HALF YEAR REPORT AS OF JUNE 30, 2014

CONTENTS

Colas

Backed by a network of 800 autonomous work centers and 1,400 production sites located in some 50 countries and five continents, Colas is a world leader in the field of road construction and maintenance. Present in each and every transport infrastructure market, the Group also provides a range of services in specialized activities: installation and maintenance of railway infrastructure, manufacture and installation of waterproofing membranes, sales of refined products, manufacture and installation of safety and signing equipment and the installation of pipelines. Colas is also stakeholder, usually for a minority share, in infrastructure concession and management companies.

Key figures

(in millions of euros)	1st half year 2013(1)	1st half year 2014	Change	Reference Full year 2013(1)
Revenue	5,456	5,294	- 3 %	12,845
of which France	*3,377*	*3,155*	*- 7 %*	*7,388*
of which International	*2,079*	*2,139*	*+ 3 %*	*5,457*
Current operating income	(87)	(114)	- 27 M€	390
Operating profit	(87)	(114)	- 27 M€	379
Net profit attributable to the Group	(32)	317	+ 349 M€	312

Highlights of the half year

- Colas enjoyed a number of important commercial successes during the first half year 2014, in particular:
  - a contract to build a causeway and an interchange for the New Route du Littoral coastal road in Reunion Island for 318 million euros (Colas' share),
  - three construction and refurbishment contracts for Highway 63 in Alberta, Canada for 110 million euros,
  - three railway contracts in the United Kingdom (notably track renewal) for 130 million euros.

- On January 31, 2014, Colas sold Vinci its 16.67% stake in the share capital of Cofiroute, a French highway concession company, for 780 million euros.

- Colas brought several external growth projects to fruition, thus further strengthening its network in certain areas (acquisition of an asphalt mix production and sales business in

(1) The figures at June 30 and December 31, 2013 have been restated to ensure comparability with those at June 30, 2014 following changes in consolidation methods in compliance with IFRS 10-11-12 on Partnerships, pursuant to which companies, previously consolidated using the proportional method, are consolidated using the equity method as of January 1, 2014.

Denmark, purchase of a 38% stake in the capital of a road construction company in Ireland with 80 million euros in annual revenue).

Activity by business sector

As of June 30, 2014, consolidated revenue amounted to 5.3 billion euros, a 3% decrease from June 30, 2013 (-2% at constant scope and exchange rates). Business is down 7% in France and up 3% in the international units.

(in millions of euros)	1er half year		Change	Reference full year 2013(1)
	2013(1)	2014		
Revenue	5,456	5,294	-3%	12,845
of which Roads Mainland France	*2,299*	*2,135*	*-7%*	*5,142*
of which Roads Europe	*554*	*666*	*+20%*	*1,401*
of which Roads North America	*724*	*704*	*-3%*	*2,409*
of which Roads Rest of the World	*670*	*632*	*-6%*	*1,413*
of which Specialized Activities	*1,197*	*1,151*	*-4%*	*2,463*
of which Holding company	*12*	*6*	*ns*	*17*

Roads

In **Mainland France,** revenue was down 7% from the first half year 2013, bearing witness to a drop in the road market during the second quarter as investments from local authorities saw a marked slowdown after local elections, and to continued focus on profit margin over volume.

In **Europe**, revenue is up 20% (+ 18% at constant scope and exchange rates), with strong growth in central Europe, boosted by major highway contracts won during the 4th quarter 2013 (Hungary and Slovakia) and headway in Northern Europe.

In **North America**, revenue appears to be down 3% but has actually recorded a slight increase at constant scope and exchange rates. Unfavorable weather had a negative impact on business for the entire first half year.

In the **Rest of the World,** revenue figures are down 6% but are stable at constant scope and exchange rates, with headway in Asia/Australia, stability in the French Overseas Departments and Africa, and a drop in the Indian Ocean.

Specialized Activities

During the first half of 2014, revenue was down 4% from the first half 2013. Each sector was witness to a different situation:

- Railways posted a 5% increase in business,
- Sales of refined products posted an 8% decrease,
- Waterproofing (-7%) and Road Safety and Signaling (-8%) are operating in less buoyant markets,
- Pipelines (-10%) saw its business shift to the second half year.

Production of Construction Materials

In France and around the world, the production of construction materials, notably aggregates, plays a major role in Colas' business, thanks to a global network comprising 707 quarries, 566 asphalt plants, 138 emulsion plants and 205 ready-mix concrete plants. During the first half year 2014, the Group produced 44 million tons of aggregates (-0.8% from first half 2013), 14.4 million tons of asphalt mix (+2%), 738,000 tons of binders and emulsions (+3%) and 1.2 million cubic tons of ready-mix concrete (-6%).

Profitability

As of June 30, 2014, operating income amounted to -114 million euros, compared to -87 million euros at June 30, 2013. The road market in Mainland France is tougher, and operating income in the Specialized activities has regressed, with notably a 30-million euro operating loss at June 30, 2014 for the Sales of refined products, some 7 million euros more than the loss recorded on June 30, 2013 (operating loss of 23 million euros on June 30, 2013 and 46 million euros on December 31, 2013).

Income from associates and joint ventures totaled 396 million euros, compared to 37 million euros at June 30, 2013, including after tax capital gain of 385 million euros from the sale of Colas' stake in French highway concession company Cofiroute.

Net profit attributable to the Group at the end of June 2014 amounted to 317 million euros, compared to -32 million euros at June 30, 2013.

Financial Structure

On June 30, 2014, net debt amounted to 331 million euros. The change from December 31, 2013 (net cash at 31 million) reflects the typically seasonal nature of Colas' businesses. The figures are to be compared to net debt as of June 30, 2013 at 1,141 million euros. The 810-million euro improvement is mainly due to 780 million euros in proceeds from the sale of Colas' stake in Cofiroute on January 31, 2014.

Risks and Uncertainties

There have been no significant changes in the risks and uncertainties as presented in the Report of the Board of Directors for 2013 at the Combined Annual Shareholders' Meeting on April 15, 2014.

Related parties

In the first half year, no related party transactions had any significant impact on the Group's financial situation and results.

Perspectives

Work-on-hand at the end of June 2014 is high, up 9% from the end of June 2013 at 8.2 billion euros. Even though work-on-hand for the International and French Overseas units has recorded a 30% increase at 4.7 billion euros, including the Route du Littoral coastal road project, work-on-hand in Mainland France posted an 11% drop at 3.5 billion euros, as investments have seen a marked slowdown after local elections.

- Roads:

  In the event that orders do not pick up during the second half year, the decrease in 2014 revenue in Mainland France could be higher than forecast at the beginning of the year. Revenue for Colas companies in North America could be higher than the previous year at constant exchange rates if the weather is favorable during the second half year. Revenue should also be on the rise in Europe, in particular in central Europe, and in the Rest of the World at constant exchange rates.

- Specialized activities:
  - Railways will enjoy growth, boosted by a high level of work-on-hand,
  - Waterproofing and Road Safety and Signaling will be down (slump in the construction market and public investment),
  - Pipelines should remain stable,
  - The Sales of refined products sector will record a hefty operating loss for the third year in a row (between 45 and 50 million euros). The loss is due to an unprecedented collapse in the base oil market combined with excess production capacity in Europe. Forecasts predict that the situation should remain unchanged in the years to come.
    The Board of Directors of Colas has analyzed the current situation at the Dunkirk, France production site of its wholly-owned subsidiary SRD, examining different options that are currently under study to stem recurrent losses in the Sales of refined products activity. An extraordinary works council at SRD was held on August 27, 2014.

On the basis of currently available information, and given the uncertainties as to the level of investments by local authorities in Mainland France during the second half year, revenue for 2014 could drop 3 to 5% compared to 2013 (12.8 billion euros). Profit margin will be a priority over business volume.

CONSOLIDATED FINANCIAL STATEMENTS OF THE COLAS GROUP

At June 30, 2014

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Consolidated balance sheet at June 30

In millions of euros	Notes	June 30, 2014	December 31, 2013 restated (a)	June 30, 2013 restated (a)
Property, plant and equipment	3.1	2,282	2,264	2,333
Intangible assets	3.2	93	96	89
Goodwill	3.2	516	522	470
Investments in associates	3.3	244	240	590
Other financial assets	3.4	201	201	196
Deferred taxes and non-current tax receivables		158	156	155
Non-current assets		**3,494**	**3,479**	**3,833**
Inventories	4	740	606	765
Trade receivables	4	3,370	2,759	3,547
Current tax assets	4	119	49	84
Other receivables and prepayments	4	693	493	685
Cash and cash equivalents		401	509	334
Financial instruments		14	13	15
Current assets		**5,337**	**4,429**	**5,430**
Held-for-sale assets		-	358	-
Total assets		**8,831**	**8,266**	**9,263**
Share capital and share premium		384	384	384
Retained earnings		1,883	1,823	1,831
Translation reserve		(13)	(23)	27
Net income for the year		317	312	(32)
Equity attributable to the Group		**2,571**	**2,496**	**2,210**
Minority interests		28	31	30
Equity	5	**2,599**	**2,527**	**2,240**
Non-current debt	7	343	221	373
Non-current provisions	6.2	808	793	781
Deferred tax liabilities and non-current tax liabilities		75	87	91
Non-current liabilities		**1,226**	**1,101**	**1,245**
Advance and down-payments received		374	362	253
Current debt	7	69	58	86
Current tax liabilities		41	53	17
Trade payables		2,088	2,058	2,331
Current provisions	6.1	235	260	240
Other current liabilities		1,865	1,635	1,820
Bank overdrafts and short-term loans		309	190	1,008
Financial instruments		25	22	23
Current liabilities		**5,006**	**4,638**	**5,778**
Liabilities associated with held-for-sale assets		-	-	-
Total equity and liabilities		**8,831**	**8,266**	**9,263**
Net financial debt	8	**(331)**	**31**	**(1 141)**

(a) The financial statements at December 31, 2013 and June 30, 2013 have been restated pursuant to the application of IFRS 10 and 11 standards.

Consolidated income statement

In millions of euros	Notes	June 30, 2014	June 30, 2013 restated (a)	December 31, 2013 restated (a)
Revenue (1)	9/12	**5,294**	**5,456**	**12,845**
Purchases used in production		(2,656)	(2,754)	(6,493)
Staff costs		(1,598)	(1,587)	(3,261)
External services		(1,084)	(1,182)	(2,553)
Taxes, other than income tax		(82)	(82)	(168)
Net depreciation and amortization expenses		(170)	(178)	(407)
Net charges to provisions and impairment losses		(8)	(20)	(125)
Change in inventories		(4)	27	18
Other income from operations (2)		255	293	674
Other expenses from operations		(61)	(60)	(140)
Current operating profit	10/12	**(114)**	**(87)**	**390**
Other operating income				
Other operating expenses				(11)
Operating profit		**(114)**	**(87)**	**379**
Financial income		9	8	19
Financial expenses		(18)	(19)	(40)
Cost of net debt		**(9)**	**(11)**	**(21)**
Other financial income		11	5	8
Other financial expenses		(8)	(3)	(10)
Income tax expenses	11	42	27	(120)
Income from associates		396	37	78
Net profit		**318**	**(32)**	**314**
Net profit attributable to minority interests		1		2
Net profit attributable to the Group		**317**	**(32)**	**312**
(1) Of which recorded outside of France (including export sales)		2,139	2,079	5,457
(2) Of which reversal of unutilized provisions / impairment losses		30	53	136

(a) The financial statements at December 31, 2013 and June 30, 2013 have been restated pursuant to the application of IFRS 10 and 11 standards.

Statement of recognized income and expense

In millions of euros	June 30, 2014	June 30, 2013 restated (a)	December 31, 2013 restated (a)
Net profit for the period	**318**	**(32)**	**314**
Non-recyclable items in net income			
Actuarial gains (losses) regarding employee benefits (1)	(13)	3	(9)
Tax on non-recyclable items in net income	4	(1)	2
Recyclable items in net income			
Exchange differences on controlled companies	9	(28)	(76)
Fair value restatements for financial instruments	(4)	4	4
Tax on recyclable items in net income	1	(2)	(1)
Share in associates	1	(1)	(3)
Net income recognized directly in equity	**(2)**	**(25)**	**(83)**
Total recognized income and expense	**316**	**(57)**	**231**
Attributable to the Group	315	(56)	230
Attributable to minority interests	1	(1)	1

(a) The financial statements at December 31, 2013 and June 30, 2013 have been restated pursuant to the application of IFRS 10 and 11 standards.

Consolidated statement of changes in equity

In millions of euros	Share capital and share premium	Retained earnings	Translation reserve	Net income for the year	Capital and reserves	Minority interests	Total
At December 31, 2012 (a)	**384**	**1,763**	**55**	**302**	**2,504**	**33**	**2,537**
Share capital increase							
Prior-year profit allocation		302		(302)			
Dividends paid		(237)			**(237)**	**(2)**	**(239)**
Other transactions with shareholders							
Net profit for the period				312	**312**	**2**	**314**
Income (expenses) recognized directly in equity		(4)	(78)		**(82)**	**(1)**	**(83)**
Net profit and income (expenses) recognized directly in equity		(4)	(78)	312	**230**	**1**	**231**
Change in scope of consolidation		(1)			**(1)**	**(1)**	**(2)**
At December 31, 2013 (a)	**384**	**1,823**	**(23)**	**312**	**2,496**	**31**	**2,527**
Share capital increase							
Prior-year profit allocation		312		(312)			
Dividends paid		(237)			**(237)**	**(4)**	**(241)**
Other transactions with shareholders		(3)			**(3)**		**(3)**
Net profit for the period				317	**317**	**1**	**318**
Income (expenses) recognized directly in equity (1)		(12)	10		**(2)**		**(2)**
Net profit and income (expenses) recognized directly in equity		(12)	10	317	**315**	**1**	**316**
Change in scope of consolidation							
At June 30, 2014	**384**	**1,883**	**(13)**	**317**	**2,571**	**28**	**2,599**

(1) Detail:

	Group	Minority interests	Total
Exchange differences	10		10
Fair value restatement on financial instruments	(4)		(4)
Actuarial gains (losses) regarding employee benefits	(13)		(13)
Deferred taxes based on these items	5		5
Total income (expenses) recognized directly in equity	**(2)**	**0**	**(2)**

(a) The financial statements at December 31, 2013 and June 30, 2013 have been restated pursuant to the application of IFRS 10 and 11 standards.

Consolidated cash flow statement		June 30, 2014	December 31, 2013 restated (a)	June 30, 2013 restated (a)
In millions of euros				
Net profit (including minority interests)		318	314	(32)
Adjustments for:				
Income from associates		(11)	(78)	(37)
Dividends received from associates		11	68	38
Dividends received from unconsolidated companies		(6)	(3)	(2)
Depreciation, amortization and non-current provisions		174	400	169
Capital gains on disposal of assets		(400)	(30)	(15)
Miscellaneous non-cash charges			(4)	(4)
	Sub-total	**86**	**667**	**117**
Cost of net debt		9	21	11
Income tax expenses		(42)	120	(28)
Cash from operations		**53**	**808**	**100**
Income tax paid		(76)	(123)	(54)
Changes in working capital related to operating activities		(676)	177	(561)
Cash flows from operating activities (a)		**(699)**	**862**	**(515)**
Purchase of tangible and intangible assets		(171)	(346)	(137)
Proceeds from sales of properties, plant and equipment		26	57	29
Net debt on tangible and intangible assets		(20)	14	(35)
	Sub-total	**(165)**	**(275)**	**(143)**
Acquisitions and disposals of subsidiaries:				
Acquisitions of subsidiaries		(21)	(100)	(29)
Disposals of subsidiaries		771	3	2
Net debt on acquisitions of subsidiaries		(1)	2	(3)
Cash acquired			(9)	(12)
	Sub-total	**749**	**(104)**	**(42)**
Other investing activities:				
Dividends received from unconsolidated companies		6	3	2
Changes of other financial assets		9	(15)	(11)
	Sub-total	**15**	**(12)**	**(9)**
Cash flows from investing activities (b)		**599**	**(391)**	**(194)**
Change in equity (Group share)				
Change in minority interests				
Purchases of shares from minority interests		(1)	(4)	
Dividends paid to parent company shareholders		(237)	(237)	(237)
Dividends paid to minority interests		(4)	(2)	(2)
Net variation from borrowings		125	(21)	153
Cost of net debt		(9)	(21)	(11)
Other financing activities				
Cash flows from financing activities (c)		**(126)**	**(285)**	**(97)**
Exchange differences and other non-cash variations (d)		(1)	2	1
Net change in cash and cash equivalents (a+b+c+d)		**(227)**	**188**	**(805)**
Net cash at the beginning of the year		319	131	131
Net cash and cash equivalents at the end of the year (see note 8)		**92**	**319**	**(674)**

(a) The financial statements at December 31, 2013 and June 30, 2013 have been restated pursuant to the application of IFRS 10 and 11 standards.

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Declaration of compliance:

The interim condensed consolidated financial statements of Colas and its subsidiaries (the "Group") as of June 30, 2014 were prepared in accordance with IAS 34, "Interim Financial Reporting", an IFRS standard as endorsed by the European Union. Because they are condensed, these financial statements do not include all the information required under IFRS standards, and should be read in conjunction with the full-year financial statements of the Colas Group for the year ended December 31, 2013.
They were prepared in accordance with the international standards issued by the IASB including: International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), and interpretations issued by the IFRS Interpretations Committee – previously the International Financial Reporting Interpretations Committee (IFRIC), or endorsed by the successor body Standing Interpretations Committee (SIC), as endorsed by the European Union and applicable at this date. The Group has not early adopted as of June 30, 2014 any standard or interpretation not endorsed by the European Union.

The financial statements are presented in millions of euros (unless otherwise indicated):

- the balance sheet,
- the income statement, the statement of recognized income and expense,
- the statement of changes in shareholders' equity,
- the cash flow statement,
- the notes to the financial statements.

The comparatives presented are from the consolidated financial statements for the year ended December 31, 2013, and from the interim condensed consolidated financial statements at June 30, 2013.

Note 1. Significant facts for the first half year 2014

1.1 Scope of consolidation first half year 2014

Number of consolidated companies	June 30, 2014	December 31, 2013	June 30, 2013
Full consolidation	447	481	502
Proportional consolidation	58	66	61
Equity method	61	62	62
Total	**566**	**609**	**625**

Main changes in scope for the period:

Entries in scope: Colas Asfalt (Denmark), SHT (Czech Republic)

Exit from scope: Cofiroute

Change in consolidation method: INMS shift from equity method to full consolidation.

1.2 Significant facts for the first half year 2014

Revenue totaled 5.294 billion euros, down 2% at constant scope and exchange rates.

On January 31, 2014, in compliance with an agreement dated December 20, 2013, Colas sold its 16.67% stake in the share capital of Cofiroute, a French highway concession company, to Vinci Autoroutes. The sales price was set at 780 million euros, with an additional 20 million on the condition that certain operational hypotheses be completed over the 2014-2015 period.
The sale generated a net capital gain of 385 million euros.

1.3 Significant facts and changes in scope after June 30, 2014

None.

Note 2. Significant accounting principles and policies

2.1 Description of Group activities

Colas is a world leader in the construction and maintenance of transport infrastructure.

Roads represent 80 % of Colas' activity, including:

- the construction and maintenance of roads, motorways, airports, ports, industrial and logistics platforms, urban development, reserved-lane public transport systems (tramways), recreational facilities, bike paths, civil engineering (large and small-scale projects), and as a complement to road construction, building (new construction, rehabilitation and demolition/deconstruction) in certain regions, complement the activity of road affiliates;
- upstream from the construction sector, major industrial activity involving the production and recycling of construction materials (aggregates, emulsions and binders, asphalt, ready-mix concrete, bitumen), from a dense international network of quarries, emulsion plants, asphalt plants, concrete plants and two bitumen production plants.

Colas also operates in Specialized Activities most of which are complementary to Road activities that represent 20 % of its total business:

- Road, safety, traffic management, manufacture, installation and maintenance of security equipment;
- Pipelines;
- Waterproofing, siding and roofing, manufacture and sales of waterproofing membranes;
- Railways design and engineering, construction, renewal and maintenance of infrastructure);
- Sales of refined oil products other than bitumen (base oils, paraffin wax, and fuels).

Colas is also a stakeholder in infrastructure concessions and management (PPP) companies, including motorways as well as city road networks and public transport.

2.2 Preparation principles of the financial statements

The Group's financial statements include the accounts of Colas SA and its subsidiaries (the Group), as well as holdings in related entities and joint ventures. They are presented in millions of euros, the currency of the majority of Group's transactions, and comply with the recommendations of the French accounting standards board, CNC (now ANC) no. 2009-R-03 of July 2, 2009 concerning the presentation of financial statements.

They were approved for publication by the Board of Directors on august 26, 2014.

The Condensed interim consolidated financial statements for the half year 2014 have been prepared in accordance with IFRS standards and principles, based on historical cost, with the exception of certain financial assets and liabilities, measured at fair value where this is required by IFRS. They are presented in comparison with the financial statements for the year ended December 31, 2013 and at the end of June 2013.

As of June 30, 2014, the Group applied the standards, interpretations, accounting principles and methods that were applied in the financial statements of fiscal year 2013, with the exception of mandatory changes laid down by the IFRS standards mentioned below, applicable as from January 1, 2014.

Main IFRS Standards, amendments and interpretations adopted by the European Union, for mandatory application of early adoption as of January 1, 2014:

IFRS 10: Consolidated Financial Statements, IFRS 11: Joint Arrangements, IFRS 12: Disclosure of Interests in Other Entities, IAS 27: Separate Financial Statements (revised in 2011), IAS 28: Investments in Associates (modified version in 2011): these standards were adopted by the European Union on December 29, 2012 and their application is mandatory as from January 1, 2014. The main changes and impacts are described below.

IFRS 10 supersedes the provisions relating to the consolidated financial statements found in IAS 27 "Separate Financial Statements" as well as interpretation SIC 12 "Consolidation – special-purpose entities" and redefines the concept of control over an entity.

IFRS 11 supersedes IAS 31 "Interests in joint ventures" and Interpretation SIC 13 "Jointly controlled entities – non-monetary contributions by ventures". This new standard defines the accounting treatment for joint arrangements.
In accordance with this new standard, joint arrangements, through which at least two parties exercise joint control, are accounted for on the basis of the rights and obligations of each of the parties to the joint arrangement, in particular taking into account the structure, legal form of agreements, the rights granted by the agreement to each of the parties as well as any particular facts and circumstances:
– joint ventures that confer rights to net assets must be accounted for by the equity method, since the proportional consolidation method is no longer allowed;
– assets and liabilities (income and expenses) of joint arrangements that confer on each party direct rights to assets and obligations for liabilities, must be accounted for based on the interests in the joint arrangement.

IFRS 12 completes the disclosures required about interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. For the first time in the Colas Group, this standard will apply for the preparation of the fiscal 2014 consolidated financial statements and will result in the submission of new information in the notes to the said statements. As part of the publication of the interim consolidated condensed statement at June 30, 2014, information relating to IFRS 12 is provided to allow for an accurate reading of the consolidated financial statements.

The main impacts identified are mainly the result of the implementation of IFRS 10 and IFRS 11 relating to the consolidated financial statements and partnerships and more particularly to the equity method accounting of joint ventures owned by the Group, which had until now been consolidated based on the proportionate consolidation method.

Joint ventures involved in the application of these standards mainly concern construction companies and manufacturing companies, comprising Colas and a partner company, which are accounted for as of January 1, 2014, according to the equity method. The impact of the retroactive application of these standards on January 1, 2013, on the 2013 full fiscal year and the first half of 2013, is presented in note 13 of the notes to the consolidated financial statements.

IFRIC IC has been seized regarding certain difficulties encountered in the application of IFRS 11. The Group does not anticipate that any clarifications will have a material impact on its consolidated financial statements.

IFRIC 21 Interpretation: levies managed by public authorities.
This interpretation was endorsed by the European Union on June 13, 2014 and was not applied in advance to January 1, 2014.

Other main Standards, amendments and critical interpretations published by the IASB and not yet endorsed by the European Union.

IFRS 15: Revenue from Contracts with Customers.

On May 28, 2014, the IASB issued a new standard on accounting for income called to replace most of the existing provisions in IFRS. The new standard, not adopted by the European Union, is applicable to January 1, 2017, with early application permitted.
The impact of this standard, which has not been anticipated by the Group, is being evaluated.

Seasonal nature of business

Revenue and operating income figures are clearly marked by the strong seasonal nature of Colas' business, which is reflected in the low level of activity during the first half year due to poor weather conditions. The amplitude of the phenomena varies from year to year. In compliance with IFRS principles, interim revenue is recognized in the same conditions as it is at year end.

Accounting choices/estimates in the measurement of certain assets, liabilities, income and expenses:

For the purposes of preparing consolidated financial statements in accordance with the standards and interpretations, estimates and assumptions are sometimes made; these may have related to amounts presented under assets and liabilities, contingent liabilities on the date the financial statements and the amounts presented under income and expenses for the fiscal year.

These estimates and assessments are measured continuously based on past experience, and on various other factors deemed to be reasonable which constitute the basis of the assessments of the carrying amount of assets and liabilities. Actual results may differ significantly from these estimates based on different assumptions or conditions.

These primarily concern: the assessment of goodwill impairment tests, employee benefits (post-employment benefits), the fair value of unlisted financial instruments, deferred tax assets and provisions.

Lastly, in the absence of standards or interpretations applicable to a specific transaction, another event or condition, the Group has made use of judgments to define and apply the accounting policies that will provide relevant information, giving a true, fair and comparable view from one period to another, in order to ensure that the financial statements:
• give a true and fair view of the Group's financial position, financial performance and cash flow;
• fairly reflect the economic reality of transactions;
• are neutral, prudent and exhaustive in all material aspects.

In this case, detailed information is presented in the notes to the consolidated financial statements.

2.3 Consolidation methods

Subsidiaries and controlled entities
Companies controlled by Colas are fully consolidated.

Jointly controlled companies
A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control.
The assets, liabilities, income and expenses of joint ventures, which give each of the joint participants of direct rights in assets and obligations in respect of liabilities, are accounted for on the interests in joint activity.
Joint ventures that confer rights in the net assets are accounted for using the equity method.

Investments in associates
An associate is a non-controlled entity over which the Group is in a position to exercise significant influence. Significant influence is presumed to exist whenever the Group holds, either directly or indirectly, 20% or more of the voting power of the entity.
The results, assets and liabilities of associates are incorporated in these financial statements using the equity method.

2.4 Accounting principles and policies

Accounting principles and policies applied to establish the interim financial statements 2014 are identical to those used in the annual financial statements of the fiscal year 2013.

2.5 Comparability of the financial statements

The financial statements at June 30, 2013 and December 31, 2013, have been restated to include a change in the consolidation method as of January 1, 2014 (in application of the IFRS 11 standard).
Changes in scope of consolidation during the period did not have significant impact on the financial statements.

Thus, financial statements at June 30, 2014 are comparable with the restated financial statements at June 30, 2013 and December 31, 2013.

Note 3. Non-current assets

3.1 – Property, plant and equipment

	Land and buildings	Plant and equipment	Assets in course of construction and advance payments	TOTAL
Net carrying amount				
At June 30, 2013	862	1,374	97	**2,333**
At December 31, 2013	868	1,312	84	**2,264**
At June 30, 2014	**868**	**1,294**	**120**	**2,282**
Including financial leases	3	40		43

3.2 - Intangible assets and Goodwill

	Concessions, patents, and other rights	Other	Total intangible assets	Goodwill
Net carrying amount				
At June 30, 2013	70	19	**89**	**470**
At December 31, 2013	75	21	**96**	**522**
At June 30, 2014	74	19	**93**	**516**

3.3. - Investments in associates

	Share in equity	Goodwill	Depreciation of Goodwill	Net carrying amount
At January 1, 2014	160	104	(24)	**240**
Exchange differences	1			1
Transfers	1			1
Changes in scope of consolidation	3			3
Issue of share capital				
Net consolidated profit	11			11
Dividends paid	(11)			(11)
Impairment			(1)	(1)
At June 30, 2014	165	104	(25)	**244**

Main associated companies

Company	Head office	% hold	Net carrying amount	Of which Goodwill	Goodwill impairment	Net carrying amount
Tipco Asphalt	Thailand	32.2 %	37	5		42
Mak Mecsek	Hungary	30.0 %	30			30
Other			98	99	(25)	172
Total			165	104	(25)	**244**

3.4. - Other non-current financial assets

	Non-consolidated investments	Other financial assets	Total gross value	Allowance	Carrying amount
At June 30, 2013	76	172	**248**	(52)	**196**
At December 31, 2013	79	178	**257**	(56)	**201**
At June 30, 2014	**94**	**172**	**266**	**(65)**	**201**

Note 4. Current assets

	June 30, 2014			December 31, 2013		
	Gross	Allowance	Net	Gross	Allowance	Net
Inventories	765	(25)	**740**	633	(27)	**606**
Trade receivables	3,507	(137)	**3,370**	2,897	(138)	**2,759**
Tax receivables	119		**119**	49		**49**
Other receivables:						
Staff, social welfare bodies, State	343		343	238		238
Group receivables and other receivables	321	(23)	298	241	(20)	221
Prepayments	52		52	34		34
Total other receivables	716	(23)	**693**	513	(20)	**493**

Note 5. Information on equity

5.1 Composition of share capital

Colas' share capital on June 30, 2014 amounts to 48,981,748.50 euros.
It is comprised of 32,654,499 shares at 1.50 euros each, ranking *pari passu* (although nominative shares owned for a period of more than two years by the same shareholder grant double voting rights).

5.2 Year variations

No change since December 31, 2013.

Note 6. Provisions

6.1 - Current provisions

	Losses on completion	Works risks and costs of closing down sites	Customer warranties (short-Term)	Site reclamation (short-Term)	Other	Total
At January 1, 2014	**63**	**86**	**53**	**6**	**52**	**260**
Exchange differences			1			1
Transfers	(2)	2			(2)	(2)
Changes in scope of consolidation					(1)	(1)
Allocation for the year	16	10	3		10	39
Reversal of utilized provisions	(13)	(16)	(5)	(1)	(8)	(43)
Reversal of unutilized provisions	(10)	(4)	(3)		(2)	(19)
At June 30, 2014	**54**	**78**	**49**	**5**	**49**	**235**

6.2 - Non-current provisions

	Employee benefits	Litigation and legal matters	Customer warranties (long -Term)	Site reclamation (long-Term)	Others	Total
At January 1, 2014	**356**	**217**	**50**	**144**	**26**	**793**
Exchange differences	2					2
Transfers		(1)	1			
Changes in scope of consolidation				(1)		(1)
Actuarial gains/losses in equity	13					13
Allocation for the year	17	10	6	3	1	37
Reversal of utilized provisions	(6)	(14)	(5)	(3)	(1)	(29)
Reversal of unutilized provisions	(1)	(3)	(1)	(1)	(1)	(7)
At June 30, 2014	**381**	**209**	**51**	**142**	**25**	**808**

Breakdown of main provisions

	June 30, 2014	December 31, 2013
Length-of-service awards	96	91
Retirement indemnities	216	198
Pensions	69	67
Employee benefits	**381**	**356**
Litigation with clients	59	63
Litigation with employees	15	16
Litigation with welfare bodies	86	83
Litigation with tax authorities	29	31
Litigation with other bodies	7	12
Other litigations	13	12
Litigation and legal matters	**209**	**217**

Note 7. Current and non-current financial debts

	June 30, 2014	June 30, 2013
Bank loans (medium/long-term)	325	351
Finance leases	16	20
Other financial debts (long-term)	2	2
Non-current debt	**343**	**337**
Portion of long-term debt at less than one year	69	86
Short-term borrowings and overdrafts	309	1,008
Current debt	**378**	**1,094**

Note 8. Net cash (net financial position)

	June 30, 2014	June 30, 2013
Cash and cash equivalents	401	334
Bank overdrafts and short-term loans	(309)	(1,008)
Net cash	**92**	**(674)**
Non-current debt	343	373
Current debt	69	86
Financial instruments	11	8
Gross debt	**423**	**467**
Net financial position	**(331)**	**(1,141)**

Note 9. Revenue and Income from ordinary activities

	June 30, 2014	June 30, 2013
Revenue	1,113	1,160
Rendering of services	166	177
Construction contracts	4,015	4,119
Revenue	**5,294**	**5,456**
Other income from ordinary activities	-	-
Total income from ordinary activities	**5,294**	**5,456**

Note 10. Operating profit

	June 30, 2014	June 30, 2013
Current operating profit	(114)	(87)
Other non-current income	-	-
Other non-current expense	-	-
Operating profit	**(114)**	**(87)**

Note 11. Income tax

Evaluation of the income tax for interim period

Income tax of every consolidated entity is calculated by applying to the result before taxes for the interim period the average effective rate estimated for the annual period.

Breakdown

	June 30, 2014	June 30, 2013
Current income tax	41	23
Deferred income tax	4	5
Tax adjustments or exemptions, withholding taxes	(3)	(1)
Net tax expense	**42**	**27**

Note 12. Segment reporting

IFRS 8 requires operating segment definition based on internal reporting reviewed by the entity's chief operating decision-maker to make decisions about resources to be allocated to the segment and to assess its performance.

12.1 Determination of Group's segments

The Group's operating activities are organized as follows:

- **Roads Mainland France** includes road activities in Mainland France.
- **Roads North America** includes road activities in the United States and Canada.
- **Roads Europe** includes road activities in Europe (excluding France).
- **Roads Rest of the world** includes road activities in Africa, North Africa, Indian Ocean, French overseas departments and territories, Asia/Australia and Middle-East.
- **Specialized Activities** include specialized activities for France and elsewhere around the world: Safety, and Signaling, Pipelines, Waterproofing, Railways, and since 2012, the Sales of refined oil products other than bitumen (, base oils, paraffin and fuels).
- **Holding** company includes the Head Office of Colas.

12.2 Reconciliation

Internal reporting and accounting figures are identical; consequently no reconciliation schedule has been disclosed.

12.3 Business segment information

	Roads Mainland France	**Roads North America**	**Roads Europe**	**Roads Rest of the world**	**Specialized Activities**	**Holding company**	**Consolidated**
June 30, 2014							
Income from ordinary activities	2,135	704	666	632	1,151	6	**5,294**
Current operating profit	(16)	(77)	(19)	20	(29)	7	**(114)**
Non-current operating profit							
Operating profit	**(16)**	**(77)**	**(19)**	**20**	**(29)**	**7**	**(114)**
Net profit	**3**	**(51)**	**(16)**	**15**	**(21)**	**388**	**318**

	Roads Mainland France	Roads North America	Roads Europe	Roads Rest of the world	Specialized Activities	Holding company	Consolidated
June 30, 2013							
Income from ordinary activities	2,299	724	554	670	1,197	12	**5,456**
Current operating profit	(2)	(82)	(15)	15	(15)	12	**(87)**
Non-current operating profit							
Operating profit	**(2)**	**(82)**	**(15)**	**15**	**(15)**	**12**	**(87)**
Net profit	**4**	**(53)**	**(14)**	**10**	**(11)**	**32**	**(32)**

Note 13. Impacts related to the first application of standards on consolidation

As explained in note 2, effective January 1, 2014, the Group has retrospectively applied the new standards IFRS 10, 11 and 12.
Below, we disclose the impacts of this retrospective application on the 2013 financial statements, which come mainly from changing the mode of integration (proportional to equity integration) of the controlled entities jointly with partners.
Main companies involved:

(1) France: Carrières Roy, Carrière Someca, STVR
(2) International: Hincol (India), Gamma Materials (Mauritius Island), SW Highways (UK).

	Published 31/12/2013	Impacts IFRS10-11	**Pro Forma 31/12/2013**	Published 30/06/2013	Impacts IFRS10-11	**Pro Forma 30/06/2013**
Property, plant and equipment	2,332	(68)	2,264	2,402	(69)	2,333
Intangible assets	108	(12)	96	101	(12)	89
Goodwill	548	(26)	522	496	(26)	470
Investments in associates	123	117	240	475	115	590
Other financial assets	198	3	201	194	2	196
Non-current tax assets	156		156	155		155
Non-current assets	**3,465**	**14**	**3,479**	**3,823**	**10**	**3,833**
Current assets	4,509	(80)	4,429	5,513	(83)	5,430
Held for sale assets	358		358			
TOTAL ASSETS	**8,332**	**(66)**	**8,266**	**9,336**	**(73)**	**9,263**
Equity attributable to the Group	2,496		2,496	2,210		2,210
Minority interests	38	(7)	31	37	(7)	30
Non-current debt	231	(10)	221	385	(12)	373
Non-current provisions	796	(3)	793	783	(2)	781
Non-current tax liabilities	92	(5)	87	95	(4)	91
Current liabilities	4,679	(41)	4,638	5,826	(48)	5,778
TOTAL LIABILITIES	**8,332**	**(66)**	**8,266**	**9,336**	**(73)**	**9,263**
Income from ordinary activities	13,049	(204)	12,845	5,560	(104)	5,456
Operating profit	406	(27)	379	(76)	(11)	(87)
Cost of net debt	(26)	5	(21)	(11)		(11)
Other financial income and expense	(2)		(2)	2		2
Income tax expense	(127)	7	(120)	24	3	27
Income from associates	64	14	78	30	7	37
Net profit	315	(1)	314	(31)	(1)	(32)
Net profit attributable to minority interests	3	(1)	2	1	(1)	
NET PROFIT ATTRIBUTABLE TO THE GROUP	**312**	**-**	**312**	**(32)**	**-**	**(32)**

Note 14. Main exchange rates used for translation

Convention: 1 euro = x local monetary units.

Country	Currency	Rate June 30, 2014	Average rate June 30, 2014	Rate June 30, 2013	Average rate June 30, 2013
Europe					
Croatia	Croatian kuna	7.5755	7.6276	7.4860	7.5667
Denmark	Danish kroner	7.4564	7.4631	7.4588	7.4572
Great Britain	British pound	0.7999	0.8226	0.8545	0.8530
Hungary	Forint	305.31	306.9209	298.80	297.92
Poland	Zloty	4.1326	4.1769	4.3183	4.2124
Czech Republic	Czech Republic koruny	27.435	27.4437	25.806	25.719
Switzerland	Swiss franc	1.217	1.2217	1.2319	1.2285
North America					
United States	US dollar	1.362	1.3709	1.3200	1.3127
Canada	Canadian dollar	1.4749	1.5054	1.3651	1.3393
Other					
Australia	Australian dollar	1.4478	1.5019	1.4323	1.3106
Morocco	Dirham	11.2284	11.2438	11.1330	11.1328
Thailand	Baht	44.33	44.6424	41.0780	39.2978

COLAS

Certification by the person assuming responsibility for the half-year activity report

I certify that to the best of my knowledge the condensed financial statements included in this document have been prepared in accordance with the applicable accounting standards and present a true picture of the assets, financial situation and results of all the companies included within the scope of consolidation, and that the enclosed half-year activity report is a true reflection of the important events arising in the first six months of the financial year and their impact on the annual financial statements, a statement of the principal transactions between related parties, as well as a description of the principal risks and uncertainties for the remaining six months of the financial year.

Boulogne, August 28, 2014

Hervé LE BOUC
Chairman – CEO

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COLAS

Société Anonyme

Rapport des commissaires aux comptes sur l'information financière semestrielle 2014

Période du 1er janvier au 30 juin 2014
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Capital social : €.48.981.749

Rapport des commissaires aux comptes sur l'information financière semestrielle 2014

Période du 1er janvier au 30 juin 2014

Aux actionnaires,

En exécution de la mission qui nous a été confiée par votre Assemblée Générale et en application de l'article L.451-1-2 III du Code monétaire et financier, nous avons procédé à :

- l'examen limité des comptes semestriels consolidés condensés de la société COLAS S.A., relatifs à la période du 1er janvier au 30 juin 2014, tels qu'ils sont joints au présent rapport ;
- la vérification des informations données dans le rapport semestriel d'activité.

Ces comptes semestriels consolidés condensés ont été établis sous la responsabilité du Conseil d'Administration. Il nous appartient, sur la base de notre examen limité, d'exprimer notre conclusion sur ces comptes.

I - Conclusion sur les comptes

Nous avons effectué notre examen limité selon les normes d'exercice professionnel applicables en France. Un examen limité consiste essentiellement à s'entretenir avec les membres de la direction en charge des aspects comptables et financiers et à mettre en œuvre des procédures analytiques. Ces travaux sont moins étendus que ceux requis pour un audit effectué selon les normes d'exercice professionnel applicables en France. En conséquence, l'assurance que les comptes, pris dans leur ensemble, ne comportent pas d'anomalies significatives obtenue dans le cadre d'un examen limité est une assurance modérée, moins élevée que celle obtenue dans le cadre d'un audit.

Sur la base de notre examen limité, nous n'avons pas relevé d'anomalies significatives de nature à remettre en cause la conformité des comptes semestriels consolidés condensés avec la norme IAS 34 – norme du référentiel IFRS tel qu'adopté dans l'Union européenne relative à l'information financière intermédiaire.

II – Vérification spécifique

Nous avons également procédé à la vérification des informations données dans le rapport semestriel d'activité commentant les comptes semestriels consolidés condensés sur lesquels a porté notre examen limité.

Nous n'avons pas d'observation à formuler sur leur sincérité et leur concordance avec les comptes semestriels consolidés condensés.

Les commissaires aux comptes

Paris La Défense et Courbevoie, le 27 août 2014

KPMG Audit IS		MAZARS
François Plat *Associé*	Guillaume Potel *Associé*	Gaël Lamant *Associé*