1920-2015, innovations paved a new way

1920
COLD ASPHALT, BITUMEN EMULSION
In 1920, Hugh Alan Mackay and George Samuel Hay, two British engineers, invented cold asphalt, a bitumen emulsion process that makes it possible to keep bitumen liquid at ambient temperatures, thus ensuring easy handling and application before hardening. The first time the COLd ASPhaRt process (hence the name Colas) was used dates back to 1927. As for the Colas Company, it was founded in 1929 to operate the patent, and soon cold asphalt was being used around the world. Since the middle of the 1990s, Colas has been the leading producer of bitumen emulsion worldwide, and it is estimated that at least half of today’s global production comes from Colas or is directly derived from one of its techniques.

1925
OUT OF THE ORDINARY PAVEMENT FOR AUTOMOBILE RACING CIRCUITS
As a longstanding partner of major automobile racing events, which are veritable open-air laboratories for pavement performance, Colas has designed out of the ordinary pavement for prestigious circuits, starting at Monthléry, France in 1925. Soon to follow: Monte-Carlo, Bugatti, 24 Hours of Le Mans, Le Castelet, Nevers-Magny-Cours, Michigan International Speedway, California International Speedway in the United States, Gilles-Villeneuve in Canada, Bathurst in Australia, Buriram in Thailand, and more.

1970
HIGHWAY CONCESSIONS
In the 1960s, France had fallen behind in terms of highway infrastructure due to public spending issues. Colas came up with an innovative idea to use concession contracts for road infrastructures, a novelty in the field. In 1970, Colas co-founded Cofiroute, building the first section from Paris to Orleans. Colas was thirty years ahead of its time by focusing on promoting optimized overall cost of transport infrastructure for the long-term, while respecting safety and quality of service, the cornerstones of Public-Private Partnerships and Sustainable Development.
In 2005, Colas launched Vegecol®, the first plant-based binder designed to replace bitumen, containing pine resin and rapeseed oil, entirely renewable resources. With life cycle analysis as an integral part of the product design phase, Colas rolled out a new eco-design program, which led to a new range of products called Vegeroute®. Colas now takes part in a number of green chemistry research programs.

In the 1970s, Shell and Colas decide to design a modified bitumen to help bear the increasing degree of vehicle stress and strain. They chose to add an SBS elastomer (Styrene-Butadiene-Styrene) to reinforce the bitumen and provide additional elastic recovery to better withstand deformation. And thus was born Colflex® elastomer bitumen. Today, SBS is still the most frequently used modifier for bitumen in the world and SBS modified bitumen is the reference product for waterproofing membranes.

In the 1980s in the United States, Colas tackled projects to remediate soil contaminated by hydrocarbon pollution, opting for thermal desorption, which uses plants that are similar to asphalt mixing units. With the Clean Earth™ plant designed in 1990, Colas chose innovative techniques and equipment, based on a culture focused on control and safety, paving the way to ISO 9001 certification. Colas Environnement then went on to undertake major thermal desorption projects in Europe.

In 2005, Colas launched Vegecol®, the first plant-based binder designed to replace bitumen, containing pine resin and rapeseed oil, entirely renewable resources. With life cycle analysis as an integral part of the product design phase, Colas rolled out a new eco-design program, which led to a new range of products called Vegeroute®. Colas now takes part in a number of green chemistry research programs.

Colas and its partner INES (French National Solar Energy Institute) designed the world’s first photovoltaic road surfacing.

During a project to build new runways at the Jakarta Airport in Indonesia, Colas modernized the ancestral Indonesian technique called “chicken feet” that is used to stabilize swampy soil by driving bamboo tubes into the mud. Colas innovated by replacing the bamboo with concrete pipes. Over thirty years later, the runways are still in service, and have been able to stand up to southeast Asia’s soaring air traffic. Since, Colas has continued to perform exceptional airport projects (Chicago, United States, Roissy, France, Iqaluit, Canada, etc.).
2015, a year of innovation

A world leader in the construction and maintenance of transport infrastructure, Colas has been innovating since the company was founded. On its pioneering path, it has paved the way to many inventions.

In 2015, Colas launched a major breakthrough innovation: the Wattway solar road. Thanks to a revolutionary process, Wattway makes it possible for roads to produce electricity by harvesting sunlight.

This new function is in line with the global energy transition target, and is a perfect add on to a road’s conventional role as a vector for mobility.

With Wattway, Colas is opening up the path to the road of the future, and helping to build Smart Cities.

2015 saw other important innovations as well.
The fruit of five years of research jointly led by Colas’ Campus for Science and Techniques (CST) and the French National Solar Energy Institute (INES), the Wattway solar road has no equivalent in the world. The very thin Wattway photovoltaic panels are glued directly to the conventional road surface, and are able to bear all types of vehicle traffic. Roads can now produce clean, renewable energy locally. The process was unveiled to the public in October 2015 and was present at the COP21 in December, where it won a Climate Solutions Award.
THE WATTWAY SOLAR ROAD

Wattway and Smart Cities
Wattway is a one-of-a-kind photovoltaic road surfacing.

Wattway panels are comprised of photovoltaic cells embedded in a multilayer substrate composed of resins and polymers, translucent enough to allow sunlight to pass through, and resistant enough to withstand truck traffic. These cells capture solar energy through a very thin layer of polycrystalline silicon that transforms it into electricity. On the underside of the panels, there is a connection to a lateral module containing electrical safety components.

Extra thin (just a few millimeters), skid-resistant and designed to last, Wattway panels are installed and glued directly on existing roads, parking lots, bike paths, etc., without having to repave or redesign the infrastructure.

Wattway is protected by two patents.

**Future uses for smart roads**

- Real-time traffic management
- Automatic vehicle guidance
- Dynamic charging for electric vehicles
- Eliminating the effects of black ice, etc.
A technological challenge

The Wattway solar road was designed and developed in partnership by the Campus for Science and Techniques (CST) and the French National Solar Energy Institute (INES).

Tell us about the genesis of Wattway. How did the idea of the solar road come to be?

PHILIPPE RAFFIN: The idea originated with Jean-Luc Gautier, who was then Head of the Center for expertise and documentation at the CST. As early as 2005, he had the hunch that transport infrastructure could produce large amounts of photovoltaic electrical energy as it offers a large surface facing the sky over 90% of the time, an insight that was quickly validated by calculations. The summer of 2010 saw a milestone, with the production of a model comprising photovoltaic cells taken off of toys and placed on a road surface. This model helped to highlight all the obstacles that had to be overcome, such as how to integrate the cells into the road surface, how to make sure they can bear traffic, what new translucent materials to use in the wearing course to replace conventional bitumen and aggregates, or how to handle electrical safety issues. The list was long, and we had obviously never worked on any of these topics! We had to find a partner who was a photovoltaic expert. Then came five years of intensive research in collaboration with CEA Tech at the National Solar Energy Institute based in Chambery, France.

“For every issue that came up, we had to innovate, because we did not have any known technological response.”

PHILIPPE RAFFIN, TECHNICAL, RESEARCH & DEVELOPMENT MANAGER AT COLAS

What were the cornerstones of the partnership between CST and INES?

JEAN THERME: In 2011, Colas and INES signed a long-term strategic partnership agreement, which led to the creation of a joint laboratory. INES provides comprehensive knowledge of photovoltaic cells and modules along with solar power systems in more conventional areas of use, but they did not master the very specific issues encountered in a road environment. Colas, on the other hand, brought its in-depth expertise in roads, making it possible to define product specifications, regulatory and reliability frameworks, as well as know-how in tire/pavement contact, which was a major issue. In addition to the process’ high level of technology, Wattway owes a great share of its success to quality teamwork between Colas and INES. They pooled their skills and energy in a perfectly coordinated and complementary manner, with one common goal: the challenge of the solar road.
While protecting the fragile solar cells made of 0.2 mm thick silicon wafers. The INES photovoltaic module team designed and developed the solution, and a second joint patent was filed. Beyond the panels themselves, providing proper electrical safety in a field where no standards exist was another challenge.

Did you imagine how enthusiastic the public was going to be about Wattway?

Ph. R.: Absolutely not! The minute Wattway was unveiled by Hervé Le Bouc during a press conference last October, we were flooded with requests for interviews, for filming on the demonstration section at the CST, in laboratories, as well as at the INES panel production line. Some 200 articles and reports in one week! Today, we are still very busy. Beyond the media hype, the impact on employees was extremely strong, boosting a longstanding sense of pride in belonging to Colas.

J. T.: In my mind, it is only natural for a project like this to stir up a lot of interest. Wattway foreshadows the third wave of solar products, after the first wave of pioneers who supplied power to isolated sites, then the second wave of mass production with photovoltaic plants on roofs and in fields. The solar road also paves the way to zero-carbon, intelligent travel of the future. The stakes are high, both in terms of energy and economics.

Wattway is now entering a full-scale application phase. Will your partnership continue?

Ph. R.: To meet the new challenges raised by the development of Wattway and to accompany the learning curve, we have renewed our initial partnership. As the saying goes: never change a winning team! Beyond the technological maturity that will make headway with the applications scheduled in 2016 and 2017, our team will continue its work on Wattway with the aim of expanding its functions, particularly in the area of communication between infrastructures and users.

J. T.: In my view, we are only at the beginning of our adventure and there are still many surprises in store. By continuing to work together with the same passion and the same efficiency, Wattway will keep paving the way forward.
Colas continues to innovate

MOBILITY MANAGEMENT

CONNECTED SMART ROAD SENSOR

Designed by teams at Axinium, Colas’ safety and traffic management subsidiary, and the Campus for Science and Techniques (CST), in a partnership with Technological Research experts at CEA Tech (French Alternative Energies and Atomic Energy Commission), the Smart Road sensor makes it possible to detect vehicles. Autonomous and easy to install, the sensor has two purposes: first to count vehicles in lieu of loop-based counting systems coupled with the Axiboucle application, and second, to manage parking places using the Axipark application. In the second case, the sensors detect the number of places available in a parking lot or on a street, and can help guide motorists via variable message panels and applications. This innovative technology can be of great use to private individuals (guiding, online reservation) and to professionals (real time IT traffic and parking management).

CONNECTED OBJECTS

OSCAR 2.0: THE COMMUNICATING HARD HAT

Colas Rail and the Bouygues research laboratory designed a connected hard hat called Oscar 2.0 to foster communication and better safety. It is equipped with a hands-free communication system with ten hours autonomy and a range of 250 meters, a system that remotely detects the presence of alternating current and an LED lighting system.

HEALTH, HARSH WORKING CONDITIONS

EXOPUSH 2.0: A NEW EXOSKELETON

The fruit of a joint effort between Colas Suisse and robotics specialist RB3D, the first exoskeleton prototype, called CoExo 1.0, was designed to make an asphalt raker’s job easier. Improvements were made, and now a second exoskeleton has come to be: ExoPush 2.0.
CONNECTED OBJECTS

CONNECTED SPLICE BAR

Developed by Colas Rail and Bouygues Telecom, the connected splice bar is designed to improve maintenance on railways. By installing a connected washer on the bolt of a splice bar—a metal part that connects two pieces of track, data on wear and tear is transmitted to a central server. A real time alert is given if the bolts come loose or undone, an innovation which helps optimize maintenance scheduling.

MOBILITY MANAGEMENT

SO MOBILITY PROJECT

Colas, along with the city of Issy-les-Moulineaux and other companies, is part of the So Mobility consortium, a project aiming to develop innovative ideas in the field of mobility. Smartphones, geolocation, open data and real time data sharing offer a variety of new opportunities to improve citizens’ daily lives and travels. Full scale in situ experiments will validate the innovations, which range in scope from real time multimodal offers, to car-sharing, modifying working schedules, optimizing parking, traffic management and anticipating new ways of traveling.

USING NEW TECHNOLOGIES

DRONES

Drones are used at Colas, in particular on sites dedicated to the production of construction materials. In quarries, drones can quickly and accurately measure stockpiles, update maps, while enabling surveyors to stay safe (no need to move around stockpiles, near machines or on dangerous slopes).

BIM: BUILDING INFORMATION MODELING

Colas is on the cutting edge of the building information modeling (BIM) revolution, a collaborative business tool shared by all parties on a construction project. BIM helps optimize a project from design to preparation and on through the actual construction.
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Board of Directors
AS OF APRIL 13, 2016

Hervé LE BOUC
Chairman and Chief Executive Officer

François BERTIÈRE
Director

Olivier BOUYGUES
Director

Martine GAVELLE (2)
Director

Jean-François GUILLEMIN
Director

Colette LEWINER (2)
Director

Philippe MARIEN
Permanent representative
of the Bouygues Company

Catherine RONGE (2)
Director

(1) If approved by the Annual General Shareholders’ Meeting on April 13, 2016.
(2) Independent Director.

Auditors

KPMG Audit IS SAS
Statutory Auditor

Mazars
Statutory Auditor

KPMG Audit ID SAS
Substitute

Thierry COLIN
Substitute
Profile

Colas, a subsidiary of the Bouygues Group, is a world leader in the construction and maintenance of transport infrastructure.

With 57,000 employees in more than 50 countries on five continents, the Colas Group works in every business segment involving the construction and maintenance of roads, along with all other types of transport infrastructure as well as urban development, through two operating units: Roads, its core business, and Specialized Activities to expand the range of offers.

Through its projects and its innovations, Colas aims to meet the modern world’s real needs for mobility, urban development and environmental protection.

---

**REVENUE BY BUSINESS SECTOR**

**ROADS**

81%

- 66%
  - The construction and maintenance of roads, highways, runways, ports, logistics hubs, urban development, reserved lane public transport networks for buses and tramways, recreational facilities, environmental projects, etc., along with civil engineering and building in certain regions.

- 15%(1)
  - Production and recycling of construction materials (aggregates, emulsions and binders, asphalt mixes, ready-mix concrete, bitumen) through its tight-knit network of production sites.

(1) Sales to third parties.

---

**CONSTRUCTION MATERIALS**

<table>
<thead>
<tr>
<th>AGGREGATES</th>
<th>EMULSIONS</th>
<th>ASPHALT MIX</th>
</tr>
</thead>
<tbody>
<tr>
<td>714 quarries</td>
<td>129 emulsion plants</td>
<td>553 mixing plants</td>
</tr>
<tr>
<td>95 million tons</td>
<td>1.8 million tons</td>
<td>39 million tons</td>
</tr>
</tbody>
</table>
**REVENUE BY GEOGRAPHIC ZONE**

- 51% France
- 22% North America
- 18% Europe
- 9% Rest of the World

**SPECIALIZED ACTIVITIES**

19%

- **8% Railways**: construction, renewal and maintenance of railway networks (high speed and conventional lines, tramways, metros).
- **5% Waterproofing**: production of impervious membranes, and work involving roofing, siding, cladding, waterproofing of buildings, sidewalks, flooring and roadways with mastic asphalt.
- **3% Road Safety and Signaling**: manufacture, installation, maintenance of road equipment (safety, signing, road marking, traffic management).
- **2% Networks**: installation and maintenance of pipes and pipelines for fluids (oil, natural gas, water) and dry networks (electricity, heating, telecom).
- **1% Production and sales of refined products** by SRD (Société de la Raffinerie de Dunkerque).

**READY-MIX CONCRETE**

- 197 concrete plants
- 2.4 million m³

**BITUMEN**

- 2 bitumen plants
- 1.0 million tons

**MILLION IN NET PROFIT**

(attributable to the Group)

€234

**BILLION IN REVENUE**

of which 49% outside of France

€12

**57,000 EMPLOYEES**

MORE THAN

**50 COUNTRIES**

ON 5 CONTINENTS

**80,000 PROJECTS**

**800 CONSTRUCTION BUSINESS UNITS**

**2,000 MATERIAL PRODUCTION UNITS**
What is your take on the year 2015?

I think we had a good year, considering the overall unfavorable environment and the problems encountered by our refined products business in Dunkirk and our road business in Mainland France. Colas held up well, thanks first and foremost to one of our key assets, one we have built up the years, by this I mean our diverse, high quality global network and lines of business. A greater part of the drop in revenue in Mainland France was offset by headway in the international units, which now account for about 50% of our activity, and in Railways. In addition to the good country mix and ongoing growth in Railways, we continued to adapt and react to the rapidly changing market. And, last but not least, our ongoing transformation strategy in every business segment and business unit proved highly relevant.

My satisfaction this year was threefold. For starters, despite the lack of growth, our operating income improved, thanks to good performance in the international road units and Railways. Second, net profit attributable to the Group was practically unchanged from 2014, if you exclude the Cofiroute capital gain. We managed to absorb the heavy operating losses and expenses at the Dunkirk refinery and the sharp slump in the road business in Mainland France. Lastly, I would say I’m satisfied by our high level of cash.
How have your Specialized Activities performed?

Excluding production and sale of refined products, our Specialized Activities enjoyed growth, boosted by the Railways sector. Colas Rail continued to grow, benefitting from buoyant markets, both in its longstanding recurring business of track renovation and maintenance in France and the United Kingdom, and in major international projects. Work continued on the Kuala Lumpur light rail in Malaysia and the Santiago, Chile metro, and construction of the Tangier-Kenitra high speed rail line in Morocco has started.

Spac’s Networks segment recorded virtually unchanged business figures and the same was true for Waterproofing and Safety and Signaling, which are operating in downward trending markets.

In 2016, you announced your intention to sell SRD or halt activity. This business has recorded heavy operating losses over the last four years, and this only worsened year by year, reaching 77 million euros in 2015, despite all the efforts made to streamline and refocus production on bitumen.

The refocusing plan undertaken late 2014 to try to save the Dunkirk site failed. The collapse in oil prices has in fact completely changed the hypothesis on which the business plan was built. The purchase price of the raw material with which the plant operates only partially mirrored the very sharp drop in crude oil and bitumen prices, resulting in price scissors between the production cost and the sales price of bitumen, in addition to the fact that demand slumped with the recession that has hit the road business in France. In the current, long-term configuration of oil markets, this business generates structural losses. That is why we decided to sell or halt the business.

How have your road subsidiaries in Mainland France faced up to the ongoing market slump?

After 2014, the market saw another year of downward trends in 2015, in particular because of ongoing cutbacks in government funding to local authorities, which are to continue into 2017. This was in addition to the usual slowdown during election time and uncertainties created by territorial reform. The decline has affected every region, and is stronger than expected. In just two years’ time, business has dropped roughly 25%.

Our subsidiaries have managed to cushion the impact of this new slump on results thanks to a great number of anticipation and adaptation programs. We have also continued on schedule on a series of major projects such as the Nîmes-Montpellier high speed train bypass and the Marseille L2 bypass. We delivered the PPP Vichy bypass road and continued to make headway on the Troissereux bypass in the north of Paris.

How is business in the international units?

Overall, business in the international units and French Overseas Departments has been stronger than in Mainland France. Slight growth was recorded, with the exception of Indian Ocean and Africa, particularly southern Africa.

In Europe, business was quite similar to that of 2014, thanks to long-term road and motorway network maintenance contracts in the United Kingdom and major highway projects in Hungary, Slovakia and the Czech Republic. Belgium has however suffered from a market slump, like France.

In North America, the US companies operated in a market where recovery is slow, but they have improved profitability. As for the Canadian subsidiaries, they benefited from buoyant business in most provinces and have completed major projects such as the renovation of Highway 63 in Alberta.

On Reunion Island, work is continuing on the new Littoral Coastal Road.

Finally, our business comprising the manufacture, storage, processing and marketing of bitumen and oil products in Asia, and particularly our Thai subsidiary Tasco, had an excellent year.

“Colas held up well, thanks to a good country mix, reactivity and an ongoing transformation strategy.”
Every year, you underline the importance of safety at Colas. Did you make headway in 2015?

Safety is indeed our number one priority. I keep insisting on this. Our employees are also well aware of how important the issue is, and of the fact that the Executive General Management is clearly determined to obtain significant results in this area. For several years, we have been making an enormous effort, including campaigns that are rolled out in every single Colas location worldwide along with wide-sweeping prevention programs. True, the accident frequency rate for the Group decreased in 2015. It has never been so low. But I am not satisfied – it is still too high, especially in France. We will step up the pressure!

Colas got a lot of attention in 2015 with the launching of the Wattway solar road. Where are you at today in terms of deployment?

After five years of research and development in partnership with the INES, the National Solar Energy Institute, we launched the Wattway solar road last fall. This is the world’s first photovoltaic road surfacing that can bear any type of vehicle traffic, even trucks. Wattway is a real breakthrough innovation, which gives roads a new function: the local production of clean, renewable energy by harvesting sunlight. The applications are numerous: supplying electricity to public lighting, homes, offices, charging electric vehicles by induction, etc.

Wattway was presented at the COP21 in December and was a great success, winning a Climate Solutions Award. We are now entering a new phase involving the selection of application sites across five continents to get full-scale feedback from the field. Then we are planning broader commercialization. The Wattway solar road is of course Colas’ flagship innovation in 2015 but we also continued our efforts in other directions: connected road sensors, communicating hard hats, connected rail splice bars, the new generation of exoskeletons, and more.

What do you think about work-on-hand at end-December 2015?

Seven billion euros is a good level of work-on-hand, although it is down a slight 2% from end-December 2014. This decrease is mainly due to the slump in the Mainland France roads segment and to the completion of major highway projects in central Europe, which have not yet been relayed, and in Canada. The trends observed over the last two years have been confirmed – growth in the international and French Overseas Departments and a decline in France.

Among the major contracts we secured, highlights include repaving on US roads and highways in Virginia, Georgia and South Carolina, two long-term contracts for road and motorway network management and maintenance in the United Kingdom, upgrading of the railway network in Wessex, England, and the extension of line 3 of the Cairo metro in Egypt.

“Innovation remains at the heart of Colas’ strategy, reflecting its longstanding pioneering spirit.”

Interview with Hervé Le Bouc
CHAIRMAN AND CEO OF COLAS
What is the outlook for 2016?

In Mainland France, the road business could experience a further drop but it would be much more moderate than the previous two years. 2016 could be the low point of the period. Earlier this year, we launched a plan to transform our organizations and procedures with the aim to improve the operating profit margin over two years in a market that will remain low for the long term.

Roads in the international units and Railways should enjoy a good level of activity. Government infrastructure programs have been passed in the United Kingdom, Canada and the United States, and the first positive impact should be felt in 2016.

Other Specialized Activities – Networks, Waterproofing, Safety and Signaling – could see similar business to that of 2015.

And beyond?

Colas has the human resources, the capacity to innovate – as we saw with the Wattway solar road – and the financial resources needed to continue to expand through organic growth or acquisitions. Further internationalization, growth in Railways and improved operating profitability are three of our main strategic priorities today.

In a world of swelling urbanization, where the need for mobility infrastructure is considerable, be it construction or maintenance, and where the challenges of the energy transition are key, Colas has an ambition: to design and build tomorrow’s mobility, and develop new uses for infrastructure, boosted by the pioneering spirit that has been a driving force for the Group since it was founded.

STRATEGY

ASSERT OUR POSITION AS A GLOBAL LEADER

in the construction and maintenance of road infrastructure and in transport infrastructure as a whole.

MISSION

BUILD AND MAINTAIN TRANSPORT INFRASTRUCTURE FOR TODAY AND TOMORROW

with the ambition to be a reference and a preference for customers, employees and stakeholders.

VALUES

ENDEAVOR EVERY DAY AND ON EVERY LEVEL

- Entrepreneurial skills
  Be a Strategist, Teamwork, Manage risks with Rigor.

- Pioneering and Innovative approach
  Groundbreaking, Anticipating.

- Responsibility and Solidarity
  Employee Safety and Fulfillment, Environment, Solidarity, Ethics and transparency.
Colas around the world

Revenue per geographic zone is expressed in percentage of total Group revenue.

**22% NORTH AMERICA**

**CANADA**
- Alberta
- British Columbia
- Northwest Territories
- Nunavut
- Ontario
- Quebec
- Saskatchewan
- Yukon

**UNITED STATES**
- Alabama
- Alaska
- Arkansas
- California
- Colorado
- Florida
- Georgia
- Illinois
- Kentucky
- Maine
- Maryland
- Missouri
- Nebraska
- Nevada
- New Jersey
- New York
- North Carolina
- Ohio
- Pennsylvania
- South Carolina
- South Dakota
- Tennessee
- Texas
- Virginia
- West Virginia
- Wyoming

**FRANCE**
- MAINLAND
- FRANCE
- FRENCH OVERSEAS DEPARTMENTS
  - French Guiana
  - Guadeloupe
  - Martinique
  - Mayotte
  - Reunion Island

**NORTHERN EUROPE**
- Belgium
- Denmark
- Greenland
- Iceland
- Ireland
- Isle of Man
- Monaco
- Netherlands
- Switzerland
- United Kingdom
Consolidated key figures

**REVENUE (-3.5%)**
Consolidated revenue for 2015 totaled 12.0 billion euros, down 3.5% from 2014 (-4.3% at constant scope and exchange rates), due mainly to the slump in the road sector in Mainland France and to the halting in April 2015 of the sales of refined products activity in France.

**CURRENT OPERATING INCOME (+0.2%)**
Current operating income amounted to 344 million euros in 2015. Current operating profit margin totaled 2.9%, up 0.2% from 2014. Almost every road subsidiary in the international and French overseas units performed well, in particular in North America, Europe, Asia, and the French Overseas Departments, along with a buoyant railway business, making it possible to offset the losses recorded by the production and sales of refined products in France (77 million euros) and a controlled decrease of operating income in the road segment in Mainland France.

**BREAKDOWN OF BUSINESS BY SEGMENT**

**ROADS**
- 66% → Road construction
- 15% → Sales of construction materials

**SPECIALIZED ACTIVITIES**
- 8% → Railways
- 5% → Waterproofing
- 3% → Road Safety and Signaling
- 2% → Networks
- 1% → Sales of refined products
NET PROFIT ATTRIBUTABLE TO THE GROUP

After non-current expenses of 95 million euros mostly relating to the sale or halting of the production and sales of refined products activity in France (SRD) in 2016, and a share in income from associates and joint ventures at 78 million euros, a sharp increase from 2014 (excluding capital gain from Cofiroute), boosted by excellent performance at the Thai subsidiary Tasco, net profit attributable to the Group totaled 234 million euros, close to the 2014 figures excluding the net after tax capital gain on the disposal of Cofiroute shares at 385 million euros.

NET CASH (NET DEBT), SHAREHOLDERS’ EQUITY

The Group’s financial structure is solid, with shareholders’ equity at 2.7 billion euros, and net cash at 560 million euros at the end of December 2015, after the payment of a special dividend at 372 million euros, compared to 682 million euros at end-December 2014.

NET CASH FLOW, NET INVESTMENTS, FREE CASH FLOW(1)

In 2015, good control of net investments, which totaled 311 million euros (compared to 456 million euros in 2014), given the market’s poor visibility, especially in France, made it possible to generate free cash flow at 272 million euros, up 118 million compared to 154 million in 2014.

(1) Free cash flow: net cash flow minus net investments for the period.
Colas share

SHAREHOLDER BASE AS OF DECEMBER 31, 2015

<table>
<thead>
<tr>
<th>Entity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bouygues</td>
<td>96.6%</td>
</tr>
<tr>
<td>Public</td>
<td>2.5%</td>
</tr>
<tr>
<td>Colas Employee Savings Plan</td>
<td>0.9%</td>
</tr>
</tbody>
</table>

COLAS SHARE

In euros

Quotation: Euronext Paris France, Compartment A, continuous market.
Code ISIN: FR0000121634.
ID codes: COLP.PA (Reuters); RE:FP (Bloomberg).
Sector classification (ICB): Heavy Construction.
Other: Eligible for differed settlement services (SRD) and equity savings plans (PEA).
Share prices prior to April 27, 2015 have been adjusted to account for the special dividend.

KEY FIGURES FOR COLAS SHARE

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest (in euros)</td>
<td>145.79</td>
<td>148.90</td>
</tr>
<tr>
<td>Lowest (in euros)</td>
<td>111.61</td>
<td>120.25</td>
</tr>
<tr>
<td>Price on December 31 (in euros)</td>
<td><strong>123.04</strong></td>
<td><strong>140.80</strong></td>
</tr>
<tr>
<td>Market capitalization on December 31 (in billions of euros)</td>
<td>4.33</td>
<td>4.60</td>
</tr>
<tr>
<td>Average daily transactions (in number of shares)</td>
<td>1,333</td>
<td>2,275</td>
</tr>
</tbody>
</table>
DIVIDEND PER SHARE
PAID OUT IN A GIVEN YEAR IN RESPECT OF THE PREVIOUS YEAR’S RESULTS

If approved by the Annual General Shareholders’ Meeting on April 13, 2016, the dividend per share distributed in 2016 will amount to 5.45 euros (for a total of 178 million euros(1) distributed, i.e., 76% of net profit attributable to the Group), compared to ordinary dividend paid out in 2015 (4.00 euros per share). In 2015, a special dividend was also paid out amounting to 11.40 euros per share, which corresponded to the distribution of roughly half of the cash generated by the disposal of Cofiroute.

(1) Based on 32,654,499 shares on December 31, 2015.
(2) If approved by the Annual General Shareholders’ Meeting on April 13, 2016.

YIELD PER SHARE
DIVIDEND PAID OUT IN A GIVEN YEAR/YEAR-END SHARE PRICE OF PREVIOUS YEAR

Based on the December 31, 2015 share price, Colas’ yield per share amounts to 3.87%(1).

(1) If approved by the Annual General Shareholders’ Meeting on April 13, 2016.

SHAREHOLDER INFORMATION

- **CALENDAR**
  Annual Shareholders’ Meeting: April 13, 2016
  1st quarter 2016 financial information: May 13, 2016
  Payment of dividend: April 27, 2016(1)
  Interim results 2016: August 31, 2016

- **CONTACTS**
  Shareholder and Investor Relations
  Tel.: +33 1 47 61 75 61
  E-mail: finance@colas.com

- **SHARE SERVICES**
  As an issuing company, Colas provides share services and financial services.

(1) If approved by the Annual General Shareholders’ Meeting on April 13, 2016.
## CONSOLIDATED INCOME STATEMENT

<table>
<thead>
<tr>
<th>in millions of euros</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>11,960</td>
<td>12,396</td>
</tr>
<tr>
<td>Current operating income</td>
<td>344</td>
<td>332</td>
</tr>
<tr>
<td>Other operating items</td>
<td>(95)</td>
<td>(67)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>249</td>
<td>265</td>
</tr>
<tr>
<td>Cost of net debt</td>
<td>(19)</td>
<td>(18)</td>
</tr>
<tr>
<td>Other finance income (expense)</td>
<td>(2)</td>
<td>10</td>
</tr>
<tr>
<td>Income tax expenses</td>
<td>(68)</td>
<td>(65)</td>
</tr>
<tr>
<td>Income from joint ventures and associates</td>
<td>78</td>
<td>413</td>
</tr>
<tr>
<td>Net profit</td>
<td>238</td>
<td>605</td>
</tr>
</tbody>
</table>

### NET PROFIT ATTRIBUTABLE TO THE GROUP

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>234</td>
<td>604</td>
</tr>
</tbody>
</table>

Net profit attributable to non-controlling interests

<table>
<thead>
<tr>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>1</td>
</tr>
</tbody>
</table>

## CONSOLIDATED CASH FLOW STATEMENT

<table>
<thead>
<tr>
<th>in millions of euros</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash from operations before tax</td>
<td>670</td>
<td>693</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(104)</td>
<td>(163)</td>
</tr>
<tr>
<td>Changes in working capital related to operating activities</td>
<td>128</td>
<td>71</td>
</tr>
<tr>
<td>Cash flows from operating activities (a)</td>
<td>694</td>
<td>601</td>
</tr>
<tr>
<td>Operating capital expenditures (net)</td>
<td>(331)</td>
<td>(413)</td>
</tr>
<tr>
<td>Purchase price and proceeds from disposals of non-consolidated companies and other investments</td>
<td>22</td>
<td>721</td>
</tr>
<tr>
<td>Other cash flows related to investing activities</td>
<td>5</td>
<td>13</td>
</tr>
<tr>
<td>Cash flows from investing activities (b)</td>
<td>(304)</td>
<td>321</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(504)</td>
<td>(240)</td>
</tr>
<tr>
<td>Change in current and non-current debt</td>
<td>(53)</td>
<td>(30)</td>
</tr>
<tr>
<td>Cost of net debt and miscellaneous</td>
<td>(18)</td>
<td>(22)</td>
</tr>
<tr>
<td>Cash flows from financing activities (c)</td>
<td>(575)</td>
<td>(292)</td>
</tr>
<tr>
<td>Effect of foreign exchange fluctuations (d)</td>
<td>15</td>
<td>7</td>
</tr>
<tr>
<td>NET CHANGE IN CASH AND CASH EQUIVALENTS (a + b + c + d)</td>
<td>(170)</td>
<td>637</td>
</tr>
<tr>
<td>Net cash at the beginning of the year</td>
<td>956</td>
<td>319</td>
</tr>
<tr>
<td>NET CASH AND CASH EQUIVALENT AT END OF THE YEAR</td>
<td>786</td>
<td>956</td>
</tr>
</tbody>
</table>
## CONSOLIDATED BALANCE SHEET

<table>
<thead>
<tr>
<th>in millions of euros</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment</td>
<td>2,392</td>
<td>2,444</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>86</td>
<td>96</td>
</tr>
<tr>
<td>Goodwill</td>
<td>507</td>
<td>518</td>
</tr>
<tr>
<td>Investments in joint ventures and associates</td>
<td>307</td>
<td>263</td>
</tr>
<tr>
<td>Other non-current financial assets</td>
<td>212</td>
<td>211</td>
</tr>
<tr>
<td>Deferred taxes and non-current tax receivable</td>
<td>165</td>
<td>156</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td><strong>3,669</strong></td>
<td><strong>3,688</strong></td>
</tr>
<tr>
<td>Inventories and receivables</td>
<td>3,538</td>
<td>3,910</td>
</tr>
<tr>
<td>Cash and financial instruments</td>
<td>866</td>
<td>1,063</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td><strong>4,404</strong></td>
<td><strong>4,973</strong></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>8,073</strong></td>
<td><strong>8,661</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity attributable to the Group</td>
<td>2,693</td>
<td>2,915</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>31</td>
<td>30</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td><strong>2,724</strong></td>
<td><strong>2,945</strong></td>
</tr>
<tr>
<td>Non-current debt</td>
<td>176</td>
<td>208</td>
</tr>
<tr>
<td>Non-current provisions</td>
<td>837</td>
<td>837</td>
</tr>
<tr>
<td>Deferred tax liabilities and non-current tax liabilities</td>
<td>73</td>
<td>88</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td><strong>1,086</strong></td>
<td><strong>1,133</strong></td>
</tr>
<tr>
<td>Trade and other payables, current provisions</td>
<td>4,133</td>
<td>4,410</td>
</tr>
<tr>
<td>Current debt</td>
<td>44</td>
<td>56</td>
</tr>
<tr>
<td>Bank overdrafts and financial instruments</td>
<td>86</td>
<td>117</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td><strong>4,263</strong></td>
<td><strong>4,583</strong></td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td><strong>8,073</strong></td>
<td><strong>8,661</strong></td>
</tr>
</tbody>
</table>
Strategy

Colas’ strategy continues to take root in profitable growth, with a special focus on responsible development. The Group thus addresses cornerstone social, societal and environmental issues while aiming to meet the modern world’s real needs for mobility, urban development and environmental protection. Colas’ strategic targets are as follows:

• Consolidating and expanding sustainable business networks worldwide, mainly through external growth, to establish and develop a leadership position in local markets and spread risk through geographic diversification;

• Securing the materials and resources required for operations, through a process of optimized industrial integration to ensure better supply security and quality, increase added value and improve Colas’ competitive edge;

• Pursuing the development of specialized activities to expand our customer offerings, develop synergies, enter new regions and markets, and position the Group on growth markets such as railways;

• Developing an expanded and innovative service offering, by continuing to concentrate on complex offerings (PPPs, concessions, network management) that leverage the full range of Colas’ technical, legal and financial expertise, and on major projects that are complementary to the Group’s traditional business activities;

• Innovating, and in particular designing new products and techniques, backed by a Research and Development policy that aims at anticipating customer demands in terms of quality, comfort, safety, environmental protection and cost, and designing the road of the future;

• Focusing on profitability rather than on volume, with the ongoing aim of improving profit margins in all business segments.
Strengths

The Group’s main strengths reside in the following driving forces:

- **Strong footholds in long-term, high potential markets**, in light of the substantial needs for transport infrastructure construction worldwide combined with recurrent needs for maintenance on existing networks;

- **Vertical integration** of the upstream production process and a drive to secure the procurement of materials and supplies that are essential to Colas’ activities (aggregates, emulsions, asphalt mix, ready-mix concrete, etc.), thus contributing to the good performance of the Group’s operational units;

- **A network of 800 construction business units and 2,000 material production units**, some of which have been in operation for over a hundred years, on five continents in more than 50 countries;

- **A decentralized organization** that has strong roots in local communities, and is able to respond to market needs flexibly, quickly and effectively;

- **Human capital** that creates collective intelligence, with values and a passion forged over Colas’ long history and shared by 57,000 employees;

- **An innovation policy**, in particular in technical fields, fostered by a vast, dedicated international network comprising the Campus for Science and Techniques, the world’s leading private R&D center in the road industry, along with some 50 laboratories and 100 technical engineering and design offices;

- **Recognized technical, legal and financial expertise in managing complex contracts** (concessions, PPPs, PFIs, MAC/ASC, etc.), enabling Colas to provide a comprehensive offering, spanning the full range of design, finance, construction, engineering and maintenance of large scale transport infrastructure projects;

- **Development capacities via both external and internal growth**;

- **Solid financial structure**.
Activity in 2015

Revenue in 2015 totaled 12 billion euros, down 3.5% from the previous year. With an economic context in France that remains unfavorable, and trends for low economic growth – even recession – in areas where Colas operates around the world, business is down 8% in France and up 2% in the international zones.

ROADS

Revenue in 2015 amounted to 9.7 billion euros in 2015, down 2% from 2014.

In Mainland France
Revenue in 2015 came to 3.98 billion euros, down 11% from 2014, after a 13% decrease the previous year. The road market contracted again in 2015, in the wake of additional cuts to government funding to local authorities, along with the traditional slowdown following elections and uncertainties as to the territorial reform. The decrease in activity affected every region, and was sharper than expected. After several years of slumps, the road sector has now reached the same level it was at ten years ago. A series of programs have been rolled out to adapt to the current situation, enabling the Colas road companies to lessen a part of the impact of the latest drop on their operating income. Colas is working on two major projects: the construction of the Nîmes-Montpellier high speed train bypass and the L2 bypass in Marseille. The construction of the Vichy bypass as part of a PPP was delivered in late December 2015, marking the start of a fifteen-year maintenance period. Lastly, good progress is being made on the Troissereux drop on their operating income. Colas is working on two major projects: the construction of the Nîmes-Montpellier high speed train bypass and the L2 bypass in Marseille. The construction of the Vichy bypass as part of a PPP was delivered in late December 2015, marking the start of a fifteen-year maintenance period. Lastly, good progress is being made on the Troissereux bypass as part of a PPP.

In Europe (excluding France)
Revenue was up 1%, at 1.67 billion euros in 2015, very similar to the figures posted in 2014 (–3.5% at constant scope and exchange rates).
In northern Europe, revenue remained roughly unchanged from 2014 (+1.4%). Figures were stable in the United Kingdom, backed by long-term road and motorway maintenance contracts and the Transport for London contract, as well as in Ireland. Business was up in Denmark, and down in Switzerland, and the slump continued in Belgium.
In central Europe, in the wake of strong growth recorded last year boosted by major highway projects won at the end of 2013, revenue was equivalent to figures posted in 2014, in part thanks to mild weather that made it possible to work until mid-December. In Hungary, the Motorway projects M85 and M86 are almost ready for handover, the Budapest tramway has been completed and work on Motorway M4 was halted at the client’s request as EU funding was not secured. In Slovakia, the R2 Expressway is currently underway. In the Czech Republic, the subsidiary handed over two sections of Highway D1. Business is stable in Poland. Croatia and Slovenia are still in a recession.
In North America
Revenue in 2015 was up 8% at 2.67 billion euros (–3% at constant scope and exchange rates).
In the United States, revenue was up 13%. The road market is boosted by a number of State-level infrastructure programs.

The Colas companies have completed the drive to refocus on their core business. The difficult large scale civil engineering projects were almost all completed at the end of December. Even if work-on-hand is more shortsighted, major road and highway refurbishment contracts were secured at the end of the year.

In Canada, revenue remained unchanged (+1%), thanks to buoyant business in Ontario and British Columbia, as well as in Alberta and Saskatchewan, and to favorable weather across the country. In Quebec, the company benefited from the transformation and reorganization programs rolled out over the last two years, and from the PPP for the Iqaluit International Airport in Nunavut.

The Rest of the World
Revenue in 2015 is up 3% at 1.4 billion euros (+1% at constant scope and exchange rates) compared to 2014. The figures reflect contrasted situations:
• in the French Overseas Departments, revenue increased. The Caribbean French Guiana zone was down, as local authorities have seen their budgets dwindle. On Reunion Island, the major project on the new Littoral Coastal Road partially offset a slump in the traditional building and public works market. Mayotte saw a decrease in activity in the absence of major projects;
• in Africa, North Africa, and the Indian Ocean: in Morocco, where there were no major projects, revenue was up. In West and central Africa, headway was made, against different backdrops: in the Republic of Côte d’Ivoire, business was up; work was launched on the Tchetti-Savalou road and the Logozohoué–Glazoué road in Benin; progress was made on the north exit project in Brazzaville, Congo; Gabon saw a decline due to lower oil prices; in southern Africa, where business is focused on the production and sale of emulsions, figures were down in a sluggish market. The same is true in Madagascar, where projects from the previous years were not reiterated, and in Mauritius, in the absence of major contracts;
• in Asia/Australia/New Caledonia, revenue was up. In Asia, business is focused on the production, distribution and marketing of bituminous products via a network comprising a bitumen production plant in Malaysia, 25 emulsion plants and 21 bitumen depots. Activity in the area enjoyed growth, boosted by strong demand: revenue rose sharply in Thailand, was on the rise in Vietnam, and was stable in India. The Indonesian road construction company Wasco was sold. In Australia, 2015 was a year of consolidation of its business activities (road works, marketing of bitumen and emulsion). In New Caledonia, the subsidiary had a good year.
SPECIALIZED ACTIVITIES

Revenue in the Specialized Activities, excluding the Production and sales of refined products in France, amounted to 2.1 billion euros, up 4%, with different trends in each line of business:

- **Railways** continued to make headway (revenue up 11.5% at 1,007 million euros), with a good balance between business in Mainland France and around the world (+7.5% at constant scope and exchange rates). In France, there are a number of ongoing projects involving the renovation and maintenance of the French rail network, unlike the tramway sector in which there were no new projects in 2015. Work also began on the Nîmes-Montpellier high speed rail bypass. In the United Kingdom, business is back on track to growth. A major contract was secured to update infrastructure in Wessex. Good progress is being made on the extension of the Kelana Jaya light rail line in Kuala Lumpur, Malaysia, and the construction of line 2 on the Los Teques, Venezuela metro and lines 3 and 6 of the Santiago, Chile metro. Two contracts for line 3 on the Cairo, Egypt metro were secured;

- Business is stable for:
  - **Networks**, with revenue at 196 million euros, equivalent to 2014, with good level of activity in the transport of oil and gas (pipelines) and energy distribution (thermal and electricity);
  - **Waterproofing**, with revenue at 594 million euros, similar to 2014 (-2%), in a building market in Mainland France that remains sluggish;
  - **Road Safety and Signaling**, with revenue of 310 million euros, comparable to 2014, in a difficult market.

Production and sales of refined products recorded revenue of 120 million euros (428 million euros in 2014). The production of base oils at SRD was halted in April 2015. The bitumen production business will be sold or halted in 2016.

HIGHLIGHT OF 2015

- **MAJOR CONTRACTS SECURED**
  - Road and highway upgrading in Virginia, Georgia and South Carolina, United States (140 million euros).
  - ASC long-term road management and maintenance contracts for areas 4 and 12 in the United Kingdom (270 million euros).
  - Upgrading the rail network of Wessex, United Kingdom (94 million euros).
  - Extension of the Cairo, Egypt metro (182 million euros).

- **MAJOR PROJECTS UNDER WAY**
  - Causeway and interchange for the new Littoral Coastal Road in Reunion Island.
  - Vichy and Troissereux bypasses in PPP.
  - Construction and renovation of sections of Highway 63 in Canada.
  - Nîmes-Montpellier high speed railway bypass.
  - Construction of the Kelana Jaya light rail in Malaysia, metro lines 3 and 6 in Santiago, Chile.

- **INNOVATION**
  - Launching of Wattway, photovoltaic road surfacing that harvests solar energy to produce electricity.
SIGNIFICANT PROJECTS COMPLETED OR UNDER WAY IN 2015

During the year, over 80,000 projects were performed by Colas in more than 50 countries on five continents. The following examples reflect the diversity of Colas’ expertise and business network.

Mainland France
- Construction of Nîmes-Montpellier high speed railway bypass (PPP).
- Construction of L2 bypass in Marseille (PPP).
- Construction of Troissereux bypass (PPP).
- Completion of Vichy southwest bypass (PPP).
- Construction of bypasses in Lons-le-Saunier, Saint-Nom-la-Bretèche, and the North-West link in Poitiers.
- Extension of the Eurotunnel freight terminal in Coquelles.
- Construction of bus rapid transit lanes in Lorient, Le Mans, Gonesse.
- Installation of signaling and safety equipment for major projects including L2 bypass in Marseille, the Troissereux bypass, and Nîmes-Montpellier high speed rail bypass.
- Roofing, cladding and waterproofing at the Cité du vin wine heritage center in Bordeaux.
- Installation of 80 km of natural gas pipeline for GRTgaz as part of the Arc de Dierrey and Artère des Flandres projects.

French Overseas Departments
- Reserved lane public transit network in Fort-de-France, Martinique.
- Construction of a causeway and an interchange for the new Littoral Coastal Road in Reunion Island.

Europe (excluding France)
- Renovation and maintenance of roads in central London as part of an eight-year contract, and upgrading of rail infrastructure of Wessex, United Kingdom.
- Maintenance of a 250-km road network as part of a five-year contract in Ireland.
- Rehabilitation of an 8.5-km section of Highway E34 in Belgium.
- Road maintenance using noise reducing asphalt mix in the canton of Fribourg, Switzerland.
- Refurbishment of a section of Motorway M10 in Denmark.
- Completion of sections of Motorways M85 and M86, and the extension of tram line 1 in Budapest, Hungary.
- Refurbishment of two sections of Highway D1 in the Czech Republic.
- Construction of the Banovce bypass (expressway R2), as part of a design-build contract in Slovakia.

North America
- Rehabilitation of sections of I-75 in Ohio and I-55 in Arkansas (United States).
- Construction of an interchange on Route SR220 in Clinton County, Pennsylvania (United States).
- Work on container storage zones for port authorities in Virginia and Georgia (United States).
- Runway rehabilitation at the Juneau Airport in Alaska (United States).
- Refurbishment of runways, taxiways and access roads at the Iqaluit International Airport in Nunavut (Canada) (PPP).
- Refurbishment of a section of Highway 73 in Quebec (Canada).
- Construction and renovation of several sections of Highway 63 in Alberta (Canada).
- Refurbishment of a 27-km section of Highway 93S in British Columbia (Canada).

South America
- Construction of line 2 of the Los Teques, Venezuela metro.
- Construction of lines 3 and 6 of the Santiago, Chile metro.

Africa, Indian Ocean
- Construction of the Tangiers-Kenitra high speed train line in Morocco.
- Completion of the extension of line 1 on the Algiers, Algeria metro.
- Construction of two bridges and refurbishment of a 32-km section of road in Beoumi, Republic of Côte d’Ivoire.
- Construction of the Tchetti-Savalou road and the Logozohoué-Glazoué road in Benin.
- Refurbishment of the second north exit of Brazzaville, Congo.

Asia and Australia
- Refurbishment of airfield pavement at the International Airport in Bangkok, Thailand.
- Construction of the extension of the Kelana Jaya light rail in Kuala Lumpur, Malaysia.
- Construction of the Nouville clinic in Noumea, New Caledonia.
2016 Outlook

At the end of December 2015, work-on-hand remained high at 7.0 billion euros, down a slight 2% from the end of December 2014. A breakdown of work-on-hand confirms the trends observed over the last two years, with a 4% increase in the international and French overseas units at 4.3 billion euros, and an 11% decrease in Mainland France at 2.7 billion euros.

In 2016, in the wake of a sharp two-year slump, revenue in the Roads business in Mainland France could bottom out, after continuing to drop slightly. A transformation plan to improve organization and procedures has been launched, the target being to improve operating profit margin over a two-year period in a market that will remain low for the long-term. The Roads sector in the international units and the Railways sector should enjoy good business. A series of infrastructure investment plans should yield their first positive effects (United Kingdom, Canada, United States). Business should be stable for the other Specialized Activities (Networks, Waterproofing, Safety and Signaling).

In addition, two significant events will impact the scope:
• early 2016, in a view to increase synergies, Colas will sell its subsidiaries which operate in the storage, transportation and sale of bitumen in Vietnam, Singapore and Indonesia to its Thai subsidiary Tasco, of which it owns a 32% stake. Thus, consolidated revenue will decrease by about 150 million euros since only the results of Tasco are consolidated in “Income from associates and joint ventures”;
• the production and sale of refined products will be sold or halted. No significant revenue is expected in 2016 (120 million euros in 2015). The sale or cessation will allow a sharp reduction in losses posted by the activity. Only fixed costs at the Dunkirk unit will be borne until the sale or cessation of the business. The decision has been accounted for in provisions and depreciation at end-December 2015.

Based on these forecasts and all available information, excluding any acquisitions, revenue will likely decrease in 2016 compared to 2015, with a target of continued improvement in operating profitability. Colas also intends to continue the development of its strategic priorities, in particular internationalization and the expansion of the Railways business. Colas has the financial resources required for such growth (organic or through acquisitions).
Responsible development

Colas’ responsible development approach is based on two cornerstones at the very core of the issues and contradictions inherent to sustainable development. First, its activities meet essential needs and aspirations (social cohesion, climate change, the need to travel and to have housing, improved living conditions, etc.). Second, these activities can and must be performed responsibly (energy transition, circular economy, quality of life, societal dialogue, etc.). Not only does Colas seek to reduce negative impacts, it also develops positive impacts on a broad scale, examples of which include its road safety policy and its extensive first-aid training for Colas employees worldwide. Programs like these benefit not only the employees, but their friends, families and the general public as a whole.

THREE STRATEGIC TARGETS
- Renewing and enriching human capital
- Societal acceptance of production sites
- Business ethics

FIVE MAJOR TARGETS
- Safety at the workplace and on the road
- Corporate citizenship in developing countries
- Energy and greenhouse gas emissions
- Recycling materials
- Controlling chemical risks (employees, clients, users)

A MULTITUDE OF LOCAL ACTIONS
Initiatives in social, environmental and societal issues undertaken locally by Colas companies and profit centers around the world

The Full CSR report in compliance with article 225 of French law Grenelle 2 is available at www.colas.com/responsible-commitment.
Three strategic targets

RENEWING AND ENRICHING HUMAN CAPITAL

Attract
- 16,087 people hired[1].
- Strong-willed policy to encourage internships in order to foster the recruitment of young graduates (1,357 in France).
- Apprenticeships and professional certification contracts (in France): 24.5% of newly hired personnel this year.
- Gender equality (action plan rolled out in France to foster the role of women in the Group), disabilities, older employees, social insertion.

Retain employees
- Strong-willed policy to ensure social benefits and level of remuneration.

Foster development
- Training: budget amounts to nearly 4% of payroll.
- In the international units, 96% of companies with a workforce of over 300 people have a formal training plan.
- Colas Universities: four levels of training for managers (over 4,000 people trained in the Colas Universities in France to date, more than 1,000 in North America).

SOCIETAL ACCEPTANCE OF PRODUCTION SITES

Professionalism on production sites
- 81% of consolidated revenue plus intragroup disposals from the production of materials is covered environmentally by ISO 14001 certification or in-house Colas checklists.
- 41% of consolidated revenue plus intragroup disposals from the production of aggregates in quarries and gravel pits has rolled out actions to favor biodiversity (target: at least one action per site to allow a protected or threatened species to thrive).

Dialogues with local residents, elected officials, administrations
- 30% of consolidated revenue plus intragroup disposals from the production of materials has a dedicated structure for dialogue with the local community.

BUSINESS ETHICS

- Intangible principles (Ethics code) as part of the internal control program.
- 80% of revenue covered by business ethics training.

[1] This figure includes seasonal workers in the international units (in particular the United States, Canada, Asia).

Figures from 2015 Group scope (world), unless otherwise mentioned.
Five major targets

SAFETY AT THE WORKPLACE AND ON THE ROAD
- Accident frequency: down from 7.66 in 2014 to 6.84 in 2015; Safety Attitude program under way.
- Road safety: frequency rates for accidents involving Group vehicles in 2015 down 5% compared to 2014, and down 45% compared to 2004.
- Employees trained in first aid: 34% of total workforce (19,415).

CORPORATE CITIZENSHIP IN DEVELOPING COUNTRIES
- Countries involved, in which Colas has a longstanding foothold: Madagascar, western and central African countries, etc.
- Issues covered: health, education, training, promoting local staff, partnerships, supply of equipment, replanting trees, biodiversity awareness, water distribution, etc.

ENERGY AND GREENHOUSE GAS EMISSIONS
Energy efficiency
- 105,000 tons of CO₂ equivalent avoided in 2015 thanks to actions undertaken to ensure more efficient use of energy and recycling.
- The quantity of materials transported by rail or waterway amounted to the equivalent of 270,000 30-ton trucks that were kept off the road.

Customer offer
- Innovative products: replacing oil-based ingredients with plant-based ingredients (Vegetrout® product line).
- Eco-alternative bids (mainly in France): 6,000 tons of CO₂ equivalent avoided.
- Launching of Wattway, a revolutionary trafficable photovoltaic road surface.

RECYCLING OF MATERIALS
- Recycling of construction debris: 7.2 million tons, i.e., 10% of total Group production of aggregates (the production of 16 quarries avoided).
- Reclaimed asphalt pavement (RAP): 5 million tons, i.e., 14% of total Group production of asphalt mix (the equivalent in savings of the annual production of bitumen in a mid-sized refinery).

CONTROLLING CHEMICAL RISKS
- Bitumen fumes: global health authorities have confirmed that bitumen fumes cannot be classified as carcinogenic. The fumes may still be irritating for skin and eyes, and Colas is a global driving force behind the effort to reduce employee exposure by using warm mixes (warm mix: 21% of the Group’s total asphalt mix production) and equipping its machines with special extractors (43% of pavers are equipped).
- Waste oils: recuperation rate at 64%.
- Eco-design: R&D systematically includes the target of reducing and substituting in order to limit chemical risks for people and the environment.

Figures from 2015 Group scope (world), unless otherwise mentioned.

WATTWAY(1) AND LAND USE
Considered by many to be a key solution for the global energy transition, photovoltaic power requires vast sunlit surfaces. The available space on rooftops is not enough to ensure envisaged production, whereas high performance photovoltaic farms face a number of issues related to land use (agriculture, natural areas, landscapes). Thanks to its innovative Wattway process, Colas can turn roads into photovoltaic power plants, providing access to available space that is already artificialized, located close to where the electricity is consumed. With Wattway, the majority of a country’s photovoltaic electricity needs could be met. The process involves bonding special panels composed of photovoltaic cells directly to the existing road surface. The panels can withstand all types of traffic, and no additional civil engineering work is required during the application process.

(1) See pages 1 to 5.
Research & development

Responsible development is the cornerstone of R&D at Colas. Designing new products and processes, improving existing techniques, and providing a broader range of services, the Group aims to satisfy the needs and expectations of customers and transport infrastructure users, and even further, to develop new uses for roads to foster the development of Smart Cities.

LINES OF RESEARCH

The following issues are the core focus for R&D teams at Colas:

- **Environmental protection**, notably saving energy and materials and reducing carbon impact: research concentrates on warm mixes (e.g., 3E® mixes), recycling techniques (e.g., Novacol® cold in place recycling), reduced binder contents (Megabase®) in road base asphalt concrete, thinner courses using reinforced fiberglass grids (Colgrill®R), plant-based products (e.g., Vegecol® binder) and eco-responsible bio-sourced binders designed in line with the principles of green chemistry;

- **Ensuring road performance in terms of safety, comfort, esthetic appeal, and reduced traffic noise**: porous and heavy duty skid resistant surfacing (e.g., Colgrip®), retroreflective road paints and marking products, translucent and colorable binders (e.g., Bituclair®), a process to maintain paving stones and other mineral surfaces in urban areas (Sacerlift®); noise reducing surfacing (e.g., Rugosoft®, Nanosoft®);

- **Controlling maintenance costs** for road infrastructure by improving resistance and durability (e.g., Multicol®, Colflex®, Optibase®) and surface dressings for infrastructure with heavy traffic (Colfibref®);

- **Preserving road assets** using new inspection technologies based on imagery (Road Eagle Colas) and sensors embedded in the pavement;

- **Mobility management**, with vehicle detecting sensors that are integrated in the infrastructure to count vehicles (Axiboucle) and to manage parking places (Axipark);

- **Expanding the uses of roads** beyond their traditional role as a vector for mobility: thanks to the revolutionary process called Wattway, the first ever photovoltaic surfacing able to bear traffic of all types, roads now play a new role by producing electricity locally by harnessing solar energy.

A VAST GLOBAL TECHNICAL NETWORK

Colas’ global technical network comprises:

- A Campus for Science and Techniques, located near Paris, France: the CST is the road industry’s leading private research center worldwide;

- 50 regional laboratories and 100 technical engineering and design units on five continents;

- Groups of technical experts, working in a network that fosters cross-disciplinary exchange.

Colas Group 33
FRANCE — Repaving Route RN 205 near Chamonix in the French Alps.
COLAS AROUND
THE WORLD
FRANCE — Redesigning the site of the former Versailles Royal Hospital.

FRANCE — Steel blade cladding at a head office in Montpellier.
FRANCE — Design and paving of roadways around the Memorial ACTe, the Caribbean center for the memory and history of the slave trade in Pointe-à-Pitre, Guadeloupe.
FRANCE — Building the Entre-Deux-Monts eco-district in Bailleul-sur-Thérain.
FRANCE — Building the new Littoral Coastal Road between La Grande Chaloupe and La Possession, Reunion Island.

SWITZERLAND — Paving with Nanosoft® noise reducing surfacing in Cottens in the Canton of Fribourg.
FRANCE — Building the Troissereux bypass as part of a Public-Private Partnership contract.
FRANCE — Repaving Highway A28 near Le Mans.

FRANCE — Renewing track on the RER A line in Paris.
**FRANCE** — Refurbishing road marking on Highway A48 near the Alps.

**CANADA** — Widening sections of Highway 63 in Alberta.
FRANCE – Building the Lons-le-Saunier bypass near the Jura Mountains.
UNITED STATES — Repaving the runway at the Dayton International Airport in Ohio.

FRANCE — Installing a natural gas pipeline between France and Belgium as part of the Artère des Flandres project.
SLOVAKIA — Building the R2 Expressway between Ruskovce and Pravotice.

FRANCE — Deconstructing a housing unit using the verinage technique in Valentigney.
FRANCE — Refurbishing Route RD480 in the Massif des Écrins, in the Alps.
FRANCE — Installing track on the Nîmes-Montpellier high speed train bypass.

BELGIUM — Building two test tracks at the Ford Lommel Proving Ground.
HUNGARY — Building a section of Motorway M86.
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Vice-President

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