



La route avance

HALF-YEAR REPORT AS OF JUNE 30, 2016

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(French monetary and financial code L. 451-1-2)

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Colas

With locations in over 50 countries on five continents, Colas is a world leader in the construction and maintenance of transport infrastructure, striving to meet the challenges posed by mobility, urban development and environmental issues. Backed by a network of 800 construction business units and 2,000 material production units, the Group completes more than 80,000 projects each year, and spans the full range of production and recycling activities in most of its lines of business. Colas operates via two main divisions: Roads, its core business, and complementary Specialized Activities (Railways, Waterproofing, Road Safety and Signaling, Networks). Colas is also a stakeholder, usually for a minority share, in infrastructure concession and management companies.

Key figures

<i>(in millions of euros)</i>	1 st half year		Change
	2015	2016	
Revenue ^a	5,204	4,678	-10%
<i>of which France</i>	2,813	2,638	-6%
<i>of which International</i>	2,391	2,040	-15%
Current operating income	(119)	(85)	+34
Operating income ^b	(119)	(115)	+4
Net profit attributable to the Group	(69)	(71)	-2

(a) Revenue is down 6% at constant scope and exchange rates.

(b) As of end-June 2016, 30 million euros were accounted for in non-current expenses pertaining to the refined products activity currently being closed.

Highlights of the half year

- The road market in Mainland France is progressively stabilizing, after a sharp two-year slump;
- Acquisition of a group of companies specialized in the production of materials and road construction with partners in the United Arab Emirates, Oman, and Qatar;
- Securing of important contracts:
 - refurbishment of roads and highways in the United States for a contract value of 115 million euros;
 - refurbishment of roads and highways in Canada for a contract value of 90 million euros;
 - extension of the Algiers metro for a contract value of 86 million euros;
 - extension of the Port of Calais for a contract value of 75 million euros (Colas share);
 - rehabilitation and widening of Route 1 in Gabon for a contract value of 61 million euros;
 - construction of a section of Motorway M35 in Hungary for a contract value of 55 million euros.



Activity by business sector

Consolidated revenue as of June 30, 2016 totaled 4,678 million euros, down 10% compared to June 30, 2015 (-6% at constant scope and exchange rates). This drop is attributable in part to major changes in scope of consolidation (-179 million euros) and currency effect (-60 million euros). The changes in scope mainly pertain to the sale of bitumen storage and trade activities in Asia to the Thai subsidiary Tasco, in which Colas holds a 32% share, and to the cessation of the refining business in France.

<i>(in millions of euros)</i>	1 st half year		Change	Change with constant scope and exchange rates
	2015	2016		
Revenue	5,204	4,678	-10%	-6%
<i>Roads Mainland France</i>	1,807	1,779	-2%	-1%
<i>Roads Europe</i>	736	585	-21%	-21%
<i>Roads North America</i>	843	802	-5%	-3%
<i>Roads Rest of the World</i>	668	545	-18%	+1%
<i>Specialized Activities</i>	1,143	957	-16%	-9%
<i>Parent company</i>	7	10	ns	

Roads

In **Mainland France**, at constant scope, revenue is similar to the first half year 2015 despite disruptions in May and June (supply issues for bitumen and oil products due to strikes and poor weather). The market seems to be stabilizing at a level near that of 2015, after a sharp two-year slump.

In **Europe**, revenue is down 21%. Business in northern Europe is similar to the first half year 2015 at constant exchange rates, whereas revenue in central Europe recorded a sharp drop due to a forecast delay in the launching of major road construction bids, in particular in Hungary and Slovakia, which started as of July.

In **North America**, revenue is down slightly at the end of June 2016 (-3% at constant scope and exchange rates), with business starting up roughly one month later than usual in Canada because of poor weather.

In the **Rest of the World (international excluding Europe and North America)**, revenue appears to have taken a sharp decline (-18%) but is identical to first half 2015 at constant scope and exchange rates (+1%). The gap is due to the sale of subsidiaries in Asia to the Thai subsidiary Tasco, consolidated by the equity method.



Specialized Activities

During the first half year 2016, revenue in Specialized Activities was down 16% (-9% at constant scope and exchange rates). The difference comes from the cessation of the refined products activity and the depreciation of the pound against the euro. Most of this 9% decrease at end-June 2016 was due to:

- the Railway sector, whose business is spread out differently over the year compared to 2015 - a gap that should be made up for during the second half year;
- a 10% drop in Waterproofing.

Production of materials

In France and around the world, Colas has major operations involving the production of construction materials, notably aggregates, thanks to a global network comprising 714 quarries, 553 asphalt plants, 129 emulsion plants and 197 concrete plants. During the first half year 2016, the Group produced 39 million tons of aggregates (+2% from first half-year 2015), 14 million tons of asphalt mix (+4%), 762,000 tons of binders and emulsions (+3%) and 1.1 million cubic meters of ready-mix concrete (unchanged).

Profitability

Current operating income / non-current operating expenses

As of June 30, 2016, current operating income amounted to -85 million euros, compared to -119 million euros on June 30, 2015, a 34-million euro improvement. Current operating income from the Roads business is identical to end-June 2015 despite an 8% drop in revenue. Current operating profit margin has improved thanks to adaptation plans. Current operating income for Specialized Activities is down by 9 million euros due to delays in the Railway sector at end-June 2016.

Fixed charges pertaining to the refining unit in Dunkirk that is currently being closed, as well as additional costs for the social plan approved in May 2016 have led to non-current expenses at end-June 2016 of 30 million euros.

Income from associates and joint ventures totaled 31 million euros, compared to 30 million euros at end-June 2015.

Colas' net profit at the end of June is traditionally negative due to the seasonal nature of its businesses. Net profit attributable to the Group at the end of June 2016 amounted to -71 million euros, compared to -69 million euros at end-June 2015.



Financial structure

On June 30, 2016, net debt amounted to 316 million euros, compared to 569 million euros end-June 2015. The change from December 31, 2015 (net cash of 560 million euros) reflects the seasonal nature of Colas' businesses.

Outlook

Work-on-hand remains high at the end of June 2016 for a total of 8.0 billion euros, almost identical to end-June 2015 (-1%). It is up 3% at constant exchange rates. Work-on-hand in the international units and French Overseas Departments is identical to end-June 2015 and work-on-hand in Mainland France is down 2%.

On the basis of currently available information, revenue at constant scope and exchange rate could decrease by roughly 2% in 2016. Forecasts show improvement in profitability.

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 2015 at the Combined Annual Shareholders' Meeting on April 13, 2016.



French Société Anonyme with share capital of 48,981,748.50 euros
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Registered at R.C.S. Nanterre B552 025 314 A.P.E. 4211Z
Fiscal year from January 1 to December 31, 2016

Condensed consolidated financial statements of the Colas Group

At June 30, 2016

Consolidated Balance Sheet

Consolidated Income Statement

Statement of Recognized Income and Expense

Consolidated Statement of Changes in Equity

Consolidated Cash Flow Statement

Notes to the Consolidated Financial Statements

Consolidated balance sheet

In millions of euros	Notes	June 30 2016	December 31 2015	June 30 2015
Property, plant and equipment	3.1	2,302	2,392	2,456
Intangible assets	3.2	95	86	91
Goodwill	3.2	498	507	524
Investments in joint ventures and associates	3.3	317	307	284
Other non-current financial assets	3.4	202	212	218
Deferred taxes and non-current tax receivable		181	165	164
Non-current assets		3,595	3,669	3,737
Inventories		575	511	695
Trade receivables		3,040	2,360	3,297
Tax asset (receivable)		156	124	143
Other current receivables and prepaid expenses		660	543	717
Cash and cash equivalents		334	848	391
Financial instruments		19	18	18
Current assets		4,784	4,404	5,261
Held-for-sale assets		-	-	-
Total assets		8,379	8,073	8,998
Share capital and share premium		384	384	384
Retained earnings		2,053	1,993	1,982
Treasury shares		(2)	(1)	(1)
Translation reserve		62	83	106
Consolidated net profit/ (loss)		(71)	234	(69)
Equity attributable to the Group		2,426	2,693	2,402
Non-controlling interests		29	31	30
Equity	4	2,455	2,724	2,432
Non-current debt	6	230	176	555
Non-current provisions	5.2	822	837	865
Deferred tax liabilities and non-current tax liabilities		72	73	86
Non-current liabilities		1,124	1,086	1,506
Advances and down-payments received on orders		313	293	386
Current debt	6	82	44	95
Current taxes payable		21	57	22
Trade payables		1,931	1,763	2,055
Current provisions	5.1	323	348	276
Other current liabilities		1,773	1,672	1,898
Overdrafts and short-term bank borrowings		333	62	301
Financial instruments		24	24	27
Current liabilities		4,800	4,263	5,060
Liabilities associated to assets held for sale and discontinued operations		-	-	-
Total liabilities and shareholders' equity		8,379	8,073	8,998
Net surplus cash / (net debt)	7	(316)	560	(569)

Consolidated income statement

In millions of euros		June 30,		Year
		2016	2015	2015
Revenue (1)	8/11	4,678	5,204	11,960
Purchases used in production		(2,015)	(2,514)	(5,645)
Personnel costs		(1,604)	(1,653)	(3,271)
External charges		(1,115)	(1,086)	(2,379)
Taxes, other than income tax		(85)	(92)	(160)
Net depreciation and amortization expenses		(171)	(183)	(420)
Net charges to provisions and impairment losses		(13)	(25)	(186)
Change in production inventories		1	(13)	(32)
Other income from operations (2)		339	332	658
Other expenses on operations		(100)	(89)	(181)
Current operating profit	9/11	(85)	(119)	344
Other operating income				
Other operating expenses		(30)		(95)
Operating profit		(115)	(119)	249
Financial income		9	9	17
Financial expenses		(16)	(19)	(36)
Cost of net debt		(7)	(10)	(19)
Other financial income		3	9	13
Other financial expenses		(3)	(7)	(15)
Income tax expenses	10	22	30	(68)
Joint ventures and associates		31	30	78
Net profit/ (loss)		(69)	(67)	238
Net profit/(loss) attributable to the Group		2	2	4
Net profit/(loss) attributable to non-controlling interests		(71)	(69)	234
Basic earnings per share from continuing operations (in euros)		ns	ns	7.16
Diluted earnings per share from continuing operations (in euros)		ns	ns	7.16
(1) Of which recorded outside of France (including export sales)		2,040	2,391	5,916
(2) Of which reversal of unutilized provisions / impairment losses		60	40	106

Statement of recognized income and expense

Net profit/ (loss)		(69)	(67)	238
Items not reclassifiable to profit/(loss)				
Actuarial gains (losses) on employee benefits		3	(2)	11
Net tax effect of items not reclassifiable to profit/(loss)		(1)		(2)
Items reclassifiable to profit or loss				
Change in cumulative translation adjustment of controlled entities		(18)	49	30
Net change in fair value of financial instruments used for hedging purposes		2	(1)	
Net tax effect of items reclassifiable to profit/(loss)			1	
Share of reclassifiable income and expense of joint ventures and associates		(3)	2	(1)
Net income recognized directly in equity		(17)	49	38
Total recognized income and expense		(86)	(18)	276
Attributable to the Group		(88)	(20)	271
Attributable to non-controlling interests		2	2	5

Consolidated statement of changes in equity

millions of euros	Share capital and share premium	Retained earnings	Translation reserve	Consolidated net profit/(loss)	Capital and reserves	Minority interests	Total
At December 31, 2014	384	1 872	55	604	2 915	30	2 945
Variation in treasury shares		1			1		1
Prior-year profit allocation		604		(604)			
Dividends paid		(503)			(503)	(1)	(504)
Other transactions with shareholders							
Net profit/ (loss)				234	234	4	238
Income (expenses) recognized directly in equity (1)		9	28		37	1	38
Net profit/(loss) and income (expenses) recognized directly in equity		9	28	234	271	5	276
Change in scope of consolidation and miscellaneous		9			9	(3)	6
At December 31, 2015	384	1 992	83	234	2 693	31	2 724
Variation in treasury shares		(1)			(1)		(1)
Prior-year profit allocation		234		(234)			
Dividends paid		(178)			(178)	(3)	(181)
Other transactions with shareholders							
Net profit/ (loss)				(71)	(71)	2	(69)
Income (expenses) recognized directly in equity (1)		4	(21)		(17)		(17)
Net profit/(loss) and income (expenses) recognized directly in equity		4	(21)	(71)	(88)	2	(86)
Change in scope of consolidation and miscellaneous						(1)	(1)
At June 30, 2016	384	2 051	62	(71)	2 426	29	2 455

(1) Detail of recognized income and expense:

	Group	Minority interests	Total
Exchange differences	(21)		(21)
Fair value restatement on financial instruments	2		2
Actuarial gains (losses) regarding employee benefits	3		3
Deferred taxes based on these items	(1)		(1)
Total income (expenses) recognized directly in equity	(17)	0	(17)

Consolidated cash flow statement

	June 30, 2016	December 31, 2015	June 30, 2015
In millions of euros			
Consolidated net profit/(loss) (including minority interests)	(69)	238	(67)
Adjustments for:			
Joint ventures and associates	(31)	(59)	(30)
Dividends received from associates	21	24	11
Dividends received from unconsolidated companies	(1)	(2)	(1)
Charges to/(reversals of) depreciation, amortization, impairment & non-current provisions	164	495	198
Gains and losses on asset disposal	(15)	(107)	(53)
Miscellaneous non-cash charges		(6)	
Sub-total	69	583	58
Cost of net debt	7	19	10
Income tax expenses	(22)	68	(30)
Cash from operations	54	670	38
Income tax paid	(67)	(104)	(45)
Changes in working capital related to operating activities	(534)	128	(572)
Cash flows from operating activities (a)	(547)	694	(579)
Purchase price of property, plant and equipment and intangible assets	(143)	(406)	(124)
Proceeds from disposals of property, plant and equipment and intangible assets	15	95	40
Net liabilities related to property, plant and equipment and intangible assets	(66)	(20)	(74)
Sub-total	(194)	(331)	(158)
Acquisitions and disposals of subsidiaries:			
Acquisitions of subsidiaries	(6)	(18)	(12)
Disposals of subsidiaries	49	28	
Net liabilities related to non-consolidated companies and other investments		5	
Other effects of changes in scope of consolidation (cash of acquired and divested companies)	1	7	6
Sub-total	44	22	(6)
Other cash flows related to investing activities (change in loans, dividends received from non-consolidated companies):			
Dividends received from unconsolidated companies	1	2	1
Changes of other non-current financial assets	10	3	(1)
Sub-total	11	5	
Cash flows from investing activities (b)	(139)	(304)	(164)
Capital increases/(reductions) paid by shareholders & non-controlling interests and other transactions between shareholders	(1)	1	1
Dividends paid to parent company shareholders	(178)	(503)	(503)
Dividends paid to minority interests	(3)	(1)	(2)
Change in current and non-current debt	98	(53)	376
Cost of net debt	(7)	(19)	(10)
Other cash flows related to financing activities	1		
Cash flows from financing activities (c)	(90)	(575)	(138)
Effect of foreign exchange fluctuations (d)	(9)	15	15
Net change in cash and cash equivalents (a+b+c+d)	(785)	(170)	(866)
Net cash at the beginning of the year	786	956	956
Net cash and cash equivalents at the end of the year (see note 7)	1	786	90

Notes to the consolidated financial statements

Notes

1. Significant facts of the first half year 2016
2. Significant accounting principles and policies
3. Non-current assets
4. Information on equity
5. Provisions current and non-current
6. Current and non-current financial debt
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Declaration of compliance

The interim condensed consolidated financial statements of Colas and its subsidiaries (the "Group") as of June 30, 2016 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, 2015.

They were prepared in accordance with the standards issued by the IASB including : IFRSs, IASs (International Accounting Standards), supplemented by the interpretations made by the former International Financial Committee ("IFRIC"), now called IFRS Interpretation Committee, or issued by the agency that preceded the Standing Interpretation Committee ("SIC"), approved by the Union European and applicable at that date. At June 30, 2016, the Group has not applied standard or interpretation by anticipation, not approved by the European Union.

The accounts present in millions of euros (unless otherwise stated): the balance sheet, the income statement, the statement of recognized income and expense, the consolidated statement of changes in equity, the consolidated cash flow statement and all notes pertaining thereto. They are presented compared with consolidated accounts at December 31, 2015 and the consolidated condensed accounts at June 30, 2015.

NOTE 1. SIGNIFICANT FACTS FOR THE FIRST HALF YEAR

1.1 Significant facts for the first half year

Colas SA sold its subsidiaries in South East Asia to its associated company Tipco Asphalt

1.2 Significant facts and changes in scope after June 30, 2016

None

NOTE 2. SIGNIFICANT ACCOUNTING PRINCIPLES AND POLICIES

2.1 Preparation principles of the financial statements

Condensed interim consolidated accounts of the Group Colas include the accounts of Colas SA and its subsidiaries, as well as investments in associated entities, joint ventures and joint activities. They are presented in millions of euros, currency in which the majority of the Group's operations is treated, 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 29, 2016.

The Condensed interim consolidated financial statements for the half year 2016 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, 2015 and at the end of June 2015.

Condensed interim consolidated accounts specific assessment methods are as follows:

For interim financial statements, consolidated income tax is determined according to the principles defined by the IAS 34 standard. The income tax of each company is taken into account in respect of the period based on the best estimate of the average annual tax rate expected for the full year (except for holding companies determined according to actual tax at end of period).

Expenses accounted for in the period in respect of the employee benefits are prorated charges estimated for the year, calculated on the basis of actuarial assumptions and forecasts to December 31, 2015. A drop of 70 basis points of the discount rate (2.09 % at December 31, 2015) would lead to an increase in the provision for employee retirement indemnities of EUR 20 million. This impact would be posted in the statement of recognized income and expense.

2.2 New IFRS Standards, amendments and interpretations

As of June 30, 2016, the Group applied the standards, interpretations, accounting principles and methods that were applied in the financial statements of fiscal year 2015, with the exception of mandatory changes laid down by the IFRS standards mentioned below, applicable as from January 1, 2016.

Main other standards, amendments and interpretations Essentials published by the IASB, not adopted 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, especially IAS 11 and IAS 18. The new standard, not adopted by the European Union, is applicable to January 1, 2018.

IFRS 9: Financial Instruments

On July 24, 2014, the IASB issued a new standard on financial instruments intended to replace most of the current IFRS pronouncements on this subject, in particular IAS 39. The new standard, not adopted by the European Union, is applicable to January 1, 2018.

IFRS 16 :

On January 13, 2016, the IASB published the standard IFRS 16 " Leases ". IFRS 16 will replace IAS 17 and IFRIC interpretations and SIC associated and will remove the distinction that was previously made between "operating leases" and "finance leases". Lessees will have to record all leases for a term of more than one year in a way similar to currently provided for financing leases in IAS 17 and count as an asset and a liability in respect of the rights and obligations created by a rental contract. The new standard, not adopted by the European Union, is applicable to January 1, 2019.

2.3 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 quarter 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.

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, 2015	922	1,399	135	2,456
At December 31, 2015	927	1,334	131	2,392
At June 30, 2016	914	1,297	91	2,302

3.2 - Intangible assets and Goodwill

	Concessions, patents, and other rights	Other	Total intangible assets	Goodwill
At June 30, 2015	72	19	91	524
At December 31, 2015	69	17	86	507
At June 30, 2016	67	28	95	498

3.3 - Investments in joint ventures and associates

	Share in equity	Goodwill	Goodwill impairment	Carrying amount
At June 30, 2015	207	105	(28)	284
At December 31, 2015	229	110	(32)	307
At June 30, 2016	241	109	(33)	317

Main companies

	Share in equity	Net carrying amount
Main associated companies		
Tipco Asphalt	92	15
Mak Mecsek	34	1
Other	3	
Joint ventures		
Miscellaneous companies	112	16
Total	241	32

3.4 – Other non-current financial assets

	Non-consolidated investments	Other non-current financial assets	Total gross value	Allowance	Carrying amount
At June 30, 2015	98	183	281	(63)	218
At December 31, 2015	104	175	279	(67)	212
At June 30, 2016	97	170	267	(65)	202

NOTE 4. INFORMATION ON EQUITY

4.1 Composition of share capital

Colas' share capital as of June 30, 2016 amounted to 48,981,748.50 euros.

It is comprised of 32,654,499 shares with a nominal value of 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).

4.2 Change during the year: None since January 1, 2016.

NOTE 5. CURRENT AND NON-CURRENT PROVISIONS

5.1 – 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, 2016	88	99	52	8	101	348
Exchange differences	(1)	1	(1)		(1)	(2)
Transfers		(2)			(1)	(3)
Changes in scope of consolidation						
Allocation for the year	16	12	6		26	60
Reversal of utilized provisions	(22)	(7)	(4)		(14)	(47)
Reversal of unutilized provisions	(12)	(16)	(3)		(2)	(33)
At June 30, 2016	69	87	50	8	109	323

5.2 - Non-current provisions

	Employee benefits	Litigation & legal matters	Customer warranties (Long Term)	Site reclamation (Long Term)	Others	Total
At January 1, 2016	369	215	69	153	31	837
Exchange differences	(3)	1				(2)
Transfers			2	1		3
Changes in scope of consolidation	(1)	(1)			(1)	(3)
Actuarial gains/losses in equity	(3)					(3)
Allocation for the year	10	10	8	3	2	33
Reversal of utilized provisions	(7)	(9)	(3)	(2)	(2)	(23)
Reversal of unutilized provisions	(2)	(12)	(5)	(1)		(20)
At June 30, 2016	363	204	71	154	30	822

Breakdown of main provisions

	June 30, 2016	December 31, 2015
Length-of-service awards	98	98
Retirement indemnities	207	204
Pensions	58	67
Employee benefits	363	369
Litigation with clients	46	55
Litigation with employees	20	19
Litigation with welfare bodies	85	85
Litigation with tax authorities	30	32
Litigation with other bodies	2	2
Other litigations	21	22
Litigation and legal matters	204	215

NOTE 6. CURRENT AND NON-CURRENT FINANCIAL DEBT

	June 30, 2016	June 30, 2015
Bank loans (medium/long-term)	221	542
Finance leases	8	12
Other financial debts (long-term)	1	1
Non-current debt	230	555
Portion of long-term debt at less than one year	82	95
Short-term borrowings and overdrafts	333	301
Current debt	415	396

NOTE 7. CHANGES IN NET FINANCIAL POSITION

	December 31, 2015	Cash flows	Change in scope, exchange and other	June 30, 2016
Cash and cash equivalents	848	(494)	(20)	334
Overdrafts and short-term bank borrowings	(62)	(282)	11	(333)
Net cash	786	(776)	(9)	1
Non-current debt	176	102	(48)	230
Current debt	44	(5)	43	82
Financial instruments	6	1	(2)	5
Gross debt	226	98	(7)	317
Net financial position	560	(874)	(2)	(316)

NOTE 8. ANALYSIS OF REVENUE AND OTHER INCOME FROM ACTIVITY

	June 30, 2016	June 30, 2015
Sales of products	776	962
Rendering of services	183	168
Construction contracts	3 719	4 074
Revenue	4,678	5,204
Other income from ordinary activities	-	-
Income from ordinary activities	4,678	5,204

NOTE 9 – OPERATING PROFIT

	June 30, 2016	June 30, 2015
Current operating profit	(85)	(119)
Other non-current income (a)	-	-
Other non-current expense (a)	(30)	-
Operating profit	(115)	(119)

(a) Expenses related to the refined products activity, which essentially correspond to the fixed costs of the SRD subsidiary in Dunkerque, whose production is stopped.

NOTE 10 – INCOME TAX EXPENSES

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, 2016	June 30, 2015
Current income tax	5	16
Deferred income tax	20	16
Tax adjustments or exemptions, withholding taxes	(3)	(2)
Net tax expense	22	30

NOTE 11. 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.

11.1 Determination of Group's segments

The Group's operating activities are organized as follows:

- **Roads Mainland France** includes the road activities in mainland France;
- **Roads Europe** includes road activities in Europe (excluding France);
- **Roads North America** includes road activities in the United States and Canada;
- **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 and networks, Waterproofing, Railways, the Sales of refined oil products other than bitumen (base oils, paraffin and fuels);
- **Holding company** includes the Head Office of Colas.

11.2 Business segment information

	Roads Mainland	Roads Europe	Roads North America	Roads Rest of the world	Specialized Activities	Holding company	Consoli dated
June 30, 2016							
Income from ordinary activities	1,779	585	802	545	957	10	4,678
Current operating profit	(51)	9	(62)	22	(41)	8	(115)
Net profit	(44)	11	(39)	37	(33)	(1)	(69)
June 30, 2015							
Income from ordinary activities	1,807	736	843	668	1,143	7	5,204
Current operating profit	(66)	1	(39)	20	(43)	8	(119)
Net profit	(55)	2	(27)	35	(27)	5	(67)

NOTE 12. CONTINGENT LIABILITIES

Off-balance sheet commitments at December 31, 2015 do not significantly change.

NOTE 13. RELATED PARTY DISCLOSURES

Related parties identity

Parties with ownership interest:	Bouygues and its subsidiaries and associates companies
Joint-ventures and joint activities:	Carrières Roy and certain non-significant joint-ventures
Associates:	Tipco Asphalt, Mak and some non-significant associates
Other related parties:	Colas Foundation, and other non-consolidated companies

Details of transactions with related parties

	Expenses		Incomes		Receivables		Payables	
	2016	2015	2016	2015	2016	2015	2016	2015
Parties with ownership interest	32	30	83	111	66	69	125	19
Joint-ventures and joint activities	32	29	89	86	64	56	51	70
Associates		1	6	3	3	3	7	6
Other related parties	21	19	66	82	16	13	12	11
Total	85	79	244	282	149	141	195	106
Maturity under one year					149	141	193	104
Maturity between 1 and 5 years					-	-	2	2
Maturity above 5 years					-	-	-	-

NOTE 14. MAIN EXCHANGE RATES USED FOR TRANSLATION

Convention: 1 euro = x local monetary units

Country	Currency	Rate June 30, 2016	Average rate June 30, 2016	Rate June 30, 2015	Average rate June 30, 2015
Europe					
Croatia	Croatian Kuna	7,521	7,5623	7,5765	7,6302
Denmark	Danish Kroner	7,4362	7,4506	7,4611	7,4559
Great Britain	British Pound	0,7877	0,7772	0,7134	0,7335
Hungary	Forint	314,26	312,466	312,85	307,2227
Poland	Zloty	4,4463	4,3652	4,1729	4,1388
Czech Republic	Czech Republic Koruny	27,069	27,0353	27,211	27,5186
Switzerland	Swiss Franc	1,0818	1,097	1,0449	1,0575
North America					
United States	US Dollar	1,1254	1,1158	1,1299	1,1154
Canada	Canadian Dollar	1,4519	1,4876	1,3865	1,377
Other					
Australia	Australian Dollar	1,5234	1,5237	1,4591	1,4244
Morocco	Dirham	10,936	10,8763	10,9633	10,8197
Thailand	Baht	39,704	39,5715	38,066	36,7189



La route avance

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 31, 2016

Hervé LE BOUC
Chairman – CEO



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2 avenue Gambetta
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Exaltis
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COLAS

Société Anonyme

**Rapport des commissaires aux
comptes sur l'information
financière semestrielle 2016**

Période du 1^{er} janvier au 30 juin 2016
COLAS
Société Anonyme
7, place René Clair - 92100 Boulogne Billancourt



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2 avenue Gambetta
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MAZARS
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92400 Courbevoie

COLAS
Société Anonyme

Siège social : 7, place René Clair - 92100 Boulogne Billancourt
Capital social : €48 981 749

Rapport des commissaires aux comptes sur l'information financière semestrielle 2016

Période du 1^{er} janvier au 30 juin 2016

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 1^{er} janvier au 30 juin 2016, 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.

COLAS
Société Anonyme
Rapport des commissaires aux comptes sur
l'information financière 2016
29 août 2016

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

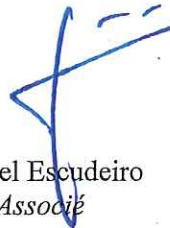
Paris La Défense et Courbevoie, le 29 août 2016

KPMG Audit IS

MAZARS



François Plat
Associé



Daniel Escudeiro
Associé



Guillaume Potel
Associé