



PRESS RELEASE

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Colas: Financial Year 2016

- **Revenue: €11.0 B (-8% and -4% at constant scope and exchange rates)**
- **Current operating income: €386 M (+€42 M)**
- **Operating income: €324 M (+€75 M)**
- **Net profit attributable to the Group: €355 M (+€121 M including net after tax capital gain of €72 M from the disposal of stakes)**
- **Dividend proposed: €8.20 per share (of which €5.45 paid out as an interim dividend in December 2016)**
- **High level of work-on-hand: €7.1 B (+1%)**
 - **increase in work-on-hand in Mainland France (+7%)**
 - **in International units and French Overseas, -3% but unchanged at constant exchange rates**

The Board of Directors of Colas, chaired by Mr. Hervé Le Bouc, met on February 21, 2017 to finalize the 2016 financial statements that are to be submitted to the Annual General Shareholders' Meeting on April 11, 2017.

Consolidated Key Figures

<i>in millions of euros</i>	2016	2015	Change 2016/2015	At constant scope and exchange rate
Consolidated revenue	11,006	11,960	- 8%	- 4.4%
<i>of which France</i>	5,779	6,044	- 4.4%	- 3.6%
<i>of which International</i>	5,227	5,916	-11.6%	- 5.3%
Current operating income	386	344	+ 42	
<i>Current operating profit margin</i>	3.5%	2.9%	+ 0.6%	
Operating income	324^(a)	249^(b)	+75	
Net profit attributable to the Group	355^(c)	234	+121	
Net cash (net debt)	517	560	- 43	

^a of which €62 M in non-current expenses mainly relating to the final closing of business at SRD.

^b of which €95 M of non-current expenses relating to SRD Dunkirk.

^c net profit attributable to the Group in 2016 includes net capital gain of €72 M (disposal of stakes in highway concession companies Atlandes and Adelaç).

^d Free 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.



Revenue in 2016 amounted to 11.0 billion euros, down 8% and 4% at constant scope and exchange rates from 2015 due to a drop in the Roads segment for central Europe and Canada, and in Specialized Activities.

At constant scope and exchange rates¹, the change amounted to -4.4%. Revenue for 2016 was penalized by strong impact from changes in the scope of consolidation (-299 million) with the sale of bitumen storage and distribution companies in Asia to the Thai subsidiary Tipco Asphalt, in which Colas holds a 32% share, and the final closure of the refining business in France, and by a currency effect (-124 million) due essentially to a drop in the exchange rate against the euro for the British pound and the Canadian dollar.

Roads

In **Mainland France**, revenue totaled 3.99 billion euros, equivalent to 2015 (3.98 billion), as the market stabilized following two years of sharp decline.

In the **International** and **French Overseas Departments**, revenue is down 13% and 8% at constant scope and exchange rates. Progress recorded in the Africa/Indian Ocean zone and Oceania could not offset the sharp drop in business in central Europe, which was expected due to delays in launching calls for bids on road and highway projects, nor the drop in revenue in Canada in the Western provinces (government revenue decreased due to lower oil prices, impact of forest fire in Fort MacMurray). Business in the United States and in northern Europe was practically the same as in 2015.

Specialized Activities

Revenue excluding sales of refined products totaled 2.0 billion euros, down 5% and 3% at constant scope and exchange rates: stability for Railways and decline for Waterproofing (-8%), Safety and Signaling (-3%) and Networks (-4%).

¹ In 2015 and 2016, the cessation of the sales of refined products activity in France was recorded as a change in scope.



Despite the drop in revenue, current operating income amounted to 386 million euros, up 42 million euros from 2015, thanks to the fact that current losses from the refining activity came to a halt and that action plans bore fruit, in particular in Mainland France

Current operating income totaled 386 million euros, against 344 million euros in 2015. The current operating margin is 3.5% (2.9% in 2015).

The Road business generated current operating income of 336 million euros, and a current operating margin of 3.8%, up from 2015 (3.5%) thanks to:

- impact of adaptation plans rolled out by subsidiaries in Mainland France,
- good geographic spread for the Group's network worldwide.

Current operating income for **Specialized Activities, excluding sales of refined products**, totaled 43 million euros, compared to 60 million euros in 2015, due to a tougher Railways market in France and losses in Safety and Signaling (lack of volume and overcapacity in France).

Operating income amounted to 324 million euros (+75 million euros) and includes non-current expenses at 62 million euros, compared to 95 million in 2015.

The expenses mainly pertain to the final closure of the subsidiary SRD in Dunkirk (fixed costs, in particular wages up to November 2016, re-employment plan).

Net profit attributable to the Group totaled 355 million euros (234 million euros in 2015)

The cost of net debt was posted at 13 million euros, lower than in 2015 (19 million euros).

Other net financial income and expenses amounted to 74 million euros (-2 million euros in 2015), benefitting from pre-tax capital gain of 75 million euros from the sale of the stakes held by Colas in two highway concession companies, Atlandes and Adelaç.

The share of income from associates and joint ventures totaled 82 million euros, compared to 78 million euros in 2015.

After income tax expense at 108 million euros (68 million euros in 2015), net profit attributable to the Group amounted to 355 million euros.



Solid financial structure

Net cash flow is stable at 578 million euros (583 million in 2015).

The Group's financial structure is solid, with a high level of shareholders' equity at 2.7 billion euros, and a positive net cash position at 517 million euros at the end of December 2016, against 560 million euros at the end of 2015. Including the interim dividend paid out in December 2016, net cash has improved by 135 million euros in one year.

Net profit at Colas

Net profit for the parent company Colas amounted to 249.6 million euros, compared to 105.0 million euros in 2015.

Dividend

The Board of Directors will put forward to the General Shareholders' Meeting on April 11, 2017 to pay out a dividend of 8.20 euros per share, compared to 5.45 paid out last year. An interim dividend of 5.45 euros was paid in December 2016, the remaining balance, 2.75 euros, will be paid out as of May 2, 2017.

Board of Directors

The Board will put forward to the General Shareholders' Meeting on April 11, 2017 to renew the terms of Mr. Hervé Le Bouc, Mr. François Bertière, Mr. Olivier Bouygues, Ms. Martine Gavelle and Ms. Colette Lewiner and Bouygues.



Outlook

At the end of December 2016, work-on-hand remained high at 7.1 billion euros, a slight 1% improvement compared to the end of December 2015 (+ 2% at constant exchange rates). While work-on-hand in Mainland France (2.9 billion euros) is 7% higher, work-on-hand for International and French overseas units (4.2 billion euros) is down 3%. A number of major contracts were signed at the end of the year, e.g., in Guinea Conakry for a mining customer (earthworks, civil works, railways worth €129 million), in Hungary for the construction of the Hódmezővásárhely bypass on Route 47 (€91 million) or in France for gas pipelines on the Gascogne-Midi Artery and in Saône-et-Loire (€91 million).

In 2017, revenue for Roads in Mainland France could improve slightly, as the market probably reached a low point in 2016. Colas will continue to pursue its objectives, including broadening the range of activities in the subsidiaries, transforming organizations and operating procedures, and improving operating margin. The Roads business in the international units, in particular in North America and central Europe, should enjoy growth. Infrastructure plans could begin to bear fruit (UK, Canada, USA). Railways should record a good level of business in France. For the other Specialized Activities, revenue should increase for Networks, with a high level of work-on-hand, and Waterproofing, with the building industry on the road to recovery. Only Safety and Signaling will continue to operate in a sluggish market.

Based on these forecasts and all available information, with constant scope, revenue for 2017 should be higher than in 2016. Colas intends to continue developing outside of France, and has the financial resources for this type of growth (organic or external acquisitions).

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

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

The presentation to the financial analysts will be held on February 24, 2017 at 2:30 pm.

**For further information: Ms. Delphine Lombard (tel. : +33 1 47 61 76 17) -
delphine.lombard@colas.com**



Consolidated condensed income statement for 4th quarter 2016

in millions of euros

	4 th quarter		Change 2016/2015
	2016	2015	
Revenue	2,891	3,027	- 4.0%
Current operating income	145	149	(4)
Other operating expenses	(23)	(95)	+72
Operating income	122	54	+68
Net profit attributable to the Group	188 ⁽¹⁾	45	+143

⁽¹⁾ Of which 72 million euros in net capital gain on the disposal of stakes in highway concession companies Atlandes and Adelaç

Revenue 2016 by business segment

in millions of euros

	2016	2015	Change 2016/2015	Change at constant scope and exchange rates
Roads Mainland France	3,990	3,982	+0.2%	+0.2%
Roads Europe	1,374	1,674	-17.9%	-15.8%
Roads North America	2,474	2,666	-7.2%	-6.3%
Roads Rest of the World	1,133	1,395	-18.8%	-3.8%
Total Roads	8,971	9,717	-7.7%	-4.9%
Specialized Activities	2,016	2,227	-9.5%	-2.5%^(a)
Parent Company	19	16	ns	ns
TOTAL	11,006	11,960	-8.0%	-4.4%^(a)

^(a) In 2015 and 2016, the cessation of the sales of refined products activity in France was recorded as a change in scope.



Revenue 2016 by geographic zone

<i>in millions of euros</i>	2016	2015	Change 2016/2015
Mainland France	5,348	5,533	-3.3%
French Overseas Departments	431	511	-15.7%
France	5,779	6,044	-4.4%
North America	2,478	2,669	-7.2%
Europe (excl. France)	1,792	2,178	-17.7%
Rest of the World ^(a)	957	1,069	-10.5%
International	5,227	5,916	-11.6%
TOTAL	11,006	11,960	-8.0%

^(a) Including French Overseas Territories.