Leader in the construction and maintenance of transport infrastructure

Backed by a network of 1,400 autonomous business units that boast a workforce of more than 73,600 people located in 40 countries on five continents, Colas is a leader in the field of construction and maintenance of infrastructures, urban development and recreational facilities. In 2008, with 112,000 projects worldwide, the Group posted consolidated revenue at 12.8 billion euros.

Roads represent nearly 80% of the Group’s business, including the construction and maintenance of roads and highways, airfield runways and aprons, ports, industrial sites, logistics platforms, urban networks, reserved-lane public transport systems, bike paths, sports facilities, automobile circuits, recreational areas, retention ponds, landscaping, and more. In addition, Colas does buoyant business in industrial activities upstream from the construction sector involving the production and recycling of materials (aggregates, emulsions and binders, asphalt concrete, ready-mix concrete) that it uses internally or sells to third parties, thanks to its dense international network of quarries, gravel pits, emulsion plants, asphalt plants, concrete plants. The Group operates in the storage, transformation and distribution of bitumen as well.

Colas is also involved in other complementary lines of business, which means that the Group can propose a wide range of products and services to its clients, both public and private: manufacturing and installation of safety equipment, road marking and traffic control/access management systems; production and application of waterproofing products, siding and roofing; laying of pipes for the transport of fluids, civil engineering, building (new construction, rehabilitation, deconstruction); design and engineering of large-scale complex railway projects, construction, renewal and maintenance of railways for conventional lines, high speed trains, tramways, subways, including electrification and signaling, railway freight transport; services and concessions.

Safety, quality, ethics, environmental protection, innovation, diversity, training, rigor, financial strength: these are the keys that allow Colas to pursue long-term profitable growth in the framework of responsible development.

Colas is paving the way forward, serving people, freedom, higher standards of living and enhanced economic development.
Social progress, environmental protection and long-term profitable growth are the three cornerstones of responsible development at Colas.
“2008: another year of responsible development”

For a number of years now, Colas has posted strong growth in revenue. The figures for 2008 bear witness to this continuity: a 10% increase, which is equal to average growth recorded by the transport infrastructure market over the last five years. This is true for both the road sector, Colas’ core business, and its most recent segment, railways.

What is the breakdown of Colas’ growth, geographically speaking?
The majority of our Group’s units enjoyed strong business activity on all five continents. This was the case for companies in France and in other European countries, such as Great Britain, Belgium, Romania, Hungary, in the Indian Ocean zone where major road and mining projects are currently under way, in North America and in Morocco too. Growth, however, was not linear. The first half-year got off to a strong start, especially in France, but as of September, business slowed, a logical consequence of the economic downturn and concerns of public and private investors bred by the financial and banking crisis. Our core markets are still the same – Europe and North America. Combined, they account for 93% of our revenue. We also have footholds in Africa and in Asia/Oceania, but we use slightly different business models in these zones, for example bitumen trading and transformation.

Has the breakdown of revenue per line of business changed?
No, not fundamentally. Roads and construction materials remain our core business. Together they account for 80% of our total revenue. Nevertheless, some of our other lines of business – Waterproofing, Railways, Road Safety and Signaling – enjoyed growth of over 10% in 2008, higher than the rest of the Group. That is what “nibbled” away a bit of the Road segment’s share.

Did you make any acquisitions in 2008?
Yes, like every year, because the Colas business model has two cornerstones – organic growth and external growth. We acquired Drawmac and its companies in Australia, specialists in bitumen depots and bituminous products sales. In the United States, we expanded our network with the acquisition of a materials and road works company in Nevada. We also boosted our construction materials production capacity, notably aggregates, with the purchase of Gouyer, a company that owns quarries and plants in Martinique and Guadeloupe. Colas is now the leading manufacturer of aggregates and ready-mix concrete in the French West Indies. The acquisition of Cerf, in France’s Auvergne region, follows the same path. And these are just some of the biggest deals we signed during the year…

How has the financial crisis affected your business?
The impact was belated yet brutal in every industrial sector. As for our businesses, we observed a progressive slowdown in growth of work-on-hand throughout the year, in France in particular, following the municipal elections in March 2008. But September saw our first actual drop in work-on-hand compared to last year. At the end of January 2009, work-on-hand was down 8% against the end of January 2008. The decrease must be put into perspective because, without four major projects that are exceptional in scale, the drop is merely 4%. Therefore, work-on-hand in our conventional business remains high. We must also keep in mind that work-on-hand at the beginning of 2008 had reached a record level.
How do you explain the fact that Colas has stood firm?
I would like to start by insisting on the fact that we must all remain humble in light of the profound crisis that the world is going through today.
Colas has shown that it can resist well. This is certainly thanks to our pertinent, unchanging strategy, based on a strong core business, boosted by complementary lines of business. The Group’s activities are backed by a decentralized global network of 1,400 business units that are established – I like the word “rooted” – in 42 countries worldwide. Some perform major projects, but above and beyond that, all of them work day in and day out with their customers to maintain infrastructure. They have only one idea in mind: providing high quality local service. Colas’ business model involving industrial integration also helps ensure the continued existence of the Group’s activities. This, when combined with the first two factors, gives our Group a unique profile.

In 2008, you surpassed the revenue target you had set at 12.5 billion euros.
Yes, we surpassed it with 12.8 billion euros. But, we must admit that the sharp price increases for oil-based products account for part of that. Our satisfaction lies in our subsidiaries, agencies and profit centers’ capacity to repeat the previous year’s performance, boosted by high levels of work-on-hand at the beginning of the year and clement winter weather, all of which helped us post a Group share of net profit at 490 million euros, up 3.4%, in a decidedly more difficult context. Focusing on profitability rather than volume is a constant in our strategy.

And your investments?
Colas once again invested strongly this year, notably in equipment and industrial plants, in addition to the acquisitions I already mentioned. Combined, this makes for a total of nearly 660 million euros compared to 965 million last year, which included the acquisition of Spie Rail. These investments help guarantee productivity. After years of wide-sweeping renewal, investments in 2009 should be more moderate than the previous years, which will make it easier to adapt to an eventual shrink in business volumes, should this occur.

It is also of interest to underline the sizeable funds earmarked for innovation and development of products and processes that contribute to the Group’s efforts in the field of responsible development, thanks to their positive impact on the environment: energy savings, reduced greenhouse gas emissions, curtailed material consumption, use of plant-based raw materials, noise reductions, and more.

8,000 people were recruited in 2007. Did this drive continue into 2008?
Yes, it did. Colas hired 7,300 new employees in 2008. The recruitment program is a real necessity to ensure that our business stays on track, to renew the age pyramid and replace the “baby boomers” who are retiring today.
Open to the diversity of talent, recruitment at Colas is accompanied by a strong training program, whose cost represents 4% of payroll, much higher than required by law, when this is the case. We also invest to train young people in our field and help accompany our employees along their career path. I like to say – even if it is not very fashionable these days – that you can make a career for yourself at Colas, thanks in particular to mobility and internal promotion. We also provide wide-scale support to promote professional training programs for young people who are struggling to find a job or to reconvert.
In 2009, we plan to continue to recruit responsibly to ensure that our business remains on the path of development.

What does 2009 have in store for the Group?
For the first time in a long while, the high degree of uncertainty on how the market will evolve does not incite me to make forecasts. The financial crisis did spark a sudden slowdown in business and work-on-hand as of September. And yet in France, Europe and especially in North America, the stimulus packages have earmarked a majority of their funds for infrastructure investments, which should have a positive effect on our companies. In addition, the impact of decreasing oil prices, notably bitumen, will be twofold: the first, to reduce costs of projects for our customers, and the second, to mechanically decrease our revenue.

In light of these issues, a provisional hypothesis for revenue in 2009 has been set, with all due care, at 12.3 billion euros, a moderate 4% decline.
In addition, we will keep our eyes open for any opportunity to acquire companies in the materials and bitumen segments. External growth could then boost business figures.
Another very concrete example that is worthy of note involves improved tuning of asphalt plants burners which led to savings of 40,000 tons of CO$_2$.

Is your responsible development strategy an asset for recruitment, especially with young people?

Most certainly. We make sure that our new employees are very aware of our responsible development strategy: long-term profitable growth that is respectful of key social and environmental issues. We call on each person to play an exemplary role in the implementation of our responsible development policy, which results in a multitude of initiatives in the field.

In the social domain, we take special care to guarantee the diversity of talents, which is a factor of human richness, to provide training that can help people climb the social ladder, and to ensure the safety of our employees at work and on the road, favored by a strong-willed prevention policy.

In the environmental domain, in addition to our R&D effort and our program to reduce energy consumption and greenhouse gas emissions, we attach great importance to the environmental management of our production sites and their rehabilitation or redeployment upon closure.

This drive for progress also includes corporate citizenship initiatives throughout our network, in particular in the southern hemisphere in countries such as Madagascar, where the Group has set up public health care programs.

Lastly, we repeatedly remind everyone that ethics are an essential value and must be part of everything we do.

Will anything positive come out of the crisis?

I can think of one thing. The stimulus bills put forward to offset the economic crisis in Europe and North America focus on the construction and upgrading of transport infrastructure, especially roads. This has pushed our business back into the limelight – because it is an activity that requires a great deal of manpower, one that can not be relocated outside of the country, and one that provides immediate positive effect on the economy because projects can be launched very quickly. Some actually already exist and are just waiting for funding.

Do stimulus plans that promote investment in transport infrastructure, and roads in particular, go against the French Environmental Roundtable agreements, and generally speaking, against the Kyoto protocol?

No, I don’t believe so. I think that the debate opposing different means of transport is outdated. Roads, rails, air, sea – they are all complementary. The fact that transport infrastructures, and roads in particular, were at the heart of so many stimulus plans shows how profoundly useful they are.

I would like to remind you of Colas’ long-standing commitment to responsible development, with targets that promote improved road safety, reduced traffic noise, decreased CO$_2$ emissions, the recycling of materials – food for thought for our Research and Development teams and food for action for our operational teams. Colas played an active role in the French Environmental Roundtables. Projects which improve safety and make traffic more fluid also help reduce energy consumption. It is our daily bread.

Is Innovation, the fruit of your R&D policy, part of your responsible development strategy?

Absolutely. Colas has developed processes, such as 3E asphalt concrete, that make it possible to reduce application temperatures for asphalt mixes, Vegecol, a plant-based binder that is a substitute for bitumen, and Nanosoft, a noise-reducing surfacing that won the Innovation Award at the French Mayor’s Convention in 2008 and a gold medal for Environment at the Poznan, Poland International Fair.

In addition to these innovative products, Colas also developed Ecologiciel, special software that allows us to compare the environmental impact of different technical solutions, and thus propose environmentally-friendly alternatives to our customers. In 2008, this tool helped save 15,000 tons of CO$_2$ emissions.

Another very concrete example that is worthy of note involves improved tuning of asphalt plants burners which led to savings of 40,000 tons of CO$_2$.

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Lastly, we repeatedly remind everyone that ethics are an essential value and must be part of everything we do.

With businesses in 42 countries on five continents, Colas is a group that is open to the diversity of cultures, an opportunity for those who like to take action and discover the world.
Colas in the world

NORTH AMERICA
- Canada
- Alberta
- British Columbia
- Northwest Territories
- Ontario
- Quebec
- Yukon

United States
- Alaska
- Arkansas
- California
- Colorado
- Georgia
- Illinois
- Indiana
- Kentucky
- Maine
- Maryland
- Michigan
- Minnesota
- Nebraska
- Nevada
- New Jersey
- New Mexico
- New York
- North Carolina
- Ohio
- Pennsylvania
- South Carolina
- South Dakota
- Tennessee
- Texas
- Virginia
- West Virginia
- Wyoming

EUROPE
- Austria
- Belgium
- Czech Republic
- Croatia
- Denmark
- Estonia
- France
- Germany
- Greece
- Great Britain
- Greenland
- Hungary
- Iceland
- Ireland
- Isle of Man
- Italy
- Latvia
- Lithuania
- Luxembourg
- Monaco
- Netherlands
- Poland
- Portugal
- Romania
- Russia
- Slovakia
- Slovenia
- Switzerland
- Turkey
- Ukraine
- United Kingdom
- United States

AFRICA, INDIAN OCEAN, ASIA, OCEANIA
- Africa
- Algiers
- Benin
- Mauritania
- Morocco
- Namibia
- Nigeria
- Senegal
- South Africa
- Tunisia
- Uganda
- Zimbabwe

FRENCH OVERSEAS DEPARTMENTS
- Caribbean
- French Guiana
- Guadeloupe
- Martinique
- Reunion Island

Mainland France
- 16.6% of total revenue
- Europe
- 53.2% of total revenue
- Africa/
- Indian Ocean/
- Asia/Oceania
- 18.9% of total revenue
- Americas
- 4.1% of total revenue
- Europe (excluding France)
- 7.2% of total revenue

Colas Group
Colas Group

Consolidated key figures

Revenue in billions of euros

The Group’s consolidated revenue was on the rise at 12.8 billion euros, a 9.6% increase. These figures were boosted by work-on-hand that continued to grow up until the summer and rising raw material costs. With identical exchange rates and scope of business, the rise totaled 7.6%. As of August, growth in revenue and work-on-hand began to slow with local French authorities advocating a wait-and-see investment policy in the post-election period, along with the completion of a series of major projects and the impact of the global economic and financial crisis.

Profit from operations in millions of euros

In spite of a deteriorating global economic backdrop, Colas performed well in 2008, and its figures are in line with the previous years. Revenue is on the rise and growth is strong (new countries, major projects, reinforced materials and bitumen sectors).

Breakdown of revenue by business sector
Net profit (Group share) \[+3.4\%\]

The 3.4% increase in the Group share of net profit stems from improved performance in the 1,400 business units that operate in over 40 countries worldwide.

Consolidated net cash position \[\text{in millions of euros}\]

The Group’s consolidated net cash position totals −6 million euros, compared to +347 million euros at the end of December 2007, a drop attributed to:
- ongoing high level of investment, even though the pace was slowed during the fourth quarter 2008;
- rising working capital requirements at 254 million euros;
- an increase in the dividend for 2007, paid out in 2008.

Cash flow from operations, net investments, free cash flow \[\text{in millions of euros}\]

Cash flow from operations before finance charges and taxes reached 1.18 billion euros, an 85-million euro improvement compared to 2007, yielding a surplus in free cash flow of 426 million euros, after financing 519 million euros in net operating investments.
Colas Group

Colas share

Key figures for Colas share

<table>
<thead>
<tr>
<th>in euros</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest</td>
<td>120.00</td>
<td>159.50</td>
<td>230.00</td>
<td>363.99</td>
<td>309.50</td>
</tr>
<tr>
<td>Lowest</td>
<td>86.65</td>
<td>115.00</td>
<td>137.50</td>
<td>225.60</td>
<td>121.15</td>
</tr>
<tr>
<td>Price on Dec. 31</td>
<td>119.00</td>
<td>143.60</td>
<td>228.50</td>
<td>309.50</td>
<td>142.00</td>
</tr>
<tr>
<td>Market capitalization (in billions of euros)</td>
<td>3.83</td>
<td>4.62</td>
<td>7.40</td>
<td>10.06</td>
<td>4.62</td>
</tr>
<tr>
<td>Average daily transactions (in number of shares)</td>
<td>2,848</td>
<td>3,190</td>
<td>1,269</td>
<td>911</td>
<td>1,460</td>
</tr>
</tbody>
</table>

Share price

in euros

Stock market
Euronext Paris France
Compartment A, continuous market, non SRD (deferred settlement service)
Code ISIN FR0000121634
Identification codes:
– Reuters: COLPPA
– Bloomberg: RE.FP

Shareholder base on December 31, 2008

Colas Employee Savings Plan: 1.0%
Public: 2.2%
Bouygues: 96.8%
Net profit per share (Group share)
in euros per share

Net profit per share increased 3.4% to 15.06 euros against 14.56 euros at the end of 2007.

Dividend per share
Paid out in a given year in respect of the previous year’s results
in euros per share

The dividend distributed in 2009 for fiscal 2008 amounts to 8.75 euros, if approved by the Annual General Shareholders’ Meeting to be held on April 15, 2009.

The dividend distributed in 2008 for fiscal 2007 amounted to 8.50 euros.

French tax law no longer grants tax credits for dividends as of January 1, 2005 as stipulated in the Finance Law 2004.

Yield per share
Dividend paid out in a given year/year-end share price of previous year in percentage

Colas’ yield per share amounts to 6.16% if the dividend is approved by the Annual General Shareholders’ Meeting to be held on April 15, 2009.

Shareholders’ information
Calendar
Annual results: February 24, 2009
Interim results: August 25, 2009
Annual Shareholders’ Meeting: April 15, 2009
Payment of dividend: April 28, 2009

Information sources
Annual Report
Web site: http://www.colas.com

To contact Colas
Shareholders and Investors Relations
Tel.: (33) 1 47 61 76 73
E-mail: finance@colas.com

Share services
As an issuing company, Colas provides share services and financial services.
Colas Group

**Simplified financial statements**

**Consolidated income statement**

<table>
<thead>
<tr>
<th>Fiscal years</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated revenue</td>
<td>12,789</td>
<td>11,673</td>
</tr>
<tr>
<td>Profit from operations (current)</td>
<td>682</td>
<td>638</td>
</tr>
<tr>
<td>Extraordinary items</td>
<td>(3)</td>
<td>(3)</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>682</td>
<td>635</td>
</tr>
<tr>
<td>Interest</td>
<td>(22)</td>
<td>(11)</td>
</tr>
<tr>
<td>Other finance income (expense)</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Income tax</td>
<td>(217)</td>
<td>(209)</td>
</tr>
<tr>
<td>Income from associates</td>
<td>46</td>
<td>62</td>
</tr>
<tr>
<td><strong>PROFIT FOR THE YEAR</strong></td>
<td>495</td>
<td>481</td>
</tr>
<tr>
<td>of which minority interests</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td><strong>OF WHICH GROUP SHARE</strong></td>
<td>490</td>
<td>474</td>
</tr>
</tbody>
</table>

**Consolidated cash flow statement**

<table>
<thead>
<tr>
<th>Fiscal years</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash from operations before income tax</td>
<td>1,184</td>
<td>1,099</td>
</tr>
<tr>
<td>Income tax</td>
<td>(217)</td>
<td>(197)</td>
</tr>
<tr>
<td>Change in working capital requirements</td>
<td>(254)</td>
<td>96</td>
</tr>
<tr>
<td><strong>Cash flow from operating activities (a)</strong></td>
<td>713</td>
<td>998</td>
</tr>
<tr>
<td>Operating capital expenditures (net)</td>
<td>(585)</td>
<td>(605)</td>
</tr>
<tr>
<td>Acquisitions and disposals of subsidiaries</td>
<td>(146)</td>
<td>(191)</td>
</tr>
<tr>
<td>Other flows from investing activities</td>
<td>(15)</td>
<td>(37)</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities (b)</strong></td>
<td>(746)</td>
<td>(833)</td>
</tr>
<tr>
<td>Change in equity</td>
<td>8</td>
<td>39</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(260)</td>
<td>(210)</td>
</tr>
<tr>
<td>Net variation from borrowing</td>
<td>27</td>
<td>(8)</td>
</tr>
<tr>
<td>Interests</td>
<td>(21)</td>
<td>(12)</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities (c)</strong></td>
<td>(266)</td>
<td>(191)</td>
</tr>
<tr>
<td>Exchange differences and other (d)</td>
<td>(3)</td>
<td>(8)</td>
</tr>
<tr>
<td><strong>NET CHANGE IN CASH (a + b + c + d)</strong></td>
<td>(302)</td>
<td>(34)</td>
</tr>
<tr>
<td>Net cash and cash equivalents at beginning of year</td>
<td>544</td>
<td>578</td>
</tr>
<tr>
<td><strong>NET CASH AND CASH EQUIVALENT AT END OF YEAR</strong></td>
<td>242</td>
<td>544</td>
</tr>
</tbody>
</table>
### Consolidated balance sheet on December 31

**in millions of euros**

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>2,327</td>
<td>2,161</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>84</td>
<td>89</td>
</tr>
<tr>
<td>Goodwill</td>
<td>469</td>
<td>447</td>
</tr>
<tr>
<td>Investments in associates</td>
<td>357</td>
<td>339</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>202</td>
<td>164</td>
</tr>
<tr>
<td>Deferred taxes</td>
<td>90</td>
<td>85</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td><strong>3,529</strong></td>
<td><strong>3,285</strong></td>
</tr>
<tr>
<td>Invenories and receivables</td>
<td>4,030</td>
<td>4,017</td>
</tr>
<tr>
<td>Cash and financial instruments</td>
<td>436</td>
<td>676</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td><strong>4,466</strong></td>
<td><strong>4,693</strong></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>7,995</strong></td>
<td><strong>7,978</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital and reserves</td>
<td>2,140</td>
<td>1,964</td>
</tr>
<tr>
<td>Minority interests</td>
<td>37</td>
<td>41</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td><strong>2,177</strong></td>
<td><strong>2,005</strong></td>
</tr>
<tr>
<td>Long-term debt</td>
<td>186</td>
<td>149</td>
</tr>
<tr>
<td>Provisions</td>
<td>648</td>
<td>590</td>
</tr>
<tr>
<td>Deferred taxes</td>
<td>79</td>
<td>74</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td><strong>913</strong></td>
<td><strong>813</strong></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>4,649</td>
<td>4,860</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>53</td>
<td>45</td>
</tr>
<tr>
<td>Bank overdraft and financial instruments</td>
<td>203</td>
<td>135</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td><strong>4,905</strong></td>
<td><strong>5,160</strong></td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td><strong>7,995</strong></td>
<td><strong>7,978</strong></td>
</tr>
</tbody>
</table>
Board of Directors
as of April 15, 2009

Hervé Le Bouc,
Chairman and Chief Executive Officer

Christian Balmes,
Director

François Bertièrè,
Director

Olivier Bouygues,
Director

Thierry Genestar,
Director

Jean-François Guillemín,
Director

Patrick Le Lay,
Director

Philippe Marien,
Permanent Representative of Bouygues SA

Thierry Montouché,
Director

Auditors

KPMG SA,
Statutory Auditor

Mazars,
Statutory Auditor

Hubert Luneau,
Substitute

Thierry Colin,
Substitute

(1) If approved by the Annual General Shareholders’ Meeting on April 15, 2009.
As of December 31, 2008 the Colas Group’s consolidated revenue totaled 12.8 billion euros, a 9.6% increase compared to 2007. With unchanged structures and comparable exchange rates, revenue was up 7.6%.

Sales in France (including French overseas departments) rose to 7.3 billion euros, i.e., 57.3% of total revenue. Outside of France, revenue amounted to 5.5 billion euros, i.e., 42.7% of total revenue. When combined, Europe (including France) with 9.7 billion euros and North America with 2.1 billion euros account for 92.8% of total Group revenue. After depreciation/amortization of 466 million euros, against 412 million euros in 2007, and additional provisions totaling 153 million euros, against 150 million euros in 2007, the Group share of consolidated net profit rose 3.4%, to 490 million euros, compared to 474 million euros in 2007. Earnings per share were posted at 15.06 euros at the end of 2008.

Business in 2008

In 2008, all of Colas’ businesses in the field of infrastructure construction and maintenance again enjoyed buoyant markets, where needs remained high in terms of infrastructure upgrading and maintenance. Nonetheless, 2008 was marked by two very distinct periods. Up to the summer, business rose sharply, spurred by work-on-hand that was once more on the increase, even if this was also linked to rising raw material prices. As of August, growth in revenue and in work-on-hand began to slow with local French authorities advocating a post-electoral wait-and-see investment policy, the completion of a series of major international projects and the impact of the global economic and financial crisis. In spite of a deteriorating global economic backdrop, Colas performed well in 2008, and its figures are in line with the previous years. Revenue is on the rise and growth is strong (new countries, major projects, reinforced materials and bitumen sectors). Results improved for the Group’s 1,400 business units that operate in over 40 countries worldwide.
Business report – Colas Group


Cash flow from operations at 1.18 billion euros increased by 85 million euros compared to 2007. After deduction of asset sales, the net total of investments rose to 658 million euros, compared to 965 million euros invested in 2007. Net investment in current and non-current assets (construction equipment, industrial plants) amounted to 519 million euros, against 612 million euros in 2007. Net investment for external growth (financial investments and assets) was posted at 139 million euros, compared to 353 million euros in 2007 that included the acquisition of Spie Rail. Free cash flow (cash flow from operations less net financial debt, taxes and net investment) totaled 426 million euros.

As of December 31, 2008, shareholders’ equity prior to dividend distribution totaled 2,177 million euros, compared to 2,005 million euros at the end of 2007. The Group’s net cash position amounted to –6 million euros, compared to +347 million euros at the end of December 2007. The drop can be attributed to:
– an ongoing high-level investment program, although the pace slowed to a minimum during the fourth quarter 2008;
– a rise in the 2007 dividend paid out in 2008;
– an increase in working capital requirements appraised at 254 million euros.

Mainland France

Consolidated revenue in mainland France rose to 6.8 billion euros, a 4.9% increase compared to 2007. With an unchanged scope of activity, business was up 2.1%.

The Group’s activities include:

- Roads (75% of total revenue in mainland France):

  This highly-diverse sector covers some 57,000 projects involving the construction and maintenance of transport infrastructures – highways, national road networks, city streets, airports, seaports, platforms for railways and reserved-lane public transports, industrial and commercial platforms, roads and main networks for real estate projects including individual homes and apartment buildings, urban development (pedestrian zones, city squares), recreational amenities (sports facilities, automobile circuits, bike paths) and environmental protection (retention ponds, landscaping, windpower parks). This activity also includes small scale civil engineering and drainage works often linked to road construction and maintenance projects. The Group is also backed by an upstream industrial network that produces aggregates and materials, mainly designed for road works (asphalt mix, binders, emulsion, ready-mix concrete). These products are used in Group projects or are sold to third parties.

- Road-related activities (25% of total revenue in mainland France):
  - The Building sector comprises conventional construction business (mainly office space) for projects located exclusively in the Greater Paris area, along with demolition-deconstruction both in and around Paris, and throughout France, often coupled with material recycling activities.
  - The Road safety and signaling sector includes the manufacture, installation and maintenance of safety equipment (guardrails, traffic directing systems), road marking (production and application of road paints), lights and traffic/access management systems (traffic light maintenance, equipment for toll booths, parking lots, access). Aximum (Somaro’s new name as of January 1, 2009) and its subsidiaries operate in these lines of business.
  - The Pipes and mains sector encompasses the installation and maintenance of large-diameter and small-diameter pipes for the transport of fluids (oil, gas, water), including the construction of compressor stations, along with dry networks (electricity, heating, telecommunications), small-scale civil engineering projects and industrial services. Spac and its subsidiaries operate in these lines of business.
  - The Waterproofing sector includes:

    – the production and sales of waterproofing membranes in France and abroad, skydomes and fume/smoke removal systems, the installation and maintenance of servo-controls;
    – the waterproofing of roadways and sidewalks (mastic asphalt) and buildings, cladding and roofing of buildings (offices, industrial sites, auditoriums, museums) with complex work on highly-architectural projects, aluminum and steel cladding and roofing, metal frameworks, photovoltaic roofing. Smac and its subsidiaries operate in these lines of business.
  - The Railway sector comprises the design and engineering of complex large-scale projects, the construction, renewal and maintenance of railway tracks (conventional and high speed lines, tramways, subways) for both fixed installations and infrastructure with the laying and maintenance of track, electrification (substations, catenary systems), signaling, safety systems, special work (bridge cranes, siding, tunnels), the manufacturing of crossties, as well as a railway freight business.
(transporting aggregates for Group subsidiaries). Colas Rail and its subsidiaries operate in these lines of business.

The Group’s competitors in the road construction industry and in other public works sectors remain Eurovia (Vinci group) and Eiffage TP (Eiffage group), the NGE group, major regional companies such as Ramery, Malet, Charrier and Pigeon, in addition to a very tight network of roughly 1,600 small and medium-sized local companies. On the aggregate and ready-mix concrete markets, competition comes from cement manufacturing groups such as Lafarge, Cemex and Ciments Français, along with a network of regional and local aggregate producers, some of whom operate in the public works sector as well. The Group’s road-related businesses contend with specialized subsidiaries of the French construction groups mentioned above, along with major international companies as well. There are also numerous small, medium and large specialized business units that operate on regional, national and international markets such as:

– signing and signaling: Signature (Burelle and Eurovia groups), Girod, Lacroix;
– railways: Vossloh France and its subsidiary ETF (Eurovia), TSO, Alstom (TGS) and a number of independent medium-sized companies.

Colas is ranked first in the road construction and railway sectors, second for the production of aggregates and waterproofing. Ranking would have no significance in the other lines of business.

Roads

In 2008, in a road market that was up an estimated 4% (a slight contraction in light of the increased cost of raw materials), the Group’s sixteen road construction subsidiaries recorded 5.1 billion euros in revenue, a 2% increase over 2007. After a good half-year that rode the wake of 2007, business began to slow, due in particular to the local authorities’ post-election “wait-and-see approach” (completion of a number of tramway projects for example). The level of business activity lost speed after the summer and the fourth quarter saw increased pressure on prices in a very tight market. To accompany the slowdown – a hurdle which comes after so many years of strong growth – the investment program has been fine-tuned and the drive aimed at upgrading the Group’s industrial tool has been intensified. In France, since October 2008, business is supervised by two Managing Directors. To optimize their geographic range of action, the perimeter of the four French Colas regional subsidiaries has been slightly reconfigured, effective as of January 1, 2009.

Several companies were acquired in the materials production sector (aggregates and concrete) and road construction, in particular Cerf.

Road-related activities

Safety and signaling
Aximum (Somaro and its subsidiaries) posted a 14% increase in revenue, compared to 2007, thanks in particular to the acquisition of Ero Industrie and Vigifrance Sécurité, specialized respectively in access control systems for vehicles and pedestrians and perimeter detection systems, as well as to the full year integration of Profil R and Nordgalva (manufacturing and galvanization of metal guardrails) acquired in 2007 and the completion of a series of major projects in the road safety equipment sector. In order to better reflect the diversity of its road safety business, Somaro changed its name to Aximum. This new identity is part of a broad-reaching reorganization program that will allow Aximum to provide each customer with a tailor-made, comprehensive equipment and service offer.

Pipes and mains
Spac and its subsidiaries, with an unchanged scope of business, recorded figures that were equivalent to 2007. Activity was strong in the energy sector with in particular the installation of pipelines and connected structures (compressor stations) thanks in particular to programs aiming to increase capacity on the French natural gas network. The subsidiary Cofor (vertical drilling) was bought out by its management, in the framework of a restructuring plan that will help Spac focus on its core business.

Waterproofing
In 2008, Smac and its subsidiaries recorded a 13% rise in their revenue compared to the previous year, boosted by a strong market despite the 10-month stretch of rising bitumen prices, which pushed the cost of waterproofing membranes up as well. The photovoltaic sector got off to a good start via partnerships with Tenesol and EDF EN. Major siding, cladding and roofing projects were completed. Smac won bids on the EPR (European Pressurized Reactor) in Flamanville and nuclear power plants in Tricastin, Blayais and Dampierre.

Railways

Revenue posted in 2008 by Colas Rail was up 5% on 2007, with an unchanged scope of business. 2008 was a year of transition, with major efforts to restructure the company formed in the wake of the Seco-Rail-Spie Rail merger, a series of rehabilitation contracts that are inauspicious in terms of productivity for heavy equipment such as the “Fast-track renewal train”, a railway freight business that still posts figures under
target, wide-sweeping studies to bid on complex major projects such as the Tram-train on Reunion Island or the high-speed South Europe Atlantic line, and several deficit-laden contracts abroad (please see international section). Results show a shortfall that should soon be turned around, boosted by upbeat market perspectives and the rapid implementation of corrective measures.

In all, 2008 was witness to nearly 85,000 projects in France. Here are some noteworthy examples to demonstrate the broad diversity of the Group’s businesses in mainland France:

- **Construction and maintenance of highway networks:**
  - A6: refurbishment of a 20-km section of porous asphalt between Chalon-sur-Saône and Beaune;
  - A10: refurbishment of a 20-km section of pavement between Poitiers and Niort;
  - A25: renovation of pavement on a 7-km stretch near Dunkerque;
  - A40: refurbishment of a 15-km section at night between Etrembières and Archamps;
  - A41 North: construction of pavement on a 19-km section between Annecy, France, and Geneva, Switzerland;
  - A41 South: refurbishment of a 14-km section of roadway between Grenoble and Crolles;

- **Construction, maintenance, renovation of road networks:**
  - Widening to 4 lanes on a 9-km section and construction of an interchange and 2 roundabouts on Route RN145 in central France;
  - Refurbishment of pavement with 3E+R asphalt concrete on Route RN33 near Lunéville;
  - Construction of bypasses in Carcassonne, Tignes, Mazières-en-Gâtine;
  - Refurbishment programs in the Lorraine, Alsace, Franche-Comté and Champagne-Ardenne regions;
  - Widening of Route RD810 in Bayonne with embankments with Compostyrene and noise-reducing asphalt concrete;

- **Airports – Ports:**
  - Refurbishment of Lyon-Bron airport;
  - Construction of a basin and piers for the port of Saint-Guénolé;

- **Logistics platforms and other:**
  - Construction of industrial and logistics platforms in Levet, Bergerac, La Chevrolière, Cheviré-Bouguenais, Dourges, Etainhús;
  - Design and build of technical training bases for fire fighters in Vitrolles with major environmental constraints;

- **Urban development:**
  - Embellishment of the Étoile Square and the surrounding neighborhood in Strasbourg;
  - High-quality urban development project on the Island of Nantes;
  - Building of a garden on top of an underground parking facility in Lille;

- **Athletic and recreational facilities:**
  - Construction of an automobile and motorcycle racing circuit in La Ferté-Gaucher, with the application of Ecoflex recycled asphalt concrete; upgrading of the Deux-Caps tourist site on the north coast using Vegecol;

- **Public transport:**
  - Launching of work on Reims tramway in a Public Private Partnership project;
  - Construction of a 5-km long reserved-lane transport network in Maubeuge;

- **Safety and signaling:**
  - Installation of 100 kilometers of metal guardrails and completion of 50 kilometers of road marking on Highway A19 between Artenay and Courtenay;
  - Supply and installation of metal guardrails, concrete separators, noise barriers, signing and road marking on Highway A41;

- **Pipes and mains:**
  - Installation of a 70-km pipeline on the Guyenne Artery for TIGF;
  - Installation of a 60-km pipeline on the North-East Artery between Cerville and Petit-Tanquin for GRTgaz;
  - Construction of the Laneuvelotte compressor station for GRTgaz;

- **Waterproofing:**
  - Completion of the roofing and façades on the Zénith auditorium in Saint-Étienne;
  - Roofing, cladding and green roof at a waste treatment plant in Fos-sur-Mer;
  - Roofing, cladding of large pharmaceutical laboratory in Toulouse;

- **Railways:**
  - Installation of track and infrastructure for the extension of the high-speed train line from Perpignan to Figueras;
  - Refurbishment of the catenary system on the LGV South East high-speed train line between Avallon and Lyon;
  - Renewal of crossties on the A and B lines of RER subway lines in Paris between the “Gare de Lyon” and “Châtelet” stops;

- **Building:**
  - Foundations and civil engineering for an Ikea store in Tours;
  - Construction of a supermarket built with “HQE” French green-building standards in Arcs-sur-Argens;
  - Demolition of the former Chausson plant in Gennevilliers;
  - Deconstruction of a section of the Michelin plant in Poitiers including the recycling of materials.

**Concessions**

**Cofiroute**

Cofiroute, a highway concession company in which Colas holds a 16.67% stake, operates a 1,100-km interurban network in northwest France. In an economic backdrop that progressively deteriorated over the year (slower economic growth and sharp rise in fuel prices), traffic showed modest growth at +1.9% (2% for passenger vehicles and 1.7% for heavy goods vehicles) thanks to the opening of new sections. For the first time in many years, traffic, with an unchanged network perimeter, is down slightly at –1.4% (1.4% for passenger vehicles and 1.3% for heavy goods vehicles). The end of 2008 saw the completion of the conceded...
interurban network with the handing over of the last section of the northern bypass of Angers on Highway A11 opened to traffic on April 24, 2008, four months ahead of schedule. Statistics show that this section is very beneficial to the local community, with a sharp drop in traffic on the city’s roads along the riverbank.

Work on the A86 beltway concession in the west of Paris continued at a quick pace on the A13-Pont Colbert section. The electromechanical and computer-based safety equipment was installed as the project progressed, to allow the first section between Rueil-Malmaison and Highway A13 to be opened up to traffic by the end of June 2009.

**Adelac**
A company in which Colas holds a 46.1% share with Bouygues Construction, Adelac opened up a 19.7-km section of Highway A41 North on December 22, 2008. The venture has a 55-year concession on the highway, which links Annecy, France, to Geneva, Switzerland, in thirty minutes. The project was designed and built in less than 38 months, an exceptional performance given that work included a 3.1-km long double-tube tunnel, four bridges and 28 engineering structures. Completing the project with a record-breaking pace is a major success for the consortium, including four subsidiaries of Bouygues Construction, and Colas companies Colas Rhône-Alpes, Screg Sud-Est, Sacer Sud-Est and Somaro.

**Mars**
The role played by the Mars concession company in which Colas holds an 8.5% stake is twofold: it is in charge of the design and construction of the Reims tramway as well as the management of the entire public transport system in greater Reims for a duration of thirty years. Since January 1, 2008, Mars has taken over the management of the city bus network (150 buses). Once the public interest decree was signed in March 2008, a work order was launched for the building venture including in particular Colas Est and Screg Est, and the railway subsidiary Colas Rail. The preventive archeological digs were completed at the end of December 2006; earthworks on the tramway projects began on three out of six sections and construction started on the maintenance center.

**French overseas departments**
Revenue posted in the French overseas departments amounted to 523 million euros (+7.5% compared to 2007).

On **Reunion Island**, revenue rose slightly compared to 2007, in spite of the fact that less work was being done (earthworks and civil engineering) on the nearly-completed Tamarin Road. The construction material production sector is currently reaping the benefits of rising needs inherent to major infrastructure projects. Noteworthy contracts included the launching of a student housing complex with 300 apartments, continued work on the construction of a hospital, subgrade for the extension of piers at the East Port and the rehabilitation of a retention basin at a petroleum site.

In the **Caribbean**, in July 2008, the Group acquired the Martinique and Guadeloupe-based Gouyer company and its subsidiaries, specialized in the production and sales of construction materials (aggregates, ready-mix concrete, precast materials) with network of quarries and plants. In **Guadeloupe**, business was down compared to 2007, in the wake of a series of rescheduling or cancellations of projects and year-end strikes. The Design and Build joint-venture project for a 10,000 m² refrigerated warehouse at the Port of Guadeloupe is currently under way. In **Martinique**, business was buoyant at the beginning of the year but then slowed due to delays in investments from local authorities.

In **French Guiana**, the Group enjoyed very strong business, boosted by a number of Government-funded road projects and housing investments. A new quarry was opened up near Cayenne. The Route RN2 between French Guiana and Brazil is also worthy of mention.
International and French overseas territories

Revenue from the international subsidiaries and French overseas territories amounted to 5.5 billion euros, up 16.3% compared to 2007 (15.7% with unchanged business structures and comparable exchange rates). A breakdown by region shows North America accounts for 38.9% of revenue (44.5% in 2007), Europe, excluding France, 44.2% (41.5% in 2007), Africa/Indian Ocean/Asia/Oceania/other countries, 16.9% (14% in 2007).

Activity in the international and overseas territories’ road construction business is quite similar to the same sector in France. Contracts are on the average larger in North America, central Europe and the Indian Ocean. The road business in some countries also includes civil engineering projects (structures) required on comprehensive road and highway projects. Road work is also supplemented by upstream industrial activities (aggregates, asphalt mix, emulsions, ready-mix concrete). The amount of products sold to third parties can be higher, as is the case in North America for example. Additional activities in the international divisions mainly involve pipes/mains/drilling, civil engineering, railways in Europe, building and civil engineering in the Indian Ocean, along with road marking in Canada and signaling in Europe and Morocco. In Asia, Colas is currently developing a business focused on the storage, transformation and trade of oil products, essentially for use in road construction (bitumen).

In every country and every region (except for the United States and Canada, where there is no national market per se), Colas is ranked among the leaders in terms of growth and competition with both national competitors and subsidiaries of major international groups (construction, cement-makers, material producers).

Europe

Revenue in Europe, excluding France, totaled 2.4 billion euros, a 23.9% increase over 2007. Northern Europe recorded business on the rise, consolidating a full year of revenue for Colas Rail in the railway sector. Revenue grew in central Europe, boosted by ongoing work on the M6-M60 motorway project in Hungary, an upbeat market in Romania and the consolidation of the Croatian companies over a full year.

In England, revenue is up slightly with ongoing major road and highway contracts, including large-scale engineering structures. In Germany, business enjoyed sharp growth in a dynamic market. Activity in the railway sector was launched with the acquisition by Colas Rail of ISAF and the winning of a contract to upgrade the Arad Tramway.

In Poland, business was similar to the previous year, despite the economic slowdown and the impact of sharp increases in bitumen prices in 2008.

In Switzerland, business was up in a very tight road market.

In the Netherlands, Veluvine, a Group company specialized in the production and sales of road paint, posted yet another rise in its export business.

In Hungary, against the backdrop of a recession-laden market, revenue rose sharply thanks to a PPP construction project involving an 80-km section of M6 and M60 motorways. At the end of the year, a new contract was won for the construction of a section of the M31 motorway in Budapest.

In the Czech Republic, business is stable.

In Slovakia, revenue is up slightly with ongoing major road and highway contracts, including large-scale engineering structures.

In Romania, business enjoyed sharp growth in a dynamic market. Activity in the railway sector was launched with the acquisition by Colas Rail of ISAF and the winning of a contract to upgrade the Arad Tramway.

In Croatia and Slovenia, the first full year of business since the acquisition of the companies was boosted by a dynamic market fueled by government funding.

In Denmark, the road sector has been restructured. In 2008, Colas Denmark’s stake in Finland was transferred.

In Iceland, despite the brutal financial crisis that struck the country, work was not interrupted on the two major projects currently under way, but the sharp devaluation of the local currency meant that the year ended in a deficit. Measures have been taken to adapt to the current situation.

In Great Britain, revenue at the road specialist Colas Ltd was on the rise (with identical exchange rates), boosted by the start-up of a 5-year maintenance contract for 500 kilometers of roads and motorways in Area 10 – including 2,500 structures – in northwest England, ongoing work in the framework of the long-term maintenance and upgrading contract for the city of Portsmouth and airport projects. In addition, a new road network management and maintenance contract for Area 7 was won. Colas Rail Ltd was awarded a renewal contract on railways in western England. The Company was further reinforced by the acquisition of the Carillon Group’s rail service activity at the end of 2007. This recurrent business, which has received positive feedback from customers, will be reinforced, whereas the Major projects unit will be restructured, as there were non-recurrent losses in 2008 on complex projects that were already part of the work-on-hand when Spie Rail was acquired.

In Ireland, the level of business was similar to the previous year, despite the economic slowdown and the impact of sharp increases in bitumen prices in 2008.

In France, the consolidation over a full year of revenue for Colas Rail in the railway sector.

In Sweden, revenue is once again on the rise, despite an overall drop in public investments. Colas Rail won a number of catenary upgrading contracts in the Brussels region and a section of the electrification contract for the Charleroi tramway.
Among the year's most noteworthy projects, one can cite: the rehabilitation of an 11-km section of Highway E17 between Antwerp and Ghent (Belgium); the refurbishment of the Akureyri airport runway (Iceland); the extension and refurbishment of airport runways at the Isle of Man and Jersey Island (Great Britain); the application of Valorcol cold recycling technique on Highway A16 in the Jura Canton (Switzerland); the construction of a 30-km section of M6 motorway, with 6 million m³ of earthworks, 400,000 tons of asphalt concrete, 4 viaducts and 31 bridges, and the construction of a water treatment plant in Csepel (Hungary); the construction of the Trstená bypass and 14 engineering structures on Route R3 and an 8-km section of Highway D1 between Mengusovce and Janovce, including 12 engineering structures (Slovakia); the construction of a 32-km section of Highway B between Osijek and Đakovo (Croatia); the construction of the Suceava bypass and the rehabilitation of 150 kilometers of roadway on Routes DN1 and DN17 (Romania); the construction of a 5-km section of roadway on Route S11 near Poznan (Poland).

**Concessions**

- **Ensign: PFI in Portsmouth (Great Britain)**
  The PFI has been under way for four years now, much to the satisfaction of customers and users alike. Phase one of this ever first public-private partnership involving the upgrading and maintenance of city networks, signed in 2004 for a duration of twenty-five years, will come to an end on July 31, 2009. In four and a half years' time, Colas Ltd will have upgraded 1,300,000 m² of roadway, 400,000 m² of sidewalks, and erected 12,000 street lights, some 30 times the volume of work that the city would have undertaken without the contract. The first years have underlined the benefits of the PFI system, further validating the idea of a partnership approach. Ensign and the city of Portsmouth were given the Effective Partnership Award by the Institute of Highways and Transportation (IHT) in 2008.

- **MAK: M6-M60 motorways (Hungary)**
  MAK, a concession company in which Colas holds a 30% stake, has been awarded a 30-year PPP contract for the construction and operation of a new 80-km section of motorways M6 (50 kilometers) and M60 (30 kilometers) in southwest Hungary, near the city of Pécs, future European capital of culture in 2010 and the country’s fourth largest city. The share of work that Colas companies have undertaken is advancing according to schedule (50% completion at the end of 2008). MAK will be opening the section for operation as of spring 2010.

**North America**

Revenue totaled 2.1 billion euros, up 6.4% from the previous year using unchanged business structures and comparable exchange rates.

**United States**

Against a backdrop of unfavorable economic and financial environments combined with a sharp surge in the price of oil products, and bitumen in particular, the Colas companies were able to adapt to their markets. Globally speaking, business remained good and profit margins resisted a drop in volume, thanks to buoyant markets in the southeast, Wyoming and Alaska and to the federal infrastructure program called SAFETEA-LU. Ongoing drives to control operating and raw material costs helped offset the impact of rising production costs. Companies were acquired in Nevada, which is a new state for the Group, Colorado and Ohio.

**Canada**

Spurred by the dynamic Canadian economy and ongoing investments in infrastructure, business is on the rise throughout all the provinces in which the Group operates. This is particularly true in Alberta, even if the real estate and wood sectors have marked a slump and the oil business has stabilized. Companies were acquired in Quebec and British Columbia.

Highlights of 2008 in North America include:

- **United States**: refurbishment of Interstates 79 and 80, and renovation of two water treatment plants in Mechanicsburg in Pennsylvania; refurbishment of runways at the Syracuse Hancock International Airport in New York; widening and refurbishment of a 13-km section of Route SR17 in McDuffie county, Georgia; construction of the Hampton Roads rail corridor for the Virginia Port Authority; the refurbishment of a section of Interstate 85 in South Carolina; refurbishment and widening of an 18-km stretch of Highway 72 in Wyoming; redevelopment of a port terminal in Anchorage and widening and extension of a runway at the Ketchikan Airport in Alaska;

- **Canada**: in Quebec, surfacing of a 32-km section of roadway on the northern coast and refurbishment of the runway at the Bagotville airport; in Alberta, widening of a 9-km section on Highway 63 in Fort McMurray; in British Columbia, refurbishment of 36 kilometers of Highway 37 between British Columbia, the Yukon Territory and Alaska, extension and widening of a runway at the Prince George Airport and renewal of a 5-year road marking contract.
Elsewhere around the world

Morocco
Once again, all of the Moroccan subsidiaries enjoyed strong growth in their business activity (+19% from 2007), boosted by a large number of major infrastructure contracts that the country has launched (construction and reinforcement of roads and highways, tourism and urban development, industrial zones, airports). Worthy of note in 2008 were the project in collaboration with Colas Rail to build the 17-km long Rabat-Salé tramway and earthworks (10,000,000 m$^3$) for a new Renault factory in Tangiers.

Western Africa
In Benin, revenue rose sharply for the second year in a row, spurred by the construction of an engineering structure in Cotonou, the extension of the parking zone at the Cotonou airport and ongoing work on the 126-km Djougou-N’Dali road.

In Gabon, business has benefited from work on oil projects and road construction in Libreville. The Kinguélé quarry has posted good production figures.

Indian Ocean and southern Africa
In Mauritius, revenue has soared thanks to road maintenance projects. A building business has been launched and a company that operates a bitumen depot has been acquired.

In Mayotte, revenue is again on the rise with dynamic business in the public works and building sector. In addition to the Longoni Port extension project, the Group also completed civil engineering and main services on the Longoni power plant and the construction of a modular high school in Chirongui.

In Djibouti, roads and building enjoyed good business, with in particular, the rehabilitation of a 40-km section of Route 1, drainage work in quarter 4 and a housing project.

In Madagascar, business was greatly enhanced by infrastructure contracts (earthworks for the Ambatovy mine, civil engineering at the Tamatave plant, the construction of a small dam, etc.) undertaken in the framework of the major Sherritt mining project (nickel and cobalt). Pavement on Route RN2 and RN7 was upgraded.

In southern Africa, the road market is dynamic, and revenue rose sharply in South Africa and in Namibia. In Zambia, emulsion production volumes increased. In Kenya, business was the same as last year.

Asia and Oceania
In New Caledonia, the building business is still on the rise, and the public works market is upbeat. Work began on the extension and restructuring of the Noumea International Airport and on the widening of Freeway 2.

In 2008, Colas acquired its first foothold in Australia with Drawmac and its subsidiaries. These companies operate in bitumen storage and sales, along with the manufacturing and distribution of bituminous binders, backed by a network of depots and plants located in Sydney, Brisbane, Perth and Melbourne.

In Asia, Colas operates in nine countries with a central line of business focused on the production, distribution and sales of bitumen products. The business underwent major upheavals in 2008, impacted by a series of negative factors:
– never-before-seen fluctuations in crude oil prices;
– poor correlation between bituminous products sales prices and crude oil prices;
– sharp drop in demand in the zone due to an economic slowdown (China, Vietnam);
– the long political crisis that paralyzed the economy in Thailand, which is an important market for Colas;
– supply difficulties for refining business in Malaysia, as the refinery began to produce its first tons of bitumen.

Two units however did enjoy a good level of business activity. In India, with six production units, Hincol continues to play a leading role on the emulsion market, and posted figures that are equivalent to 2007 despite problems in bitumen supply. In Indonesia, business was boosted by a buoyant market in what was a pre-electoral year, with work starting up on a series of road infrastructure construction and upgrading projects. In all, roughly one million tons of bituminous binders were distributed via thirteen depots and transported on seven bitumen tankers. In spite of the good performances recorded in the Indian and Indonesian companies, difficulties encountered in the region led to an overall negative result for this zone, due in particular to significant losses in the Thai company Tasco in which Colas holds a 30% stake.

Other countries
In Venezuela, the venture including Colas Rail and Alstom opened up the new Los Teques subway line. Work continued on the installation of equipment for the second section of line 3.

In Algeria, Colas Rail completed the renewal of a 42-km section of railway between Béjaïa and Beni Mansour.
In **Egypt**, Colas Rail initiated the study phase for the first section of the Cairo subway, line 3.

In **Saudi Arabia**, in the framework of a partnership, a local Smac company launched the production of bituminous membranes using a new plant located in Riyadh.

**Techniques, research and development**

Research has been one of the driving forces of Colas’ strategy for many years. Backed by a portfolio of 153 patents, with products used in France and around the world, the Group is a pioneer in the development of new road techniques able to adapt to a wide range of needs in the ever-changing global market. In 2008, the R&D budget totaled 70 million euros, with 60% in France (based on the definition provided by the OECD including research, experimental development, technical activities of laboratories, IT).

Colas’ Research and Development policy focuses on anticipating and responding to the needs of transport infrastructure customers (public and private), users and neighboring residents, regarding quality, safety, environmental protection (in particular in the fields of energy savings, reduced greenhouse gas emissions, decreased consumption of materials, and greater awareness of esthetic issues) and costs. The Group aims to improve existing technologies, design new products and offer a broader range of services. Its expanding technical skills and know-how are also reflected in its new lines of business, e.g. its activity in the bitumen sector that was launched several years ago. Ongoing improvements to know-how focus in particular in the fields of mineral, organic and plant chemistry, design and, more recently, physics.

In 2008, the Group’s research programs had to adapt, as was the case in previous years, to a rapidly changing market, in particular in France in the wake of the French Grenelle Environmental Roundtables, in addition to reinforced standards for products in Europe with the application of REACH covering chemical substances. The French Government continued to support innovation in the road industry, following a 5-year hiatus.

**Network organization for techniques**

The Group boasts a tight-knit internal technical network that works internationally. Every new company that joins the Group helps reinforce this valuable system. One of Colas’ keys to success lies in the fact that its network works hand in hand with operational teams in the field.

As the leading private research center in the road industry, the Campus for Science and Techniques (CST) and its 8 laboratories in Magny-les-Hameaux near Paris are at the heart of the Group’s innovation program. Its teams put their research skills and know-how at the disposal of Group subsidiaries, both in France and abroad, on conventional projects, major projects or more complex contracts such as tramway platforms and PPP-PFI. Over 80 people work at the CST, from engineers, technicians, physicists and chemists to material experts and calibration specialists.

Nearly fifty decentralized laboratories and one hundred engineering offices – specialized in roads, civil engineering, building, deconstruction and more – work in liaison with the CST both inside and outside of France. They contribute to the Group’s overall research effort and offer tailor-made technical support to local projects.

Each unit has its own state-of-the-art laboratory and computer tools, which are constantly renewed to remain at the cutting edge of technological innovation and customer needs and requirements: material analysis equipment, sophisticated simulation and risk measurement software, modern auscultation apparatuses. Research teams can thus help meet customers’ needs and optimize bidding by using alternative technical solutions.

In all, the Colas technical network includes 2,000 engineers and technicians hard at work in the Group’s laboratories (more than 1,000) and engineering offices (more than 900), roughly 45% of whom work in France.
Using techniques and special products around the world

In 2008, a number of projects undertaken by international and French overseas units used the Group’s special products and processes:

– in **Belgium**, recycled cement concrete was used to refurbish a concrete-paved highway;

– in **Switzerland**, projects included Vegecol asphalt mix, Valorcol (100% RAP), and noise-reducing Nanosoft;

– in **Great Britain**, Vegecol binder was used in surface dressings;

– in **Denmark**, the first project involving CWM from Chemoran was completed;

– in **Hungary**, the Group companies carried out the first low-temperature Bituclair projects and also used Rugocomp (compact, rough asphalt concrete);

– in **Poland**, Colgrip (highly skid-resistant) and Colrug (asphalt concrete for ultra thin layers) were employed;

– in **Romania**, a project was performed with warm asphalt concrete containing CWM from Chemoran;

– in **Germany**, Vegecol binder surface dressings were marketed;

– in **Austria**, bitumen fluxed with Vegelux was used in surface dressings;

– in the **United States**, the laboratory at Nactech, the North American Colas Technical Center, tested warm asphalt concrete manufacturing techniques to define the best design method (nearly 50,000 tons of asphalt concrete were applied in 2008 in North America). The anti-crack Fibermat techniques continued to expand (nearly 3 million m² applied in 2008). The first project involving Force Excel Pont, an Axter membrane designed to protect engineering structures, was completed in Pennsylvania;

– in **Canada**, the first Fibermat and first Force Excel Pont contracts were performed in Alberta, warm mix was applied in British Columbia and Alberta and skid-resistant, noise-reducing Rugosoft was used for the first time;

– in **Morocco**, colored mastic asphalt was chosen and a number of Novacol projects were completed (a total of over 700,000 m² in 2008), along with a Multicol contract;

– in the **Indian Ocean**, Vegecol, Scinflex and Saflex OA were applied for the first time in Reunion Island, special Betoflex mix was used on the Tamarin Road in Reunion Island and on Route RN2 in Madagascar and Comat and Colflex for maintenance on Route RN7 in Madagascar;

– in **Asia**, projects in Thailand included asphalt mix with slag from power plants; the Emulfix system was set up for emulsion production in India; modified bitumen was supplied for the Cantho Airport project in Vietnam.

Responsible development

A world leader in the construction and maintenance of transport infrastructure, urban development and recreational facilities, Colas improves the quality of life, facilitates the movement of people and goods, and contributes to economic development, thus helping to meet essential needs and aspirations. This contribution must be responsible, addressing the concerns and complexities of present-day societies: climate change, social cohesion, protection of the environment. Awareness of these changes, the implementation of measures to tackle these issues, and the Group’s long-standing commitment to exemplary corporate citizenship are grouped under the concept of “responsible development”. Colas has created a specific Web site used to report on these issues, provide more detailed information, and inform the public about recent events: [www.colas-rse.com](http://www.colas-rse.com).

In keeping with this commitment to responsible development, Colas has identified as priorities three strategic targets (renewal and enrichment of human resources, societal acceptance of production sites, ethics) and five other major targets (safety, North-South responsibility, energy, recycling, risks related to the use of chemicals). In addition to these main priorities, all Colas business units, subsidiaries and divisions engage in specific actions on a day-to-day basis, adapted to their local, regional or national context. The Group’s decentralized organization facilitates and encourages the development of this wealth of initiatives. This diversity bears witness to the motivation and goals of all Colas teams with respect to these fundamental issues. Some of these specific actions are described in the supplement to this management report and on the Web site [www.colas-rse.com](http://www.colas-rse.com).

Three strategic targets

These three targets are of crucial importance for the development of Colas, which enjoys genuine scope for action and initiative in these areas.

Renewal and enrichment of human resources

Colas devotes considerable efforts towards recruiting the best men and women to meet the requirements of its ambitious growth plans in professions characterized by the need for renewal. The Group places strong emphasis on promoting the attractiveness of its job positions and the diversity of its workforce. Hiring to meet the Group’s forecasts of human resources requirements (retirement, market growth, acquisitions, new skills) is critical and represents a constant priority.
In France and in many other countries, Colas companies are among those recruiting the highest numbers of new employees (a total of 7,450 hires in 2008, after 8,150 in 2007).

Colas and its subsidiaries develop compensation and long-term career management policies aiming to enhance staff retention (orientation, integration, protection, working conditions, mobility, internal promotion). Indicators intended to reflect workforce stability, which are in the process of being standardized and rendered more reliable from a global perspective, confirm a high average career length within the Group.

The impact of the Group’s hiring and staff retention policies is reinforced by significant investments in the professional development of employees over the course of their entire careers, particularly through expenditure on training programs (4% of payroll) largely in excess of legal obligations, when they exist. These investments are meticulously allocated across all staff categories and further dynamic career advancement as much for skilled operators, supervisors and executive-level staff as for young graduates, older employees, etc.

(See the “Human resources” section for more details.)

**Societal acceptance of production sites**

For many years Colas has operated a vertical integration strategy, from downstream of the value chain up to operations and the transformation of raw materials into products intended for construction use: quarries (aggregates, ready-mix concrete, prefabrication); bitumen transformation (asphalt mix, emulsions, binders, waterproof membranes), production of road paints and resins, manufacturing of road marking equipment and steel building frames, etc.

It is becoming increasingly hard to win acceptance of these production facilities from local communities due to concerns raised by various possible forms of nuisance (odors, dust, noise, traffic, impact on the environment and health). Dialogue between business units and local communities must therefore be renewed and intensified. This dialogue may be summed up in three imperatives:

- **seek to set an example at all times** (particularly with respect to biodiversity, pollution emissions, environmental impacts or prevention efforts) by mobilizing teams and earmarking investments so that each site, given its specific context and constraints, enjoys the best possible operating conditions beyond mere administrative compliance. These efforts are reflected, for example, in the Group’s systematic policy of obtaining environmental certification, often via ISO 14001 (today, operations generating 50% of the Group’s total construction materials production revenue are certified in France and worldwide, a considerable increase compared to 2007, when 42% had obtained certification, an especially impressive performance in light of the fact that the proportion of these production activities rose by 15% in 2008);

- **ensure reliable documentation** of these advancements and measure them. Fresh impetus was given to monitoring and certification audits with the assistance of competent external organizations as well as in-house resources. Accordingly, a system of worldwide checklists was deployed beginning in 2007 and now covers more than 90% of production activities. At the end of 2008, these assessment procedures were used in more than 50% of production sites, resulting in the consolidation of action plans by subsidiaries. This deployment phase is expected to be completed by the end of 2009. The main priorities of these plans are prevention and protection in the event of accidental spills, contamination of rainwater, updating of regulatory compliance, official documentation of actions for protection against certain chemicals and the updating of emergency plans;

- **lastly, promote open channels of communication** to avert crisis situations. Take heed of public expectations, explain the reality of business activities, and contribute constructively to increased satisfaction and mutual understanding. An indicator used to monitor community relations allows the Group to assess its progress in this area: today, operations generating 23% of the Group’s construction material production revenue (versus 17% in 2007) have established an official structure for promoting good community relations, involving at least one meeting each year with neighborhood residents, city officials and local authorities. Some of the Group’s subsidiaries have already reached the 100% mark in relation to their activities, notably their quarry sites. The Group’s North American subsidiaries have produced a film on this topic to encourage public forums about their aggregate production sites.

Perhaps paradoxically, the road works carried out by Colas have little environmental impact. First of all, new infrastructure accounts for only a small portion of the business (it is estimated that more than 80% consists of maintenance, renewal, or redevelopment of existing roads, without any increase in surface area) and their impact is assessed during the design phase by the contracting authorities, after which Colas applies and enriches its clients’ environmental protection plans during the work phase. With respect to the Group’s routine activities (the average project is still valued at less than 100,000 euros), environmental questions are mainly limited to the proper handling of liquids and waste materials (mostly inert and non-hazardous): in these cases, the area in which teams seek to make progress is in addressing the societal expectations of local residents and users.
Among examples of responses to these expectations are the Group’s techniques for the trench-free laying or refurbishment of pipelines, used notably in France, Hungary and Switzerland, shaft sinking, micro-tunneling, bursting, lining, concrete reinforcement, etc., as well as many actions developed by subsidiaries in France and worldwide to benefit local residents and road users. Two prestigious distinctions received by Nanosoft (noise-reducing asphalt mixes) in 2008 also illustrate this approach: the Gold Medal awarded by the Poznan International Fair in Poland and the Innovation Award given out by the French Mayors’ Convention in the Construction, Public Works and Roads category.

Ethics

For many years, compliance with ethics and standards of integrity has been an inalienable management principle throughout the Group. The absolute requirement to apply these principles is regularly reasserted. Sincere and open competition gives Colas the best possible conditions in which to develop value for the Company’s organization, techniques and expertise, and to foster long-term partnerships with its customers. In the area of transparency and ethics, Colas is committed to many practical initiatives, by frequently associating itself with independent partners. Highlights include:

– the Association Qualité Pesage (AQP): this French quality organization working in partnership with independent inspection agencies Socotec and Veritas, sees to it that asphalt plants are fitted with tamper-proof weighing equipment that enables tracking of deliveries. For nearly ten years, Colas has ceaselessly made the case with public contracting authorities that all their suppliers’ plants be fitted with this type of equipment. Today, three-quarters of the volume of asphalt mixes produced in France are sold using a system of this type;

– the sale of pre-owned construction equipment: in France, Colas is behind the launch of an auction market for pre-owned construction equipment run by a major international company, inspected by the money laundering watchdog Tracfin, an arm of France’s Finance Ministry. All the sales of the Group’s construction equipment in France take place at these auctions (sales amounted to 9.5 million euros in 2008, for 517 items of equipment compared with 11.5 million euros in 2007, for 566 items of equipment);

– competition law training programs: programs of this type were conducted throughout 2008, involving the participation of nearly 700 employees. In France, 500 operational managers took part in refresher courses on the rules applicable within a corporate group. Another program of this type is the Bouygues values seminar, which has involved the participation of 72 employees since its creation. In overseas departments and other locations worldwide, similar training programs organized with the assistance of external providers have brought together a total of 180 employees (Guadeloupe, Reunion Island, Croatia, Hungary, United Kingdom). A training program is under development for the rail segment in the United Kingdom, Poland, Romania, Slovenia and the Czech Republic.

Five other major targets

Colas does not always have the same liberty of action as is the case in relation to the three strategic targets described above. For example, in the area of energy, Colas has no control over the management of alternative energy sources and the same is true for alternative approaches to the mechanization of equipment. However, Colas remains very sensitive to these issues and commits significant levels of investment in these areas, within the limits of its scope of action.

Safety

(See the “Human resources” section for more details.)

Safety in the workplace and during work-related travel or while commuting to work sites has been a major concern for Colas for more than twenty years and considerable human and financial efforts have been implemented to promote constant improvement in this area within the Group.

A priority focus of research on techniques and products is to improve safety on the road (Colgrip road surface treatments allowing for a reduction in braking distances or Colmat HA, which enhances skid-resistance, safety barrier systems, and road paint improving visibility during inclement weather conditions, among other examples).

North-South responsibility

Virtually none of Colas’ business activities are concerned by the relocation of production activities to countries with lower labor costs. Road construction materials do not export well as they are extremely sensitive to transportation distances (aggregates, asphalt mixes). Infrastructures are built on site using local human resources, applying local techniques and in observance of local specifications. The specific nature of this business justifies the decentralized organization used by Colas and its expansion into international markets is not motivated by the desire to optimize costs but seeks instead to develop skills and know-how beyond its national borders, thus seizing opportunities for growth. With operations in several so-called countries of the South, it is only proper that Colas
show itself to be a good corporate citizen by adapting its approach to each of these countries, as they are all markedly different from one another. Present in Morocco and Madagascar for more than fifty years, Colas maintains large-scale activities in both countries, making use of local resources. This experience offers opportunities to contribute to growth, economic, social and cultural development, and the protection of the environment as detailed below:

- in Morocco:
  - ongoing partnerships with a clothing bank and INSAF, an organization to assist abandoned women and their children;
  - financing via the payment of full-time positions for a physiotherapist and a speech therapist for the Casa Lahnina association for disabled children;
  - supply of equipment to the Moroccan association for the visually impaired (Amardev);
  - participation in the refurbishment of a school for orphans in El Kelaa;
  - payment of fees for underprivileged young people at a sports club;
  - deployment of a waste stream for elimination of used oils;
  - a training center for road construction industry technicians;

- in Madagascar:
  - employee participation in local schools, training of skilled operators, workers, technicians and local managers;
  - transformation of a workplace medical unit to serve the entire workforce, offering regular medical checkups and, for the last nine years, a medical team comprised of eight full-time doctors working under a local chief medical officer. Outreach has been extended to village populations through locally based clinics, targeted campaigns against malaria, diarrhoea and HIV/AIDS;
  - aid with reforestation to offset the impact of intensive deforestation arising from cultural practices and the use of wood by Colas Madagascar, the replanting of endemic species (rosewood, for example) on certain sites, the recuperation of trees destined to be knocked down during construction work and their transplantation in a biodiversity conservation zone; in all, 5,000 acacias, 5,000 pine trees, 100 rosewood trees, and 34 coconut trees were recuperated and transplanted;
  - support for the development of a dry deciduous forest in a park in Antananarivo in order to recreate a sanctuary for endemic species and a southern Madagascar ecosystem; contribution to the environmental education of more than 1,200 elementary school students from impoverished neighborhoods of Antananarivo so as to raise their awareness of the need to preserve Madagascar’s biodiversity;
  - awareness campaigns promoting the discontinuation of the use of wood charcoal, accompanied by the distribution of gas-fired hot plates and gas bottles. At the conclusion of the major project for the construction of the RN6, no increase in deforestation due to the production of wood charcoal was observed along the route, contrary to common practice;
  - establishment of waste streams for eliminating industrial waste such as used oils.

Comparable programs have been rolled out more recently in other similar countries in which Colas operates, on a lesser scale, including actions to set up waste streams for used oil (Gabon, Benin, Djibouti), preservation of biodiversity (Gabon), medical check-ups and first-aid training (Gabon, Benin), health insurance and microcredit (Gabon), medical check-ups and AIDS prevention campaigns, training to prevent overindebtedness (South Africa), humanitarian aid and workplace integration programs (Djibouti, South Africa), well drilling for village populations and donations to orphanages (Benin).

**Energy**

To preserve energy sources, contend with higher costs, and contribute to efforts to reduce greenhouse gas emissions, Colas invests in the optimization and reduction of its energy consumption as well as in the reduction of the energy content of manufactured products and of construction techniques offered to clients.

**Energy consumption**

Efforts to reduce fossil fuel consumption are ongoing. The search for relevant indicators that may be used to monitor the impact of this consumption is complex, due to the diversity of business activities whose content varies significantly. Although two projects may generate identical revenue, their energy content may be very different, depending on the portion of work that is sub-contracted, the nature of the work itself, the distance from resources and materials, etc. This process is achieving greater refinement with the help of tools such as Carbon Footprint® and life cycle analysis and assessment, resulting in a number of concrete steps:

- for industrial sites: reinforcement of internal reference systems used in management systems (e.g., ISO 14001) to offer each site a tailor-made energy-saving program; for asphalt mixing plants, implementation of an indicator for monitoring the energy consumption of burners, which has resulted in an average improvement of 7% for Colas’ total production of asphalt mixes worldwide in 2008, equivalent to a decrease of more than 40,000 metric tons in CO₂ emissions. Tests to ensure the reliability of this indicator are currently under way;

- for equipment and vehicle use: continuation of full-scale tests, equipping some 1,000 construction machinery units and vehicles with a system for monitoring consumption by type of equipment, brand and operator (comparisons and summaries used to determine choice of investment, improve maintenance strategies and pinpoint training requirements; these techniques are expected to generate energy savings of around 10% in the
Energy content of products and techniques

– EcologicL: A type of Carbon Footprint for the development and proposal of alternative solutions to the clients of Colas, the first company in France to offer this type of service for road infrastructure; new versions of the tool allow for worldwide coverage and the extension of its scope of application to pipeline projects. For this first year of regular use in France, the results are encouraging: Colas clients tend to prefer the lowest cost bid (out of a reduction of 40,000 metric tons equivalent in CO₂ emissions offered in 2008, 15,000 metric tons were selected by clients, thus more than one-third).

– Neophalte BT: A mastic asphalt developed by Smac and produced at temperatures almost 100°C lower than normal, contributing 30% energy savings, representing over 40% of Smac’s mastic asphalt production.

– Environmentally-friendly, energy-efficient (3E) asphalt mix: Manufactured at temperatures of roughly 115°C, i.e., 40°C to 50°C less than conventional mixes, which means that the technique saves between 10% and 20% energy, this product is gradually gaining favor.

– Vegeroute product range: A plant-based substitute for oil-based or petrochemical components, these products cut application and manufacturing temperatures and even reduce the quantities required:
  • Vegeflux: the discovery of this plant-based fluxing agent has the extra advantage of avoiding the evaporation of VOCs (volatile organic compounds) and improving bitumen properties;
  • Vegecol: this substitute for bitumen, which has received a series of awards and distinctions from national and international organizations, is produced from renewable agricultural resources, meaning that it can serve as a true carbon sink, the emission credit being greater than or equal to the cost of equivalent structures made of bitumen or deactivated concrete. It is translucent and can be colored, and also allows for the production of asphalt mixes at temperatures that are 40°C lower. In 2008, almost 2,300 metric tons of Vegecol binder were applied on 340 projects. It also began to be used outside France during the year: 4 projects in Switzerland, refurbishment of heritage sites (United Kingdom, Hungary, France), in connection with the Fibredéco technique in the United Kingdom, highway tests in France, first use in Reunion Island for the construction of an elementary school certified to the French HQE (high environmental quality) standard, etc.;
  • Vegemark: this new road-marking product designed to improve road infrastructure safety is manufactured from oleaginous raw materials and allows traffic to be restored almost immediately after application (ten times faster than traditional products);
  • Ostrea: this hot-application road marking product, developed with support from ADEME, the French environment and energy management agency, uses recycled oyster shells instead of a traditional component of limestone, and optimizes energy consumption with a new type of boiler.

– Innovative roofing at Smac: in 2008, 70,000 m² of Tectilor green roofing were applied and the photovoltaic roofing business grew substantially, with 21 projects covering a total of nearly 10,000 m² (1,015 KwC).

Recycling

Recycling is a fundamental, natural strand of responsible development initiatives, as Colas is a major producer and user of construction materials. Colas invests heavily in recycling and recovery of waste from road building, heavy construction and public works activities as well as in the operations of recycling facilities: treatment of dirt debris with the Ecosol process, the reuse of mastic asphalt from sidewalks, concrete demolition rubble, in-place recycling of asphalt concrete and the incorporation of RAP (reclaimed asphalt pavement) into new asphalt mixes. The highly recyclable nature of road construction materials furthers these recovery processes.

In all, reuse and recycling represent more than 10 million metric tons of materials in France and elsewhere in the world, i.e., nearly 12% of the Group’s total aggregate production, which is equal to the total production of 32 quarries (on the basis of the average production of a Group quarry). The recycling of industrial waste (clinker, slag, melting sand, coal mining waste, glass, etc.) represents a little under 10% of total recycling in France.

Looking solely at the picture for asphalt mix, Group production includes an average 8% of RAP, compared to 9% in 2007, which represents savings of almost 3.5 million metric tons of raw materials (rock and bitumen) or the equivalent production of 35 asphalt plants (based on average production of a Group plant), as well as savings of around 175,000 metric tons of bitumen. This situation remains contrasted, with rates reaching 21% in Belgium and 18% in the United States for example, whereas France made scant progress at 4%. This discrepancy reflects
the resistance of a number of decision-makers to change their technical specifications, despite the fact that Colas has mastered asphalt recycling at average rates of over 10% with excellent customer feedback. At France’s Environmental Roundtables, Colas set itself the goal of attaining a rate of 10% in France by 2010.

Nearly 5 million m² of roads were recycled in 2008, the equivalent of a 440-km road extending from Strasbourg, France to Brussels, Belgium. Most of these recycling projects were carried out in North America, the United Kingdom, Morocco, and in southwestern France. Colas offers a wide range of suitable techniques, notably its Nova product line and Valorcol.

Risks arising from the use of chemical products

Colas has pioneered the elimination of undesirable chemical components from its product manufacturing processes. A new European regulation called REACH (Registration, Evaluation, Authorization and Restriction of Chemical substances) will progressively require control of all chemical-containing products before they are authorized for sale. For Colas, this ruling is even stronger justification for its research into alternative products.

Over and above mere regulatory compliance, Colas’ aim is to reinforce risk management related to the use of chemicals in its business units by encouraging the rapid development of a systematic policy allowing for regular inventories of these substances. Internal methodological tools are used: documented inventories of substances used, prioritization of these inventories in relation to risks, reduction of risks through the discontinuation or substitution of certain products or by way of eco-design processes, residual risk training and awareness programs organized for employees. As an example of these efforts, more than 50% of road paint produced by the subsidiary Aximum meets eco-label criteria, with some fifty products having received the NF Environnement label.

Priority actions have already been defined for this policy:

– solvents: scrapping the use of solvents in laboratories, except for a highly limited number of applications, performed in enclosed conditions, and only when required by customer standards still in force (this target has now been practically attained); scrapping the use of solvent-based degreasing fountains in favor of those using detergents based on biological or plant derivatives (this target has now been practically reached in France and many other countries); almost total scrapping of the use of toluene in paints produced by Aximum, whose entire product line is available in non-solvent (water-based) versions, this type of paint accounting for 75% of this subsidiary’s paint sales in 2008, compared with 50% in 2007, despite lingering customer attachment to solvent-based paints;

– pigments: scrapping the use of heavy metal-based pigments in paints (this target has now been reached at Aximum); research for a formulation in non-powder form;

– non-stick products: scrapping the use of fuel oil by asphalt mix application teams and substitution of vegetable oil methyl esters (target has practically been reached in France and North America and in many other countries);

– bitumen fumes: encouraging independent European organizations to undertake studies. All the elements currently available make it possible to classify this risk as being “low, and sufficiently reduced”, according to the terms of French workplace legislation and in agreement with the industry medical authorities, who have ruled out the need for further medical screening (see the document issued by the Groupement National Multidisciplinaire de Santé au Travail dans le BTP on July 3, 2006);

– bitumen emulsions: decrease in the acidity of mixes to obtain pH values greater than 3;

– resins: launch of the Greencoat research project in association with several partners and with the support of the French National Research Agency.

Dialogue with community institutions

Apart from these concrete steps, as a member of the United Nations Global Compact since 2003, Colas encourages dialogue and is open to the discussion of all issues having an impact on communities.

Private enterprise and infrastructure

Colas embraces an approach encouraging the creation of partnerships that tend to be based on full-costing guidelines, which also favors more innovative types of public sector contracts (PPPs, PFIs, concessions, etc.): an infrastructure that is designed and built for the long term and regularly maintained will optimize present and future investments and curtail resource consumption. In 2008, the PPP for the lighting of the city of Libourne in France, the record completion time for the A41 Nord Highway between Geneva and Annecy and, in the United Kingdom, the Institution of Highways & Transportation’s Effective Partnerships Award recognizing the work of Colas and the Portsmouth City Council in performing the UK’s first PFI road maintenance contract are among the Group’s projects that have been extremely well received by both the public and contracting authorities, whether in terms of cost savings, completion times or user and local resident satisfaction.
Responsible procurement

The Group’s suppliers and sub-contractors may be categorized as:

– local sub-contractors: as the average project size is less than 100,000 euros, the choice of sub-contractors is highly restricted. The selection process is confined to ensuring that both safety and quality criteria are met, that no illegal immigrants are employed, and that payment conditions are respected;

– local suppliers of materials: business units are limited in their selection by the availability and the proximity of heavy materials (mainly aggregates). The selection process is confined to ensuring that both safety and quality criteria are met by the proposed partnership and that payment conditions are respected;

– worldwide suppliers of raw materials (e.g., bitumen, energy, cement or hydrocarbon compounds): despite its size, Colas benefits from only minor leverage when these markets are dominated by oligopolies. Colas therefore cannot exert any tangible pressure to promote responsible development on these markets, apart from programs often initiated by suppliers;

– national or international suppliers of industrial equipment (for quarries and asphalt mixing plants) or of work equipment (machinery, vehicles), and their local distributors for maintenance and spare parts (tires, oil, etc.): Colas makes every effort to contribute to the design of this machinery through partnerships, incorporating energy-saving concerns;

– national or international service providers (temporary employment agencies, machinery rental, transportation): the Group’s size allows it to target genuine respect for regulations and the safety of individuals;

– miscellaneous suppliers (intermediate raw materials, intellectual services, office supplies, etc.): these account for 10% of all purchases. It is occasionally possible to apply responsible development criteria for these purchases. Business units are encouraged to do so with the guidance of the Group’s charter, but Colas prudently guards against imposing this type of approach, since the Group is held back by its limited scope of action in relation to 90% of the total volume of purchases.

The issue of the relocation of operations to countries with low labor costs or weaker environmental requirements is marginal for the Group, as mentioned above.

Participation in community life and project support

This action is essentially carried out on the local level, managed by the subsidiaries and their business units; it reflects the ambition of Colas entities to establish firm roots in local communities and expresses the commitment and motivation of the Group and its teams.

In France, in addition to active participation in a number of reintegration schemes, forming part of Group Human Resources policy, Group subsidiaries and business units take part in local community life through cultural patronage (roughly 100 actions), sports sponsorships (400 teams) and other initiatives (humanitarian, educational, participation in local life), covering 150 projects. In all, Colas participated in more than 700 initiatives, corresponding to a total commitment on the order of over 2 million euros, an increase of approximately 20% (indicator not entirely validated).

Worldwide, 1,700 actions (1.5 million euros) reflect the wide range of countries where Colas maintains operations: more than 700 actions to support educational or humanitarian initiatives in association with local NGOs, about a hundred cultural patronage initiatives, 300 sports events or sponsorship actions, etc.

At the level of the parent company Colas, the partnership agreement signed in January 2006 with Assia El Hannouni, a visually impaired athlete, winner of two gold medals (200 and 400 meters) and two silver medals (800 and 1,500 meters) at the 2008 Paralympic Games in Beijing, continued to bear fruit. Through this action, Colas instills very strong values within the Group: the desire and will to excel and push oneself to the limit, perseverance, simplicity, and pride in a job well done. Colas is also an active participant in the Francis-Bouygues Foundation, which aims to provide financial and moral support, including individual mentoring, for strongly motivated French or foreign students who have an ambitious personal project but are faced with financial and/or social obstacles, for the entire duration of their studies: in 2008, 12 Colas employees each mentored one scholarship student. Cultural sponsorship of painters (13 finalists received commissions from the Colas Foundation in 2008), music and dance rounds out this category. In all, Colas will have devoted 0.5 million euros to these actions.

Encouraging the exchange of ideas

Managed at the level of the Colas parent company, this policy covers three broad areas: fine arts, through the Colas Foundation, which aims to bring modern art to the workplaces of Group employees; social sciences, political science, the humanities and economics, through the Cercle
Colas, which regularly invites academics and prominent personalities to talk on aspects of modern life of their choice, and natural/applied sciences through the Rencontres Scientifiques Colas in partnership with the magazine La Recherche, which invites scientists to present their ideas.

In 2008, the Cercle Colas hosted the following speakers:
– Jean-Hervé Lorenzi, professor at Université Paris-Dauphine, Chairman of the Cercle des Économistes: “Crises and crisis exits”;
– Pascal Picq, paleoanthropologist at the Collège de France: “Man, his environment and sustainable development”;
– Richard Seurat, Chairman and CEO of Anovo, professor at the Collège des Ingénieurs (Paris-Stuttgart) and lecturer at Tulane University (New Orleans, United States): “Blue Ocean Strategy© or How to create new market spaces?”.

The themes of Rencontres Scientifiques Colas 2008 were:
– “Tomorrow’s nuclear power stations”, with Bernard Bonin, scientific director of the Nuclear Research Department, Commissariat à l’Énergie Atomique (CEA) and Yves Kaluzny, former head of the Agence Nationale pour la Gestion des Déchets Radioactifs (ANDRA), currently International Affairs and Cooperations Director, CEA;
– “The future of biofuels”, with Jean-Paul Cadoret, director, Laboratoire Physiologie et Biotechnologie des Algues, IFREMER (Institut Français de Recherche pour l’Exploitation de la Mer) and Jean-François Gruson, head of the Economics department, Direction Économie et Veille, Institut Français du Pétrole;
– “Understanding and controlling foam”, with Dominique Langevin, research director, Laboratoire de Physique des Solides (Orsay and CNRS), winner of the Prix L’Oréal-Unesco, and Vance Bergeron, former researcher at Rhône-Poulenc Spécialités Chimiques, research director at the CNRS (Centre National de la Recherche Scientifique) and École Normale Supérieure, Lyon.

Human resources

The aim of the human resources policy applied by Colas is to accompany the Group’s development, facilitating the renewal, training, motivation, satisfaction and personal fulfillment of all of its 73,600 employees. This policy is founded upon five strong commitments:
– recruit the best talents while favoring diversity;
– train employees at all levels, anticipating changes in professions;
– encourage mobility and internal promotion within the Group;
– protecting the health and lives of its employees by implementing the most exacting safety requirements at work and on the road;
– perpetuating and boosting management culture based on respect and trust.

In 2008, Colas invested major human and financial resources to help make these commitments come to life in the field.

An ambitious recruitment policy with a focus on diversity

Major recruitment drive

In 2008, the Group pursued and stepped up its ambitious recruitment program to meet needs dictated by sustained level of business and to support the development of new markets. Around 7,450 new employees were hired, approximately 4,150 in France and 3,300 over all the other geographical zones worldwide.

2008 recruitment by geographical zone

<table>
<thead>
<tr>
<th></th>
<th>Management/supervisors</th>
<th>Workers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>1,607</td>
<td>2,541</td>
<td>4,148</td>
</tr>
<tr>
<td>International</td>
<td>1,010</td>
<td>2,285</td>
<td>3,295</td>
</tr>
<tr>
<td>Of which Europe</td>
<td>402</td>
<td>582</td>
<td>984</td>
</tr>
<tr>
<td>North America</td>
<td>227</td>
<td>1,489</td>
<td>1,716</td>
</tr>
<tr>
<td>Africa/Asia/Indian Ocean</td>
<td>361</td>
<td>214</td>
<td>595</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,617</td>
<td>4,826</td>
<td>7,443</td>
</tr>
</tbody>
</table>

Of the 4,150 newly hired French employees, 2,380 were under the age of 30, demonstrating how the workforce is constantly being renewed to keep pace with the Group’s development and ensure smooth transmission of know-how between generations of employees.
Market changes require new skills in the upstream areas of contract execution such as bitumen-based businesses, complex design, build and finance projects (concessionary operations, PPPs, PFIs) and activities relating to railway infrastructures.

The high level of hiring carried out by Colas in 2008 resulted from numerous recruitment drives among many different population profiles led by both French and international subsidiaries. These included:
- campaigns conducted in schools, internships, alternating work/study training schemes (see below);
- coordination with organizations running youth employment and retraining schemes (see below);
- partnerships with temporary employment agencies (e.g. hiring of 80 personnel on permanent contracts by Screg IDFN);
- involvement in initiatives run by professional federations to promote public works industry trades (e.g., the “Ambassadeurs TP” initiative in France);
- organization of open house days giving access to Colas projects (e.g. the TCSP site at Sucy-en-Brie with Screg IDFN, Sacer Atlantique’s Michelin plant demolition site at Poitiers) and production sites (e.g. Sintra’s quarries, laboratories and plants in Canada);
- procedures to encourage recommendations by employees (e.g. Screg Ouest’s Amijob program);
- press advertising campaigns;
- poster campaigns (a general public recruitment campaign in mainland France, the fourth since 2002, was launched in May 2008 on the theme “Our roads, your future” displayed on 25,000 billboards in all French towns of over 800 inhabitants), etc.

Promoting diversity

Equal opportunities within the Group for both men and women continue to strengthen. Nonetheless, women remain underrepresented among operational site workers.

In France, women constituted 8.36% of the workforce in 2008, compared to 7.50% in 2007. Outside France, statistical averages mask sharp disparity: North America comes out on top, with 13.33% of women in the total workforce in Canada and 11.22% in the United States. The North American companies have the Group’s highest proportions of women in supervisory positions (25% at Canadian Road Builders in Alberta).

Reflecting the diversity of employees and the richness of humanity that they represent, a special edition of Company magazine Routes dedicated to men and women who work for the Group won the Prix Spécial du Jury in 2008 in the annual awards organized by UJEF, the French corporate communications federation.
Breakdown of male/female workforce in 2008

<table>
<thead>
<tr>
<th></th>
<th>Supervisors/managers</th>
<th>Workers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>80.30%</td>
<td>99.48%</td>
<td>91.64%</td>
</tr>
<tr>
<td>Women</td>
<td>19.70%</td>
<td>0.52%</td>
<td>8.36%</td>
</tr>
<tr>
<td>International</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>76.67%</td>
<td>95.14%</td>
<td>91.35%</td>
</tr>
<tr>
<td>Women</td>
<td>23.33%</td>
<td>4.86%</td>
<td>8.65%</td>
</tr>
</tbody>
</table>

Colas seeks to strengthen opportunities for women at every level and for every type of function. In 2008, women were recruited to a wide variety of jobs, including truck driver, laboratory assistant, site machine operator, site supervisor, site foreman, road marking applicator, design technician and QSE manager.

– Employment opportunities for disadvantaged people

The partnership agreement with EPIDE, an agency of the French armed forces, was renewed for the third consecutive year. The scheme gives young people aged between 18 and 21 with no qualifications a chance to become acquainted with Group professions through presentations, internships and introductory training courses over a period of several months. In 2008 this partnership resulted in 36 young people being hired. A similar scheme is run in Mayotte by the GSMA agency.

In tandem with these specific programs, subsidiaries continue to operate recruitment campaigns targeting the long-term unemployed, leading various types of job opportunity contracts. Screg Sud-Est, for instance, is still running a program launched in 2004 in conjunction with AREF BTP Rhône-Alpes, Adecco and a training organization to train and hire workers drawn from the pool of local youth opportunity and employment agencies (of 46 people trained in advanced technical skills in roads and main services, 19 were hired and will benefit from further training courses). Following a partnership contract with government job agencies AREF Île-de-France and ANPE, Smac took on 11 young people from the town of Villiers-le-Bel on professional training contracts.

Most of the French subsidiaries have signed up to Employment Charters agreed with departments and city councils to encourage job creation in deprived areas.

A number of subsidiaries such as GTOI in Reunion Island and Smac have set up partnerships with the local ANPE job center to create access to public works professions for job applicants who do not have the usual background, making use of recruitment tools such as simulation tests.

In Sussex, in the United Kingdom, a recruitment program for former offenders has been carried out successfully.

– Seniors

Some subsidiaries have also undertaken recruitment campaigns targeting older workers. Sacer Sud-Est, Somaro, Smac have hired several dozen workers aged over 45, some of whom had no prior experience in the public works sector.

– Employing disabled people

The commitment of Colas to equal opportunity for disabled people is symbolized by the Company’s sponsorship contract with visually-impaired athlete Assia El Hannouni, originally concluded in 2006 and renewed in 2008. Assia returned from the Paralympic Games in Beijing in 2008 with two gold medals (200 and 400 meters) and two silver medals.

Colas stepped up its efforts to ensure that anyone may enter the Group and exercise their skills within it, no matter what the form of their disability.

A number of subsidiaries have taken a proactive stance for hiring disabled personnel. In 2008, Colas IDFN set up a disabled employment scheme, following an agreement with trade unions in which the Company made a commitment to recruit 25 disabled people over the next three years.

For Colas employees who lose the ability to perform their job as a result of illness or accident, Group policy is that whenever possible they should be redeployed inside the Company. This is a common occurrence in North America, but in 2008 a number of French subsidiaries undertook training of personnel and specific job creation to aid employees who had become partly or totally unable to continue in their previous jobs. Among other examples, Screg Ouest created a job as a surveyor for a site foreman who had sustained serious injuries in a car accident, Colas Rhône-Alpes found an administrative job for a mason who had become allergic to cement and Sacer Atlantique was able to set up a new position for an employee who had become unable to perform his old job by switching to in-house production of site signs.

Colas’ commitment to the cause of employment for disabled people has been recognized by the industry. A short film entitled Determinations about the careers of disabled employees won a special award at a festival for construction industry multimedia productions.
Colas devotes 4% of its payroll to training in France. All the Group’s employees, from site workers to senior executives, are able to benefit from this investment. The broad range of training programs available reflects both the diversity of professions in the Group and its desire for excellence.

### Group average workforce in 2008

<table>
<thead>
<tr>
<th>Country</th>
<th>Managers and engineers</th>
<th>Foremen, technicians, supervisors and office staff</th>
<th>Workers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2007</td>
<td>2008</td>
<td>%</td>
<td>2007</td>
</tr>
<tr>
<td>France: mainland + overseas departments and territories</td>
<td>5,132</td>
<td>5,596</td>
<td>+ 9.04</td>
<td>9,263</td>
</tr>
<tr>
<td>Europe (excluding France)</td>
<td>6,180</td>
<td>6,777</td>
<td>+ 10.46</td>
<td>11,788</td>
</tr>
<tr>
<td>North America</td>
<td>1,048</td>
<td>1,181</td>
<td>+ 2.39</td>
<td>2,525</td>
</tr>
<tr>
<td>Africa/Asia</td>
<td>512</td>
<td>549</td>
<td>+ 7.23</td>
<td>1,620</td>
</tr>
<tr>
<td>Indian Ocean</td>
<td>213</td>
<td>277</td>
<td>+ 30.05</td>
<td>657</td>
</tr>
<tr>
<td>TOTAL</td>
<td>7,008</td>
<td>7,741</td>
<td>+ 10.46</td>
<td>14,424</td>
</tr>
</tbody>
</table>

### Number of hours of training and number of courses in 2008

<table>
<thead>
<tr>
<th></th>
<th>Hours</th>
<th>Training courses</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>247,000</td>
<td>11,100</td>
</tr>
<tr>
<td>International</td>
<td>450,000</td>
<td>24,700</td>
</tr>
<tr>
<td>TOTAL</td>
<td>725,000</td>
<td>51,100</td>
</tr>
</tbody>
</table>

### Breakdown of training hours by status in 2008

(mainland France)

- **Workers**: 50%
- **Managers**: 22%
- **Foremen, technicians, supervisors**: 28%

### Breakdown of training hours by topic in 2008

(mainland France)

- **Safety**: 36%
- **Sales**: 2%
- **Management**: 2%
- **Human resources/Industrial relations**: 6%
- **General professional training**: 20%
- **Administration**: 4%
- **IT**: 5%
- **Others**: 6%
- **Techniques**: 19%
Colas Campus for all

With an offer of more than 150 training modules in 2008, the Colas Campus in France allowed more than 5,000 employees to hone their skills or discover new aspects of their professions. Training modules cover topics such as the administration of the Company as well as road techniques, management and general training for site supervisors. Particular attention is given to safety training, which represented roughly 35% of the training hours provided in 2008 (a figure rising to 50% in the United Kingdom and Ireland, the United States, Mauritius, Benin and Gabon).

The Group is also eager to encourage exchanges between subsidiaries in the context of training. In overseas and international subsidiaries (Reunion Island, Mayotte, Mauritius, Romania), the Human Resources department has programmed training modules that have proved successful in mainland France, tailoring them to the local context and needs. The second session of the “crossroads of knowledge” event organized by Colas Morocco was attended by Colas managers from Gabon and Benin, providing an opportunity for participants to engage in an exchange of experience in the field of training.

In North America, where many training programs are organized by each of the companies and phases 1 and 2 of Colas University have been functioning since 2001, an equivalent structure to the Colas Campus but on the scale of the region is progressively being put in place. In addition, North American managers were able to benefit from the launch of Colas University phase 3 in 2008, a high-level training program designed in partnership with McGill University in Montreal and the Darden School of Business, part of the University of Virginia. Consisting of three one-week modules, this program enabled six of the Group’s American and Canadian managers to improve their managerial skills while gaining greater knowledge of the Group.

Specific training operations run by subsidiaries

Specific training programs relating to markets that Colas has recently entered have been introduced. The Colas Rail school in Reims provides training in track-laying and train driving. The same type of training is available in Morocco in connection with the construction of the Rabat tramway.

In addition, occasional training projects are organized by the subsidiaries as and when specific needs arise. These programs can deal with topics as varied as road marking (South Africa) to preparations for the introduction of the euro for administrative staff (Slovakia) and IT skills for lab assistants (Gabon). In Madagascar, 35% of training hours dispensed are devoted to literacy.

Mentoring

Helping ensure the transfer of know-how from one generation to the next, the training of mentors in a key element in the Group’s policy. Several hundred mentors were given training in 2008, enabling them to provide newly hired personnel with a welcome and ongoing support, and to supervise young interns who are learning about the public works industry on work experience programs.

Colas IDFN took an original approach by setting up a dedicated “skills renewal unit”. This not only provides site supervisors and foremen with a resource ensuring they can keep pace with changes occurring in the business, it also offers support for newcomers to the Group and for employees changing their jobs, guaranteeing that knowledge is transferred efficiently.

Encouraging mobility and internal promotion at Group level

Colas must permanently plan ahead in terms of the organization of its structures while at the same time seeking to satisfy the aspirations of its employees. The Group’s international dimension provides a vast array of potential jobs for all those employees who wish to enjoy varied experiences throughout their careers. Colas supports the ambitions of all its employees, from site worker to senior executive, as part of its quest for excellence, one of the Group’s strongest values.

Mobility

Mobility within the Group is strongly encouraged. Illustrating the Group’s desire to reinforce this policy, a specialist unit dealing with mobility was formed in the Group’s Human Resources department in 2008. Each year, more than 550 members of the Group’s personnel, mostly managers and supervisors, change country or function, according to their own motivation and the needs of the Group.
In the United States, Group subsidiary Sloan transferred managers to another subsidiary, Reeves. In Romania, Colas provides housing and transport facilities for employees transferred from one company to another. The American subsidiary Delta has adopted the same policy for its personnel. Some French companies, such as Screg and Sacer Paris-Nord-Est subsidiaries, have instituted a “tour de France” for newly hired personnel, a period during which they travel around the country doing a variety of jobs in a number of profit centers, enabling them to appreciate the range of career possibilities available in the Group and to improve their adaptability.

Certain major projects on a particularly large scale, such as the M6 motorway in Hungary or the Tamarind Road in Reunion Island, call on many skills and create mobility within the Group and its subsidiaries.

Opportunities for employees who wish to gain international experience are abundant. The Group numbers more than 460 French expatriates, mostly in Europe and in the Indian Ocean region.

As a way of further encouraging mobility, Colas also hires foreign engineers in France, trains them according to Colas culture and then offers them positions in regions where their native background can constitute a particular advantage (Africa, Morocco, Europe).

Internal promotion

For Colas, internal promotion is a natural way of operating. It is based on forecasting job openings on the basis of an accurate assessment of employees’ potential, an effort to take account of their desire for change and the needs of the field. The Group’s approach to promotion is often backed up by tailored training packages.

Colas encourages people who have joined with no qualifications to obtain professional qualification diplomas. These employees, who have acquired experience on project sites, receive additional training, and their diplomas are official recognition of their skills. Approximately sixty employees in mainland France acquired such qualifications in 2008.

Colas also provides specific training modules for the benefit of volunteer site workers who wish to rise to supervisory positions, if necessary incorporating remedial courses in mathematics or literacy skills (Screg IDFN). The Gérard Cassan Site Supervision training program is open to Screg Est, Colas Est and Sacer PNE employees, allowing participants to obtain a diploma in sixteen weeks that assures them of eligibility for promotion to foreman level. Since 1989, 172 site workers have received this training, some of whom have subsequently risen to the rank of site supervisor, following further training.

To improve employees’ chances of professional and social integration, courses in literacy and remedial French are provided for any employees who express the need, in subsidiaries in the Greater Paris area and in French Guiana. Sacer Atlantique provides a course in “easy expression”, allowing site teams to improve their communications skills by working on written and spoken expression.

In international subsidiaries, employees can take beginning courses in French (Romania) or improve their English (Madagascar, Hungary, Thailand). Colas Madagascar has set up a partnership with Antananarivo high school enabling any employees who so wish to enroll for a vocational qualification and obtain a diploma while continuing to work. In the United States, the subsidiary Branscome has set up the same type of program with the Thomas Nelson Community College.

The training and support that the Group offers allows many site workers to enjoy promotion to supervisory positions.
Protecting employees’ lives and health: setting the highest standards for safety

The safety of its employees, at the workplace and on the road, is at the core of Colas’ priorities. The sheer number of training modules devoted to safety bears witness to this.

Numerous initiatives to prevent accidents at work and on the road

Particular efforts are taken with newly hired personnel. Before they take up their first position, they are required to check and improve their knowledge of safety using dedicated software. Developed in-house, this entertaining software program enables users to comprehend risks that are incurred performing different tasks in each of the Group’s businesses, and ways of preventing them. It is also used for training temporary employees, who present a specific risk of accident. Some subsidiaries, such as Screg IDFN, Colas New Caledonia, Colas Ireland and Colas Australia, also run safety awareness sessions for their subcontractors.

Documents targeting a variety of risks are circulated to all subsidiaries (workshop handbook, guide to maneuvering, chemical risks, etc.). They help site supervisors program their accident prevention strategies.

Each subsidiary devises and applies tools tailored to its businesses and its target populations. These include a guidebook and training on risks of falling from height at Smac, a CD-ROM on safety at Screg IDFN, a safety basics handbook at Screg Sud-Est, a specific handbook on demolition activities at Screg Ouest, sketches in Creole on the topic of safety in Reunion Island, comic strips at Colas Sud-Ouest and Colas Madagascar, and videos of work sites with comments on safety by site workers and foremen at Colas Midi-Méditerranée, etc. In countries where they are permitted, random drug tests (United States) and alcohol tests (South Africa) are carried out on construction sites.

Safety also entails innovation and the continuing improvement of equipment: cameras installed on site machines at Colas Rhône-Alpes, an award-winning innovation to improve signaling of the “men at work” zone at Sintra in Quebec, a laser detection system on compactors in partnership with the French National Research and Safety Institute at Screg Est, etc.

The challenge of safety goes beyond simply training employees or making improvements to equipment. It is necessary not just for each employee to know the rules, but to apply them in every circumstance. This means maintaining a spirit of safety by motivating all levels of management on the topic of safety. Special field coordinators have been put in place: safety managers at regional level, safety and road safety coordinators in the profit centers, etc. They are all a driving force in implementing, running and coordinating the safety policy, and are involved in everyday accident prevention actions: site audits, tool box safety talks, safety days organized regularly by the profit centers, inter-company safety competitions, etc.

Thanks to a sustained training program, the number of employees trained in workplace first aid rises each year; there are currently 17,000 of them, or 24% of the Group’s workforce. Among the Group’s French employees there are also 160 volunteer firefighters.

<table>
<thead>
<tr>
<th>Number of employees trained in workplace first aid</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>7,336</td>
<td>8,470</td>
<td>8,824</td>
<td>10,290</td>
</tr>
<tr>
<td>International</td>
<td>4,049</td>
<td>4,314</td>
<td>5,096</td>
<td>6,774</td>
</tr>
<tr>
<td>TOTAL</td>
<td>11,385</td>
<td>12,784</td>
<td>13,920</td>
<td>17,064</td>
</tr>
</tbody>
</table>

The Group has its own particular way of dealing with road safety. It is the subject of many exchanges of good practice between subsidiaries; the Scope software package is used throughout the Group to raise awareness of road safety; and in France it was decided in 2008 to limit the top speed of both vans and trucks.

Specific training programs are also organized for truck drivers both in France and in other countries, to improve their driving in terms of safety (and of eco-driving practices). Colas IDFN has appointed a road safety manager tasked with monitoring all the subsidiary’s truck drivers by spending an entire working day with them.
Safety results in 2008

Trends in the Group’s safety indicators

Mainland France

<table>
<thead>
<tr>
<th>Year</th>
<th>Frequency rate</th>
<th>Annual severity rate</th>
<th>Safety index</th>
<th>Fatal workplace accidents</th>
<th>Fatal work-related road accidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>14.56</td>
<td>0.66</td>
<td>9.61</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>2006</td>
<td>14.23</td>
<td>0.67</td>
<td>9.53</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>2007</td>
<td>12.75</td>
<td>0.57</td>
<td>7.27</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2008</td>
<td>11.62</td>
<td>0.48</td>
<td>5.58</td>
<td>6</td>
<td>2</td>
</tr>
</tbody>
</table>

International

<table>
<thead>
<tr>
<th>Year</th>
<th>Frequency rate</th>
<th>Annual severity rate</th>
<th>Safety index</th>
<th>Fatal workplace accidents</th>
<th>Fatal work-related road accidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>9.20</td>
<td>0.25</td>
<td>2.30</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>2006</td>
<td>8.58</td>
<td>0.24</td>
<td>2.06</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>2007</td>
<td>8.02</td>
<td>0.23</td>
<td>1.84</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>2008</td>
<td>7.01</td>
<td>0.21</td>
<td>1.47</td>
<td>5</td>
<td>1</td>
</tr>
</tbody>
</table>

Progress achieved in frequency rates around the world in ten years

Road safety: comparative trends of number of accidents and size of fleet from 1997 to 2008 in France

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of vehicles</th>
<th>Number of accidents with third-party liability*</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>13,746</td>
<td>3,024</td>
<td>0.220</td>
</tr>
<tr>
<td>2003</td>
<td>20,588</td>
<td>2,334</td>
<td>0.112</td>
</tr>
<tr>
<td>2007</td>
<td>25,380</td>
<td>2,407</td>
<td>0.094</td>
</tr>
<tr>
<td>2008</td>
<td>26,974</td>
<td>2,380</td>
<td>0.0862</td>
</tr>
</tbody>
</table>

Variation 2008/1997

- Number of vehicles: +96%
- Number of accidents with third-party liability*: −21%
- Frequency: −60%

* Accidents with third-party liability and not according to the principle of avoidability.
Prizes and honors won by Colas for exemplary safety results

Some of the Group’s subsidiaries reported excellent safety results in 2008.

Colas Madagascar further improved on its already remarkable statistics achieved in 2007: the Fort Dauphin project won a prize awarded by Rio Tinto-QMM for 8 million hours worked without lost-time accidents and a film produced about the project was honored in the World Trophies for Road Safety Films. The Group’s Thai subsidiary once again won several national awards this year acknowledging working conditions and accident prevention initiatives on various sites, as well as “Zero Accident” trophies. Colas New Caledonia won a prize for its safety initiatives. Several of Colas Ireland’s profit centers won awards from the National Irish Safety Organisation. Colas Sud-Ouest secured the prestigious DuPont Safety Award 2008 in the Sustainable Business Impact category. Many profit centers in France and in other countries have obtained MASE or OHSAS 18001 certification, which guarantees high-level safety procedures. In the area of road safety, the subsidiary Screg IDFN won first prize in the Large Companies category in France’s Corporate Road Safety Trophies.

A comprehensive policy of health protection

Beyond the issues of safety in the workplace and on journeys, Colas is committed to a comprehensive policy of health protection for its employees, particularly in countries where the state health service does not meet all expectations.

In Madagascar, Benin and Gabon, Colas continues to pursue STD and HIV/AIDS prevention campaigns conducted by “peer educators” and provides dispensaries and medical staff for employees and their families. In Madagascar, Colas holds the vice-presidency of the Coalition of Citizens Enterprises of Madagascar, which organizes anonymous and free HIV screening not only for employees, but also for the population in general. Screening campaigns are also organized for diabetes.

The Group’s American companies organize “health fairs” for employees and their families with free health checkups, to encourage them to take greater care of their health by adopting a healthier lifestyle.

In France, training sessions dealing with alcohol dependency and drug use enable employees to talk with a specialized consultant about these often taboo subjects, and to become more aware of the harmful impact of these substances both in their work environment and in their private lives. Sacer Atlantique, which is behind this initiative in the Group, was awarded the Axa Grand Prix for Health in 2008.

A project designed to improve workstations in site vehicles continued in 2008, involving an ergonomics consultant and training sessions for employees in movement and posture.

A management culture based on respect and trust

Managing industrial relations at local level

Industrial relations at Colas are handled primarily at the level of profit centers. These structures are largely autonomous, and they themselves manage issues of employment, forecasting and adapting skills and accident prevention according to the local context and the Group’s HR strategy.
In practical terms, employee representation in France takes the form of 350 committees in addition to the health, safety and working conditions committees operating in the fields of healthcare and accident prevention.

In other countries, agreements are often negotiated with the specific trade unions to which the employees belong. Examples in 2008 include: eight collective bargaining agreements signed in Canada, two in the Romanian subsidiary and a wage agreement in Hungary on the construction site of a section of the M6 motorway and at the Eszakkö quarry site.

Local representatives of the European subsidiaries have been designated to sit on the Bouygues European Works Council.

A policy of reward through remuneration

Through its salary incentive remuneration policy, the Group is able to attract, motivate, create loyalty and remunerate. Salaries consist of fixed and variable components, to which are added health insurance and retirement pension schemes and Group savings products, according to local legislation.

Applied by Colas in France as of October 1, 2007, French legislation covering work, employment and purchasing power took full effect in 2008. The exemption of overtime from income tax had a positive effect on net pay and on employees’ purchasing power. Various measures to reinforce the new legislation have been introduced for employees in a number of subsidiaries, by way of negotiated agreements on the annualization of working hours, which have the effect of allowing overtime to be paid at a higher rate without having to wait until the end of the year.

In France, salaries are supplemented by profit-sharing schemes which enable employees to be associated with the long-term success of the Group. Employees can also subscribe to Bouygues Group company savings products: these include company savings plans (PEE) and retirement savings plan (PERCO). Both these products were made more attractive in 2008, with increases to the employer contributions. In the case of the PEE, the maximum annual employer contribution rose from 2,880 euros to 3,360 euros on April 1, 2008. The employer contribution for the Perco was raised to 1,290 euros per year with effect from July 1, 2008.

When the legislation on purchasing power took full effect in February 2008, allowing early pay-out of profit-sharing payments and enabling employees to cash in days off owed by the Company in the context of reduced working hour agreements as of December 31, 2007, there was a positive impact on employees’ revenues.

Payroll expenses – Social security charges – Profit sharing – Temporary personnel in 2008 (France)

<table>
<thead>
<tr>
<th>Description</th>
<th>2007</th>
<th>2008</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and wages</td>
<td>1,955,248</td>
<td>2,110,268</td>
<td>+7.93</td>
</tr>
<tr>
<td>Social security charges</td>
<td>696,474</td>
<td>761,840</td>
<td>+9.39</td>
</tr>
<tr>
<td><strong>TOTAL PAYROLL EXPENSES</strong></td>
<td>2,651,722</td>
<td>2,872,108</td>
<td>+8.31</td>
</tr>
<tr>
<td>Employer contribution to PEE, PERCO, Bouygues Confiance and Bouygues Partage</td>
<td>26,142</td>
<td>21,282</td>
<td>–18.59</td>
</tr>
<tr>
<td>Employee profit-sharing</td>
<td>22,818</td>
<td>25,061</td>
<td>+9.83</td>
</tr>
<tr>
<td><strong>TOTAL EMPLOYER CONTRIBUTION PLUS PROFIT-SHARING</strong></td>
<td>48,960</td>
<td>46,343</td>
<td>–5.35</td>
</tr>
<tr>
<td><strong>TOTAL PAYROLL COSTS AND OTHER ADVANTAGES</strong></td>
<td>2,700,682</td>
<td>2,918,451</td>
<td>+8.06</td>
</tr>
<tr>
<td>Outside personnel</td>
<td>359,722</td>
<td>336,405</td>
<td>–6.48</td>
</tr>
</tbody>
</table>

* No new company savings plan in 2008.
In other countries, salary increases take account of local legislation. The remuneration policy is based on the individualization of salaries, and bonuses are calculated on the basis of performance. To enable employees to plan ahead more easily, even though the activity is sometimes seasonal, flexible hours agreements have been instituted between periods of high and low activity (North America, Romania).

**Minimum legal wage and annual average wage rates at Colas (foreman and machine operator) in the main countries and geographical areas where Colas operates (2008)**

<table>
<thead>
<tr>
<th></th>
<th>Mainland France</th>
<th>Hungary</th>
<th>United Kingdom</th>
<th>Switzerland</th>
<th>Morocco</th>
<th>Madagascar</th>
<th>United States</th>
<th>Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual average Colas wages (in euros)</strong></td>
<td>Machine operator</td>
<td>23,150</td>
<td>10,276</td>
<td>32,562</td>
<td>41,093</td>
<td>6,007</td>
<td>1,662</td>
<td>31,540</td>
</tr>
<tr>
<td>Foreman</td>
<td>31,845</td>
<td>15,405</td>
<td>47,241</td>
<td>58,367</td>
<td>12,725</td>
<td>2,664</td>
<td>39,182</td>
<td>27,657</td>
</tr>
<tr>
<td><strong>Minimum annual legal wage per country (in euros)</strong></td>
<td>15,546</td>
<td>3,247</td>
<td>14,849</td>
<td>9,814</td>
<td>2,112</td>
<td>361</td>
<td>9,252</td>
<td></td>
</tr>
</tbody>
</table>

*Employee contribution (not including employer contribution).*
Attractive social benefits

In recent years, Colas has worked on modernizing, improving and harmonizing all its social protection measures for employees in mainland France. Further pursuing these measures, a new complementary health insurance contract, in partnership with PROBTP and SMBTP (MME), was put in place in January 2008, with guarantees further improved. Compulsory for all employees and their families, and identical for all categories of employees, it provides a very good level of basic cover and is jointly financed by the employee (40%) and the employer (60%), with a further option available that is fully paid for by the employee. The contract has been subscribed by 33,200 employees in mainland France. A specially tailored version of the contract was made available during the course of the year to members of associations of retired Group employees.

A complementary health insurance contract with similar characteristics has also been negotiated with a local mutual insurance company.

In other countries, the welfare cover provided for employees depends on the local legislative framework and collective agreements in place, but Colas has the aim of progressively promoting a fair and attractive framework for all its employees.

Managerial practices based on respect and trust

The Group encourages all approaches that seek to improve industrial relations and to empower its employees.

The procedure of annual appraisal interviews which has been in force for a number of years in France is in the process of being introduced in all countries where the Group operates. Training on conducting individual appraisal interviews has been organized in countries that have not yet adopted this management tool (Hungary, Slovakia, etc.).

Some subsidiaries have adopted original initiatives: a personnel satisfaction survey at Somaro that led to work carried out by task forces; work groups involving Sacer Atlantique employees on conveying the Company’s brand image on construction sites; monthly working meetings involving management and union delegates on topics of current importance at Colas Belgium; a forum for site teams at Colas Ltd enabling representatives of site teams to meet and discuss concrete problems in an atmosphere of cooperation; an industrial relations committee at Sintra in Canada, with union delegates present at every meeting; and “all hands” meetings at the Californian subsidiary Sully-Miller in the United States, in which all supervisors and managers gather to discuss the work environment.
Outlook

In 2008, Colas pursued its strategy of profitable growth: revenue totaled 12.8 billion euros (+9.6%), generating a Group share of net profit of 490 million euros, cash flow totaling 1.18 billion euros (+7.7%), a dynamic investment policy designed to strengthen the present and prepare for future developments (net investments of 658 million euros), and a healthy balance sheet with net financial debt standing at 6 million euros as of year-end 2008, compared with shareholders’ equity totaling 2.18 billion euros.

Work-on-hand for the Group at the end of January 2009 stood at 6.3 billion euros, maintaining a high level even if 8% lower than that recorded at the end of January 2008. The current work-on-hand and data available at this stage do not enable us to forecast market trends, which will depend on contradictory factors: the ramifications of the economic and financial crisis, the price of oil, which has thus far had a positive effect on the cost of investments for our customers, and economic stimulus plans that are advantageous to the Group’s businesses.

In France, the level of investment budgets of local authorities will be decisive. The launch of new tramway construction programs is a positive factor; prospects for the renovation of the rail network are promising; and work-on-hand in the waterproofing business, traditionally better filled than that of road businesses, are at a good level. Activities relating to road safety could experience slight growth. Turning to international operations, the outlook in Canada remains positive and the American subsidiaries will be among the first beneficiaries of the massive stimulus packages that has been announced if it is implemented rapidly. Africa, along with Morocco and the Indian Ocean in particular, should retain a good level of business, even allowing for the end of exceptional projects in Reunion Island and Madagascar which could be replaced by other major projects in 2010. Business trends in the rest of Europe should differ little from those observed in France, with possible developments if a number of major projects that have been targeted are secured and benefit from financing in the framework of PPP operations.

In this context, a provisional hypothesis for revenue in 2009 has been set at 12.3 billion euros. The solidity of its established operations and its businesses should enable Colas to adapt to this level of activity. If the hypothesis is confirmed, Depending on trends in its various markets, Colas will, even more than in the past, conduct a strategy of profitability rather than volume. Essential short-term and medium-term investments will be maintained, and budgets adjusted progressively and pragmatically throughout the year. The Group will continue to aim to meet the goals it has set for responsible development, particularly with regard to energy savings and safety, and will be primed to satisfy needs for infrastructures around the world, relying on a regularly expanding international network of companies, a significant portion of industrial activities, financial solidity and a simple, flexible organization backed by 73,600 employees.
### Colas Group management

**MAINLAND FRANCE**

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman and CEO</td>
<td>Hervé Le Bouc</td>
</tr>
<tr>
<td>Director, General Secretary</td>
<td>Thierry Montouché</td>
</tr>
<tr>
<td>Human Resources</td>
<td>Philippe Tournier</td>
</tr>
<tr>
<td>Risk and Insurance</td>
<td>Jean-Yves Bignon</td>
</tr>
<tr>
<td>Equipment</td>
<td>Philippe Brissonneau</td>
</tr>
<tr>
<td>Research and Development</td>
<td>Michel Chappat</td>
</tr>
<tr>
<td>Chief Legal Officer</td>
<td>Alain Clotte</td>
</tr>
<tr>
<td>Chief IT Officer</td>
<td>Jérôme Dussere</td>
</tr>
<tr>
<td>Chief Information Officer</td>
<td>Yves François</td>
</tr>
<tr>
<td>Finance</td>
<td>Laurent Le Boulc’H</td>
</tr>
<tr>
<td>Audit</td>
<td>Michel Lorrain</td>
</tr>
<tr>
<td>Environment</td>
<td>Henri Molleron</td>
</tr>
<tr>
<td>Accounting</td>
<td>Gilles Nicolle</td>
</tr>
<tr>
<td>Building/Civil Engineering Techniques</td>
<td>Philippe Raffin</td>
</tr>
<tr>
<td>Corporate Communication</td>
<td>Sophie Sadeler</td>
</tr>
<tr>
<td>External Relations</td>
<td>Xavier Lepercq</td>
</tr>
</tbody>
</table>

**FRANCE GENERAL MANAGEMENT**

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director, Managing Director France</td>
<td>Thierry Genestar</td>
</tr>
<tr>
<td>Managing Director France</td>
<td>Christian de Pins</td>
</tr>
<tr>
<td>Roads</td>
<td>Thierry Caussemille</td>
</tr>
<tr>
<td></td>
<td>Philippe Decarnin</td>
</tr>
<tr>
<td></td>
<td>Daniel Ducroix</td>
</tr>
<tr>
<td></td>
<td>Philippe Gilmant</td>
</tr>
<tr>
<td></td>
<td>Patrice Haltebourg</td>
</tr>
<tr>
<td></td>
<td>Pascal Maridet</td>
</tr>
<tr>
<td></td>
<td>Bernard Sala</td>
</tr>
</tbody>
</table>

**Roads**

- Jean-Pierre Bélier, President, Sacer Sud-Est
- Martine Boudon, President, Colas Nord-Picardie
- Thierry Caussemille, President, Sacer Paris-Nord-Est
- Philippe Decarnin, President, Colas Rhône-Alpes
- Daniel Ducroix, President, Colas Midi-Méditerranée
- Philippe Gilmant, President, Screg Sud-Est
- Patrice Haltebourg, President, Screg Est
- Pascal Maridet, President, Screg Nord-Picardie
- Bernard Sala, President, Colas Est

**Other activities**

- Patrick Guénoté, President, Colas Rail
- Christophe Mitridati, President, Aximum
- Dominique Laureau, General Manager, Carrières Roy
- Remy Desmoulins, Major Projects
# INTERNATIONAL

## NORTH AMERICA

**Louis GABANNA**  
Managing Director North America

**United States**

- Georges AUSSEIL, President, Colas Inc.
- James WEEKS, Senior Vice President, Colas Inc.
- Gordon CRAWLEY, Vice President, Colas Inc.
- Robert DOUCET, President, Barrett Industries Corporation
- Tim GOSSMAN, President, Simon Contractors
- John KULKA, President, HRI Inc.
- Robert LAND, President, Reeves Construction Company
- David MARTINEZ, President, Sully-Miller Contracting Company

**Canada**

- Louis GABANNA, President, Colas Canada Inc.
- Jacques MICHEL, Vice President, Colas Canada Inc., President, Works Alberta Ltd
- Normand BEDARD, President, Sintra Inc.
- Gustavus HOPE, President, Canadian Road Builders Ltd
- Jean VIDAL, President, Terus Construction Company

## EUROPE

**Alain BENQUET**  
Managing Director Europe

### NORTHERN EUROPE

- Belgium  
  - Yvo DERDAELE, General Manager, Colas Belgium
- Denmark  
  - Hans Oluf KROG, General Manager, Colas Denmark
- Estonia  
  - Peeter TAMM, Manager, Baltiffalt
- Iceland  
  - Sighthor SIGURDSSON, Manager, M.H. Colas Iceland
- Ireland  
  - John KILLEEN, President, Colas Teoranta
- Switzerland  
  - Stephen LOWE, Manager
- United Kingdom  
  - Jean BEAUVERD, President, Colas Suisse
  - Frédéric ROUSSEL, Chief Executive, Colas Ltd

### CENTRAL EUROPE

- Austria  
  - Andreas WIRTH, Manager, Colas GmbH
- Croatia  
  - Duro PODVEZANEC, General Manager, Cesta Varazdin
- Czech Republic and Slovakia  
  - Jaroslav JARABEK, Area Manager
- Germany  
  - Karsten LOHMANN, Manager, Colas Bauchemie
- Hungary  
  - Gyula KÓLOZSVÁRI, General Manager, Colas Hungaria
- Poland  
  - Marek LORECKI, Manager
- Romania  
  - Nicolae MIRAVALLS, Manager

## INTERNATIONAL

**Bruno TABARIE**  
Managing Director International

### INDIAN OCEAN

- Christophe GUY, Deputy General Manager, Southern Africa – Indian Ocean
- Djibouti  
  - Karim HAMDAN, Manager, Colas Djibouti
- Madagascar  
  - Jérôme BELLEMIN, Manager, Colas Madagascar
- Mauritius  
  - Manuel CARPRAUX, Manager, AJMC
- Mayotte  
  - Serge CAVASINO, Manager, Colas Mayotte
- New Caledonia  
  - Jacques SOUCHE, Manager, SCNC
- Reunion Island  
  - Jean-Pierre PONS, Manager, Colas Réunion Industries
- South Africa/Namibia  
  - Hugues de CHAMPS, Manager, Colas South Africa

### WESTERN/CENTRAL AFRICA

- Didier CALBRY, Regional Manager
- Benin  
  - Philippe EPONON, Manager, Colas Bénin
- Gabon  
  - David MORIN, Manager, SRCG
- Morocco  
  - Thierry LE ROCH, Regional Manager
- GTR  
  - Jean-Yves LEBORGNE, Manager, GTR LRM
- Jean-Pierre DUPUY, Manager, LRM
- Martinique  
  - Gilles DUCHATEL, Manager, Colas Martinique
- French Guiana  
  - Patrick RIVAUD, Manager, Ribal TP

### ASIA/AUSTRALIA

- Jacques PASTOR, Deputy Managing Director
- Thierry DEFRENE, Manager Thailand – China
- Christophe VOY, Manager Indonesia – Vietnam
- Australia  
  - Ian WILLIS, Chief Executive, SAMI
- China  
  - Francis SUN, Country Manager, TIL
- Indonesia  
  - Sanjay GROVER, CEO, Hincol
- India  
  - Victor SITORUS, Director, Wasco
- Ilham MARDANIS, Director, ABS
- South Korea  
  - J. I. LEE, Representative Director, ISCO
- Thailand  
  - Chaiwat SRIVALWAT, Managing Director, Tipco Asphalt Public Company Ltd (Tasco)
- Vietnam  
  - Le TAM, Director, ADCo
The year in review

France
Embellishing the Deux-Caps tourist site in the Pas-de-Calais region.
French Guiana

Building a new section of the Apatou – Saint-Laurent-du-Maroni Road.

New Caledonia

Building infrastructure for a mining project.

France

Refurbishing streets in a historical heritage neighborhood in the town of Saint-Macaire.
Reunion Island
Building a full-scale infrastructure project involving earthworks, engineering structures, networks and roadways at Plateau-Caillou on the Tamarind Road.

Morocco
Developing the Boulevard de la Corniche in Casablanca.

France
Building a bike path using Vegacol plant-based mix in the Haut-Rhin department.
Benin

Construction of an engineering structure in Cotonou.

France

Applying 3E asphalt concrete (environmentally-friendly, energy-efficient) on the Le Mans bypass.

Switzerland

Applying cold recycled asphalt mix on a section of Highway A16 that is currently under construction.
Madagascar
Building infrastructure at the nickel mining site of Ambatovy.

Hungary
Building an engineering structure in the framework of the M6-M60 Motorway construction project.
Dominica Island
(Caribbean)
Renovating the runway at the Melville airport.

France
Building Highway A41 North between Annecy, France and Geneva, Switzerland.

Canada
Refurbishing pavement on Route 138 in Quebec.
France
Installing photovoltaic panels on the roof of an office building in the city of Villeneuve-d’Ascq.

France
Roofing, cladding, siding of the Zenith auditorium in the city of Saint-Étienne.
France
Installing guardrails on Route 50 near the city of Chalon-sur-Saône.

Canada
Road marking on Route 155 in Quebec.
France

Installing a gas pipeline to reinforce the North-East artery in the Moselle region.

France

Refurbishing a section of the La Voulzie aqueduct in the Seine-et-Marne region.
France
Demolishing two high-rise housing projects in Belfort.

New Caledonia
Buildings and roadways in a real estate development project.

Reunion Island
Building a low-income housing project in Saint-Benoît.
Great Britain

Installing track in the Docklands tunnel under the Thames river during a London Underground extension project.

Great Britain

Performing railway maintenance work with a mobile gantry crane near Manchester.

France

Renewal of railway track between the towns of Lamballe and Saint-Brieuc in Brittany.
Responsible development initiatives

France
Former gravel pit near the town of Manosque.
In the town of Manosque, near the southern French Alps, a former gravel pit was relandscaped. The rehabilitation project focused on bringing the original local fauna and flora back to the site, in harmony with the surrounding natural swampland near the Durance river. One year later, the beavers have moved backed in and bird-watchers can now enjoy the red-crested pochards, grebes, orioles and kingfishers from special observation shacks built on the banks.
Hungary

Tállya quarry involved in the Tőkaj national park project

In the heart of the Tőkaj vineyard, a Unesco’s global heritage and Natura 2000 site, the Tállya quarry performs its business in the most utmost compliance with environmental standards (ISO 14001 certification), providing, in addition, the structure for constructive communication with the leaders of the national park project. A partnership was also set up with the local wild bird protection league.
Phitsanulok emulsion plant, an exemplary site

The Phitsanulok emulsion plant, which has been operating for over 20 years in the middle of a flood plain and rice patties, is a breeding ground for good practice in terms of cleanliness (including the planting of fruit trees), environmental protection (recycling of used oils, retention ponds, waste sorting, etc.), fire prevention and the integration of local populations (partnerships with schools, open-house days). The Thai government has awarded the site with its highest honors.
Colas Madagascar is helping Lemurs’ Park, a private 5-hectare botanical park and lemur reserve near the capital city, Antananarivo. The subsidiary is transplanting trees, including baobabs, from all over the island. In collaboration with the reserve, visits have been organized with students from underprivileged homes to help improve awareness of the need to preserve Madagascar’s precious biodiversity.
Madagascar

Renovating the Queen’s Palace in Madagascar

Colas Madagascar, with the support of Unesco, is rebuilding the Queen’s Palace, a longstanding historical symbol of Malagasy royal power that was entirely gutted by fire. In addition to a generous donation to complete funding on the first phase, Colas Madagascar also committed to training Malagasy personnel to give them specific skills in the restoration of heritage sites. In addition, a most unusual event was held on the work site itself – a piano recital for the entire crew!
In the United States, the average percentage of reclaimed asphalt pavement, or RAP, used in the production of new asphalt concrete by Colas companies today totals some 20% (5% in 2000). The advantages of this technique are twofold: savings in terms of materials (in 2008, the equivalent aggregate production of 8 quarries and bitumen production of one refinery) and a reduction of greenhouse gases (in 2008, 50,000 tons of CO₂ compared to conventional mixes).
Responsible development initiatives

Benin

Rehabilitating a school in Gosso

In the framework of the Djougou – N’Dali road construction project, in the center of the country, Colas Benin has renovated, at its own expense, the village school in Gosso, located along the route. The pupils and their teacher can now enjoy a brand new building and equipment that will allow them to work in better conditions.
Morocco

Assistance for single mothers

One of the initiatives undertaken by the foundations of Group Moroccan subsidiaries GTR and LRM, funding the National Institute for Solidarity with Women in Distress makes it possible for young single mothers to have access to food and medical services, for themselves and their children. The association also helps them learn a trade and find jobs and housing.

Books for visually-impaired children

Support has also been provided to help visually-impaired children stay in school. For example, special equipment was bought to print books in Braille (printer, software, oven to make embossed drawings, etc.) for Amardev, the Moroccan Association for the readaptation of the visually-impaired, in the framework of the creation of a special game library for these children.
Morocco

Helping underprivileged children play rugby

Registration fees have been paid at the Olympic Rugby Club of Casablanca for underprivileged children, along with all the gear and travel expenses for tournaments, making it possible for them to learn how to play one of their favorite sports. This initiative also favors the mixing of children from a variety of different social backgrounds.
Innovation

Green roofing

The Tecflor® green roofing process helps rebuild ecosystems in urban zones, which improves air quality and helps trap CO₂. This technique also makes cities more beautiful and pleasant to live in. In 2008, 70,000 m² of Tecflor® green roofing were applied.
Innovation

Noise-reducing Nanosoft

This last generation of noise-reducing asphalt concrete offers unheard of performance levels: compared to conventional mixes, it divides by 8 the noise that is heard by neighboring residents. In 2008, Nanosoft won the Innovation Award at the French Mayor’s Congress and the Gold Medal for Environment at the International Fair in Poznan, Poland.
Responsible development initiatives

Talents

Support for Assia El Hannouni, gold medalist at the Paralympic Games

The partnership contract, signed in 2006 and renewed in 2008, with the visually-impaired track and field athlete Assia El Hannouni, double gold medalist and double silver medalist at the Beijing Paralympic Games, reflects Colas’ goal to support projects that are based on strong values: going beyond one’s own limits, a love for effort, tenacity, simplicity and the pride in a job well done. It is also a symbol of Colas’ commitment to helping the disabled, that can be seen in the growing number of integration initiatives in the Group.
The ad campaign to congratulate Assia.

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