expenses for rehabilitation and/or maintenance of sites included in concessions		(8 805)	(10 574)	(10 038)
Other net operating expenses		(992)	(566)	(1 273)
Net allocations to provisions	14.2	630	(2 729)	(1 807)
Net allocations to amortization	14.3	(32 363)	(32 084)	(33 463)
CURRENT OPERATING INCOME	**14.1**	**37 278**	**32 658**	**35 670**
Income on sales of fixed assets		325	5	4 831
Impairment of assets		(395)	(191)	(123)
Consolidation scope variation effects		(1 025)	(413)	/
Other operating income and expenditure		(7 282)	(255)	(7 433)
OPERATING INCOME	**15**	**28 902**	**31 803**	**32 945**
Income from cash and cash equivalents		495	514	576
Gross financial borrowing costs		(10 739)	(12 015)	(14 014)
Cost of net financial debt		(10 244)	(11 501)	(13 437)
Other financial income	16.2	502	557	320
Other financial expenses		(146 382)	(989)	(917)
FINANCIAL INCOME	**16.1**	**(156 124)**	**(11 933)**	**(14 035)**
Corporation tax	17	54 029	(6 747)	(7 131)
INCOME OF CONSOLIDATED COMPANIES		**(73 193)**	**13 124**	**11 779**
Share of income of affiliates		(9 606)	(556)	(1 331)
NET INCOME FROM CONTINUING OPERATIONS		**(82 799)**	**12 568**	**10 449**
Income from discontinued operations		26	(3 855)	(550)
TOTAL NET INCOME OF CONSOLIDATION SCOPE		**(82 773)**	**8 713**	**9 898**
Of which minority interests		*(396)*	*28*	*54*
Of which attributable to equity holders of the parent		*(82 377)*	*8 685*	*9 844*
Net earnings per share		(9.61 €)	1.01 €	1.15 €
Diluted earnings per share		(9.61 €)	1.01 €	1.15 €

4.1.3 *Statement of net income and profits and losses directly recognized in equity*

K€	2012	2013	2014
Items not included in the income statement (A)			
Actuarial differences	(1 173)	(529)	(1 062)
Tax effects	403	182	347
Sub-total (A)	(770)	(347)	(715)
Items included in the income statement (B)			
Foreign currency differences	(130)	(395)	(122)
Change in fair value of financial hedging instruments	(459)	1 885	809
Change in fair value of available-for-sale financial assets	(179)	(205)	(147)
Share of profits and losses booked directly under shareholders' equity of affiliates consolidated	(4 115)	-	-
Tax effects	150	(661)	(278)
Sub-total (B)	(4 733)	624	262
SUB-TOTAL OF GAINS AND LOSSES BOOKED DIRECTLY UNDER SHAREHOLDERS' EQUITY	**(5 503)**	**277**	**(454)**
NET INCOME FOR THE PERIOD	**(82 773)**	**8 713**	**9 898**
NET INCOME AND PROFITS AND LOSSES BOOKED DIRECTLY UNDER SHAREHOLDERS' EQUITY	**(88 276)**	**8 990**	**9 444**
Of which attributable to equity holders of the parent company	*(87 881)*	*8 962*	*9 390*
Of which attributable to minority interests	*(395)*	*28*	*54*

4.1.4 *Statement of changes in consolidated shareholders' equity*

K€

	Share capital	Additional paid-in capital	Number of shares held as treasury stock
	Note 8	Note 9	
SHAREHOLDERS' EQUITY AT DEC. 31, 2011	**1 727**	**299 078**	**(3 348)**
Profits and losses booked directly in equity	-	-	-
Net income at Dec. 31, 2012	-	-	-
Net income and profit and losses booked directly in equity	-	-	-
Dividends paid	-	-	-
Treasury stock	-	-	19
Other changes	-	-	-
SHAREHOLDERS' EQUITY AT DEC. 31, 2012	**1 727**	**299 078**	**(3 329)**
Profits and losses booked directly in equity	-	-	-
Net income at Dec. 31, 2013	-	-	-
Net income and profit and losses booked directly in equity	-	-	-
Dividends paid	-	(8 148)	-
Treasury stock	-	-	(108)
Other changes	-	-	-
SHAREHOLDERS' EQUITY AT DEC. 31, 2013	**1 727**	**290 931**	**(3 437)**
Profits and losses booked directly in equity	-	-	-
Net income at Dec. 31, 2014	-	-	-
Net income and profit and losses booked directly in equity	-	-	-
Dividends paid	-	-	-
Treasury stock	-	-	(24)
Other changes	-	(169 445)	-
SHAREHOLDERS' EQUITY AT DEC. 31, 2014	**1 727**	**121 486**	**(3 461)**

	Consolidated reserves and net income	Profits and losses booked directly in equity	TOTAL ATTRIBUABLE TO EQUITY HOLDERS OF THE PARENT	Total attributable to holders of minority interests	TOTAL SHARE-HOLDERS' EQUITY
	Note 10				
	119 045	**(61 190)**	**355 313**	**781**	**356 093**
	1 234	(6 738)	**(5 504)**	1	**(5 503)**
	(82 377)	-	**(82 377)**	(396)	**(82 773)**
	(81 143)	(6 738)	(87 881)	(395)	(88 276)
	(11 140)	-	**(11 140)**	(10)	**(11 150)**
	-	-	**19**	-	**19**
	(156)	-	**(156)**	3	**(153)**
	26 606	**(67 928)**	**256 154**	**378**	**256 532**
	(60 535)	60 812	**277**	-	**277**
	8 685		**8 685**	28	**8 713**
	(51 850)	60 812	8 962	28	8 990
	-	-	**(8 148)**	(29)	**(8 177)**
	-	-	**(108)**	-	**(108)**
	69	-	**69**	(260)	**(191)**
	(25 175)	**(7 116)**	**256 929**	**117**	**257 046**
	-	(454)	**(454)**		**(454)**
	9 844	-	**9 844**	54	**9 898**
	9 844	(454)	9 390	54	9 444
	(8 145)	-	**(8 145)**	(41)	**(8 186)**
	-	-	**(24)**	-	**(24)**
	169 445	-	**-**	-	**-**
	145 969	**(7 570)**	**258 150**	**130**	**258 281**

4.1.5 *Consolidated statement of cash flows*

K€	2012 restated	2013	2014
Income of consolidated companies	**(73 193)**	**13 124**	**11 779**
Dividends received from companies consolidated by the equity method	*-*	*250*	*88*
Elimination of income and expenses with no cash impact or not related to operating activities:			
■ Amortization and provisions	199 649	(276 522)	34 853
■ Net capital gains on disposals	(313)	324 198	(4 386)
■ Deferred taxes	(54 533)	6 352	4 504
■ Other income and expenses	30	(114)	2 688
Cash flow from operating activities	**71 640**	**67 286**	**49 526**
Corporation tax	504	395	2 627
Cost of gross financial debt before long-term investments	(5 402)	(1 659)	11 152
Cash flow from operating activities before taxes and financing costs	**66 743**	**66 023**	**63 305**
Change in working capital requirement	(3 866)	(911)	(8 619)
Tax paid	(10 569)	11 093	(224)
Net cash flow from operating activities (A)	52 307	76 204	54 462
Cost of acquisition of fixed assets	(43 586)	(56 978)	(46 877)
Proceeds from disposals of fixed assets	2 648	2 083	9 036
Outflows for acquisitions of financial investments	(776)	(1 271)	(1 486)
Inflows from disposals of financial investments	101	172	73
Net cash outflows for acquisitions of subsidiaries	(16 319)	(239)	(175)
Net cash inflows from disposals of subsidiaries	-	120	-
Net cash flow from investment activities (B)	(57 933)	(56 113)	(39 429)
Dividends paid to equity holders of the parent	(11 140)	(8 148)	(8 145)
Dividends paid to minority shareholders of consolidated companies	(10)	(29)	(41)
Capital increases in cash	-	-	-
Treasury stock movements	37	(31)	(29)
Changes in other shareholders' equity	-	-	-
Borrowings	206 563	32 780	73 623
Repayment of borrowings	(176 141)	(27 485)	(56 592)
Interest paid	(14 986)	(11 359)	(12 643)
Net cash flow from financing activities (C)	4 322	(14 271)	(3 827)
TOTAL CASH FLOW FOR THE PERIOD, CONTINUING OPERATIONS (A) + (B) + (C)	**(1 303)**	**5 820**	**11 205**
Net cash flow from discontinued operations	(129)	(241)	(182)
TOTAL CASH FLOW FOR THE PERIOD	**(1 433)**	**5 579**	**11 023**
Cash and cash equivalents at beginning of year	24 005	22 516	27 733
Of which in continuing operations	*23 464*	*22 062*	*27 527*
Of which in discontinued operations	*541*	*454*	*205*
Cash and cash equivalents at end of year	22 516	27 733	38 630
Of which in continuing operations [1]	*22 062*	*27 527*	*38 614*
Of which in discontinued operations	*454*	*205*	*15*
Effect of changes in foreign exchange rates	(56)	(362)	(127)
Of which in continuing operations	*(99)*	*(355)*	*(118)*
Of which in discontinued operations	*42*	*(8)*	*(8)*

1: Of which:

Cash and cash equivalents	22 597	28 032	38 756
Short-term bank borrowings (current financial debts)	(534)	(505)	(141)

4.1.6 *Notes to the consolidated financial statements at December 31, 2014*

4.1.6.1. *Accounting principles and methods*

Point 1 ■ Accounting standards

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.

The Group previously elected to anticipate application of the following standards and interpretations for which application became mandatory on January 1, 2014: IFRS 10, IFRS 11, IFRS 12, IAS 27R and IAS 28R and their amendments. Mandatory application of these standards had no effect on the Group's financial statements for 2014.

When drawing up the financial statements at December 31, 2014, the Group did not elect to anticipate application of any standards due to become mandatory after January 1, 2014, but for which early application was permissible, namely:

- IFRS 9 "Financial instruments", which becomes mandatory on January 1, 2018, and which introduces new classification and measurement requirements and a new general hedge accounting model;
- IFRS 15 "Revenues from contracts with customers", which becomes mandatory on January 1, 2017, and which provides a frame of reference for the accounting of revenue, replacing the current standards IAS 18 "Recognizing revenue", IAS 11 "Construction contracts" and IFRIC 13 "Customer loyalty programs";
- amendments to IAS 16 and IAS 41 concerning manufacturing plant and agricultural activity, which do not affect the Group.

The Group is currently evaluating what impact application of IFRS 9 and IFRS 15 might have on its consolidated financial statements.

The financial statements were approved by the Board of Directors of Séché Environnement on March 2, 2015, and will be submitted for approval to the next Annual General Meeting. Financial data is presented in euros rounded to the nearest thousand. The financial statements have been prepared on the historical cost basis, 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. Due to the inherent uncertainty of any such valuation processes, estimates and underlying assumptions are continuously reviewed. Actual future results from these operations may differ from these estimates. The estimates made by the Group primarily concern the recoverable amount of tangible and intangible assets and the recognition of provisions (particularly, provisions for employee benefits). Point 10-4 in these notes to the financial statements outlines the key assumptions made by management to estimate the recoverable value of tangible and intangible assets, whereas Point 16-4 outlines those used to estimate provisions for employee benefits.

The accounting standards mentioned in the following notes were applied in the preparation of the financial statements at December 31, 2014.

Point 2 ■ Consolidation scope and consolidation method

The consolidation scope of Séché Environnement includes the consolidating parent company Séché Environnement SA and all the companies it controls, directly or indirectly, exclusively or jointly, or over which it exercises significant influence, and whatever their legal form. The subsidiaries are consolidated as of the effective date on which control was taken and until the date on which control was lost. In determining control and in compliance with the provisions of IAS 27, potential voting rights attached to financial instruments – which, if exercised, may provide Séché Environnement or its subsidiaries with a voting right – are taken into consideration.

Companies over which the Séché Group exercises exclusive control, either directly or indirectly, are fully consolidated. In compliance with IFRS 10, control requires exposure or rights to variable returns and the ability to affect those returns through power over an investee.

In conformity with IFRS 11, the Group classifies each of its interests in partnerships either as a joint arrangement, or as a joint venture, depending on the parties' rights to the assets and obligations for the liabilities relating to the arrangement. When determining this, the Group takes account of the structure and form of the arrangement, the legal form of the distinct vehicle, the terms agreed by the parties in the contractual arrangement, and, where appropriate, other facts and circumstances. Having examined these new measures, the Group has concluded that it is involved only in joint ventures. Therefore, accounting data concerning these are consolidated by the equity method, in accordance with IFRS 11.

Point 3 ■ Discontinued operations

A discontinued operation is a component of the Group whose activities and cash flows are clearly distinct from the rest of the Group's activities, and which:

- represents either a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation takes place at the moment of sale, or earlier if the activity meets the criteria for consideration as assets held for sale (for this, the group of assets concerned must be available for immediate sale in its present state, and the sale must be highly probable). Such classification consists in accounting for:

- all assets and all liabilities concerned by the said activity on a distinct line at the foot of the balance sheet, separated from assets and liabilities concerning continuing operations;
- all components of the income of the said activity on a distinct line in the income statement, separated from the income of continuing operations.

When an activity is classified as a discontinued operation, comparative income statement data must be restated as if the said activity had complied with the criteria for discontinued operations from the beginning of the comparison period.

Point 4 ■ Major transactions and comparability

No major transaction took place in 2014.

Point 5 ■ Conversion method

Séché Environnement's consolidated financial statements are presented in euros (EUR).

Point 6 ■ Conversion of transactions in foreign currencies

Transactions in foreign currencies are converted into euros at the exchange rate in effect on the transaction date. At the closing of the accounts, all assets and liabilities denominated in foreign currencies are converted at the exchange rate in effect on the closing date. Translation differences arising from this conversion are booked in the income statement.

Any current account advance made to a subsidiary abroad which is an integral part of the Group, when such advance is not expected or likely to be repaid in the foreseeable future, is considered as a net investment by the Group in that activity. For this reason, and in application of IAS 21, exchange differences attributable to such advances are booked as translation differences directly under shareholders' equity. When withdrawn from net investment, they are booked under income.

Point 7 ■ Conversion of the financial statements of foreign subsidiaries

The accounts of foreign subsidiaries are drawn up in the operational currency of each company.

In the Group's consolidated financial statements, balance sheet items are converted at the exchange rate in effect at the closing date. Income statement and cash flow statement items are converted using the average exchange rate for the year.

Foreign currency differences booked on both the balance sheet (difference between closing rates of the previous year and those applicable to the current year) and the income statement (difference between average rates and closing rates) are booked as follows:

- for the Group share, in consolidated shareholders' equity, under translation differences;
- for the third-party share, under minority interests.

Point 8 ■ Sector information

The CODM (chief operating decision maker) has access to financial data for each legal entity. These legal entities variously provide waste treatment services for hazardous (HW) and non-hazardous waste (NHW), for a highly diversified customer base consisting of local authorities and industrial companies, in a variety of industrial facilities, under a single regulatory framework, principally in France.

It should be noted that no single type of customer or treatment corresponds to a particular type of waste. No specific type of waste, waste treatment or customer corresponds to a particular legal entity. The offers made by the Group to its customers take account of this diversity in the nature of waste products and in methods for dealing with them. The continuing integration of the Group's activities serves increasingly to underline this fact.

Therefore performance evaluations and allocations of the Group's resources made by the CODM are based on the analysis of performance indicators which are undifferentiated in terms of legal entity, and which present the same economic characteristics across all legal entities.

Indeed, the Group considers itself as operating in a single sector, that of waste management.

Point 9 ■ Changes in accounting and accounting valuation methods

Point 9-1 ■ Changes in accounting methods

The Group did not implement any changes in the accounting principles and methods applied.

Point 9-2 ■ Changes in accounting valuation methods

The Group did not implement any changes in accounting valuation methods.

Point 10 ■ Tangible and intangible fixed assets

Point 10-1 ■ Goodwill

Goodwill is the difference between the purchase price of the Group's stake in an entity, and the fair value of that entity's net assets, liabilities, and identifiable potential liabilities at the date of acquisition. The fair value of acquired assets and liabilities can be corrected or adjusted during the 12 months following the acquisition, and goodwill will then be reassessed retrospectively.

If the recorded fair value of assets, liabilities, and identifiable potential liabilities exceeds the purchase price, the difference is immediately recognized as income.

If additional shares are purchased in a subsidiary which is already fully consolidated, no additional goodwill is recorded: such operations are considered as transactions between shareholders, and are therefore booked under shareholders' equity.

The value of goodwill is reassessed at least once a year, and whenever there is an indication of impairment. In such cases, the difference between book value and recoverable value is recognized as an operating expense, under impairment of assets, and is irreversible.

Point 10-2 ■ Other intangible fixed assets

The Group's other intangible fixed assets, booked as assets in conformity with IAS 38, consist mainly of:

- potential or actual operating rights; these represent the value paid out for a site in view of its intrinsic properties which make it particularly suitable for landfill operations;
- the intangible rights recognized in application of IFRIC 12 relative to concession arrangements (public service delegation contracts). The intangible assets recognized under this heading represent the right of the operator to charge the public for use of the infrastructure;
- development costs: these correspond to studies relating to technological innovation or improvements in the efficiency of facilities, safety and environmental protection. They are booked as assets when they meet the recognition criteria prescribed by IAS 38;
- patents and software.

Intangible assets with identifiable useful lives are amortized over their useful life expectancies.

Intangible assets with indefinite useful lives are reassessed for impairment under the procedure described in Point 10-4 of the present note on the accounting principles applied.

Point 10-3 ■ Property, plant and equipment

Property, plant and equipment are carried at their historical purchase or production cost, or at the cost of their constitutive components on their arrival in the Group, less cumulative amortization and any impairment recognized. When the components of property, plant and equipment have different useful lives, they are booked as separate assets.

The book value of property, plant and equipment is not revalued.

Amortization is determined on a straight-line basis according to the useful life of each component of property, plant or equipment. Amortization is calculated based on the book value of the asset, where appropriate net of residual value.

Property, plant and equipment	Amortization period (in years)
Buildings	5 to 25 years
Complex plant	2 to 20 years
Other equipment	1 to 20 years

Assets which are the subject of finance leases are restated on the balance sheet, in accordance with IAS 17, and outstanding lease payments are recorded as financial liabilities based on the original value of the assets:

- such assets are amortized according to the duration and method applied to equivalent goods owned by consolidated companies. However, where lease contracts do not provide for the certain, or highly probable, transfer of ownership at the end of the lease term, assets are amortized over the shorter of the lease term or the useful life of the asset;
- the debt thus recognized is amortized according to a schedule that determines the interest expense over a given period using the implicit interest rate set in the contract, applied to the capital remaining due at the start of the period;
- deferred taxes resulting from this restatement are recognized in the Group's financial statements according to the recognition principles for deferred taxes outlined in Point 18 of the present note on the accounting principles applied.

Point 10-4 ■ *Recoverable value of tangible and intangible fixed assets*

Tangible and intangible fixed assets must be subjected to impairment tests in certain circumstances:

- for intangible fixed assets with indefinite useful lives, and for intangible fixed assets in progress, impairment testing is performed at least once a year;
- for other fixed assets, testing is performed whenever there is an indication of impairment.

Fixed assets (tangible and intangible) subjected to impairment tests are grouped into cash-generating units (CGUs), i.e. groups of similar assets which generate independent cash flows:

- in France, due to the ever-increasing integration of the Group's activities, the development of its global offering, and consequently the nature of intra-Group transactions and flows, Séché Environnement deems it appropriate to consider all its activities in France as constituting one single CGU;
- outside France, the interdependence of flows in the Group's international businesses is penalized by increasingly demanding regulations which complicate cross-border flows between the countries where the Group operates. For this reason, the Group has deemed it appropriate to consider that it has five CGUs outside France, representing the five countries in which it operates: Spain, Mexico, Argentina, Hungary and Germany.

When the recoverable value of a CGU is lower than its book value, an impairment is recognized. Recoverable value corresponds to the higher of value in use, and fair value minus cost of sale.

Value in use is determined on the basis of estimated discounted cash flows. It should be noted that:

- estimated cash flows are calculated based on the consolidated business plans of each CGU, covering a period of 3 fiscal years excluding the current fiscal year, with years 4 and 5 being projected as identical to year 3. Like budgets, these business plans are drawn up based on the most accurate operational information available regarding past experience and trends in markets and techniques, and are reviewed by Group management to ensure consistency with existing strategy and the resulting investment policy;
- a terminal value is calculated for the sixth year, using year 5 flows on the basis of an annual perpetual growth rate of 1.53%. In 2013, the annual perpetual growth rate used was 1.56%;
- the discount rate used for 2014 is 5.78%. In 2013, the discount rate used was 6.51% and in 2012, 6.62%. The discount rate is chosen to reflect current market estimates of the average cost of capital. The choice of a single discount rate is justified by the fact that goodwill and intangible fixed assets with indefinite useful lives are almost entirely accounted for by companies in Europe which carry out their business almost entirely in Europe only. This discount rate is an after-tax rate applied to after-tax cash flows, and results in the same recoverable values as those calculated by applying pre-tax rates to pre-tax cash flows (as recommended by IAS 36).

Goodwill impairment is not reversible, and is recorded as an operating loss under impairment of assets. Impairment of property, plant and equipment is reversible, and is also recorded in operating income, under impairment of assets.

Point 11 ■ **Public service delegation (concession) contracts**

The Group is developing the portion of its business carried out as a concessionaire of public services. The contracts concerned are currently held by Béarn Environnement, Sénerval, Séché Eco-industries and Alcéa.

These contracts provide for transfer by the grantors of the right to operate certain dedicated infrastructures in exchange for remuneration:

- these infrastructures are either placed at the disposal of the operator free of charge, and may be improved by the operator while the contract is in force, or they may be constructed and then operated by the operator;
- the assets conceded must be employed in priority to the benefit of the activities conceded by the grantor authority (without any guarantee of volume or minimum remuneration). These contracts generally provide also for payment of a commission or indemnity to the authority, based on the results derived from business from other users of the service;
- the contracts also normally provide for the transfer to the grantor authority at the end of the concession of the assets conceded, under agreed conditions;
- the remuneration of the services provided may be subject to a price revision clause, usually based on movements in industrial price indices. When revenue from construction activities is clearly identifiable as such, and is distinct from revenue from use of the assets, the revision clauses concerning revenue from construction activities are closely correlated with changes in the cost of financing construction work;
- these contracts also generally provide for an obligation to maintain and repair the assets conceded.

Concession contracts are accounted for according to the interpretation IFRIC 12 "service concession arrangements", published in November 2006, and mandatory since January 1, 2010:

- infrastructures received free of charge from the grantor are not booked in the balance sheet as assets;
- the right to operate the infrastructures is recognized in the balance sheet, either as a financial asset if analysis of the contract concludes that the operator has an unconditional right to receive cash from the grantor, or as an intangible asset if analysis of the contract concludes that the operator should be considered as receiving from the grantor a right to charge users of the public service. Intangible assets recognized under the latter case are amortized on a straight-line basis over the useful life of the infrastructures generating the right;
- the construction or upgrading of existing infrastructures is booked at fair value in the income statement, according to IAS 11, and revenues from operating the services are booked according to IAS 18 as stated in Point 19 "Accounting treatment of revenues" of this note;
- costs of maintenance and repair are booked under expenses. They may be booked as accrued charges if there exists a time lag between the contractual commitment and its realization.

The main features of the various contracts in operation are as follows:

	Type of service	Duration	Price revision clause	Contractual revision of contract	Renewal option	Cancellation option
BÉARN	Construction Operation	Until 2019	Annual, according to index	No	No	Yes
SÉNERVAL	Construction Operation	Until 2030	Monthly, according to index	No	No	Yes, in case of serious failure, or in public interest
OLÉRON	Operation	Until 2013	Annual, according to index	No	Yes, 3 times 1 year	Yes
ALCÉA	Construction Operation	Until 2024	Annual, according to index	No	No	Yes

In the case of the Béarn contract, a codicil (no. 19) was signed on March 4, 2014 between the Company and SMTD limiting the duration of the contract to 20 years, in conformity with the ruling of the Conseil d'Etat in the "municipality of Olivet" case.

In the case of the Oléron contract, the annual renewal clause was activated, and this contract therefore remains in force until the end of 2015.

In the case of the Valaudia contract, on December 9, 2013, the Marseille administrative court of appeal confirmed the judgment of the Marseille administrative tribunal dated December 3, 2010 concerning alleged non-validity of the attribution of the public service delegation contract to the Séché Group (Séché Eco-industries and Valaudia) for the construction of a technical landfill site in the Aude département. The Conseil d'Etat rejected the arguments advanced by the local authority (Covaldem 11) and the Séché Group against the said ruling, which therefore became definitive. On December 19, 2014, the parties signed an agreement to terminate the contract, which provided for an indemnity of EUR 4 million to be paid to the Séché Group to cover the costs incurred in the project and part of the financial loss incurred as a consequence of lost business.

Point 12 ■ Public subsidies

The subsidies booked by the Group are mainly related to assets. These investment subsidies are booked in the balance sheet as other current liabilities under deferred income. Their carrying value is determined by the rate of amortization of the asset to which they are linked, and is booked under other operating income.

Any operating subsidies received are booked directly as revenue, under other operating income.

Point 13 ■ Financial instruments

Financial instruments used by the Group include:

- non-derivative financial assets: assets available for sale, loans and receivables, cash and cash equivalents;
- non-derivative financial liabilities: borrowings and other financings, current bank loans, operating debts;
- hybrid or derivative financial instruments: convertible bonds, subscription options, cash flow hedging instruments.

These are booked by the Group according to the principles laid down in IAS 39: they are initially booked at fair value, plus directly attributable transaction costs in the case of those instruments not booked at fair value through the income statement.

Point 13-1 ■ *Non-derivative financial assets*

Available-for-sale financial assets

Available-for-sale financial assets include mainly:

- shares in non-consolidated companies, whose fair value is determined by taking into account the last known Group share in shareholders' equity;
- other securities not meeting the definition of other financial assets, i.e. for the Group, other investments.

Any changes in the fair value initially recorded are booked directly in shareholders' equity, except where a prolonged or significant reduction in fair value is recognized (i.e. a reduction of more than 30% over a period of six consecutive months).

When these financial assets are sold, the amounts booked in shareholders' equity are restated as income.

Loans and receivables

This category includes receivables on non-consolidated equity investments, loans, deposits and bonds, as well as customer accounts receivable and other operating receivables (fiscal, social, and other).

This asset category is recorded at fair value when initially booked (which in most cases corresponds to their nominal value), then at their amortized cost (under the effective interest rate method) minus any impairment.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, sight deposits, term deposits and liquid investments in marketable securities. Callable overdrafts, which are an integral part of the Group's cash management policy, represent a portion of cash and cash equivalents for the purposes of the statement of cash flows.

Cash equivalents are predominantly comprised of money market SICAVs (open-ended mutual funds). They are recorded at fair value, and any changes in fair value are recorded as income.

Term deposits are available at any time, with a minimum guaranteed remuneration for each successive six-monthly tranche. Repayment on demand before maturity is possible without penalty. Interest receivable on these deposits is calculated for the period between the subscription date and the maturity date.

Point 13-2 ■ *Non-derivative financial liabilities*

The financial liabilities of the Group are recorded initially at their fair value less transaction costs, then at their amortized cost according to the effective interest rate method.

Point 13-3 ■ *Derivative instruments*

Hedging instruments

In order to manage its exposure to interest rate risk, the Group uses financial instruments that are listed on organized, over-the-counter markets with high-quality counterparties.

The Group mainly uses interest rate swaps, swaptions, caps, floors and collars to hedge the interest rate risk incurred on its financing commitments:

- swaps are used by the Group to switch from a variable rate to a fixed rate of interest. Gains or losses from these interest rate swaps used to hedge financial liabilities are booked symmetrically to any gains or losses from the liabilities hedged. The differential between interest payable and the interest receivable is booked as interest income or expense over the life of the liabilities hedged;
- swaptions are used by the Group to switch optionally from a variable rate to a fixed rate. When the option is exercised, the accounting principles governing swaps apply;
- caps, floors and collars are used to limit the risk of interest rate fluctuations in either direction on variable rate debt. Gains or losses from these instruments are booked symmetrically to any gains or losses arising from the liabilities hedged.

With respect to the hedging instruments used to hedge cash flows, the Group measures its derivative instruments at fair value:

- for derivative instruments eligible for hedge accounting, the effective portion of the hedging derivative's gain or loss is directly recorded under equity (re-booked on the income statement when the transaction takes place);
- for derivative instruments eligible for hedge accounting, the ineffective portion of the hedging derivative's gain or loss is recorded in the income statement.

Point 14 ■ Treasury stock

Treasury stock is recorded as a reduction in shareholders' equity. Profits and losses resulting from the sale of treasury stock, and related dividends, net of tax, are booked directly to shareholders' equity.

Point 15 ■ Inventories

In compliance with IAS 2, inventories are valued at the lower of cost and net realizable value. Net realizable value represents the estimated selling price in the ordinary course of business, minus the anticipated costs of completing the sale.

Point 16 ■ Provisions

Provisions are booked to the balance sheet when the Group has a present obligation (legal or implied) vis-à-vis a third party, and it is likely that the Group will have to draw on resources representing future economic benefits in order to extinguish that obligation.

A provision is booked to the Group's financial statements only on the condition that the amount of the resources outflow necessary to meet the obligation can be measured in a reliable fashion. In the absence of a reliable estimate, and/or where the Group believes it has strong and relevant arguments in its favor with regard to a contentious claim, no provision is booked. Any such information is presented in the chapter on disputes and exceptional events in the present notes to the consolidated financial statements.

The main provisions booked by the Group relate to thirty-year monitoring costs, site decontamination and various other risks and disputes.

Point 16-1 ■ *Provisions for thirty-year monitoring*

The European Parliament adopted a new European Directive on April 26, 1999 relating to the landfill of waste. Under this Directive, all costs related to the use of landfill sites must be included in the price for eliminating waste using this method, including installation and operation of the site, financial guarantees, site decommissioning and maintenance.

Furthermore, a French regulation dated September 9, 1997 requires long-term monitoring over 30 years of all facilities operating after June 14, 1999.

Accordingly, the Group books provisions for the thirty-year monitoring of its final waste landfill sites. These are determined authorization by authorization, and are constituted over the duration of their operation, pro rata to the site's estimated life expectancy. Costs are estimated for each authorization according to the Memorandum of the French Ministry for the environment dated April 23, 1999, the site's operating methods, and any specific requirements stipulated by the Prefect. These estimated costs are subject to a detailed review every three years, when financial guarantees are renewed. Thirty-year monitoring provisions covering more than 12 months are recalculated using an appropriate financial discount rate.

Point 16-2 ■ *Provisions for site decontamination*

Séché Environnement's activities can generate two different types of pollution: "accidental" or "chronic". In both cases, the Group implements the controls required to detect pollution of any kind generated by its activities. In addition to organized supervision of all discharged waste products and their impacts, the Group has also prepared an impact reduction plan to respond to any accidental incidents.

Provisions for site decontamination are booked once the Group is aware of a case of contamination and has been required to decontaminate the site by the relevant authorities (e.g. DREAL – the regional government department for the environment, land use and housing). Based on all available sources of information to date, Séché Environnement has no knowledge of any pollution resulting from the Group's activities.

Point 16-3 ■ *Provisions for other risks and disputes*

These are booked on the basis of the most likely assumptions.

In particular, in the event of a tax audit, the amount of the adjustment notified (or in the process of being notified) by the tax authorities is not the subject of a provision if both the company in question and the Group consider that the points raised are unfounded, or that its own position is reasonably likely to prevail in the course of the dispute with the authorities.

Point 16-4 ■ *Employee benefits*

Post-employment benefits consist of the Group's commitments in respect of end-of-career payments to retiring employees, and medals for long service.

Group commitments for long-service medals, an official French institution, are recorded as non-current provisions.

The Group's accumulated end-of-career commitments at the closing date of the period, minus external purchases, are accounted for in the form of provisions. If the accumulated total of end-of-career payments made exceeds the amount of the commitment at the balance sheet date, an accrued expense for the difference is recorded in the financial statements.

In the case of those subsidiaries consolidated by the equity method (Gerep and Sogad), the commitment is recognized in the form of provisions.

Regardless of the nature of the commitment (end-of-career payment or long-service medals), and whatever the accounting treatment used to recognize the commitment (expense or provision), the commitment is calculated on the basis of actuarial evaluations using the prospective, or projected unit credit method, taking into account:

- statistical data drawn from the TPF 2005 generational mortality table
- a turnover rate for each activity and social-occupational category determined on the basis of the historical data to which the Group has access, and a salary reassessment rate based on seniority, expected career profile, maintenance of purchasing power and collective bargaining agreements;

	2012	2013	2014
Turnover	between 3% and 7%	between 3% and 7%	between 3% and 7%
Reassessment of salaries	between 3% and 5%	between 3% and 5%	between 3% and 5%

- a discount rate of 2.25% (versus 3.67% in 2013 and 4.11% in 2012);
- an inflation rate of 1.68% (versus 1.75% in 2013 and 2% in 2012);
- a retirement age for executives of 67 years at the initiative of the company, and for non-executives of 65 years at their own initiative. The amount of the commitment is determined inclusive of social security contributions.

Actuarial variances are recorded under shareholders' equity, in accordance with amended IAS 19.

Point 17 ■ Borrowing costs

Interest on loans is booked in expenses in the fiscal year in which it was accrued, with the following exceptions:

- borrowing costs directly attributable to the purchase, construction or production of assets requiring a long preparation period before being able to be used or sold are incorporated directly into the costs of the assets;
- costs directly attributable to the establishment of financing or re-financing arrangements are deducted from the loan in question and recycled through the income statement using the effective interest rate method.

Point 18 ■ Corporation tax

Point 18-1 ■ Tax consolidation

The Group adopted the tax consolidation regime on January 1, 2000. The option for the tax consolidation regime was renewed on January 1, 2005 for a further five-year period, and is renewable automatically for further periods of five years. All French commercial companies in which Séché Environnement owns at least a 95% interest come under the scope of this regime.

Point 18-2 ■ Deferred taxes

In general, deferred taxes are computed on the timing differences that may exist between the book value of assets and liabilities and their tax base. They are calculated company by company using the liability method of tax allocation. In accordance with IAS 12, no deferred taxes are booked for the timing differences generated by goodwill, for which amortization is not deductible for tax purposes.

The net balance of deferred taxes is determined based on the situation of each tax entity. A deferred tax asset is booked only if the Company has a reasonable assurance of recovering the amount over the next few years, having due regard to the prospects for its activities and the tax regulations in force.

Point 19 ■ Accounting treatment of revenue

Revenue from the sale of goods is recognized under revenue from ordinary activities where:

- the majority of the risks and benefits associated with the ownership of said goods have been transferred to the buyer;
- the Group is no longer involved in the management of the goods, and no longer maintains effective control thereof;
- transaction costs incurred or likely to be incurred relative to the transaction can be measured in a reliable fashion.

Revenue from sales is recognized as follows:

- for the sale of services (the major part of the Group's activity), in compliance with IAS 18, i.e. at the time of completion of the service, and when it is probable that any related economic benefits will flow to entities of the Group;
- for construction contracts, in accordance with IAS 11, based on the percentage of completion method defined by that standard. The percentage of completion is measured on the basis of the amount of work actually completed. When it seems likely that the total cost of the contract will exceed the total amount of revenue, a loss on completion for the total difference is booked for the period

Revenue received from the Group's activities governed by mandates is recorded net of the expenses incurred by these same activities.

Revenue received from the Group's ordinary activities in the framework of public service concession contracts is booked according to interpretation IFRIC 12, and explained in Point 11 of the present note.

Point 20 ■ Financial items on the income statement

Point 20-1 ■ Income from cash and cash equivalents

Income from cash and cash equivalents mainly covers income from financial instruments held by the Group (convertible bonds), net of any provisions recorded, and income from the sale of cash equivalents, net of any impairment of cash equivalents booked as assets.

Point 20-2 ■ Financial borrowing costs

Gross financial borrowing costs include interest accrued on loans, calculated at the effective interest rate, and the cost of hedging interest rates on these same loans.

Net financial borrowing costs correspond to gross financial borrowing costs, minus income from cash and cash equivalents.

Point 20-3 ■ Other financial income and expenses

Other financial income and expenses correspond to income from loans and financial receivables, dividends paid by non-consolidated companies, foreign exchange gains, accretion of provisions and impairments on financial assets.

4.1.6.2 Consolidation scope

4.1.6.2.1 Parent company

Séché Environnement
A French limited company (Société Anonyme)
with share capital of EUR 1 726 974.
Les Hêtres
CS 20020
53811 Changé Cedex

4.1.6.2.2 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
Iber Trédi Medioambiental	Barcelona (Spain)		100.00	Full
Opale Environnement	Calais (France)	332 359 637	100.00	Full
Séche Alliance	Changé (France)	556 850 279	99.94	Full
Séché Eco-services	Changé (France)	393 307 053	99.98	Full
Séché Eco-industries	Changé (France)	334 055 183	99.99	Full
Séché Énergie	Changé (France)	808 420 541	100.00	Full
Séché Transports	Changé (France)	391 918 885	99.50	Full
Sénergies	Changé (France)	306 919 535	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 Trédi	(Mexico)		100.00	Full
Sotrefi	Étupes (France)	315 669 218	100.00	Full
Sénerval	Strasbourg (France)	519 253 355	99.90	Full
Speichim Processing	Saint Vulbas (France)	389 218 850	100.00	Full
Trédi Argentina	Buenos Aires (Argentina)		100.00	Full
Trédi SA	Saint Vulbas (France)	338 185 762	100.00	Full
Triadis Services	Étampes (France)	384 545 281	100.00	Full
UTM	Lübeck (Germany)		100.00	Full
Valls Quimica	Valls (Spain)		100.00	Full
Valaudia	Changé (France)	514 944 867	100.00	Full
Sogad	Le Passage (France)	322 323 783	50.00	Equity
Gerep	Paris (France)	320 179 559	50.00	Equity
Altergies	Paris (France)	510 346 133	18.84	Equity
SAS Laval Énergie Nouvelle	Laval (France)	808 190 375	35.00	Equity
SAEM Transval	Saint-Georges-les-Baillargeaux (France)	539 131 698	35.00	Equity
La Barre Thomas	Rennes (France)	392 583 563	40.00	Equity
Hungaropec	Budapest (Hungary)		99.57	Operation discontinued

4.1.6.2.3 ***Non-consolidated subsidiaries***

Certain equity investments were excluded from the consolidation scope. At December 31, these concerned only companies undergoing liquidation.

K€	% held by Group	Share capital	Latest profit or loss	Fair value of holding
Trading companies				
Trédi New Zealand [1]	100.00%	NC	NC	-

1: Company liquidation in progress .

4.1.6.3 Explanatory notes to the financial statements

4.1.6.3.1 ***Notes to the balance sheet***

NOTE 1 - INTANGIBLE FIXED ASSETS

NOTE 1.1 - GOODWILL

Goodwill breaks down by CGU as follows:

K€	France	Germany	Spain	TOTAL
Gross value				
Dec. 31, 2012 restated	**243 671**	**3 582**	**6 790**	**254 044**
Changes in consolidation scope	(546)	-	-	(546)
Increases	-	-	-	-
Decreases	-	-	-	-
Dec. 31, 2013	**243 125**	**3 582**	**6 790**	**253 498**
Changes in consolidation scope	-	-	-	-
Increases	-	-	-	-
Decreases	-	-	-	-
DEC. 31, 2014	**243 125**	**3 582**	**6 790**	**253 498**
Impairments				
Dec. 31, 2012 restated	**(20 220)**	**-**	**(5 674)**	**(25 894)**
Changes in consolidation scope	-	-	-	-
Increases	-	-	-	-
Decreases	-	-	-	-
Dec. 31, 2013	**(20 220)**	**-**	**(5 674)**	**(25 894)**
Changes in consolidation scope	-	-	-	-
Increases	-	-	-	-
Decreases	-	-	-	-
DEC. 31, 2014	**(20 220)**	**-**	**(5 674)**	**(25 894)**
Net value				
Dec. 31, 2012 restated	**223 451**	**3 582**	**1 117**	**228 150**
Changes in consolidation scope	(546)	-	-	(546)
Increases	-	-	-	-
Decreases	-	-	-	-
Dec. 31, 2013	**222 906**	**3 582**	**1 117**	**227 604**
Changes in consolidation scope	-	-	-	-
Increases	-	-	-	-
Decreases	-	-	-	-
DEC. 31, 2014	**222 906**	**3 582**	**1 117**	**227 604**

In the absence of indications of impairment losses, impairment tests are performed annually, on December 31. As a result of the impairment test carried out in 2014 (using the methods described in these notes to the consolidated financial statements, under accounting principles and valuation methods – recoverable value of tangible and intangible fixed assets), it was not necessary to book any impairment.

The most sensitive assumptions made in the evaluation of impairment tests are the discount rate and the perpetual growth rate on the one hand, and the revenue growth rate on the other. A 0.5 basis point increase in the discount rate would have the effect of understating the fair value of all of the Group's goodwill by EUR 85 million. Such a decrease would not lead the Group to recognize an impairment. A 0.5 point decrease in the perpetual growth rate would have the effect of understating the fair value of all of the Group's goodwill by EUR 69 million. A 1 point decrease in the annual revenue growth rate in the first three years of the business plan would have the effect of understating the fair value of all of the Group's goodwill by EUR 18 million, and would lead the Group to recognize an impairment of goodwill of EUR 3 million.

Furthermore, the discount rate sensitivity analysis did not reveal any probable scenario under which the recoverable value of any CGU would fall below its net book value.

NOTE 1.2 - TABLE OF CHANGES IN OTHER INTANGIBLE FIXED ASSETS

K€	Software, patents	Intangible fixed assets included in concessions	Other intangible fixed assets	TOTAL
Gross value				
Dec. 31, 2012 restated	**7 742**	**19 212**	**6 255**	**33 210**
Increases (investments)	455	25 377	772	26 604
Disposals (sale or scrap)	(223)	-	-	(223)
Other changes	125	-	8 190	8 315
Dec. 31, 2013	**8 098**	**44 590**	**15 218**	**67 905**
Increases (investments)	470	8 348	357	9 175
Disposals (sale or scrap)	(233)	-	(6)	(239)
Other changes	(22)	(4 493)	(68)	(4 582)
DEC. 31, 2014	**8 313**	**48 445**	**15 501**	**72 258**
Amortization				
Dec. 31, 2012 restated	**(7 300)**	**-**	**(214)**	**(7 514)**
Allocations	(461)	(969)	(8)	(1 438)
Write-backs	223	-	-	223
Other changes	46	-	(4 270)	(4 224)
Dec. 31, 2013	**(7 492)**	**(969)**	**(4 492)**	**(12 953)**
Allocations	(525)	(2 740)	(92)	(3 357)
Write-backs	233	-	6	239
Other changes	7	(16)	-	(9)
DEC. 31, 2014	**(7 777)**	**(3 725)**	**(4 578)**	**(16 080)**
Impairments				
Dec. 31, 2012 restated	**(4)**	**-**	**-**	**(4)**
Allocations	-	-	-	-
Write-backs	-	-	-	-
Other changes	-	-	-	-
Dec. 31, 2013	**(4)**	**-**	**-**	**(4)**
Allocations	-	-	-	-
Write-backs	-	-	-	-
Other changes	-	-	-	-
DEC. 31, 2014	**(4)**	**-**	**-**	**(4)**
Net value				
Dec. 31, 2012 restated	**439**	**19 212**	**6 041**	**25 693**
Increases (investments)	(7)	24 408	764	25 165
Disposals (sale or scrap)	-	-	-	-
Other changes	170	-	3 920	4 091
Dec. 31, 2013	**602**	**43 620**	**10 726**	**54 948**
Increases (investments)	(56)	5 609	264	5 817
Disposals (sale or scrap)	-	-	-	-
Other changes	(15)	(4 509)	(68)	(4 591)
DEC. 31, 2014	**532**	**44 720**	**10 923**	**56 175**

No intangible fixed assets were generated internally.

NOTE 1.3 - BREAKDOWN OF OTHER CHANGES IN OTHER INTANGIBLE FIXED ASSETS

K€ Net value	Software, patents	Intangible fixed assets included in concessions	Other intangible fixed assets	TOTAL
Business combinations	-	-	-	-
Translation differences	-	-	-	-
Other changes	170	-	3 920	**4 091**
TOTAL AT DEC. 31, 2013	**170**	**-**	**3 920**	**4 091**
Business combinations	-	-	-	-
Translation differences	-	-	-	-
Other changes	(15)	(4 509)	(68)	**(4 591)**
TOTAL AT DEC. 31, 2014	**(15)**	**(4 509)**	**(68)**	**(4 591)**

Concerning 2014, other changes consist principally of the reclassification as a financial asset of the intangible right to receive cash from Nantes Métropole.

In 2013, other changes were impacted by the reclassification as tangible fixed assets of accrued expenses earlier reclassified as intangible fixed assets.

NOTE 2 - TANGIBLE FIXED ASSETS: PROPERTY, PLANT AND EQUIPMENT

NOTE 2.1 - TABLE OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT

K€

	Land	Buildings	Technical facilities	Transportation equipment
Gross value				
Dec. 31, 2012 restated	**27 884**	**181 172**	**313 484**	**16 921**
Increases (investments)	133	1 702	7 611	2 039
Disposals (sale or scrap)	(386)	(42 523)	(1 316)	(2 178)
Other changes	1 998	(800)	(6 214)	(589)
Dec. 31, 2013	**29 629**	**139 550**	**313 566**	**16 193**
Increases (investments)	693	3 682	9 774	1 539
Disposals (sale or scrap)	(443)	(3 341)	(6 968)	(943)
Other changes	94	16 206	16 069	(20)
Dec. 31, 2014	**29 973**	**156 098**	**332 441**	**16 768**
Amortization				
Dec. 31, 2012 restated	**(3 874)**	**(144 847)**	**(249 823)**	**(12 910)**
Amortization	(263)	(9 531)	(13 645)	(2 020)
Impairments	-	42 522	1 258	2 175
Other changes	24	2 705	9 305	(157)
Dec. 31, 2013	**(4 113)**	**(109 151)**	**(252 905)**	**(12 912)**
Amortization	(494)	(9 103)	(13 281)	(1 747)
Impairments	311	2 237	3 882	872
Other changes	-	(7 433)	(12 447)	1
Dec. 31, 2014	**(4 297)**	**(123 450)**	**(274 751)**	**(13 786)**
Impairments				
Dec. 31, 2012 restated	**(299)**	**-**	**(569)**	**-**
Allocations	-	-	(47)	-
Write-backs	-	-	-	-
Other changes	-	-	-	-
Dec. 31, 2013	**(299)**	**-**	**(616)**	**-**
Allocations	-	-	-	-
Write-backs	-	-	442	-
Other changes	-	-	-	-
Dec. 31, 2014	**(299)**	**-**	**(174)**	**-**
Net value				
Dec. 31, 2012 restated	**23 712**	**36 325**	**63 091**	**4 011**
Increases (investments)	(131)	(7 830)	(6 081)	19
Disposals (sale or scrap)	(386)	(1)	(58)	(3)
Other changes	2 022	1 905	3 091	(746)
Dec. 31, 2013	**25 217**	**30 399**	**60 044**	**3 281**
Increases (investments)	199	(5 420)	(3 507)	(209)
Disposals (sale or scrap)	(132)	(1 103)	(2 644)	(71)
Other changes	94	8 772	3 623	(19)
Dec. 31, 2014	**25 377**	**32 648**	**57 516**	**2 982**

Fixtures and fittings	Office equipment and furniture	Fixed assets under construction	Fixed assets under finance leases	TOTAL
47 546	**7 636**	**11 362**	**48 788**	**654 792**
2 427	591	15 064	412	29 976
(8 094)	(348)	(36)	(525)	(55 405)
2 218	(242)	(12 785)	(1 759)	(18 173)
44 096	**7 636**	**13 605**	**46 916**	**611 192**
3 739	372	13 027	420	33 246
(539)	(87)	70	(67)	(12 318)
11 999	(11)	(9 433)	(35 003)	(99)
59 295	**7 910**	**17 269**	**12 266**	**632 020**
(31 288)	**(6 489)**	**-**	**(35 468)**	**(484 697)**
(2 692)	(702)	-	(1 936)	(30 790)
8 008	347	-	517	54 826
866	237	-	2 675	15 655
(25 106)	**(6 607)**	**-**	**(34 212)**	**(445 006)**
(2 927)	(552)	-	(2 122)	(30 226)
248	73	-	67	7 690
(10 850)	9	-	30 871	151
(38 635)	**(7 077)**	**-**	**(5 396)**	**(467 391)**
-	**-**	**(344)**	**-**	**(1 213)**
-	-	-	-	(47)
-	-	-	-	-
-	-	-	-	-
-	**-**	**(344)**	**-**	**(1 260)**
-	-	-	-	-
-	-	-	-	442
-	-	-	-	-
-	**-**	**(344)**	**-**	**(818)**
16 258	**1 147**	**11 018**	**13 320**	**168 882**
(265)	(111)	15 064	(1 525)	(860)
(86)	(2)	(36)	(8)	(579)
3 083	(5)	(12 785)	916	(2 517)
18 990	**1 029**	**13 261**	**12 704**	**164 925**
812	(180)	13 027	(1 702)	3 020
(291)	(15)	70	-	(4 186)
1 149	(2)	(9 433)	(4 133)	52
20 660	**833**	**16 925**	**6 870**	**163 811**

NOTE 2.2 - BREAKDOWN OF OTHER CHANGES IN PROPERTY, PLANT AND EQUIPMENT

K€

Net value	Land	Buildings	Technical facilities	Transportation equipment
2013				
Business combinations	(626)	(1 578)	(869)	(11)
Translation differences	(13)	(13)	(8)	(7)
Other changes	2 661	3 496	3 968	(727)
TOTAL	**2 022**	**1 905**	**3 091**	**(746)**
2014				
Business combinations	-	-	-	-
Translation differences	3	3	(2)	(2)
Other changes	91	8 769	3 625	(17)
TOTAL	**94**	**8 772**	**3 623**	**(19)**

Most of the other changes corresponded to fixed assets under construction being commissioned, and reclassifications from one account to another.

In 2013, they also reflected the change of consolidation method of Sogad and Gerep to the equity method. These subsidiaries were previously consolidated under the full consolidation and proportionate methods respectively.

Fixtures and fittings	Office equipment and furniture	Fixed assets under construction	Fixed assets under finance leases	TOTAL
866	(7)	60	(525)	**(2 691)**
-	-	-	-	**(42)**
2 218	2	(12 845)	1 442	**215**
3 083	**(5)**	**(12 785)**	**916**	**(2 517)**
-	-	-	-	**-**
-	-	-	-	**2**
1 149	(2)	(9 433)	(4 133)	**50**
1 149	**(2)**	**(9 433)**	**(4 133)**	**52**

NOTE 3 - INVESTMENTS IN AFFILIATES

NOTE 3.1 - SUMMARY OF INVESTMENTS IN AFFILIATES

The investments in affiliates held by the Group are as follows:

K€	% held by Group	Shareholders' equity	Latest profit or loss	Net book value of holding
La Barre Thomas	40%	541	36	216
Altergies	18,84%	1 002	(26)	189
Laval Énergie Nouvelle	35%	220	(280)	77
Transval	35%	120	(16)	42
Gerep	50%	(3 470)	(2 715)	-
Sogad	50%	(1 609)	249	320
TOTAL				**844**

NOTE 3.2 - CHANGES TO INVESTMENTS IN AFFILIATES

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

K€	Value at Dec. 31, 2012 restated	Value at Dec. 31, 2013	Net income	Change in fair value through equity	Transl. diff.	Change in consolidation scope	Other changes	Value at Dec. 31, 2014
La Barre Thomas	188	202	14	-	-	-	-	**216**
Altergies	158	195	(6)	-	-	-	-	**189**
Laval Énergie Nouvelle	-	-	(98)	-	-	175	-	**77**
Transval	53	47	(5)	-	-	-	-	**42**
SCI Noiseraie	35	-	-	-	-	-	-	**-**
Gerep	-	-	(1 360)	-	-	-	1 360	**-**
Sogad	-	310	124	(27)	-	-	(88)	**320**
TOTAL	**434**	**753**	**(1 331)**	**(27)**	**-**	**175**	**1 272**	**844**

NOTE 3.3 - FINANCIAL INFORMATION ON AFFILIATES

A summary of financial information on affiliates is provided below:

K€

Date of most recent financial information known

Dec. 31, 2014	La Barre Thomas	Altergies	Laval Énergie Nouvelle	Transval	Gerep	Sogad
% held	**40%**	**18,84%**	**35%**	**35%**	**50%**	**50%**
Non-current assets	19	138	NC	-	1 158	1 136
Current assets	1 476	1 828	NC	173	993	1 704
Shareholders' equity	541	1 002	NC	120	(3 470)	(1 609)
Non-current liabilities	-	-	NC	-	3 103	2 488
Current liabilities	954	965	NC	53	2 518	1 961
Revenue	3 283	178	734	160	2 746	4 393
EBITDA	37	(112)	34	(16)	(1 668)	833
Current operating income	34	(127)	(280)	(16)	(2 902)	362
Operating income	34	(127)	(280)	(16)	(2 713)	362
Net income	36	(26)	(280)	(16)	(2 715)	249

NOTE 3.4 - TRANSACTIONS WITH AFFILIATES

The Group did not carry out any significant transactions with its affiliates.

NOTE 4 - FINANCIAL INSTRUMENTS

K€

	2012 restated			2013			2014		
	NC	C	T	NC	C	T	NC	C	T
Available-for-sale financial instruments	1 978	-	**1 978**	1 755	-	**1 755**	1 808	-	**1 808**
Financial loans and receivables at amortized cost	2 799	131	**2 930**	3 602	90	**3 692**	6 872	1 038	**7 910**
Financial assets	4 778	131	**4 909**	5 358	90	**5 448**	8 681	1 038	**9 719**
Trade and other receivables	2 105	126 540	**128 645**	1 501	133 821	**135 322**	3 067	139 127	**142 193**
Other current assets (incl. corporation tax receivables)	677	34 547	**35 224**	-	27 262	**27 262**	-	29 162	**29 162**
Loans and receivables at amortized cost	2 782	161 088	**163 870**	1 501	161 083	**162 584**	3 067	168 289	**171 355**
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	-	22 597	**22 597**	-	28 032	**28 032**	-	38 756	**38 756**
TOTAL FINANCIAL ASSETS	**7 560**	**183 815**	**191 375**	**6 859**	**189 205**	**196 064**	**11 748**	**208 083**	**219 830**
Financial debts	218 154	28 000	**246 154**	222 630	30 788	**253 418**	241 824	29 829	**271 653**
Hedging instruments – liabilities	3 307	744	**4 051**	1 773	155	**1 928**	547	596	**1 143**
Other liabilities	189	163 027	**163 216**	2 911	171 707	**174 618**	4 938	174 945	**179 883**
TOTAL FINANCIAL LIABILITIES	**221 650**	**191 770**	**413 420**	**227 314**	**202 649**	**429 963**	**247 309**	**205 370**	**452 679**

NC: non-current – C: current – T: total

NOTE 4.1 - FINANCIAL ASSETS

NOTE 4.1.1 - AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets consist of:

- equity investments in non-consolidated companies, in connection with an ongoing liquidation process;
- securities treated as financial assets (mainly the Group's investment in Emertec funds).

Their net value breaks down as follows:

K€ Net value	Dec. 31, 2012 restated	Dec. 31, 2013	Changes in fair value through equity	Acqui-sitions	Other changes	Disposals/ repayments	Dec. 31, 2014
Bonds (principal + capitalized interest)	202 253	-	-	-	-	-	-
Bonds (non-capitalized interest)	10 698	-	-	-	-	-	-
Total bond portion, gross	212 951	-	-	-	-	-	-
Provision on bond portion	(212 951)	-	-	-	-	-	-
Total bond portion, net	-	-	-	-	-	-	-
Trédi New Zealand	-	-	-	-	-	-	-
Total non-consolidated investments	-	-	-	-	-	-	-
Emertec	1 907	1 703	(147)	-	-	-	1 555
Other securities	71	52	-	200	-	-	253
Total other investments	1 978	1 755	(147)	200	-	-	1 808
TOTAL AVAILABLE-FOR-SALE FINANCIAL ASSETS	**1 978**	**1 755**	**(147)**	**200**	**-**	**-**	**1 808**

NOTE 4.1.2 - LOANS AND RECEIVABLES AT AMORTIZED COST

Loans and receivables consist of:

- financial loans, deposits and bonds of indemnity of a financial nature received, booked under financial assets (current and non-current);
- trade receivables and other debtors;
- other current and non-current assets.

K€	2012 restated			2013			2014		
	NC	C	T	NC	C	T	NC	C	T
Deposits and bonds of indemnity	1 638	20	**1 658**	1 711	12	**1 723**	1 938	350	**2 288**
Loans	1 161	111	**1 273**	1 892	78	**1 970**	999	82	**1 081**
Operating receivables from concessions	-	-	-	-	-	-	3 935	606	**4 541**
Financial loans and receivables	2 799	131	**2 930**	3 603	90	**3 692**	6 872	1 038	**7 910**
Trade receivables and other debtors	**2 105**	**126 540**	**128 645**	**1 501**	**133 821**	**135 322**	**3 067**	**139 127**	**142 193**
State	-	16 772	**16 772**	-	16 257	**16 257**	-	16 184	**16 184**
Corporation tax receivables	677	12 593	**13 270**	-	2 171	**2 171**	-	411	**411**
Prepaid accounts	-	496	**496**	-	3 700	**3 700**	-	1 505	**1 505**
Social security receivables	-	89	**89**	-	126	**126**	-	233	**233**
Receivables from disposal of fixed assets	-	2 828	**2 828**	-	2 177	**2 177**	-	1 030	**1 030**
Other receivables	-	999	**999**	-	2 571	**2 571**	-	9 538	**9 538**
Current accounts receivable	-	769	**769**	-	261	**261**	-	261	**261**
Other current assets	**677**	**34 547**	**35 225**	**-**	**27 262**	**27 262**	**-**	**29 162**	**29 162**
Operational loans and receivables	2 782	161 088	**163 870**	1 501	161 083	**162 584**	3 067	168 288	**171 355**
LOANS AND RECEIVABLES AT AMORTIZED COST	**5 581**	**161 219**	**166 800**	**5 104**	**161 173**	**166 277**	**9 940**	**169 327**	**179 266**

NC: non-current – C: current – T: total

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

K€	2012 restated			2013			2014		
	Gross	Impair-ment	Net	Gross	Impair-ment	Net	Gross	Impair-ment	Net
Loans and financial receivables	2 930	-	**2 930**	3 692	-	**3 692**	4 870	(1 500)	**3 370**
Trade receivables and other debtors	132 123	(3 478)	**128 645**	138 480	(3 158)	**135 322**	145 734	(3 541)	**142 193**
Other assets	35 846	(621)	**35 225**	27 847	(584)	**27 262**	34 287	(584)	**33 703**
LOANS AND RECEIVABLES AT AMORTIZED COST	**170 899**	**(4 099)**	**166 800**	**170 018**	**(3 742)**	**166 277**	**184 891**	**(5 625)**	**179 266**

NOTE 4.1.3 - FINANCIAL ASSETS AT FAIR VALUE BY THE INCOME STATEMENT

K€	2012 restated			2013			2014		
	NC	C	T	NC	C	T	NC	C	T
Hedging instruments – assets	-	-	-	-	-	-	-	-	-
FINANCIAL ASSETS AT FAIR VALUE BY THE INCOME STATEMENT	-	-	-	-	-	-	-	-	-

NC: non-current – C: current – T: total

Hedging instruments

Hedging instruments are put in place by the Group as part of its policy for managing interest rate risk, and are analyzed in Note 4.3.

NOTE 4.1.4 - CASH AND CASH EQUIVALENTS

K€	Dec. 31, 2012 restated	Dec. 31, 20123	Dec. 31, 2014
Cash	13 415	18 850	23 113
Cash equivalents	9 182	9 183	15 642
TOTAL	**22 597**	**28 032**	**38 756**

Income from the sale of mutual funds amounted to EUR 0.3 million and was booked in the income statement under income from cash and cash equivalents.

NOTE 4.2 - FINANCIAL LIABILITIES

NOTE 4.2.1 - FINANCIAL DEBTS

K€	2012 restated			2013			2014		
Changes in debt	**NC**	**C**	**T**	**NC**	**C**	**T**	**NC**	**C**	**T**
Financial debt liabilities	*185 472*	*22 431*	***207 903***	*193 011*	*25 122*	***218 132***	*187 660*	*28 218*	***215 878***
Effective interest rate impact	*(1 797)*	*(693)*	***(2 490)***	*(1 174)*	*(606)*	***(1 779)***	*(619)*	*(550)*	***(1 169)***
Bank loans	183 675	21 739	**205 413**	191 837	24 516	**216 353**	187 041	27 668	**214 709**
Bonds outstanding	*25 000*	*-*	***25 000***	*25 000*	*/*	***25 000***	*50 000*	*-*	***50 000***
Effective interest rate impact	*(2 069)*	*(279)*	***(2 348)***	*(1 759)*	*(309)*	***(2 068)***	*(879)*	*(185)*	***(1 064)***
Bonds	22 931	(279)	**22 653**	23 241	(309)	**22 931**	49 121	(185)	**48 936**
Finance leases	10 705	5 191	***15 896***	6 952	5 172	***12 124***	5 327	1 626	***6 954***
Other financial debt	843	815	***1 658***	600	904	***1 504***	335	578	***913***
Short-term bank borrowings	-	534	***534***	-	505	***505***	-	141	***141***
TOTAL	**218 154**	**28 000**	**246 154**	**222 630**	**30 788**	**253 418**	**241 824**	**29 829**	**271 653**

NC: non-current – C: current – T: total

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

K€	Dec. 31, 2012 restated	Dec. 31, 2013	Increases	Repay-ments	Changes in scope	Amortized cost	Transl. diff.	Other changes	Dec. 31, 2014
Bank loans	205 413	216 353	23 623	(25 708)	-	611	-	(169)	**214 709**
Bonds	22 653	22 931	50 000	(25 000)	-	1 004	-	-	**48 936**
Finance leases	15 896	12 124	420	(5 607)	-	-	-	17	**6 954**
Other financial debt	1 658	1 504	-	(591)	-	-	-	-	**913**
Short-term bank borrowings	534	505	-	(364)	-	-	-	-	**141**
TOTAL	**246 154**	**253 418**	**74 043**	**(57 270)**	**-**	**1 615**	**-**	**(152)**	**271 653**

Debt table

At December 31, 2014, Group debt broke down as follows:

K€	Type of rate (before hedging)	Amount	Maturity	Hedging
Other bank loans	Variable	19 278	less than 1 year	Debt contracted at a variable interest rate
		122 677	from 1 to 5 years	Interest rate hedge of EUR 102.5 M
		1 403	more than 5 years	
	Fixed, between 0% and 4%	8 390	less than 1 year	
		28 251	from 1 to 5 years	
		34 709	more than 5 years	
	Total	214 709		
Bonds	Variable	-	less than 1 year	
		-	from 1 to 5 years	
		-	more than 5 years	
	Fixed, 11.0%	(185)	less than 1 year	
		24 255	from 1 to 5 years	
		24 866	more than 5 years	
	Total	48 936		
Finance leases	Variable	338	less than 1 year	
		1 509	from 1 to 5 years	
		313	more than 5 years	
	Fixed, between 4% and 13%	1 288	less than 1 year	
		3 506	from 1 to 5 years	
		-	more than 5 years	
	Total	6 954		
Other miscellaneous financial debt	Variable	220	less than 1 year	
		275	from 1 to 5 years	
		-	more than 5 years	
	Fixed	358	less than 1 year	
		60	from 1 to 5 years	
		-	more than 5 years	
	Total	913		
Short-term bank borrowings	Variable	141	less than 1 year	
TOTAL		**271 653**		
Of which current		*29 829*	*less than 1 year*	
Of which non-current		*241 824*	*more than 1 year*	

Finance lease agreements

K€	Net book value	TOTAL minimum future payments				TOTAL sub-lease payments, discounted
	Dec. 31, 2014	TOTAL	< 1 year	1 – 5 years	> 5 years	
Land	-	-	-	-	-	-
Buildings	2 368	2 281	396	1 569	315	-
Technical facilities, equipment and industrial plant	3 253	3 598	994	2 604	-	-
Transportation equipment, vehicles	1 248	1 478	406	1 072	-	-
Fixtures and fittings	-	-	-	-	-	-
Office equipment and furniture	-	-	-	-	-	-

K€	Net book value	TOTAL minimum future payments, discounted				TOTAL sub-lease payments, discounted
	Dec. 31, 2014	TOTAL	< 1 year	1 – 5 years	> 5 years	
Land	-	-	-	-	-	-
Buildings	2 368	2 173	391	1 493	289	-
Technical facilities, equipment and industrial plant	3 253	3 477	980	2 497	-	-
Transportation equipment, vehicles	1 248	1 427	400	1 027	-	-
Fixtures and fittings	-	-	-	-	-	-
Office equipment and furniture	-	-	-	-	-	-

Most of the Group's finance lease agreements are lease financing agreements with option to purchase. 31% of the agreements (as a percentage of the associated debt) are at variable interest rates (before factoring in any interest rate hedges), primarily indexed on the 3-month Euribor.

NOTE 4.2.2 - FINANCIAL LIABILITIES AT FAIR VALUE BY THE INCOME STATEMENT

Financial liabilities at fair value by the income statement correspond to the derivative instruments used for hedging put in place by the Group to manage its interest rate risk. They are analyzed in Note 4.3.

NOTE 4.2.3 - OTHER LIABILITIES AT AMORTIZED COST

K€	2012 restated			2013			2014		
	NC	C	T	NC	C	T	NC	C	T
Trade payables	3	73 390	**73 393**	-	75 958	**75 958**	-	77 295	**77 295**
Debts on acquisition of fixed assets	186	18 332	**18 517**	2 911	16 901	**19 812**	1 131	11 195	**12 326**
Advance payments received	-	4 566	**4 566**	-	7 116	**7 116**	-	3 509	**3 509**
Social security and related payments	-	22 534	**22 534**	-	23 302	**23 302**	-	25 439	**25 439**
State (excluding corporation tax)	-	21 829	**21 829**	-	24 386	**24 386**	3 806	31 342	**35 149**
Corporation tax	-	904	**904**	-	294	**294**	-	578	**578**
Current account credit balances	-	141	**141**	-	-	**-**	-	-	**-**
Other debts	-	1 159	**1 159**	-	1 847	**1 847**	-	1 858	**1 858**
Liabilities for replacing assets in concessions	-	10 591	**10 591**	-	11 078	**11 078**	-	10 705	**10 705**
Prepayments	-	9 580	**9 580**	-	10 825	**10 825**	-	13 022	**13 022**
OTHER LIABILITIES	**189**	**163 027**	**163 215**	**2 911**	**171 707**	**174 617**	**4 938**	**174 945**	**179 883**

NC: non-current – C: current – T: total

NOTE 4.3 - FINANCIAL HEDGING INSTRUMENTS

K€	2012 restated			2013			2014		
	NC	C	T	NC	C	T	NC	C	T
Hedging instruments – assets	-	-	**-**	-	-	**-**	-	-	**-**
Hedging instruments – liabilities	3 307	744	**4 051**	1 773	155	**1 928**	547	596	**1 143**

NC: non-current – C: current – T: total

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.

K€	2012 restated		2013		2014	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Swaps	114 382	(3 724)	83 711	(1 891)	80 000	(1 056)
Collars	34 882	(221)	31 211	(52)	22 500	(94)
Hybrid instruments	7 500	(107)	-	-	-	-
TOTAL	**156 764**	**(4 051)**	**114 922**	**(1 929)**	**102 500**	**(1 143)**

At December 31, 2014, the maturity of the cash flow hedging instruments was as follows:

K€	< 1 year	1 to 5 years	> 5 years	TOTAL
Swaps	50 000	30 000	-	**80 000**
Collars	-	22 500	-	**22 500**
Hybrid instruments	-	-	-	-
TOTAL	**50 000**	**52 500**	**-**	**102 500**

The gains and losses booked in equity over the period amounted to EUR 0.8 million, and the cumulative total at December 31, 2014 of gains and losses booked in equity amounted to EUR – 1.1 million. The ineffective portion of this hedging booked as income in 2014 was not significant.

No part of shareholders' equity was recycled and booked in income for the period.

NOTE 5 - CURRENT AND NON-CURRENT PROVISIONS

NOTE 5.1 - CHANGES IN CURRENT AND NON-CURRENT PROVISIONS

K€	2012 restated	2013	Other changes	Impact on equity	Allocations	Write-backs used	Write-backs unused	2014
Employee benefits [1]	809	599	-	1 145	586	(3)	-	2 327
Other non-current provisions [2]	3 961	7 254	(140)	-	1 605	(171)	-	8 548
Non-current provisions	4 770	7 853	(140)	1 145	2 191	(174)	-	10 875
Provisions for litigation	858	669	-	-	501	(36)	(65)	1 069
Provisions for BEFS (sub-contractor)	659	725	-	-	-	(661)	(64)	-
Provisions for other risks	373	27	-	-	141	-	-	168
Provisions for tax risks	6 780	6 335	(6 335)	-	-	-	-	-
Provisions for waste to be treated	154	140	-	-	61	(53)	-	148
Provisions for other costs	1 048	947	(297)	-	190	(322)	-	518
Current provisions	9 872	8 842	(6 631)	-	894	(1 072)	(129)	1 904
TOTAL	**14 642**	**16 695**	**(6 771)**	**1 145**	**3 084**	**(1 246)**	**(129)**	**12 778**

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

NOTE 5.2 - BREAKDOWN OF OTHER CHANGES

K€	Business combinations	Translation differences	Other changes	TOTAL
Employee benefits	-	-	-	-
Other non-current provisions	-	-	(140)	(140)
Non-current provisions	-	-	(140)	(140)
Provisions for litigation	-	-	-	-
Provisions for BEFS (sub-contractor)	-	-	-	-
Provisions for other risks	-	-	-	-
Provisions for tax risks	-	-	(6 335)	(6 335)
Provisions for waste to be treated	-	-	-	-
Provisions for other costs	-	-	(297)	(297)
Current provisions	-	-	(6 631)	(6 631)
TOTAL	**-**	**-**	**(6 771)**	**(6 771)**

Other movements correspond essentially to the reclassification of the sum previously provisioned in respect of the tax litigation concerning Valls Quimica as an accrued expense, following conclusion by the parties of an agreed schedule of payments.

NOTE 5.3 - POST-EMPLOYMENT BENEFITS – END-OF-CAREER PAYMENTS AND LONG-SERVICE MEDALS

The only benefits offered to Group employees consists of long-service medals and post-employment benefits in the form of end-of-career payments to retiring employees.

Post-employment benefits – end-of-career payments

The Group's total commitment (however managed) changed as follows:

K€	Dec. 31, 2012 restated	Dec. 31, 2013	Dec. 31, 2014
Amount of commitment at beginning of year	6 057	7 569	8 224
Cost of services rendered during the year	406	466	511
Interest credited over the year	278	309	300
Payments made over the year	(125)	(396)	(259)
Acquisition/sale of subsidiaries	99	-	-
Actuarial gains (losses)	854	509	1 311
Other (scope changes, translation differences)	-	(235)	-
Amount of commitment at end of year	7 569	8 224	10 087
Of which outsourced	*7 316*	*8 200*	*8 411*
Of which provisioned	*253*	*23*	*1 676*

Changes in the fair value of funds invested to hedge the commitment were as follows:

K€	Dec. 31, 2012 restated	Dec. 31, 2013	Dec. 31, 2014
Fair value of assets hedged at beginning of year	5 864	7 465	7 284
Contributions paid in	1 344	-	1 035
Amounts paid out	(125)	(396)	(259)
Expected return on investments	241	274	164
Management costs	(26)	(26)	(25)
Acquisition/sale of subsidiaries	99	-	-
Actuarial gains (losses)	68	(34)	365
Fair value of assets hedged at end of year	7 465	7 284	8 565

If the value of the funds invested exceeds the amount of the commitment, an item of accrued expense is recorded. In the inverse case, a provision is booked. The analysis is made company by company.
At December 31, 2014, the following were recognized:

- provisions of EUR 1 676 thousand;
- accrued expenses of EUR 155 thousand.

Hedging assets break down as follows:

	Dec. 31, 2012 restated	Dec. 31, 2013	Dec. 31, 2014
Diversified investments	74%	76%	76%
Monetary investments	26%	24%	24%

The following should be noted:

- when Sénerval began operations, since it took over a number of employees from the preceding operator, it also took over commitments in respect of the past services of those same employees, in the amount of some EUR 450 thousand. The Group recorded an asset of EUR 450 thousand in respect of the commitments taken over, which was booked in accrued income. This asset was to be amortized over 18 years from July 1, 2010, i.e. the average time remaining until the employees taken over reach retirement age. In application of amended IAS 19, applied retrospectively, this sum was booked in equity at July 1, 2012;
- when the Group took over management of the household waste incinerator and its workforce at Lescar, the Group also took over commitments in respect of the past services of those same employees. In view of the amount represented by these commitments, they were booked directly in the income statement;
- when the Group took over management of the Nantes incinerator and its workforce, the Group also took over commitments in respect of the past services of those same employees. In application of amended IAS 19, these were recorded in the income statement.

Long-service medal commitments

The Group's commitments in respect of long-service medals were as follows:

K€	Dec. 31, 2014
Amount of commitment at beginning of year	575
Cost of services rendered during the year	25
Interest credited over the year	20
Payments made over the year	(63)
Acquisition/sale of subsidiaries	-
Actuarial gains (losses)	92
Other (scope changes, translation differences)	-
Amount of commitment at end of year	650

NOTE 5.4 - DISPUTES AND EXCEPTIONAL EVENTS

BEFS-PEC

Following the completion of the Salaise 3 site, a project undertaken by BEFS-PEC for Trédi in 1999, Trédi SA received various payment demands from subcontractors who had not been paid by BEFS-PEC, in accordance with article 12 of the Law of December 31, 1975 on subcontracting. Trédi SA booked a provision in its financial statements for the entire sum claimed in connection with this dispute. As of December 31, 2014, consequent on the latest rulings expected and agreements between the parties, the residual provisions amounting to EUR 0.6 million were written back, and a sum of EUR 661 thousand was expensed.

VALLS QUIMICA

Valls Quimica, a Spanish subsidiary of the Group, was audited in 2003 by the tax authorities, who then claimed a principal amount of EUR 3.8 million (for the period 1999 to 2001) and EUR 1.8 million (for the period 2002-2003) in respect of back VAT payments and indirect duties alleged to be due concerning the production of certain petroleum products. Although Valls Quimica was justified in its claim, it nevertheless booked a provision for the total amount at risk. During the year 2014 the parties reached agreement on a payment schedule over 5 years covering the entirety of the sums demanded, and a first installment of EUR 1.4 million was paid. The earlier provision was reclassified as an accrued expense.

There are no other government, legal or arbitration procedures, including any procedures of which the Company is aware, which are pending or threatened, and/or likely to have or, during the last twelve months, to have had significant impacts on the financial situation or the profitability of the Company and/or the Group.

NOTE 6 - DEFERRED TAXES

The analysis of deferred taxes by type is as follows:

K€	Dec. 31, 2012 restated	Dec. 31, 2013	Dec. 31, 2014
Employee profit-sharing	537	537	579
Social solidarity contribution	244	275	252
Paid leave	638	661	638
Capital gain on insurance claims	-	(104)	(1 626)
Tax loss carry-forwards	11 233	55 726	53 334
Deferred amortization and regulatory provisions	(7 731)	(7 624)	(6 814)
Finance leases	781	(234)	(1 224)
Internal income	231	208	168
Deferred charges	(7)	(7)	-
Intra-group provisions	-	(736)	(1 159)
Provisions for deferred tax	90	90	69
Restated provisions for thirty-year monitoring	(1 175)	(1 190)	(1 373)
Harmonization of amortization	529	462	415
Fair value of hedging instruments	1 395	664	394
Provisions on convertible bonds	50 760	-	-
Other temporary differences	(1 561)	(113)	562
TOTAL	**55 965**	**48 617**	**44 216**
Of which deferred tax assets	*55 965*	*48 617*	*44 216*
Of which deferred tax liabilities	-	-	-

Tax loss carry-forwards correspond to:

- deficits which arose before fiscal consolidation. Their activation is decided on a subsidiary-by-subsidiary basis according to the business plan of each;
- the deficits recognized in the tax consolidation group for 2012 and 2013, related to the provisioning of the Group's entire stake in HIME. Recognition of this tax credit as an asset was enabled by the fact that the tax consolidation group was able to recover this credit within a reasonable period of time;
- the deficit recorded for Valls Quimica as a result of the provision for its tax dispute, given that the sum involved was deemed in its business plan to be recoverable.

Apart from this exception, any tax losses incurred by foreign subsidiaries are not carried forward.

At December 31, 2014, the amount of deferred tax assets not carried forward relative to qualifying deficits was EUR 0.3 million.

Changes in deferred tax assets over the fiscal year can be analyzed as follows:

K€	Deferred tax assets	Deferred tax liabilities	Net
Balance at December 31, 2012, restated	55 965	-	55 965
Net income	(6 351)	-	(6 351)
Changes in fair value by shareholders' equity	26	649	(623)
Changes in consolidation scope and other changes	(14)	360	(374)
Foreign currency differences	-	-	-
Compensation of deferred taxes among subsidiaries in the tax consolidation scope	(261)	(261)	-
Compensation of deferred tax assets and deferred tax liabilities	(748)	(748)	-
Balance at December 31, 2013	48 617	-	48 617
Net income	(4 504)	-	(4 504)
Changes in fair value by shareholders' equity	381	278	103
Changes in consolidation scope and other changes	-	-	-
Foreign currency differences	-	-	-
Compensation of deferred taxes among subsidiaries in the tax consolidation scope	(1 838)	(1 838)	-
Compensation of deferred tax assets and deferred tax liabilities	1 560	1 560	-
Balance at December 31, 2014	44 216	-	44 216

NOTE 7 - OFF-BALANCE SHEET COMMITMENTS

NOTE 7.1 - OFF-BALANCE SHEET COMMITMENTS ARISING FROM CURRENT OPERATIONS

K€	Dec. 31, 2012 restated	Dec. 31, 2013	Dec. 31, 2014
Loans ceded before maturity (bills, Dailly Act)	-	-	-
Sureties	**42 234**	**60 239**	**56 630**
Financial guarantees [1]	23 594	26 963	27 395
Other guarantees	18 640	33 276	29 236
Secured guarantees	-	-	-
Tangible and intangible assets pledged as collateral	-	-	-
Securities pledged as collateral	-	-	-
Arising from partner's responsibilities in property companies	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS RELATED TO CURRENT OPERATIONS	**42 234**	**60 239**	**56 630**

1: This concerns a EUR 27 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.

NOTE 7.2 - OFF-BALANCE SHEET COMMITMENTS GIVEN OR RECEIVED IN CONNECTION WITH GROUP DEBT

K€	Dec. 31, 2012 restated	Dec. 31, 2013	Dec. 31, 2014
Business loans ceded	**418**	**496**	**1 545**
Sureties and letters of intent	**15 349**	**27 902**	**28 249**
Secured guarantees	**9 828**	**9 828**	**9 828**
Tangible and intangible assets pledged as guarantees and collateral	9 828	9 828	9 828
Securities pledged as guarantees and collateral	-	-	-
Mortgages	-	-	-
Borrowing commitments received	**34 132**	**23 173**	**10 771**
TOTAL OFF-BALANCE SHEET COMMITMENTS RELATED TO DEBT	**59 727**	**61 399**	**50 394**

As part of its asset financing, the company signed commitments not to sell its shareholdings in Sénergies, Séché Eco-industries and Mézerolles.

Borrowing commitments at December 31, 2014 principally concern the financing of assets conceded in the framework of the Strasbourg public service delegation contract by a loan of EUR 10.8 million, released in tranches and amortizable over the residual duration of the contract, at a rate which has still to be set.

All the above-mentioned off-balance sheet commitments are covered by balance sheet debt, with the exception of a EUR 0.8 million guarantee.

In the case of public service delegation concession contracts, Séché Environnement makes guarantees to the granting authorities in respect of proper execution of the contracts.

NOTE 7.3 - OTHER OFF-BALANCE SHEET COMMITMENTS

A shareholders' agreement was signed on October 16, 2006 (bearing the AMF registration number 206C1928) containing the following main provisions:

- representation of Caisse des Dépôts et Consignations on the Board of Directors of Séché Environnement: Caisse des Dépôts et Consignations is entitled to appoint several members to the Board of Directors of Séché Environnement, commensurate with its equity stake in the Group;
- management of the stakes of members of the shareholder agreement:
- shareholder agreement members agree not to acquire, directly or indirectly, any securities issued by Séché Environnement if such acquisition would oblige one of the signatories to make a public offer for Séché Environnement shares;
- in the event of any transfer of Séché Environnement shares by Joël Séché, Amarosa family trust and/or their free transferees to a third party, as long as they together hold less than 50.1% of the Company voting rights, Caisse des Dépôts et Consignations shall have the option of selling its own shares to such third party

at the same price and in the same proportions;

- securities, commensurate with its share of the equity, with the exception of securities issued to pay a third party for an external acquisition, and which would have the effect of diluting all shareholders' holdings in the same proportions;
- co-investment rules: as long as Caisse des Dépôts et Consignations holds at least 15% of the equity of Séché Environnement, it is entitled to take part as a co-investor in any expansion project above a certain threshold amount.

The shareholders' agreement further states that it will be canceled automatically without penalty if at any time:

- Caisse des Dépôts et Consignations holds less than 10% of the equity of the Company;
- the balance of the respective stakes of Caisse des Dépôts et Consignations, on the one hand, and Joël Séché and the Amarosa family trust on the other hand, are significantly modified in such a way as to oblige either of the parties to make a public offer for all the shares.

A codicil to the shareholders' agreement dated April 25, 2007 stipulates that the agreement will remain valid for 10 years, beginning on April 26, 2007.

The current breakdown of the Group's off-balance sheet commitments does not exclude any significant commitment as defined by current accounting standards.

4.1.6.3.2 *Notes to the table of changes in shareholders' equity*

NOTE 8 - BREAKDOWN OF SHARE CAPITAL

Share category	Number	Par value
1- Shares comprising the share capital at the start of the year	**8 634 870**	**EUR 0.20**
Capital increase		-
2- Shares comprising the share capital at the end of the year		**EUR 0.20**
Of which shares with single voting rights	*6 748 085*	
Of which shares with double voting rights	*1 886 785*	

NOTE 9 - ADDITIONAL PAID-IN CAPITAL

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

K€	
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 Trédi shares)	192 903
Charges on additional paid-in capital	(1 578)
Issuance of 596 408 share subscription warrants in favor of Caisse des Dépôts et Consignations on December 12, 2006	10 908
Exercise of share subscription warrants by Caisse des Dépôts et Consignations on April 24, 2007	74 718
Payout of dividends	(8 148)
Charge on share premium account	(169 445)
TOTAL	**121 486**

NOTE 10 - BREAKDOWN OF CONSOLIDATED RESERVES

K€	Dec. 31, 2012 restated	Dec. 31, 2013	Increases	Decreases	Dec. 31, 2014
Legal reserve	173	173	-	-	173
Regulatory reserves	-	-	-	-	-
Retained earnings	181 445	(137 098)	137 098	-	-
Other reserves	6 037	6 037	-	-	6 037
Sub-total – legal and regulatory reserves	187 655	(130 889)	137 098	-	6 210
Consolidated reserves (excluding translation differences)	(147 685)	89 112	32 531	-	121 643
TOTAL RÉSERVES (excluding translation differences)	**39 970**	**(41 776)**	**169 629**	**-**	**127 853**
Translation differences	(2 243)	(2 638)	-	(122)	(2 760)
TOTAL RESERVES (including translation differences)	**37 726**	**(44 414)**	**169 629**	**(122)**	**125 093**

NOTE 11 - INFORMATION ON TREASURY STOCK

By virtue of the authorizations granted by the Annual General Meetings of April 25, 2014 and June 7, 2013, the Board of Directors ordered in 2014 the repurchase of a certain number of its own shares under a liquidity contract concluded with an independent organization. Funds totaling EUR 1.4 million were made available to that organization for the repurchase of 4 862 shares.

At December 31, 2014, these share buybacks broke down as follows:

Number of shares held as treasury stock [1]	64 473
Percentage of shares held as treasury stock	0.75%
Net book value of shares held as treasury stock (EUR)	1 313 310
Market value of shares held as treasury stock at December 31, 2014 (EUR) [2]	1 283 013

1: Including shares acquired under previous share buyback programs.
2: On the basis of the closing price of the Séché Environnement share in December 2014, i.e. EUR 19.90.

4.1.6.3.3 *Notes to the income statement*

NOTE 12 - REVENUE FROM ORDINARY ACTIVITIES

NOTE 12.1 - BREAKDOWN OF REVENUE BY TYPE

K€	Dec. 31, 2012 restated	Dec. 31, 2013	Dec. 31, 2014
Revenue	439 904	469 082	444 737
Of which sales of goods	*62 884*	*66 974*	*63 866*
Of which sales of services	*377 020*	*402 108*	*380 871*
Other business income	5 247	4 294	6 636
Transfers of expenses	2 163	1 469	16 944
REVENUE FROM ORDINARY ACTIVITIES	**447 314**	**474 844**	**468 318**

NOTE 12.2 - BREAKDOWN OF REVENUE BY TYPE OF WASTE

K€	Dec. 31, 2012 restated	Dec. 31, 2013	Dec. 31, 2014
HW treatment	263 626	274 924	271 391
NHW treatment	176 279	194 157	173 346
Of which revenue under IFRIC 12	*16 906*	*25 115*	*8 115*
TOTAL	**439 904**	**469 082**	**444 737**

NOTE 13 - EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)

NOTE 13.1 - BREAKDOWN OF EBITDA

K€	Dec. 31, 2012 restated	Dec. 31, 2013	Dec. 31, 2014
REVENUE FROM ORDINARY ACTIVITIES	**447 314**	**474 844**	**468 318**
Purchases used for operational purposes	(64 604)	(73 340)	(68 909)
Stored purchases	(39 518)	(43 528)	(41 426)
Non-stored purchases	(25 086)	(29 812)	(27 483)
External expenses	(170 426)	(186 065)	(176 790)
Subcontracting	(106 747)	(118 390)	(104 118)
Rental expenses	(11 249)	(15 879)	(18 366)
Maintenance and repairs	(19 988)	(20 089)	(20 433)
Insurance	(4 958)	(5 431)	(5 232)
Other external expenses	(27 483)	(26 276)	(28 640)
Taxes other than on income	(34 973)	(35 710)	(35 092)
Employee benefit expenses	(98 503)	(101 119)	(105 276)
Employee costs	(96 406)	(99 089)	(103 516)
Profit-sharing schemes	(1 588)	(1 537)	(1 697)
Contributions towards end-of-career payments	(508)	(492)	(63)
Remuneration in shares	-	-	-
EBITDA	**78 808**	**78 610**	**82 251**

External services purchased mainly concern subcontracting (transportation, upstream activities and landfill).

NOTE 13.2 - SIMPLE RENTAL AGREEMENTS

K€	TOTAL minimum future payments, discounted (non-cancelable contracts)				Expenses for the year (non-cancelable contracts)	TOTAL sub-lease payments
	TOTAL	< 1 year	1 – 5 years	> 5 years		
Intangible fixed assets	242	41	82	119	41	-
Land	3 277	303	1 163	1 810	325	-
Buildings	3 703	877	2 826	-	1 444	-
Technical facilities, equipment and industrial plants	20 945	2 225	7 707	11 013	6 250	-
Transportation equipment, vehicles	106	53	53	-	210	-
Fixtures and fittings	-	-	-	-	-	-
Office equipment and furniture	15	11	3	-	91	-

NOTE 14 - CURRENT OPERATING INCOME

NOTE 14.1 - BREAKDOWN OF CURRENT OPERATING INCOME

K€	2012 restated	2013	2014
EBITDA	**78 808**	**78 610**	**82 251**
Cost of renewal of assets included in concessions and rehabilitation of treatment sites	(8 805)	(10 574)	(10 038)
Other operating income and expenses	(992)	(566)	(1 273)
Other operating expenses	(1 132)	(636)	(1 343)
Other operating income	140	70	70
Net allocations to provisions	630	(2 729)	(1 807)
Allocations to provisions	(2 462)	(4 866)	(3 742)
Write-backs of provisions	3 092	2 137	1 935
Net allocations to amortization	(32 363)	(32 084)	(33 463)
Allocations to amortization	(32 363)	(32 084)	(33 463)
Write-backs of amortization	-	-	-
CURRENT OPERATING INCOME	**37 278**	**32 658**	**35 670**

NOTE 14.2 - NET ALLOCATIONS TO PROVISIONS

K€	2012 restated	2013	2014
Net allocations to provisions for 30-year monitoring	(31)	(162)	(1 185)
Net allocations to current assets	26	233	(278)
Net allocations to other operating provisions	636	(2 800)	(344)
TOTAL	**630**	**(2 729)**	**(1 807)**

NOTE 14.3 - NET ALLOCATIONS TO AMORTIZATION

K€	2012 restated	2013	2014
Net allocations to intangible fixed assets	(442)	(1 438)	(3 373)
Net allocations to tangible fixed assets	(31 921)	(30 645)	(30 088)
Amortization to be allocated	-	-	(2)
TOTAL	**(32 363)**	**(32 084)**	**(33 463)**

NOTE 15 - OPERATING INCOME

K€	2012 restated	2013	2014
CURRENT OPERATING INCOME	**37 278**	**32 658**	**35 670**
Reassessment of fixed assets	-	-	-
Income on disposal of fixed assets [1]	325	5	4 831
Disposals of intangible fixed assets	72	-	-
Disposals of property, plant and equipment	253	(78)	4 831
Disposals of consolidated investments	-	83	-
Impairment of assets	(395)	(191)	(123)
Goodwill	-	-	-
Other intangible fixed assets	-	-	-
Property, plant and equipment	(395)	(191)	(123)
Business combination effects [2]	(1 025)	(413)	-
Other [3]	(7 282)	(255)	(7 433)
OPERATING INCOME	**28 902**	**31 803**	**32 945**

1. The Group received an indemnity consequent on an insurance claim under its “damage to property” cover, of EUR 8.0 million following the destruction by fire of its sorting center at Changé, France, which was valued in the accounts at EUR 3.5 million.

2. The amounts recorded on the business combinations effects line in 2012 refer to the funds expended to create the Séché-HIME business combination, which was discontinued in the course of 2013 with the sale of the Group’s holding in HIME.

3. The amounts recorded on the “other” line concern principally:

- EUR – 8.4 million corresponding to the additional operating costs incurred by Sénerval during industrial action at the site between March 21, 2014 and June 12, 2014, which paralyzed the Strasbourg plant, while the company was obliged to continue to perform its public service obligation to treat waste from the Strasbourg urban community and surrounding local authorities;

- an indemnity of EUR + 1.3 million received in recognition of the loss incurred by Valaudia as a result of termination of the public service delegation concession contract which had earlier been concluded with that company;
- the final closure and disposal costs of the Izeaux site of EUR – 0.4 million.

In 2013, this line consisted of the cost of closing down the Izeaux site (EUR – 0.5 million), net of income realized on final settlement of operations related to the removal of the Paris establishment of Trédi SA.

In 2012, in addition to the provision created in respect of the tax risk concerning Valls Quimica (EUR – 6.5 million), this line recorded the initial costs of closing down the Izeaux site (EUR – 0.7 million) and additional charges in respect of the removal of the Paris establishment of Trédi SA.

NOTE 16 - NET FINANCIAL INCOME

NOTE 16.1 - BREAKDOWN OF NET FINANCIAL INCOME

K€	2012 restated	2013	2014
Financial liabilities at amortized cost	495	514	576
Gain (loss) on hedging instruments	(10 739)	(12 015)	(14 014)
Cost of gross financial debt	(145 880)	(432)	(597)
TOTAL	**(156 124)**	**(11 933)**	**(14 035)**

K€	2012 restated	2013	2014
Financial liabilities at amortized cost	(8 451)	(10 140)	(12 630)
Gain (loss) on hedging instruments	(2 288)	(1 875)	(1 384)
COST OF GROSS FINANCIAL DEBT	**(10 739)**	**(12 015)**	**(14 014)**

The cost of gross financial debt evolved under the influence of early amortization of the issue premium and negotiation costs of the first bond issue, refinanced in May 2014.

NOTE 16.2 - BREAKDOWN OF OTHER FINANCIAL INCOME AND EXPENSES

K€	2012 restated	2013	2014
Foreign exchange gain (loss)	(193)	(60)	(20)
Net gain (loss) on the sale of financial fixed assets	(13)	-	(3)
Net impairment on financial assets	(145 510)	(379)	(322)
Other financial income and expenses	(165)	7	(253)
TOTAL	**(145 880)**	**(432)**	**(597)**

Other financial income and expenses were principally impacted in 2012 by the provisioning of HIME convertible bonds, both principal and interest accrued to December 31, 2011 (EUR 145.5 million).

The foreign exchange loss was essentially due to unrealized positions on Group prepayments to its international subsidiaries which do not meet the definition of net investments under IAS 21. To date, the Group holds no instruments or other means of hedging against foreign exchange risk.

NOTE 17 - TAXES

K€	2012 restated	2013	2014
Corporation tax payable	(504)	(395)	(2 627)
Deferred tax	54 533	(6 352)	(4 504)
TOTAL TAX EXPENSE	**54 029**	**(6 747)**	**(7 131)**

The transition from the theoretical tax at the statutory tax rate to the actual rate of tax paid can be analyzed as follows:

K€	2012 restated	2013	2014
THEORETICAL TAX AT CURRENT STATUTORY TAX RATE	**45 711**	**(6 841)**	**(6 511)**
Change in tax rate applicable to parent company [1]	11	(7)	(6)
Differences in tax rates applicable to subsidiaries	(2 400)	177	(5)
Unrecognized tax assets	(405)	(617)	(49)
Use of previous losses not previously carried forward	385	-	37
Definitively non-taxable income and expenses	10 727	541	(596)
TOTAL TAX EXPENSE	**54 029**	**(6 747)**	**(7 131)**

1: The tax rate (excluding social security contributions) on profits is 33.33%. Including social security contributions on profits, the Group's tax rate is 34.43%.

Within the tax consolidation group headed by Séché Environnement, which includes all French subsidiaries more than 95%-held, directly or indirectly, by Séché Environnement, tax savings of EUR 10.2 million were achieved.

4.1.6.3.4 *Financial risk management*

NOTE 18 - FINANCIAL INSTRUMENTS AT FAIR VALUE

Financial instruments break down as follows in terms of their different levels of fair value assessment:

K€	2014			
	Level 1	Level 2	Level 3	TOTAL
Available-for-sale securities	-	1 555	253	**1 808**
Hedging instruments	-	-	-	-
Other financial assets at fair value by the income statement	-	-	-	-
FINANCIAL ASSETS	**-**	**1 555**	**253**	**1 808**
Financial debts	-	271 653	-	**271 653**
Hedging instruments	-	1 143	-	**1 143**
Other financial liabilities at fair value by the income statement	-	-	-	-
FINANCIAL LIABILITIES	**-**	**272 796**	**-**	**272 796**

For comparison purposes, the breakdown in terms of fair value of the Group's financial instruments for the last two fiscal years was as follows:

K€	2012 restated			
	Level 1	Level 2	Level 3	TOTAL
Available-for-sale securities	-	1 907	18	**1 925**
Hedging instruments	-	-	-	-
Other financial assets at fair value by the income statement	-	-	-	-
FINANCIAL ASSETS	**-**	**1 907**	**18**	**1 925**
Financial debts	-	246 154	-	**246 154**
Hedging instruments	-	4 051	-	**4 051**
Other financial liabilities at fair value by the income statement	-	-	-	-
FINANCIAL LIABILITIES	**-**	**250 205**	**-**	**250 205**

K€	2013			
	Level 1	Level 2	Level 3	TOTAL
Available-for-sale securities	-	1 703	3	**1 705**
Hedging instruments	-	-	-	-
Other financial assets at fair value by the income statement	-	-	-	-
FINANCIAL ASSETS	**-**	**1 703**	**3**	**1 705**
Financial debts	-	253 418	-	**253 418**
Hedging instruments	-	1 928	-	**1 928**
Other financial liabilities at fair value by the income statement	-	-	-	-
FINANCIAL LIABILITIES	**-**	**255 346**	**-**	**255 346**

Available-for-sale securities

- Quoted securities valued at their stock exchange closing price are considered to be of level 1;
- non-quoted securities whose fair value can be determined on the basis of observable data, such as valuation by an independent expert, are considered to be of level 2;
- non-quoted securities whose fair value can be determined on the basis of a valuation model (such as discounted cash flow, multiples, etc.) are considered to be of level 3.

Hedging instruments

The fair value of the hedging instruments used by the Group (swaps, collars, swaptions, hybrid instruments) is determined by reference to a valuation model using observable data (interest rates) and is therefore considered to be of level 2.

Financial debts

The fair value of financial debts can be determined on the basis of observable data (interest rates) and is considered to be of level 2.

NOTE 19 - EXPOSURE TO CREDIT RISK

Credit risk is the risk of financial loss incurred by the Group in the event that a customer or counterparty to a given asset were to fail to meet its contractual obligations.

At present this risk arises mainly from trade receivables.

The Group manages the credit risk associated with trade receivables by means of an active receivables collection policy operated at each of its French subsidiaries. This policy is operated using a centralized software program which issues formal reminders and provides real-time information on the various parties concerned. An analysis of actual payment dates is monitored on a monthly basis, and any incidents are the subject of corrective actions.

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

K€	2012 restated NC	2012 restated C	2012 restated T	2013 NC	2013 C	2013 T	2014 NC	2014 C	2014 T
Available-for-sale financial assets	1 978	-	**1 978**	1 755	-	**1 755**	1 808	-	**1 808**
Financial loans and receivables at amortized cost	2 799	131	**2 930**	3 602	90	**3 692**	6 872	1 038	**7 910**
Non-current financial assets	4 778	131	4 909	5 358	90	5 448	8 681	1 038	9 719
Trade and other receivables	2 105	126 540	**128 645**	1 501	133 821	**135 322**	3 067	139 127	**142 193**
Other current assets (incl. corporation tax credits)	677	34 547	**35 224**	-	27 262	**27 262**	-	29 162	**29 162**
Loans and receivables at amortized cost	2 782	161 088	163 870	1 501	161 083	162 584	3 067	168 289	171 355
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	-	22 597	**22 597**	-	28 032	**28 032**	-	38 756	**38 756**
TOTAL FINANCIAL ASSETS	7 560	183 815	191 375	6 859	189 205	196 064	11 748	208 083	219 830
Derivative portion of convertible bonds	-	-	-	-	-	-	-	-	-
TOTAL	7 560	183 815	191 375	6 859	189 205	196 064	11 748	208 083	219 830

NC: non-current – C: current – T: total

Revenues, expenses, income and impairments recognized as financial assets in the financial statements for 2014 were almost exclusively related to marketable securities.

NOTE 20 - 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 contractual obligations. It concerns loans and receivables at amortized cost (financial or operational) and short-term investments of excess cash.

The aged balance of loans and receivables at amortized cost at year-end stood as follows:

K€

2014	Net value (C and NC)	Of which not due	Of which due 0-6 mths	6 mths-1 yr	> 1 yr
Financial loans and receivables at amortized cost	7 910	7 910	-	-	-
Trade and other receivables	142 193	112 865	25 922	1 608	1 798
Other assets	29 162	26 463	2 000	12	687
TOTAL	**179 266**	**147 238**	**27 922**	**1 620**	**2 485**

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

K€

2013	Net value (C and NC)	Of which not due	Of which due 0-6 mths	6 mths-1 yr	> 1 yr
Financial loans and receivables at amortized cost	3 692	3 692	-	-	-
Trade and other receivables	135 322	105 137	25 238	4 427	430
Other assets	27 262	26 621	-	-	641
TOTAL	**166 277**	**135 450**	**25 238**	**4 427**	**1 071**

K€

2012 restated	Net value (C and NC)	Of which not due	Of which due 0-6 mths	6 mths-1 yr	> 1 yr
Financial loans and receivables at amortized cost	2 930	2 930	-	-	-
Trade and other receivables	128 645	103 885	23 498	676	586
Other assets	35 225	34 605	4	24	592
TOTAL	**166 800**	**141 420**	**23 501**	**700**	**1 179**

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

NOTE 21 - EXPOSURE TO LIQUIDITY RISK

Liquidity risk is the risk that the Group may have difficulty honoring its debts at their maturity.

The Group manages its financing centrally. A cash management report is prepared, with the aim of providing a regularly updated overview of the Group's short-, medium- and long-term financing requirements. Nearly all of the Group's financing is arranged centrally, as is the balancing of its sources of financing (capital markets, banks).

At December 31, 2014, the residual contractual maturities of the Group's financial liabilities broke down as follows:

K€

Dec. 31, 2014	Book value	Contractual cash flows	< 1 yr	1 to 5 yrs	> 5 yrs
Bank loans	263 645	301 270	36 805	195 272	69 193
Lease finance debt	6 954	7 357	1 796	5 246	315
Other financial debt	913	913	578	301	34
Short-term bank borrowings	141	141	141	-	-
Trade and other payables (incl. corporation tax debts)	169 177	169 177	164 239	4 938	-
Liabilities for renewal of assets included in concessions	10 705	10 705	10 705	-	-
TOTAL NON-DERIVATIVE FINANCIAL LIABILITIES	451 536	489 563	214 264	205 757	69 542
Hedging instruments	1 143	1 143	596	547	-
TOTAL DERIVATIVE FINANCIAL LIABILITIES	1 143	1 143	596	547	-

For comparison purposes, the residual contractual maturities of the Group's financial liabilities in 2013 and 2012 were as follows:

K€

Dec. 31, 2013	Book value	Contractual cash flows	< 1 yr	1 to 5 yrs	> 5 yrs
Bank loans	239 284	279 683	33 171	181 996	64 516
Lease finance debt	12 124	12 741	5 415	6 456	870
Other financial debt	1 504	1 504	905	565	34
Short-term bank borrowings	505	505	505	-	-
Trade and other payables (incl. corporation tax debts)	163 539	163 539	160 628	2 911	-
Liabilities for renewal of assets included in concessions	11 078	11 078	11 078	-	-
TOTAL NON-DERIVATIVE FINANCIAL LIABILITIES	428 035	469 050	211 702	191 928	65 420
Hedging instruments	1 928	1 928	155	1 773	-
TOTAL DERIVATIVE FINANCIAL LIABILITIES	1 928	1 928	155	1 773	-

K€

Dec. 31, 2012 restated	Book value	Contractual cash flows	< 1 yr	1 to 5 yrs	> 5 yrs
Bank loans	228 066	296 369	29 562	190 877	75 930
Lease finance debt	15 896	16 568	5 373	9 652	1 544
Other financial debt	1 658	1 658	640	251	767
Short-term bank borrowings	534	534	534	-	-
Trade and other payables (incl. corporation tax debts)	152 624	152 624	152 435	189	-
Liabilities for renewal of assets included in concessions	10 591	10 591	10 591	-	-
TOTAL NON-DERIVATIVE FINANCIAL LIABILITIES	409 369	478 344	199 135	200 969	78 241
Hedging instruments	4 051	4 051	744	3 307	-
TOTAL DERIVATIVE FINANCIAL LIABILITIES	4 051	4 051	744	3 307	-

The Group's credit covenant signed on April 12, 2012 includes 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 financial ratios to be complied with are as follows:

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

The above assumes the following, on a consolidated basis:

- net financial debt means the aggregate of all financial debt as reported in the consolidated financial statements of Séché Environnement under the heading of bank loans and other financial debt, less cash and cash equivalents and investments in mutual funds, as indicated in the Group's consolidated financial statements, with the exception of non-recourse financings. "Non-recourse financings" refers to any financing arranged to finance the acquisition, deficit, operation, upkeep or maintenance of an asset or project where the entity to whom the debt is due has no recourse to any member of the Séché Group for the payment of any sum relative to such financing, and where reimbursement results essentially from the financial flows deriving from operation of the asset or project in question;
- equity means the totality of the share-holders' equity (Group share), with the exception of the fair value of the hedging instruments used to hedge flows related to HIME;
- EBITDA means consolidated operating income before deduction of all net allocations to amortization and provisions and other operating income and charges, excepting, where applicable, the EBITDA of the HIME-Saur group.

At December 31, 2014, the Group's bank gearing stood at 0.66 and bank-debt-to-earnings at 2.56, both ratios lying within the required range.

NOTE 22 - EXPOSURE TO INTEREST RATE RISK

Séché Environnement's corporate debt, before hedging, is subject to a variable rate of interest.

The Group uses hedging instruments to cover itself against any rise in interest rates, and to optimize the cost of its debt. The credit covenant requires a minimum of 50% hedging over a three-year period.
The instruments used include 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 share-holders' equity of EUR 1.6 million;
- a 1 point instantaneous upward change in interest rates would have a negative impact of EUR 0.6 million on the Group's financial costs in 2014, based on its indebtedness at December 31 and its reimbursement profile at that date.

NOTE 23 - 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 euros, of the investments of its foreign subsidiaries operating in local currencies (for those subsidiaries not considered as long-term foreign investments).

Changes in foreign exchange income break down as follows:

K€	Dec. 31, 2012 restated	Dec. 31, 2013	Dec. 31, 2014
Foreign exchange income, Europe	(23)	33	(3)
Foreign exchange income, Americas	(169)	(93)	(17)
TOTAL	**(193)**	**(60)**	**(20)**

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

4.1.6.3.5 *Joint ventures – proportional consolidation*

With effect from January 1, 2013, Sogad, previously the only subsidiary consolidated under the proportional method, is consolidated under the equity method, as a result of early adoption of IFRS 10 and 11. Since that date, the Group no longer possesses any subsidiary consolidated under the proportional method.

4.1.6.3.6 *Breakdown by geographical area*

NOTE 24 - BREAKDOWN OF ORDINARY ACTIVITIES BY GEOGRAPHICAL AREA

K€

	Dec. 31, 2012 restated	Dec. 31, 2013	Dec. 31, 2014
France	423 048	453 252	446 976
Europe (outside France)	19 268	18 570	19 270
Outside Europe	4 998	3 021	2 071
TOTAL REVENUE FROM ORDINARY ACTIVITIES	**447 314**	**474 844**	**468 318**

NOTE 25 - NON-CURRENT ASSETS BY GEOGRAPHICAL AREA

K€

December 31, 2014	France	Europe (outside France)	Outside Europe	TOTAL
Goodwill	222 906	4 699	-	**227 604**
Intangible fixed assets included in concessions	44 720	-	-	**44 720**
Other intangible fixed assets	11 445	9	-	**11 454**
Property, plant and equipment	160 300	2 970	541	**163 811**
Non-current financial assets	8 666	15	-	**8 681**
Shareholdings in affiliates	844	-	-	**844**
Other non-current operating assets	3 067	-	-	**3 067**
Deferred tax assets	42 676	1 540	-	**44 216**
TOTAL NON-CURRENT ASSETS	**494 623**	**9 233**	**541**	**504 397**

K€

December 31, 2013	France	Europe (outside France)	Outside Europe	TOTAL
Goodwill	222 906	4 699	-	**227 604**
Intangible fixed assets included in concessions	43 620	-	-	**43 620**
Other intangible fixed assets	11 326	2	-	**11 328**
Property, plant and equipment	161 537	2 807	581	**164 925**
Non-current financial assets	5 043	315	-	**5 358**
Shareholdings in affiliates	753	-	-	**753**
Deferred tax assets	46 793	1 824	-	**48 617**
TOTAL NON-CURRENT ASSETS	**493 479**	**9 647**	**581**	**503 707**

Dec. 31, 2012 restated (K€)	France	Europe (outside France)	Outside Europe	TOTAL
Goodwill	223 451	4 699	-	**228 150**
Intangible fixed assets included in concessions	19 212	-	-	**19 212**
Other intangible fixed assets	6 462	18	-	**6 480**
Property, plant and equipment	165 317	2 939	626	**168 882**
Non-current financial assets	4 462	315	-	**4 778**
Shareholdings in affiliates	434	-	-	**434**
Other non-current operating assets	2 105	-	-	**2 105**
Non-current corporation tax assets	677	-	-	**677**
Deferred tax assets	53 586	2 379	-	**55 965**
TOTAL NON-CURRENT ASSETS	**475 707**	**10 350**	**626**	**486 683**

4.1.6.3.7 *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. 8 571 843.

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

4.1.6.3.8 *Dividends*

In 2014, Séché Environnement paid out EUR 8 203 126.50 in dividends, or EUR 0.95 per share, regardless of the type of share. Dividends concerning treasury stock were booked in additional paid-in capital in the amount of EUR 57 780.90.

The Board of Directors resolved on March 2, 2015, to propose to the Annual General Meeting a dividend payout of EUR 8 203 126.50, or EUR 0.95 per share.

4.1.6.3.9 *Transactions with related parties*

The Group maintains relations with the following related parties:

- non-consolidated Group subsidiaries and affiliates: the Group maintains no significant relations with these related parties;
- members of the Board of Directors and the Executive Committee: their remuneration and benefits of all kinds are presented in the section below.

4.1.6.3.10 *Remuneration of senior management*

Remuneration of the senior officers and directors breaks down as follows:

€	Dec. 31, 2012 restated	Dec. 31, 2013	Dec. 31, 2014
Short-term benefits	1 918 381	1 932 500	1 926 690
Post-employment benefits	-	-	-
Share-based payments	-	-	-
TOTAL	**1 918 381**	**1 932 500**	**1 926 690**

4.1.6.3.11 *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.

As far as the Company is aware, there was 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.

4.1.6.3.12 *Fees of the statutory auditors*

Fees paid by the Group to its statutory auditors and members of their networks were as follows:

K€	KPMG		RSM Ouest Audit	
	2013	2014	2013	2014
Auditing assignments				
Statutory audit, examination of individual and consolidated accounts, certification of accounts				
Séché Environnement	108	108	100	102
Fully consolidated subsidiaries	222	220	183	169
Additional assignments directly related to the auditors' mission				
Séché Environnement	-	35	-	-
Fully consolidated subsidiaries	2	7	-	-
Sub-total 1	332	369	283	271
Other services				
Other services rendered by the auditors' networks to fully consolidated subsidiaries				
Legal, tax and corporate	-	-	-	-
Other	-	-	-	-
Sub-total 2	-	-	-	-
TOTAL	**332**	**369**	**283**	**271**

4.1.6.3.13 Transition from published accounts to restated accounts

K€

Consolidated balance sheet 2012	Dec. 31, 2012 published	IFRS 5 discontinued operations	Reclassification of provisions for site rehabilitation	Dec. 31, 2012 restated
Goodwill	228 150	-	-	228 150
Intangible fixed assets included in concessions	19 212	-	-	19 212
Other intangible fixed assets	6 492	(12)	-	6 480
Property, plant and equipment	171 747	(2 865)	-	168 882
Investments in affiliates	434	-	-	434
Non-current financial assets	4 786	(9)	-	4 778
Hedging instruments – non-current assets	-	-	-	-
Other non-current assets	2 105	-	-	2 105
Deferred non-current corporation tax assets	677	-	-	677
Deferred tax assets	55 965	-	-	55 965
Non-current assets	**489 570**	**(2 886)**	**-**	**486 683**
Inventories	10 507	(5)	-	10 502
Trade and other receivables	127 204	(663)	-	126 540
Corporation tax receivables	12 593	-	-	12 593
Current financial assets	131	-	-	131
Hedging instruments – current assets	-	-	-	-
Other current assets	21 997	(42)	-	21 954
Cash and cash equivalents	23 050	(453)	-	22 597
Current assets	**195 482**	**(1 164)**	**-**	**194 318**
Assets held for sale		4 111	-	4 111
TOTAL ASSETS	**685 051**	**60**	**-**	**685 111**
Share capital	1 727	-	-	1 727
Additional paid-in capital	299 079	-	-	299 079
Reserves	37 726	-	-	37 726
Net income (Group share)	(82 377)	-	-	(82 377)
Shareholders' equity (Group share)	**256 155**	**-**	**-**	**256 155**
Minority interests	378	-	-	378
TOTAL SHAREHOLDERS' EQUITY	**256 532**	**-**	**-**	**256 532**
Other equity	31	-	-	31
Non-current financial debt	218 154	-	-	218 154
Hedging instruments – non-current liabilities	3 307	-	-	3 307
Employee benefits	809	-	-	809
Deferred tax liabilities	11	(11)	-	-
Other non-current provisions	3 988	(27)	-	3 961
Other non-current liabilities	189	-	-	189
Non-current liabilities	**226 458**	**(38)**	**-**	**226 420**
Current financial debt	28 000	-	-	28 000
Hedging instruments – current liabilities	744	-	-	744
Current provisions	20 416	(188)	(10 355)	9 872
Taxes payable	904	-	-	904
Other current liabilities	151 967	(200)	10 355	162 123
Current liabilities	**202 031**	**(388)**	**-**	**201 643**
Liabilities held for sale	-	486	-	486
TOTAL LIABILITIES	**685 051**	**60**	**-**	**685 111**

K€

Consolidated income statement 2012	Dec. 31, 2012 published	IFRS 5 discontinued operations	Reclassification of provisions for site rehabilitation	Dec. 31, 2012 restated
REVENUE	**441 881**	**(1 977)**	**-**	**439 904**
Other business income	5 247	-	-	5 247
Transfers of expenses	2 164	(1)	-	2 163
Purchases used for operational purposes	(64 957)	353	-	(64 604)
Other purchases and outside expenses	(170 919)	493	-	(170 426)
Taxes other than on income	(35 019)	46	-	(34 973)
Employee benefits expenses	(98 804)	301	-	(98 503)
EBITDA	**79 592**	**(784)**	**-**	**78 808**
Expenses for rehabilitation and/or maintenance of sites included in concessions	(8 594)	117	(328)	(8 805)
Other net operating expenses	(995)	3	-	(992)
Net allocations to provisions	196	106	328	630
Net allocations to amortization	(32 944)	581	-	(32 363)
Current operating income	37 255	24	-	37 278
Income on sales of fixed assets	325	-	-	325
Impairment of assets	(395)	-	-	(395)
Consolidation scope variation effects	(1 025)	-	-	(1 025)
Other operating income and expenditure	(7 282)	-	-	(7 282)
OPERATING INCOME	**28 878**	**24**	**-**	**28 902**
Income from cash and cash equivalents	438	57	-	495
Gross financial borrowing costs	(10 739)	-	-	(10 739)
Cost of net financial debt	(10 301)	57	-	(10 244)
Other financial income	639	(137)	-	502
Other financial expenses	(146 390)	8	-	(146 382)
FINANCIAL INCOME	**(156 052)**	**(71)**	**-**	**(156 124)**
Corporation tax	54 007	22	-	54 029
INCOME OF CONSOLIDATED COMPANIES	**(73 167)**	**(26)**	**-**	**(73 193)**
Share of income of affiliates	(9 606)	-	-	(9 606)
Net income from continuing operations	(82 773)	(26)	-	(82 799)
Income from discontinued operations		26	-	26
TOTAL NET INCOME OF CONSOLIDATION SCOPE	**(82 773)**	**-**	**-**	**(82 773)**
Of which minority interests	*(396)*	-	-	*(396)*
Of which attributable to equity holders of the parent	*(82 377)*	-	-	*(82 377)*
Net earnings per share	(9.61 €)	-	-	(9.61 €)
Diluted earnings per share	(9.61 €)	-	-	(9.61 €)

K€

Consolidated statement of cash flows 2012	Dec. 31, 2012 published	IFRS 5 discontinued operations	Reclassification of provisions for site rehabilitation	Dec. 31, 2012 restated
Income of consolidated companies	**(73 167)**	**(26)**	**-**	**(73 193)**
Elimination of income and expenses with no cash impact or not related to operating activities:				
■ Amortization and provisions	200 992	(587)	(756)	199 649
■ Net capital gains on disposals	(313)	-	-	(313)
■ Deferred taxes	(54 522)	(11)	-	(54 533)
■ Other income and expenses	(113)	142	-	30
Cash flow from operating activities	**72 878**	**(482)**	**(756)**	**71 640**
Corporation tax	514	(10)	-	504
Cost of gross financial debt before long-term investments	(5 345)	(57)	-	(5 402)
Cash flow from operating activities before taxes and financing costs	**68 048**	**(549)**	**(756)**	**66 743**
Change in working capital requirement	(4 878)	256	756	(3 866)
Tax paid	(10 579)	10	-	(10 569)
Net cash flow from operating activities	52 590	(283)	-	52 307
Cost of acquisition of fixed assets	(43 934)	348	-	(43 586)
Proceeds from disposals of fixed assets	2 648	-	-	2 648
Outflows for acquisitions of financial investments	(784)	8	-	(776)
Inflows from disposals of financial investments	101	-	-	101
Net cash outflows for acquisitions of subsidiaries	(16 319)	-	-	(16 319)
Net cash inflows from disposals of subsidiaries	-	-	-	-
Net cash flow from investment activities	(58 289)	356	-	(57 933)
Dividends paid to equity holders of the parent	(11 140)	-	-	(11 140)
Dividends paid to minority shareholders of consolidated companies	(10)	-	-	(10)
Capital increases in cash	-	-	-	-
Treasury stock movements	6	-	-	6
Changes in other shareholders' equity	31	-	-	31
Borrowings	206 563	-	-	206 563
Repayment of borrowings	(176 141)	-	-	(176 141)
Interest paid	(15 042)	57	-	(14 986)
Net cash flow from financing activities	4 265	57	-	4 322
TOTAL CASH FLOW FOR THE PERIOD, CONTINUING OPERATIONS	**(1 433)**	**129**	**-**	**(1 303)**
NET CASH FLOW FROM DISCONTINUED OPERATIONS		**(129)**	**-**	**(129)**
TOTAL CASH FLOW FOR THE PERIOD	**(1 433)**	**-**	**-**	**(1 433)**
Cash and cash equivalents at beginning of year	24 005	-	-	24 005
Of which in continuing operations	*24 005*	*(541)*	*-*	*23 464*
Of which in discontinued operations	*-*	*541*	*-*	*541*
Cash and cash equivalents at end of year	22 516	-	-	22 516
Of which in continuing operations [1]	*22 516*	*(454)*	*-*	*22 062*
Of which in discontinued operations	*-*	*454*	*-*	*454*
Effect of changes in foreign exchange rates	(56)		-	(56)
Of which in continuing operations	*(56)*	*(42)*	*-*	*(99)*
Of which in discontinued operations	*-*	*42*	*-*	*42*

1: Of which:

Cash and cash equivalents	*23 050*	*-*	*-*	*22 597*
Short-term bank borrowings (current financial debts)	*(534)*	*-*	*-*	*(534)*

4.1.6.3.14 *Discontinued operations*

In accordance with IFRS 5.33, the following table presents the detail of net income and cash flows concerning discontinued operations:

K€

Consolidated income statement	2012	2013	2014
REVENUE	**2 316**	**297**	**-**
Other business income	-	-	-
Transfers of expenses	-	-	-
Purchases used for operational purposes	(354)	(220)	(13)
Other purchases and outside expenses	(832)	(821)	(405)
Taxes other than on income	(46)	(73)	(6)
Employee benefits expenses	(301)	(275)	(114)
EBITDA	**784**	**(1 091)**	**(538)**
Expenses for rehabilitation and/or maintenance of sites included in concessions	(195)	(14)	16
Other net operating expenses	(3)	(18)	5
Net allocations to provisions	(28)	(2 434)	318
Net allocations to amortization	(581)	(248)	(177)
Current operating income	(24)	(3 806)	(376)
Income on sales of fixed assets	-	16	(2)
Impairment of assets	-	-	-
Consolidation scope variation effects	-	-	-
Other operating income and expenditure	-	-	-
OPERATING INCOME	**(24)**	**(3 789)**	**(378)**
Income from cash and cash equivalents	(57)	(45)	(65)
Gross financial borrowing costs	-	-	-
Cost of net financial debt	(57)	(45)	(65)
Other financial income	137	16	2
Other financial expenses	(8)	(24)	(109)
FINANCIAL INCOME	**71**	**(53)**	**(172)**
Corporation tax	(22)	(12)	(1)
NET INCOME FROM DISCONTINUED OPERATIONS	**26**	**(3 855)**	**(550)**

K€

Consolidated statement of cash flows	2012	2013	2014
INCOME OF CONSOLIDATED COMPANIES	**26**	**(3 855)**	**(550)**
Elimination of income and expenses with no cash impact or not related to operating activities:			
Amortization and provisions	587	2 718	(137)
Net capital gains on disposals	-	(17)	2
Deferred taxes	11	-	1
Other income and expenses	(143)	16	96
CASH FLOW FROM OPERATING ACTIVITIES	**482**	**(1 136)**	**(589)**
Corporation tax	10	12	-
Cost of gross financial debt before long-term investments	57	45	65
CASH FLOW FROM OPERATING ACTIVITIES BEFORE TAXES AND FINANCING COSTS	**549**	**(1 079)**	**(524)**
Change in working capital requirement	(244)	884	343
Tax paid	(10)	(12)	-
Net cash flow from operating activities	294	(208)	(181)
Cost of acquisition of fixed assets	(348)	(74)	(1)
Proceeds from disposals of fixed assets	-	34	-
Outflows for acquisitions of financial investments	(8)	-	-
Inflows from disposals of financial investments	-	7	-
Net cash outflows for acquisitions of subsidiaries	-	-	-
Net cash inflows from disposals of subsidiaries	-	-	-
Net cash flow from investment activities	(356)	(33)	(1)
Dividends paid to equity holders of the parent	-	-	-
Dividends paid to minority shareholders of consolidated companies	-	-	-
Capital increases in cash	-	-	-
Treasury stock movements	-	-	-
Changes in other shareholders' equity	-	-	-
Borrowings	-	-	-
Repayment of borrowings	-	-	-
Interest paid	(68)	-	-
Net cash flow from financing activities	(68)	-	-
CASH FLOW FOR THE PERIOD FROM DISCONTINUED OPERATIONS	**(130)**	**(241)**	**(182)**

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