

PRESS RELEASE

Paris, February 21, 2019

Financial year 2018

- **Revenue: €13.2 B (+13 % and +5 % at constant scope and exchange rates) of which for the first time ever over 50% in the international units**
- **Current operating income: €359 M (-€3 M)**
- **Net profit attributable to the Group: €226 M (-€102 M)**
- **Dividend proposed: €5.55 per share**
- **Work on hand: €8.5 B, up 13% at constant exchange rates**
- **Continued growth in core businesses – roads, materials, railways – following acquisitions of Miller McAsphalt and Alpiq catenaries in 2018**

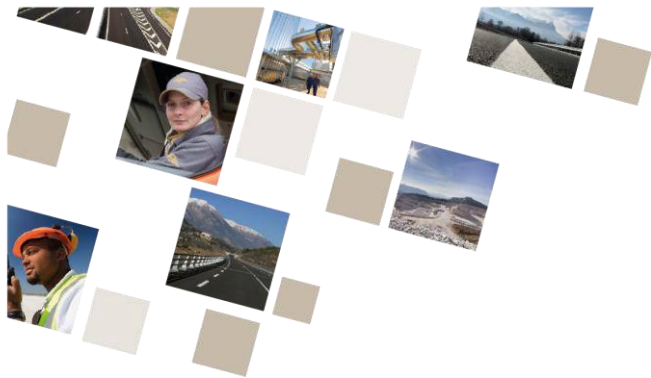
The Board of Directors of Colas, chaired by Mr. Hervé Le Bouc, met on February 19, 2019 to finalize the 2018 financial statements that are to be presented to the Annual General Shareholders' Meeting on April 17, 2019.

Consolidated key figures

| <i>in millions of euros</i> | 2017 | 2018 | Change 2018/2017 | At constant scope and exchange rates |
|--|----------------|----------------|------------------|--------------------------------------|
| Consolidated key figures | 11,705 | 13,190 | +13% | +5% |
| <i>Of which France</i> | 6,104 | 6,460 | +6% | +6% |
| <i>Of which International</i> | 5,601 | 6,730 | +20% | +5% |
| Current operating income | 362 | 359 | -3 | |
| <i>Current operating profit margin</i> | 3.1% | 2.7% | -0.4 pt | |
| Operating income | 357 (a) | 328 (b) | -29 | |
| Consolidated net profit attributable to the Group | 328 | 226 | -102 | |
| Net financial surplus/(debt) | 433 | (517) | -950 | |

(a) of which €5 M of non-current expenses relating to preliminary work on the decommissioning of the Dunkirk site.

(b) of which €31 M of non-current expenses relating mainly to the dismantling of the Dunkirk site and the exceptional purchasing power bonus in France.



Revenue

Consolidated revenue of the Colas Group amounted to 13.2 billion euros in 2018, up 13% compared to 2017 (+ 5% at constant scope and exchange rates). The international units posted revenue at 6,730 million euros, i.e., 51% of the Group's total revenue, exceeding France (6,460 million euros, 49% of the total) for the first time ever.

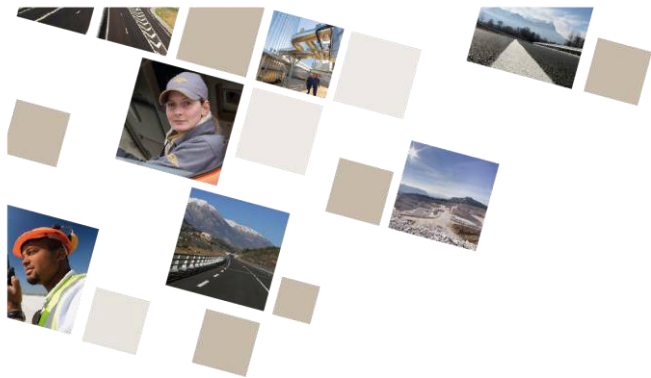
Roads:

The Roads sector recorded revenue of 11.2 billion euros in 2018, up 16% from 2017 (+7% at constant scope and exchange rates):

- Revenue in **Mainland France** was up 10%, in line with the market. Growth was strong in the Ile-de-France, Hauts-de-France, Grand Est and Auvergne-Rhône - Alpes regions;
- Revenue in **Europe** rose by 15% (+14% at constant scope and exchange rates). The increase was recorded in both the British Isles and continental Europe, where business was boosted by Belgium, Hungary, and the Czech Republic;
- Revenue in **North America** increased 32% following the integration of Miller McAsphalt in Canada as of March 1, 2018; at constant scope and exchange rates, business was down 1%, due in particular to inclement weather and strained markets in some states and provinces;
- Revenue in the **Rest of the World** (international excluding Europe and North America) is up 4% (+8% at constant scope and exchange rates). The situation is contrasted between Oceania with 20% growth, the French Overseas Regions and the Indian Ocean with 14% growth, and Africa, where revenue is down 13%.

Railways and other Specialized Activities:

Revenue amounted to 2 billion euros in 2018, down 2% compared to 2017 (-5% at constant scope and exchange rates). The decrease totaled 14% for the **Spac** Networks business and 9% for the Railways at constant scope and exchange rates. **Colas Rail** experienced a decline in its revenue in France, mainly due to the consequences of strikes at SNCF on railway works and freight, while business was on the rise internationally. Activity at **Smac** (Waterproofing) remained stable and **Aximum** (Safety & Signaling) grew by 5%.



Financial Performance

Despite an increase in revenue, **current operating income** decreased by 3 million euros to 359 million euros in 2018 compared to 362 million euros in 2017. Current operating margin amounted to 2.7% in 2018 against 3.1% in 2017:

- The **Roads** segment generated current operating income of 387 million euros, up 46 million euros compared to 2017 (341 million euros) and a current operating margin of 3.5%, stable compared to the previous year. The improvement in current operating income in Mainland France and the contribution of Miller McAsphalt were mitigated by a lower performance of North America on its historical scope, notably due to inclement weather on the east coast of the United States, and strained markets in some states and provinces;
- Current operating income for **Railways and other Specialized Activities** amounted to -37 million euros, compared to 12 million in 2017, a decrease of 49 million euros. This drop is primarily due to difficulties encountered by Colas Rail in France, whereas its international units improved current profitability. Smac (Waterproofing) and Spac (Networks) were also down compared to 2017.

Non-current operating expenses for 2018 amounted to 31 million euros, mainly relating to the dismantling of the Dunkirk site and the exceptional purchase power bonus in France, compared to 5 million euros in 2017 relating to work prior to the dismantling of the Dunkirk site.

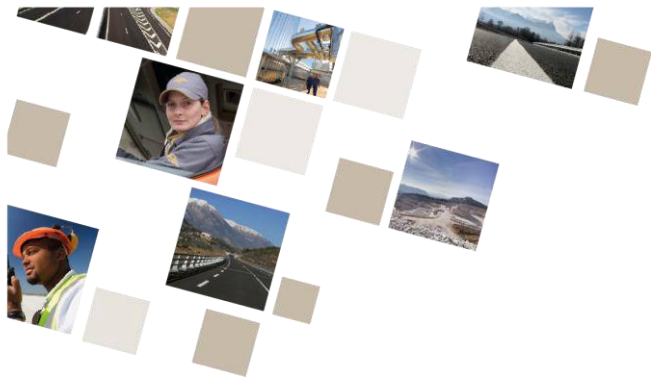
As a result, **operating income** in 2018 amounted to 328 million euros, compared to 357 million euros in 2017, down 29 million euros.

The **cost of financial debt** increased by 17 million euros to 31 million euros following the acquisitions of Miller McAsphalt and Alpiq's rail operations.

Income tax expense in 2018 amounted to 96 million euros compared to 75 million euros in 2017, a 21-million euro increase. Income tax expense in 2017 had benefited from the partial resolution of a dispute with tax authorities in Canada.

The **share of income from joint ventures and associates** amounted to 28 million euros in 2018 compared to 61 million euros in 2017, a 33-million euro decrease in particular due to a drop in Tipco Asphalt's contribution, mainly in light of crude oil supply difficulties at the beginning of the year.

Finally, **net profit attributable to the Group** totaled 226 million euros in 2018 compared with 328 million euros in 2017, down 102 million euros.



Financial structure

Net cash flow amounted to 665 million euros, down 10 million euros compared to 2017 (675 million euros). Free cash flow¹ improved by 57 million euros to 377 million euros in 2018 compared to 320 million euros in 2017.

Net cash used in fixed assets decreased by 43 million euros to 300 million euros in 2018. While gross capital expenditure increased by 19 million euros to 462 million euros in 2018, disposals increased from 86 million euros to 174 million euros in 2018. Disposals in 2018 include the Colas Rail sale and leaseback of 67 locomotives in France and the United Kingdom.

2018 is a record year for **net cash used in financial assets** with a total of 720 million euros compared to 79 million euros in 2017. The two main transactions of the year are the acquisition by Colas Canada of Miller McAsphalt group for 555 million euros and Colas Rail's acquisition of Alpiq Engineering Services' rail activities for 118 million euros.

Shareholders' equity remained stable at 2.8 billion euros at December 31, 2018; **net financial debt** at the end of December 2018 was 517 million euros compared to net financial surplus at 433 million euros at the end of December 2017.

Net profit at Colas

Net profit for the parent company Colas amounted to 386 million euros in 2018 compared to 163 million euros in 2017.

Dividend

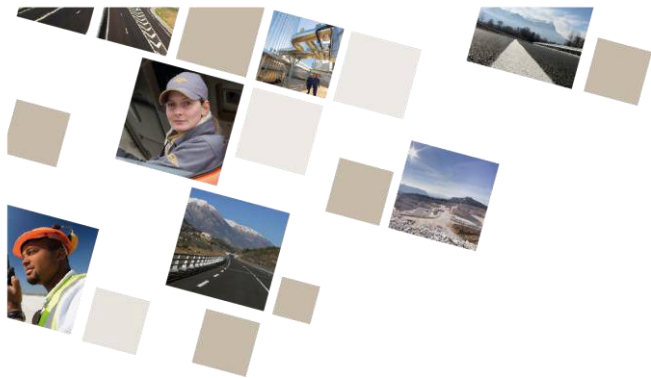
The Board of Directors will propose to the General Shareholders' Meeting on April 17, 2019 to pay out a dividend per share of 5.55 euros for 2018 against 8.20 euros for 2017.

Board of Directors

The Board has decided to renew the term of office of Chairman and Chief Executive Officer of Mr. Hervé Le Bouc until the General Meeting approving the financial statements for the financial year 2019.

The Board has co-opted Mr. Olivier Roussat as a director to replace Mr. François Bertin. This appointment will be subject to approval by the General Shareholders' Meeting on April 17, 2019.

¹Free cash flow : cash flow (determined after cost of net debt and net income tax expense, but before changes in working capital requirements) minus net capital expenditure for the period.



The Board will propose to the General Shareholders' Meeting on April 17, 2019 the renewal of the appointment of Ms. Colette Lewiner and Ms. Martine Gavelle as members of the Board, as well as Mr. Olivier Bouygues, Mr. Olivier Roussat and Bouygues SA, of which Mr. Philippe Marien is Permanent Representative, for a period of two years.

The Board will also propose to the General Shareholders' Meeting the renewal of the appointment of Mr. Arnauld Van Eeckhout as a non-voting director for a period of two years.

Outlook

At the end of December 2018, work on hand amounted to 8.5 billion euros, up 12% and 13% at constant exchange rates compared to the end of December 2017. Excluding Miller McAsphalt and Alpiq catenaries for 0.8 billion euros, work on hand has grown 2% at constant exchange rates, up 8% in Mainland France at 3.4 billion euros and up 17% at constant exchange rates in the International and French Overseas units at 5.1 billion euros.

The markets in which Colas operates are long-term. Construction and maintenance needs for transport infrastructure remain high, both in developed and emerging countries.

In **Mainland France**, the public works market is expected to continue to grow but at a slower pace than in 2018. Business will be boosted by investment plans for transport and a favorable pre-election context.

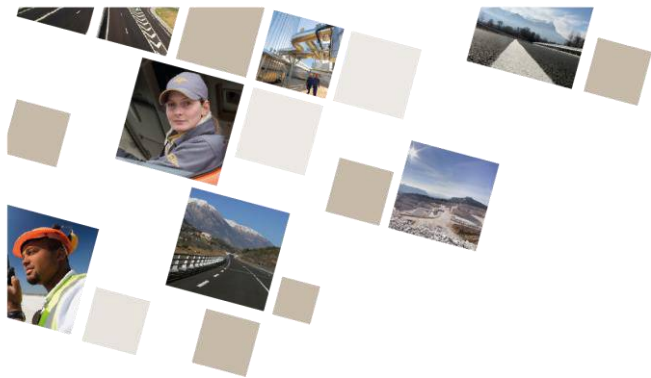
In **Europe**, Roads and Railways will continue to benefit from European infrastructure plans, with continued strong growth in Central Europe and major infrastructure projects in the UK.

In **North America**, the situation should be contrasted. In the United States, despite a favorable economic environment and very high needs, uncertainties remain as to financing. In Canada, the situation should vary from province to province; some have major investment plans while others are dependent on oil prices.

In the **Rest of the World**, a number of opportunities exist, with fast-growing zones such as Australia, ongoing developments in Latin America and many major projects, particularly in the railway sector.

In Railways, with globally favorable market environments, **Colas Rail** is expected to return to growth, especially in its international units. Measures will continue to be taken in 2019 to restore profitability.

In Waterproofing, an agreement to sell **Smac** was signed with the investment fund OpenGate Capital. The actual completion of this sale is subject to the agreement of fair



competition authorities, particularly in France. The disposal will reduce Colas' revenue by around 600 million euros, without any significant impact on operating income.

Current operating income is expected to improve due to growth-oriented markets and a return to profitability at Colas Rail.

Following the acquisitions of Miller McAsphalt and Alpiq catenaries in 2018, Colas continues to grow its core businesses: roads, materials and railways.

In addition, the Group is continuing to transform, particularly thanks to digital technologies, and is pursuing its focus on innovation to assert its leadership in serving sustainable mobility.

The Statutory Auditors have duly audited and fully certified the financial statements.

Financial statements and notes are available at www.colas.com.

The presentation to financial analysts will be held on February 21, 2019 at 2 :30 pm and will be made available at www.colas.com.

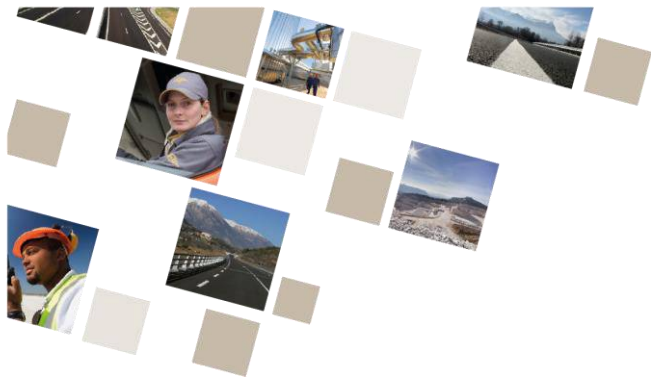
Colas (www.colas.com)

Colas, a subsidiary of the Bouygues Group, is a world leader whose mission is to promote transport infrastructure solutions for sustainable mobility. With 58,000 employees in more than 50 countries on five continents, the Group performs some 85,000 road construction and maintenance projects each year via 800 construction business units and 2,000 material production units.

In 2018, consolidated revenue at Colas totaled 13.2 billion euros (51% outside of France). Net profit attributable to the Group amounted to 226 million euros.

For information:

Delphine Lombard (tel.: +33 6 60 07 76 17) / R mi Colin (tel.: +33 7 60 78 25 74) contact-presse@colas.fr
Jean-Paul Jorro (tel.: +33 1 47 61 74 23) / Zorah Chaouche (tel.: +33 1 47 61 74 36) contact-investors@colas.fr

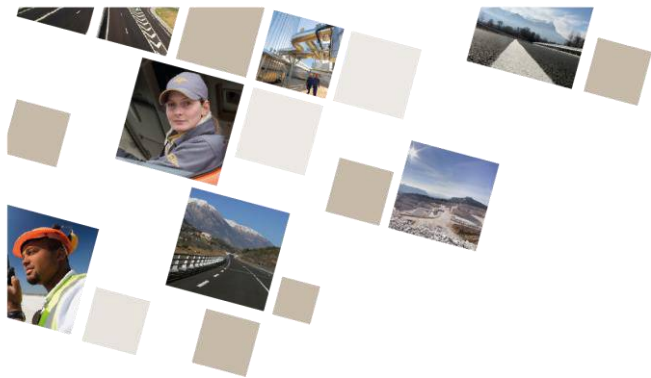


Consolidated 4th quarter condensed income statement

| <i>in millions of euros</i> | 4 th quarter | | Change |
|--------------------------------------|-------------------------|-------|--------|
| | 2017 | 2018 | |
| Revenue | 3,088 | 3,588 | +16% |
| Current operating income | 184 | 204 | +€20 M |
| Operating income | 184 | 173 | -€11 M |
| Net profit attributable to the Group | 168 | 116 | -€52 M |

Revenue by business segment

| <i>in millions of euros</i> | 2017 | 2018 | Variation 2018/2017 | Change at constant scope and exchange rates |
|--|---------------|---------------|------------------------|--|
| Roads Mainland France | 4,304 | 4,731 | +10% | +10% |
| Roads Europe | 1,603 | 1,840 | +15% | +14% |
| Roads North America | 2,525 | 3,341 | +32% | -1% |
| Roads Rest of the World | 1,216 | 1,265 | +4% | +8% |
| Total Roads | 9,648 | 11,177 | +16% | +7% |
| Railways and other Specialized Activities | 2,037 | 1,989 | -2% | -5% |
| Parent company | 20 | 24 | ns | ns |
| TOTAL | 11,705 | 13,190 | +13% | +5% |



Glossary

Work on hand: the amount of work still to be done on projects for which a firm order has been taken, i.e. the contract has been signed and has taken effect (after notice to proceed has been issued and suspensory clauses have been lifted).

Changes in revenue at constant scope and exchange rates:

- at constant exchange rates: change after translating foreign-currency sales for the current period at the exchange rates for the comparative period;

- at constant scope: change in revenue for the periods compared, adjusted as follows:

- for acquisitions, by deducting from the current period those sales of the acquired entity that have no equivalent during the comparative period;
- for divestments, by deducting from the comparative period those sales of the divested entity that have no equivalent during the current period.

Net financial surplus /(debt): the aggregate of cash and cash equivalents, overdrafts and short-term bank borrowings, non-current and current debt, and financial instruments. A positive figure represents net cash surplus and a negative one represents net debt.