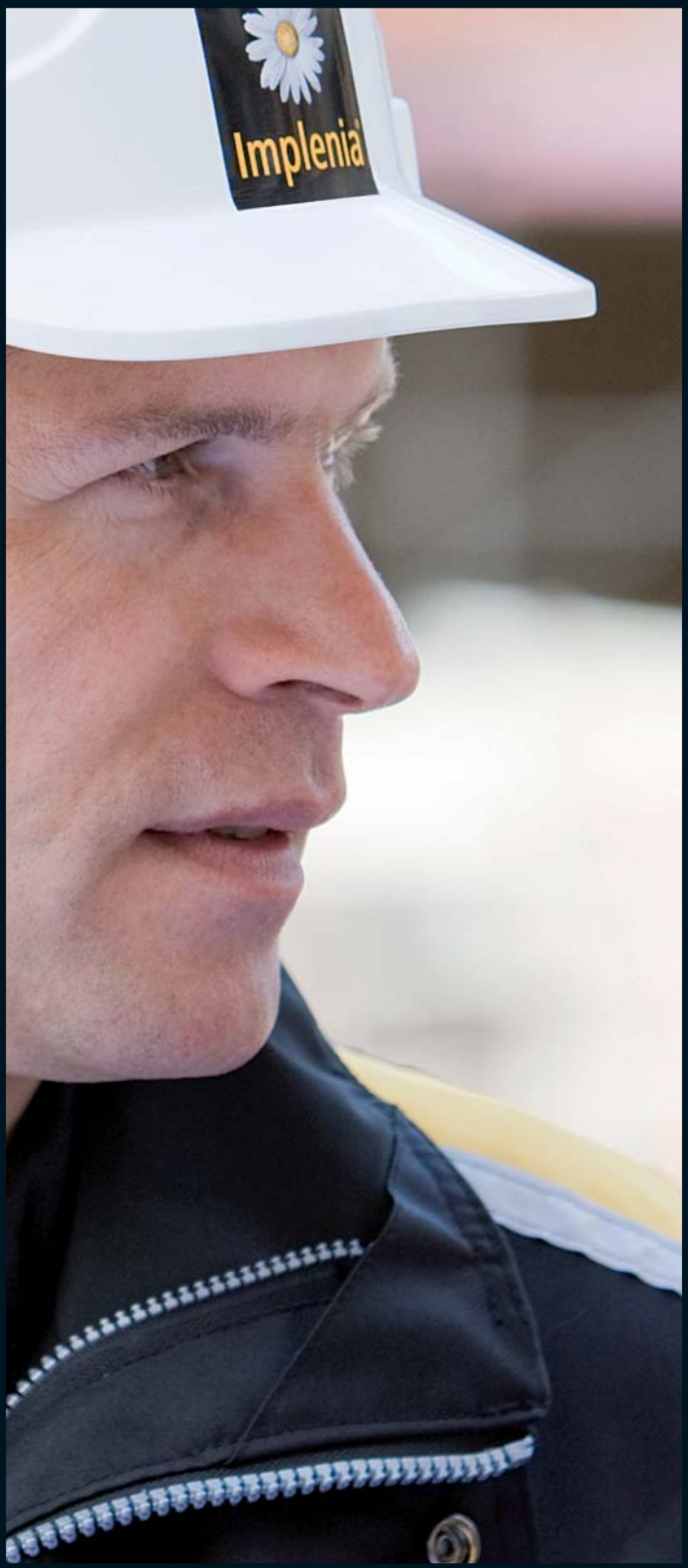

Half-Year Report

2008

Implenia®

Half-Year Report

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Schedule

2009 Results Press conference
10 March 2009

2009 Presentation to Financial Analysts
10 March 2009

2009 General Meeting
16 April 2009
(Request to include items on the agenda must be received by 2 March 2009)

06 Message

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10 Development of Our Activities

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3

1 Introduction

Solid foundations for the future

Dear Shareholders

We are very pleased to present you with Implenia Group's report for the first half of 2008.

Swiss construction market remains robust for the time being

The sun is still shining on the Swiss construction and real estate industry. Demand for property remains robust as healthy economic growth continues to stimulate immigration, especially from EU countries. This is pushing up demand not only for housing but also for commercial buildings.

A total of around 43,500 homes were built in 2007, the highest level since records began in 1994. Another net increase of 42,000 units is expected for 2008. We have now passed the peak, and the residential construction boom is gradually losing momentum. In the first quarter of 2008, there were about 60,000 new homes under construction. Most of these will appear on the market this year, the rest in 2009; in Switzerland construction projects are rarely stopped once building has begun, so production will remain at a healthy level for some time.

Thanks to a continued rise in employment, the office property market is slowly recovering. The number of vacant properties is falling only very gradually, because the additional jobs and consequent demand for more office space are to a large extent being offset by the ongoing construction of new properties.

A handful of major projects is ensuring that the level of civil engineering orders remains healthy. Incoming new orders are falling, however, which is a sign that price pressure is expected to increase. This is likely to cause problems, especially for small and medium-sized companies. The downward trend could well be exacerbated by the fact that the Swiss government is being very slow to place orders for work on main roads.

Moving forward in line with strategy

The 2008 financial year is the first that has not been hampered by exceptional costs relating to the merger. As part of the systematic implementation of our new strategy, we focused particularly on the following activities during the period under review.

In the Construction Division, which includes the infrastructure, tunnel and total contracting segments, the top priorities were improving productivity on building sites, and optimizing the lines of supply. Careful acquisition and preparation work can help minimize the risks involved. We also work hard on quickly adapting our resources to regional market trends in order to ensure the best capacity utilization. We implement various measures on our building sites and in our workshops to comply with new environmental requirements.

The Real Estate Division aims to consolidate its market position as a leading project manager in the project development, engineering, general contracting and facility management sectors. Other important measures that are being implemented this year include: positioning the company on the basis of outstanding services (rather than lowest prices), improving the management of supplemental services, developing and expanding real estate trading, and establishing a comprehensive key account management system.

Real estate management company Privera Group was sold with retrospective effect from 1 January 2008 to Bugena SA, an investment company based in Western Switzerland that is owned by Claude Berda. In line with our

strategy of focusing on profitable core activities along the whole value chain, we will in future be concentrating post-construction activities mainly on technical facility management, which is handled by Reuss Group.

The development of our international activities within the Global Solutions Division is progressing on schedule. The "Russian Land Implenia" joint venture established in November has quickly defined its parameters and is already working on major projects like the "New Holland" development in St. Petersburg. We believe that further projects will be added by the end of the year and that the organizational structure will become even more firmly established. In the United Arab Emirates we are in the process of opening a regional office in Dubai that will help us to intensify the contacts we have made over the last twelve months and to acquire our first orders.

The Corporate Centre introduced in 2007 has also made great progress. Functional areas have been brought together organizationally, and processes have been adjusted and optimized.

Positive half-year results

In the first half of 2008, Implenia Group once again posted very good operating results, even though sales were slightly lower than the year ago figure at CHF 1213 million (including work partnerships). EBIT operating earnings for the first six months went up to CHF 25.7 million (equivalent period in previous year CHF 11.8 million), and the overall group result to CHF 16.8 million (CHF 3.5 million).

The group's order book is also healthy. At the end of July incoming orders totalled approximately CHF 2 740 million spread across several years. The group's equity capital came to CHF 413.2 million as at 30 June 2008, and cash flow before funding activity came to CHF 10.6 million.

Solid basis for good annual results

Our operating results are all the more impressive given the difficult business environment. Volatile and generally higher prices for steel and other materials, much higher energy prices and higher duties and taxes have made construction noticeably more expensive, and it has only been possible to pass on these higher costs to customers to a limited extent.

Interim results are in line with our expectations and provide a solid basis for good whole-year results – always bearing in mind the seasonality of our business. Owing to the current healthy state of orders, we expect turnover at all divisions to be on a par with last year, with good overall results.

Laxey dispute continues

On 10 March 2008 the Federal Banking Commission delivered the results of its comprehensive investigation. It confirmed that Laxey acquired its stake in Implenia illegally. Also during the period under review, Laxey's takeover offer failed when it only managed to secure 2.79% of Implenia's shares. Several court cases are currently outstanding. We remain confident that these will completely vindicate our position in all respects. None of these cases has any operational or strategic influence on our business.

Acknowledgments

Following the successful merger of Zschokke and Batigroup to form Implenia, we are concentrating our energy on implementing strategic objectives. We are pleased to say that our employees and management fully support the course we have taken and are working with great commitment and enthusiasm towards the goals we have set. We would like to thank all of our employees for their outstanding dedication. We would also like to thank you, our shareholders, and all of our business partners for the confidence you have always shown in us. Your trust is a great source of motivation and encouragement for the Group Management and the Board of Directors.

Yours sincerely

Anton Affentranger
Chairman of the Board of Directors

Christian Bubb
CEO

Dietlikon, September 2008

Key figures for the group

(in 1000 CHF)	**06/2008**	06/2007	12/2007
Turnover* (cons.)	1 212 813	1 281 244	2 704 960
Order book	2 739 585	2 576 860	2 512 783
EBIT without real estate	24 555	5 398	46 556
EBIT real estate	1 171	6 418	15 415
Operating Result EBIT	**25 726**	**11 816**	**61 971**
Integration costs	0	(4 457)	(16 100)
Depreciation of intangible assets + tax effect goodwill	(1 536)	(1 652)	(8 917)
Exceptional fees for Laxey	(839)	(555)	(2 063)
EBIT IFRS	**23 351**	**5 152**	**34 891**
EBITDA	43 028	23 778	80 252
Group result	16 763	3 495	25 534
Equity	413 071	368 337	404 894
Free cash flow	10 580	(188 710)	(113 284)
Net debt	(110 177)	(184 546)	(117 272)
Total employees	5 469	5 588	5 212

* Overall turnover / incl. share of work partnership turnover

2 Fields of Activity

Real Estate
Well equipped

The first half of 2008 once again saw an intense level of construction activity. Growth was driven by the widespread desire for home ownership, and by a rising demand for commercial property, particularly in the major economic centres. General contracting was able to reinforce its leading position in the market. Despite a deliberately cautious acquisitions policy focused on maintaining margins, incoming orders came to CHF 1264 million as at end-July 2008. Project development activities, which are generally more volatile than general contracting, progressed well, with broad support throughout the regions. The Engineering business is in a phase of consolidation and will continue to strengthen its activity with a focus on sustainable construction.

For the full current financial year, we expect total turnover of about CHF 1226 million and EBIT of about CHF 30 million. With orders looking solid in terms of both quantity and quality, and with a sound – if increasingly uncertain – outlook for the economy in general, Implenia Real Estate is very well positioned for the second half of the year.

Key figures Real Estate

(in 1000 CHF)	**06/2008**	06/2007	12/2007
Turnover (uncons.)	570 078	589 203	1 264 747
Order book	1 264 423	1 077 141	1 250 689
EBIT without real estate	6 554	3 635	10 172
Real estate	1 171	6 418	15 415
Operating Result EBIT	**7 725**	**10 053**	**25 587**
Integration costs	0	(525)	(2 233)
Depreciation of intangible assets + tax effect goodwill	(475)	(767)	(5 437)
Exceptional fees for Laxey	(545)	0	(1 392)
EBIT IFRS	**6 705**	**8 761**	**16 525**
Total employees	548	567	574

Key figures Infra

(in 1000 CHF)

	06/2008	06/2007	12/2007
Turnover *(uncons.)	570 246	615 057	1 275 159
Order book	689 258	674 253	505 943
Operating Result EBIT	**(6 019)**	**(6 372)**	**21 464**
Integration costs	0	(3 932)	(12 013)
Depreciation of intangible assets + tax effect goodwill	0	0	(1 337)
Exceptional fees for Laxey	(84)	0	0
EBIT IFRS	**(6 103)**	**(10 304)**	**8 114**
Total employees	4 104	4 331	3 944

* Overall turnover / incl. share of work partnership turnover / before elimination of internal turnover

Key figures Tunnel and Total Contracting

(in 1000 CHF)

	06/2008	06/2007	12/2007
Turnover *(uncons.)	145 408	190 373	370 212
Order book	785 904	825 466	756 151
Operating Result EBIT	**17 068**	**12 009**	**22 100**
Integration costs	0	0	(426)
Depreciation of intangible assets + tax effect goodwill	(426)	(426)	(852)
Exceptional fees for Laxey	0	0	(236)
EBIT IFRS	**16 642**	**11 583**	**20 586**
Total employees	604	607	601

* Overall turnover / incl. share of work partnership turnover / before elimination of internal turnover

Construction

On a par with previous year

Productivity in the Construction sector, which is still exposed to tough competition, was further improved. The two divisions, Infrastructure Construction and Tunnel & Total Contracting, should together generate turnover of about CHF 1 469 million in 2008. We currently estimate that total EBIT for the financial year as a whole will come to CHF 44 million.

At the end of July 2008, orders came to CHF 1 475 million. These orders, especially the ones for Underground Construction, are spread over several years.

Global Solutions
On course

Implenia's international strategy has passed its first test, with visible progress made in our target markets. In Russia the initial projects are at the implementation phase, while in the Middle East we are in the process to open a representative office. In the meantime, the Global Solutions Division is well positioned to make the most of its core competencies, i.e. general planning and project management in the Expert & Premium Buildings and Infrastructure sectors.

In Russia the "Russian Land Implenia" joint venture has bedded in well, having established standardized processes and effective interfaces. As a result, it was able to begin work on its core business – managing construction projects in Russian Land's portfolio – shortly after the partnership began. Alongside these projects, which mainly involve Expert and Premium Buildings, Implenia will be concentrating on infrastructure projects in Russia. The necessary organizational structures are currently being built up.

From the second quarter onwards we systematically worked on opening up markets in the United Arab Emirates (UAE), Qatar and Oman. Estimates suggest than in the UAE alone, construction investment is set to grow 8% a year to well over USD 60 billion by 2016. This will generate demand for management capacities and for experts in real estate and infrastructure disciplines, including specialist civil engineering, tunnel construction and micro-tunnelling – all among Implenia's core competences. The evaluation of partners and projects is already well advanced; now that we will open our own representative office in the region, we can take this activity to the next level.

3

Financial Statements

Consolidated Income Statement

(in 1000 CHF)	Notes	January to June 2008	January to June 2007
Continuing operations :			
Group turnover	5	**1 080 599**	**1 068 980**
Materials and subcontractors		(666 611)	(648 758)
Personnel		(325 443)	(333 012)
Other operating expenses		(58 587)	(64 732)
Depreciation		(19 677)	(18 626)
Income from associated companies		–	1 300
Income from disposals of subsidiaries	3	13 070	–
Operating result	5	**23 351**	**5 152**
Financial charges		(5 128)	(4 121)
Financial income		1 877	3 056
Result before tax		**20 100**	**4 087**
Income tax expense		(3 642)	(1 366)
Group result from continuing operations		**16 458**	**2 721**
Profit from discontinued operations	3	305	774
Group result		**16 763**	**3 495**
Attributable to:			
Shareholders of Implenia Ltd		16 257	3 215
Minority interests		506	280
Group result		**16 763**	**3 495**
Earnings per share (undiluted)	6	CHF 0.89	CHF 0.18
Earnings per share (diluted)	6	CHF 0.89	CHF 0.18
Earnings per share from continuing operations			
Earnings per share (undiluted)	6	CHF 0.87	CHF 0.14
Earnings per share (diluted)	6	CHF 0.87	CHF 0.14

The notes on pages 19 to 32 are an integral part of these interim consolidated financial statements.

Consolidated Income Statement

Implenia®

Consolidated Balance Sheet

(in 1000 CHF)	Notes	30.6.2008	31.12.2007
ASSETS			
Cash and cash equivalents		72 222	47 153
Securities		2 330	1 343
Trade debtors		459 290	432 633
Work in progress		218 565	187 013
Work partnerships		9 319	34 886
Other debtors		27 745	40 857
Inventories		19 141	19 005
Real estate operations		187 613	168 049
Prepayments and accrued income		41 809	31 659
Current assets		**1 038 034**	**962 598**
Tangible fixed assets	7	231 966	231 097
Investments in associated companies		31 358	31 481
Other financial investments		18 661	22 191
Benefit plan surplus		8 258	8 776
Intangible assets	8	78 848	83 137
Deferred tax assets		3 217	2 588
Non-current assets		**372 308**	**379 270**
TOTAL		**1 410 342**	**1 341 868**
EQUITY AND LIABILITIES			
Current portion of long-term borrowings, banks	9	176 310	158 645
Trade payables		212 219	175 772
Work in progress		365 670	381 276
Work partnerships		52 293	70 517
Other payables		34 825	41 728
Current tax liabilities		5 443	3 059
Accruals and deferred income		121 519	77 336
Current portion of long-term provisions	10	1 657	1 999
Current liabilities		**969 936**	**910 332**
Long-term borrowings	9	6 089	5 780
Provision for deferred tax liabilities		14 074	14 666
Long-term provisions	10	7 172	6 196
Non-current liabilities		**27 335**	**26 642**
Share capital	11	83 124	83 124
Reserves		130 109	133 783
Retained earnings		182 483	160 398
Treasury shares	12	(3 526)	(1 961)
Result attributable to shareholders of Implenia		16 257	24 819
		408 447	**400 163**
Minority interests		4 624	4 731
Equity		**413 071**	**404 894**
TOTAL		**1 410 342**	**1 341 868**

The notes on pages 19 to 32 are an integral part of these interim consolidated financial statements.

Consolidated Balance Sheet

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Consolidated Cash Flow Statement

(in 1000 CHF)	Notes	January to June 2008	Restated figures [1] January to June 2007
Operating activities			
– Continuing operations:			
Net profit before taxes		20 100	4 087
Depreciation		19 678	18 626
Changes in provisions	10	1 568	(630)
Changes in value adjustment of real estate operations		(850)	(1 721)
Profit on sale of companies	3	(13 070)	–
Profit on sale of fixed assets		(963)	(166)
Changes in benefit plan adjustments		518	–
Dividends received from associates		2 281	2 042
Other adjustments not affecting cash and cash equivalents		206	3 312
Changes in trade and other debtors		(30 937)	(61 580)
Changes in trade and other payables		33 664	48 598
Changes in work in progress/inventories		(46 792)	(169 475)
Changes in work partnerships		7 343	681
Investments in real estate operations		(41 598)	(16 689)
Disposals of real estate operations		20 405	10 262
Other short-term assets and liabilities		34 533	1 954
Interest paid		(213)	(1 925)
Interest received		200	1 274
Taxes paid		(2 197)	(1 832)
– Discontinued operations		9 687	(2 697)
Net cash from operating activities	**a)**	**13 563**	**(165 879)**
Investment activities			
– Continuing operations:			
Investments in tangible fixed assets	7	(21 690)	(24 380)
Disposals of tangible fixed assets	7	1 701	669
Sale of subsidiaries	3	16 371	–
Other investments in financial assets		(3 179)	(887)
Other disposals of financial assets		4 304	2 403
Investments in intangible assets	8	(115)	(150)
– Discontinued operations		(375)	(486)
Net cash from investment activities	**b)**	**(2 983)**	**(22 831)**

[1] Sales of own shares as recorded in the financial statements to 30 June 2007 included shares given to management free of charge. A sum of KCHF 2141 has been restated under the position "Other adjustments not affecting cash and cash equivalents". The figures in the financial statements to 31 December are correct. In addition, the provision of KCHF 1276 for share-based payments in the first half of 2007 has been restated from "Other short-term assets and liabilities" to "Other adjustments not affecting cash and cash equivalents" (see changes in the Statement of changes in equity).

The notes on pages 19 to 32 are an integral part of these interim consolidated financial statements.

Consolidated Cash Flow Statement

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Financing activities			
– Continuing operations:			
Increase in borrowings	9	261 880	218 460
Repayment of borrowings	9	(240 705)	(81 623)
Minority interests (dividends paid)		(96)	(176)
Dividends paid		–	101
Nominal value refund		–	–
Purchase of treasury shares		(10 543)	(17 711)
Sale of treasury shares		6 150	11 620
– Discontinued operations		(1 643)	3 439
Net cash from financing activities	**c)**	**15 043**	**134 110**
Net increase / (decrease) in cash and cash equivalents (a+b+c)		**25 623**	**(54 600)**
Foreign currency translation		(554)	(101)
Increase / (decrease) in cash and cash equivalents		**25 069**	**(54 701)**
Cash and cash equivalents at the beginning of the financial year		47 153	107 346
Cash and cash equivalents at 30 June		**72 222**	**52 645**

Consolidated Statement of Changes in Equity

(in 1000 CHF)	Implenia Ltd Shareholders								
	Share capital	Treasury shares	Consolidated reserves	Revaluation reserves	Foreign Currency translation	Retained earnings	Subtotal	Minority interests	Total equity
Balance as at 1.1.2007	**89 589**	**(7 319)**	**120 049**	**2 906**	**360**	**158 773**	**364 358**	**4 192**	**368 550**
Foreign currency translation	–	–	–	–	912	–	912	–	912
Gain/loss recognised directly in equity (subtotal)	–	–	–	–	912	–	912	–	912
Profit for the period	–	–	–	–	–	3 215	3 215	280	3 495
Gain/loss recognised for the period	–	–	–	–	**912**	**3 215**	**4 127**	**280**	**4 407**
Payments based on shares	–	–	–	–	–	1 276	1 276	–	1 276
Change in treasury shares	–	(11 660)	6 898	–	–	(958)	(5 720)	–	(5 720)
Dividends paid	–	–	–	–	–	–	–	(176)	(176)
Balance as at 30.6.2007	**89 589**	**(18 979)**	**126 947**	**2 906**	**1 272**	**162 306**	**364 041**	**4 296**	**368 337**
Balance as at 1.1.2008	**83 124**	**(1 961)**	**127 176**	**2 906**	**3 701**	**185 217**	**400 163**	**4 731**	**404 894**
Foreign currency translation	–	–	–	–	(3 535)	–	(3 535)	–	(3 535)
Gain/loss recognised directly in equity (subtotal)	–	–	–	–	(3 535)	–	(3 535)	–	(3 535)
Profit for the period	–	–	–	–	–	16 257	16 257	506	16 763
Gain/loss recognised for the period	**–**	**–**	**–**	**–**	**(3 535)**	**16 257**	**12 722**	**506**	**13 228**
Payments based on shares	–	–	–	–	–	–	–	–	–
Change in treasury shares	–	(1 565)	(139)	–	–	(2 734)	(4 438)	–	(4 438)
Fiscal impact	–	–		–	–	–	–	–	–
Nominal value refund	–	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	(197)	(197)
Exclusion from scope of consolidation	–	–	–	–	–	–	–	(416)	(416)
Balance as at 30.6.2008	**83 124**	**(3 526)**	**127 037**	**2 906**	**166**	**198 740**	**408 447**	**4 624**	**413 071**

Share capital: see note 11
Treasury shares: see note 12
The difference of KCHF (1 463) between the equity capital as at 30 June 2007 shown in the 2007 report and the same item shown in the current report is made up of the KCHF (2 739) adjustment to deferred taxes on pension assets (see notes to the 2007 financial statements) and KCHF 1 276 relating to the provision for share-based remuneration, which was booked under transitory liabilities (see also notes to the Cash flow statement).
The notes on pages 19 to 32 are an integral part of these interim consolidated financial statements.

Consolidated Statement of Changes in Equity

Implenia®

1 General

This half-year report has been prepared in accordance with the IAS standard IAS 34 "Interim reporting". It does not include all the information and commentary required for an annual report. This report should be read in conjunction with the financial statements to 31 December 2007.

This interim report on Implenia Group's consolidated accounts for the first half of 2008 was approved by the Board of Directors of Implenia Ltd. in its meeting of 9 September 2008.

All figures are in thousands of Swiss francs, unless otherwise indicated. The exchange rates used are given in note 4.
Implenia AG is a Swiss company based in Dietlikon (Zurich); its shares are listed on the SWX Swiss Exchange.
The group's main business activities are described in note 5 – Segment Information.

2 Accounting policies

The Implenia Group's consolidated accounts are prepared in accordance with the International Financial Reporting Standards (IFRS) defined by the International Accounting Standards Board (IASB).
As from the date of the sale of Privera Group (see note 3 – Scope of consolidation), the activities of the Real Estate division no longer include commercial property management. These activities were only undertaken by Privera Group and were reported within the Services segment. The remaining services are Engineering and Facility Management. These activities do not currently generate a sufficient volume of turnover to be reported as a separate segment, so they are now included in the General Contracting/Services segment.
Otherwise, the accounting principles used to prepare the consolidated interim financial statements to 30 June 2008 are exactly the same as those used for the 2007 annual report, allowing for the new standards that have come into force as described here:
The following new standards, as well as changes to and interpretations of existing standards, are being applied from the financial year starting 1 January 2008.
– IFRIC 11 – IFRS 2, Group and treasury share transactions
– IFRIC 12 – Service concession arrangements
– IFRIC 14 - IAS 19, The limit on a defined benefit asset, minimum funding requirements and their interaction.
Apart from the specific comments, these new standards or changes have no material effect on Implenia's interim financial statements.

Newly published standards, interpretations and changes to standards, which do not have to be applied yet (Implenia has decided not to apply these prematurely on a voluntary basis):
– IFRS 8 Operating segments (for financial years from 1 January 2009). The application of IFRS 8 will affect segment reporting, but it will have no influence on consolidated results.
– IFRS 2 – Share-based payment: changes to exercise conditions and cancellations (for financial years from 1 January 2009).
– IAS 1 Presentation of financial statements – revised version (for financial years from 1 January 2009). The management is currently working on a form of presentation that takes account of the new standards.
– IAS 23 – Borrowing costs – Change in the treatment of borrowing costs for "qualifying assets" (items requiring a substantial period of time for procurement/manufacturing prior to use). Borrowing costs relating to qualifying assets now have to be capitalized (for financial years from 1 January 2009).
– IAS 27 Consolidated and separate financial statements – version revised in 2008 (for financial years from 1 July 2009).
– IFRIC 13 – Customer loyalty programs (for financial years from 1 July 2008)
– IFRIC 15 – Agreements for the construction of real estate (for financial years from 1 January 2009)
– IFRIC 16 – Hedges of a net investment in a foreign operation (for financial years from 1 January 2009)

The management still has to analyze the details of these standards and interpretations. However, apart from IAS 1, they should not have a material influence on Implenia's financial reporting.

Notes to the Consolidated Interim Financial Statements

3 Consolidation scope

Sale of the Privera Group

The Privera Group includes the subsidiaries Privera AG, Privera Services AG and AG für manuelle Dienstleistungen. The sale contract was signed on 29 May 2008, transferring control to purchaser.

The date of contract performance was 29 May 2008. In accordance with IFRS standards, Privera Group's results for the period from 1 January to 29 May 2008 are consolidated and shown separately under Discontinued operations. Privera Group is excluded from the scope of consolidation from this date and its accounts are no longer consolidated.

For the purposes of calculating the profit from the sale, the portion of goodwill attributable to Privera Group has been counted under net assets.

Privera Group's net assets on the date of sale (100%)

(in 1000 CHF)	
Cash and cash equivalents	9 165
Trade receivables	4 894
Other receivables	11 286
Work in progress and inventories	29
Real estate operations	511
Prepayments and accrued income	2 752
Tangible fixed assets	2 818
Other financial investments	240
Goodwill	2 755
Short-term borrowings	(9 755)
Trade payables	(2 648)
Work in progress	(540)
Other payables	(1 913)
Current tax liabilities	(469)
Accruals and deferred income	(4 876)
Deferred tax liabilities	(466)
Provisions	(901)
Privera Group's net assets	**12 882**
Minority interests in AG für Manuelle Dienstleistungen (46.66% of KCHF 891)	(416)
Privera Group's net assets – Implenia's share	**12 466**
Sale price	25 536
Privera Group's net assets – Implenia's share	(12 466)
Profit from sale	**13 070**
Cash and cash equivalents received	25 536
Cash and cash equivalents paid	(9 165)
Net inflow of cash and cash equivalents from sale	**16 371**

Income Statement from discontinued operation

(in 1000 CHF)	January to June 2008	January to June 2007
Turnover	**25 000**	**31 168**
Materials and subcontractors	(218)	(289)
Personnel	(19 781)	(23 903)
Other operating expenses	(4 345)	(5 587)
Depreciation	(317)	(376)
Operating result	**339**	**1 013**
Financial charges	(32)	(10)
Financial income	46	18
Result before tax	**353**	**1 021**
Income tax expense	(48)	(247)
Result	**305**	**774**

4 Exchange rates used for currency translations

	EU	Côte d'Ivoire	USA	GB
	1 EUR =	100 XOF =	1 $ =	1 £ =
Rate at 30 June 2008	CHF 1.6076	CHF 0.2500	CHF 1.0181	CHF 2.0314
Average rate	CHF 1.6116	CHF 0.2467	CHF 1.0457	CHF 2.0844
Rate at 31 December 2007	CHF 1.6573	CHF 0.2500	CHF 1.1263	CHF 2.2479

Source : UBS Price List 30 June 2008

5 Segment Information

The operational organisation of the Group is based on the following main sectors of activity:
– general contractor / services (general planning, general and total contractor/engineering and facility management)
– real estate (promotion, project development)
– tunnel construction works + TC (tunnels, total contracting in railway engineering)
– infra construction works (roads and buildings, civil engineering, special construction)
– global solutions (engineering and project management abroad)

Sectors "General contracting/Services" and "Real estate" are brought together in the global "Real Estate" segment.
The distribution of group entities by segment can be found on page 31 of the present report.
Intersegment transactions are carried out at market conditions.

Results for the Infrastructure Division during the first half year are affected by the uneven seasonal distribution of turnover and costs.
The performance of Real Estate is influenced by the timing of project sales.

	Real Estate								
(in 1000 CHF)	General contracting/Services	Real Estate	Tunnel construction works + TC	Infra construction works	Global Solutions	Head office overheads and miscellaneous	**Total continuing operations**	Discontinued operations	**Group total**
January to June 2008									
Turnover including intersegment sales	518 562	51 516	83 060	500 380	1 748	22 993	1 178 259	25 000	1 203 259
./. Inter-segment sales	(15 384)	(2 371)	(834)	(64 535)	(437)	(14 099)	(97 660)	–	(97 660)
Group turnover	**503 178**	**49 145**	**82 226**	**435 845**	**1 311**	**8 894**	**1 080 599**	**25 000**	**1 105 599**
of which services	503 178	24 299	82 133	429 893	1 311	8 894	1 049 708	25 000	1 074 708
of which sale of assets	–	24 846	93	5 952	–	–	30 891	–	30 891
Profit from associated companies	–	–	–	–	–	–	–	–	–
Operating profit/EBIT	5 911	794	16 642	(6 102)	(3 406)	9 512	23 351	339	23 690

Restated figures	Real Estate								
(in 1000 CHF)	General contracting/Services	Real Estate	Tunnel construction works + TC	Infra construction works	Global Solutions	Head office overheads and miscellaneous	**Total continuing operations**	Discontinued operations	**Group total**
January to June 2007									
Turnover including intersegment sales	520 994	68 174	68 623	523 796	2 477	16 746	1 200 810	31 168	1 231 978
./. Inter-segment sales	(42 060)	(2 879)	(211)	(70 764)	(10)	(15 906)	(131 830)	–	(131 830)
Group turnover	**478 934**	**65 295**	**68 412**	**453 032**	**2 467**	**840**	**1 068 980**	**31 168**	**1 100 148**
of which services	478 934	45 446	68 412	448 106	2 467	823	1 044 188	31 168	1 075 356
of which sale of assets	–	19 849	–	4 926	–	17	24 792	–	24 792
Profit from associated companies	–	–	–	1 300	–	–	1 300	–	1 300
Operating profit/EBIT	2 343	6 418	11 583	(10 304)	(945)	(3 943)	5 152	1 013	6 165

6 Earnings per share

	January to June 2008	January to June 2007
Net earnings	16 257	3 215
Weighted average number of shares in circulation	18 299 581	18 146 079
Earnings per share (undiluted)	CHF 0.89	CHF 0.18
Earnings per share (diluted)	CHF 0.89	CHF 0.18
Number of shares in circulation as at 30.6.	18 366 439	17 979 154
Earnings per share from continuing operations		
Group result from continuing operations	16 007	2 496
Earnings per share (undiluted)	CHF 0.87	CHF 0.14
Earnings per share (diluted)	CHF 0.87	CHF 0.14

7 Tangible fixed assets

Investments in tangible assets in the first half year of 2008 amounted to CHF 22.1 million (half-year 2007: CHF 24.9 million) and mainly concern the production units (CHF 4.3 million) and machines and materials (CHF 16.8 million). Most of these investments were made in the construction segments.

Disposals amounting to CHF 0.74 million (half-year 2007: CHF 0.67 million) concern machines and materials and were made mainly in the construction segments.

8 Intangible assets

(in 1000 CHF)

	IT project	Licences and software	Trademarks	Customer list and order book	Goodwill	**Group total**
2008						
Acquisition value as at 1.1	4 000	3 360	2 884	13 313	76 740	100 297
Accumulated depreciation/adjust. as at 1.1	(2 517)	(2 935)	(2 086)	(4 830)	(4 792)	(17 160)
Change in consolidation scope	–	–	–	–	(2 755)	(2 755)
Investments	3	112	–	–	–	115
Depreciation/adjustment	(746)	(11)	(100)	(792)	–	(1 649)
As at 30.6, after depreciation	**740**	**526**	**698**	**7 691**	**69 193**	**78 848**
of which pledged	–	–	–	–	–	–

(in 1000 CHF)

	IT project	Licences and software	Trademarks	Customer list and order book	Goodwill	**Group total**
2007						
Acquisition value as at 1.1	3 962	3 239	2 884	13 230	76 740	100 055
Accumulated depreciation as at 1.1	(1 059)	(2 185)	(1 883)	(2 329)	–	(7 456)
Change in consolidation scope	–	–	–	–	–	–
Investments	–	204	–	–	–	204
Transfers – acquisition value	38	(83)	–	83	–	38
Transfers – accumulated depreciation	(38)	–	–	–	–	(38)
Depreciation/Adjustment	(1 420)	(750)	(203)	(2 501)	(4 792)	(9 666)
As at 31.12., after depreciation	**1 483**	**425**	**798**	**8 483**	**71 948**	**83 137**
of which pledged	–	–	–	–	–	–

The date of the goodwill impairment test is 31 December. No interim tests have been conducted, as no negative signs that could justify such tests have been noted by the Management. Consequently, the figure for goodwill has not been revalued.

9 Borrowings

(in 1000 CHF)	2008	2007
As at 1.1	164 425	96 814
Change in consolidation scope	(3 201)	–
Increase in borrowings	261 880	323 681
Repayments	(240 705)	(256 070)
As at 30.6.08/31.12.07	**182 399**	**164 425**
Due dates:		
Within 12 months	176 310	158 645
Between 1 and 5 years	6 089	5 780
As at 30.6.08/31.12.07	**182 399**	**164 425**
of which finance leases	3 534	7 351

The main source of financing is the consortium credit that the Group obtained from a consortium of banks on 16 August 2006 and which will be valid until the end of 2009.

On 7 April 2008, Implenia Ltd. signed a rider to its credit agreement with a consortium of banks decreasing the cash credit limit by CHF 1.3 million to CHF 248.7 million. The guarantee limit remains unchanged at CHF 250 million. The other terms of the initial contract remain essentially in effect.

To secure the consortium credit, the Implenia Group issued the following securities in favour of the bank consortium:
– Pledging of mortgage certificates on the Group real estate for an amount of CHF 43.7 (44) million.
– Guarantees given by the most important companies of the Group to cover the obligations of Implenia Ltd towards the bank consortium.
The continuance of the credit relationships is dependant on various conditions (covenants), which had been fully complied with by Implenia Ltd at 30 June 2008.

10 Provisions

(in 1000 CHF)

	Warranty provisions	Onerous contracts	Integration costs	Disputes	Repairs and claims	Others	**Group total**
2008							
As at 1.1	995	–	1 999	2 883	1 293	1 025	8 195
Foreign currency translation difference	(24)	–	–	(1)	–	(8)	(33)
Change in consolidation scope	(33)	–	(226)	(575)	–	(67)	(901)
Transfer	–	–	–	–	–	–	–
Allocation	–	1 424	16	335	195	240	2 210
Utilised	(482)	–	(132)	–	–	–	(614)
Released	–	–	–	–	(15)	(13)	(28)
As at 30.6.08	**456**	**1 424**	**1 657**	**2 642**	**1 473**	**1 177**	**8 829**
of which current portion	–	–	1 657	–	–	–	1 657

(in 1000 CHF)

	Warranty provisions	Onerous contracts	Integration costs	Disputes	Repairs and claims	Others	**Group total**
2007							
As at 1.1	4 319	3 962	1 766	5 771	3 427	2 454	21 699
Change in consolidation scope	–	–	–	–	–	–	–
Transfer	424	(300)	454	(2 488)	(988)	(915)	(3 813)
Allocation	539	–	1 319	–	9	256	2 123
Utilised	(4 252)	(2 262)	(1 500)	(400)	(245)	(770)	(9 429)
Released	(35)	(1 400)	(40)	–	(910)	–	(2 385)
As at 31.12.07	**995**	**–**	**1 999**	**2 883**	**1 293**	**1 025**	**8 195**
of which current portion	–	–	1 999	–	–	–	1 999

Warranty provisions concern risks related to completed projects which, by virtue of contractual agreements, are payable normally within 2 to 3 years, or 5 years at most. The onerous contracts relate to rent guarantees. They generally extend over a period of 2 to 3 years. In 2008, Implenia granted its customers rent guarantees for 3 new projects.

In 2008, provisions were set aside for disputes relating to two real estate transactions.The provision for repairs and claims relates to the future cost of rehabilitating land, primarily gravel pits, once exploitation is complete. Two new provisions have been formed for restoration of plots of land.

At the end of 2007, other provisions consist of provisions for risks in connection with activities abroad.

11 Share capital

Known shareholders holding more than 3% of share capital as at 30 June 2008 (31 December 2007):

	30.6.2008	31.12.2007
Laxey Group	34.1%[1)]	34.1%
Parmino Holding AG	12.3%	11.2%
Ammann Group	6.3%	3.3%
Implenia Ltd./Russian Land Ltd.	5.0%	–
Port Noir Investment Sàrl	–	6.5%
Number of registered shares:	18 472 000	18 472 000
Nominal value per share in CHF	4.50	4.50
Total nominal value in CHF, as at	**83 124 000**	**83 124 000**
Number of shares in circulation, as at	**18 340 803**	**18 419 437**

ISIN Code CH002 386 8554 (IMPN)

[1)] Latest figure reported to Implenia

Implenia®

12 Treasury shares

(in 1000 CHF)	Number	Average unit price (in CHF)	Total
Balance as at 1.1.2007	**465 074**	**16**	**7 319**
Disposal (employee share scheme)	(77 480)	16	(1 219)
Disposals	(307 048)	16	(4 833)
Purchases	412 300	43	17 712
Balance as at 30.6.2007	**492 846**	**39**	**18 979**
Balance as at 1.1.2008	**52 563**	**37**	**1 961**
Purchases	318 788	33	10 543
Disposals	(123 745)	34	(4 196)
Transfers (managers)	(80 183)	34	(2 688)
Transfers (employees)	(61 862)	34	(2 094)
Nominal value refund	–	–	–
Balance as at 30.6.2008	**105 561**	**33**	**3 526**

13 Related party disclosures

(in 1000 CHF)	January to June 2008	January to June 2007
Information on related party transactions.		
Sales to related parties:		
– associated companies	1 707	2 363
– companies related to a key management executive	–	–
– work partnerships	97 840	116 172
– others	–	–
Purchases from related parties:		
– associated companies	5 878	1 968
– companies related to a key management executive	1 231	1 336
– work partnerships	4 570	3 140
Credit claims on related parties (as at 30.6.):		
– associated companies	839	2 832
– companies related to a key management executive	–	–
– work partnerships	56 096	77 752
– others	–	250
Debts to related parties (as at 30.6.):		
– associated companies	3 318	2 626
– companies related to a key management executive	346	96
– work partnerships	1 291	5 437
– others	–	658
Transactions with related parties are dealt with at arm's length.		

14 Payments to members of management bodies

The term "members of management bodies" includes the members of the Board of Directors and the members of Group Management.

Short-term employee benefits	2 584	2 778
Other post-employment benefits	–	–
Long-term benefits	234	183
Termination benefits	–	–
Share-based payments	663	748
Total remuneration of members of management bodies	**3 481**	**3 709**
Balance in favour of members of management bodies as at 30.6.	1 318	1 566

15 Contingent liabilities

(in million CHF)	30.6.2008	31.12.2007
Third party guarantees	**226.4**	**179.4**

The balance of outstanding guarantees relates essentially to ongoing projects carried out for own account (submission, warranty and issued guarantees) as well as for projects in work partnerships.

16 Post-balance sheet events

The Annual General Meeting of Shareholders held on 8 April 2008 decided to repay CHF 0.50 of the face value of each Implenia Ltd. share. As the legal requirements for repayment were met, the repayment was made as planned on 3 July 2008. Starting from that date, the share capital of Implenia Ltd. amounts to CHF 73 888 000.–.

Up to the time of the approval of this report, there were no known events that might require an adjustment to the accounting values of the Groups assets and liabilities.

17 Subsidiaries

	Subsidiaries	Registered office	Currency	Share capital	Segment	Active/ inactive	Held by
Balduin Weisser AG	100%	Basel	CHF	1 750 000	Overheads Holding and Miscellaneous	Inactive	Implenia Immobilien AG
Bâtiments industriels du Haut-Rhin Sàrl (Bâtirhin)	100%	Mulhouse (F)	EUR	195 000	Overheads Holding and Miscellaneous	Inactive	Implenia AG
Développements transfrontaliers SA	100%	Lyon (F)	EUR	14 663 800	Real Estate	Active	Implenia Development AG
Gebr. Ulmer GmbH	100%	Bruchsal (D)	EUR	25 565	Overheads Holding and Miscellaneous	Inactive	Implenia AG
Gravière de La Claie-aux-moines S.A.	66.66%	Savigny	CHF	1 500 000	Infra Construction Works	Active	Implenia AG
Gust. Stumpf GmbH	100%	Bruchsal (D)	EUR	1 533 876	Overheads Holding and Miscellaneous	Inactive	Implenia Holding GmbH
Gust. Stumpf Verwaltungs GmbH & Co KG	100%	Bruchsal (D)	EUR	511 292	Overheads Holding and Miscellaneous	Inactive	Implenia AG
Implenia (Ticino) SA	100%	Lugano	CHF	150 000	Infra Construction Works	Active	Implenia AG
Implenia Construction SA	100%	Genève	CHF	40 000 000	Infra + Tunnel, TC Construction Works + Global	Active	Implenia AG
Implenia Bau GmbH	100%	Rümmingen (D)	EUR	2 556 459	Infra Construction Works	Active	Implenia Holding GmbH
Implenia Generalunternehmung AG	100%	Basel	CHF	20 000 000	General Contractor / Services	Active	Implenia AG
Implenia Development AG	100%	Dietlikon	CHF	30 000 000	Real Estate	Active	Implenia AG
Implenia Global Solutions Ltd.	100%	Dietlikon	CHF	100 000	Global Solutions	Active	Implenia AG
Implenia Holding GmbH	100%	Rümmingen (D)	EUR	3 067 751	Infra Construction Works	Active	Implenia Immobilien AG
Implenia Immobilien AG	100%	Dietlikon	CHF	30 600 000	Real Estate	Active	Implenia AG
Implenia Investment Management AG	100%	Dietlikon	CHF	100 000	Real Estate	Active	Implenia AG
Implenia Management AG	100%	Genève	CHF	500 000	Overheads Holding and Miscellaneous	Active	Implenia AG
Implenia Österreich GmbH	100%	Wien (A)	EUR	35 000	Infra Construction Works	Active	Implenia AG
M.F. Wachter Bauunternehmung GmbH	100%	Stuttgart (D)	EUR	1 000 000	Overheads Holding and Miscellaneous	Inactive	Implenia Holding GmbH
Reprojet AG	100%	Zürich	CHF	100 000	Infra Construction Works	Active	Implenia AG
Reuss Engineering AG	100%	Dietlikon	CHF	100 000	General Contractor / Services	Active	Implenia AG
Rocmouve SA	66.66%	Echallens	CHF	120 000	Infra Construction Works	Active	Implenia AG
SAPA, Société Anonyme de Produits Asphaltiques	75%	Satigny	CHF	500 000	Infra Construction Works	Active	Implenia AG
Sisag SA	100%	Abidjan (CI)	XOF	492 000 000	Infra Construction Works	Active	Implenia AG
Socarco Mali Sàrl	100%	Bamako (Mali)	XOF	100 000 000	Infra Construction Works	Active	SISAG
Sonnrain Wohnbau GmbH	100%	Rümmingen (D)	EUR	255 646	Overheads Holding and Miscellaneous	Inactive	Implenia Holding GmbH
Strassen und Tiefbau AG	100%	Vaduz (FL)	CHF	50 000	Overheads Holding and Miscellaneous	Inactive	Implenia Immobilien AG
Stuag Bauunternehmung GmbH	100%	Rümmingen (D)	EUR	306 775	Overheads Holding and Miscellaneous	Inactive	Implenia Holding GmbH
Swiss Overseas Engineering Company	100%	Genève	CHF	200 000	Overheads Holding and Miscellaneous	Inactive	Implenia AG
Tetrag Automation AG	100%	Dietlikon	CHF	100 000	General Contractor / Services	Active	Implenia AG
Trachsel AG	100%	Heimberg	CHF	100 000	Infra Construction Works	Active	Implenia AG
Zschokke Construction Sàrl	100%	Lyon (F)	EUR	76 225	Infra Construction Works	Active	Zschokke France SA
Zschokke Développement SA	100%	Lyon (F)	EUR	457 347	Overheads Holding and Miscellaneous	Inactive	Zschokke France SA
Zschokke France SA	100%	Lyon (F)	EUR	914 694	Overheads Holding and Miscellaneous	Inactive	Implenia AG
Zschokke GmbH Leipzig	100%	Leipzig (D)	EUR	1 022 584	Overheads Holding and Miscellaneous	Inactive	Zschokke Holding Deutschland GmbH
Zschokke Holding Deutschland GmbH	100%	Berlin (D)	EUR	3 067 751	Overheads Holding and Miscellaneous	Inactive	Implenia AG
Zschokke Procédés Spéciaux Sàrl	100%	Lyon (F)	EUR	457 347	Overheads Holding and Miscellaneous	Inactive	Zschokke France SA

All shares in the companies Privera AG, Privera Services AG and AG für manuelle Dienstleistungen were sold as at 29 May 2008.
All subsidiaries of the Group are fully consolidated.

18 Associated companies

Company name	Share holding	Registered office	Currency	Share capital
Argo Mineral AG	50.0%	Aarau	CHF	300 000
Argobit AG	40.0%	Schafisheim	CHF	1 200 000
Asfatop AG	50.0%	Unterengstringen	CHF	1 000 000
Associés Poste Enrobage en Commun (APEC) SA	20.0%	Hauterive	CHF	300 000
Batitunnel Italia S.p.A.	5.0%	Bagnaria Arsa	EUR	
Bawag, Belagsaufbereitungsanlage Wimmis AG	24.0%	Wimmis	CHF	100 000
Belagswerk Rinau AG	25.0%	Kaiseraugst	CHF	1 000 000
Bépo-Bétonpompé S.A.	39.0%	Lausanne	CHF	120 000
Betonwerk Vispe (EG)	20.0%	Stalden	CHF	672 660
Bewo Belagswerk Oberwallis (EG)	25.0%	Niedergesteln	CHF	1 500 000
Bioasfa SA	50.0%	Bioggio	CHF	900 000
Bipp Asphalt AG	27.5%	Niederbipp	CHF	1 000 000
BRZ Belags- und Recycling-Zentrum (EG)	33.3%	Horw	CHF	1 500 000
Catram AG	24.0%	Chur	CHF	1 000 000
Consorzio Duomo	50.0%	Napoli-I	EUR	–
Deponie Eglisau (EG)	37.0%	Eglisau	CHF	–
Deponie Vorderland AG	33.3%	Rehetobel	CHF	150 000
Garage-Parc Montreux Gare SA	26.0%	Montreux	CHF	2 050 000
GU Kies AG	33.3%	Schaffhausen	CHF	450 000
Holcim Bétondrance SA	46.0%	Martigny	CHF	300 000
Imbess, Impianto miscela bituminosa E.S.S (EG)	33.3%	Chiggiogna	CHF	–
Kieswerk Oldis AG	21.4%	Haldenstein	CHF	1 200 000
Léchire S.A.	33.0%	Fribourg	CHF	100 000
Microlog SPA	50.0%	San Giorgio (IT)	EUR	120 000
MIFAG Mischgutwerk Frauenfeld AG	10.0%	Frauenfeld	CHF	600 000
MOAG Baustoffe Holding AG	13.3%	Mörschwil	CHF	300 000
Mobival (EG)	26.0%	Massongex	CHF	–
Parking de la Place de la Navigation S.A.	24.0%	Lausanne	CHF	6 986 000
Prébit, Centre d'enrobage (EG)	25.0%	Marin-Epagnier	CHF	500 000
Pro Quarta (EG)	42.0%	Alvaneu	CHF	500 000
Real Partners AG	45.0%	Zug	CHF	300 000
Remora AG	18.3%	St. Gallen	CHF	300 000
Reproad AG	33.3%	Bremgarten	CHF	1 500 000
Russian Land Implenia Holding Ltd.	50.0%	Nicosia	EUR	3 001
Sebal Belagswerk Biel-Büttenberg (EG)	48.0%	Biel-Büttenberg	CHF	–
Sebal Lyss AG	48.0%	Lyss	CHF	500 000
Seval - Société d'Enrobage du Valais central (EG)	83.0%	Vétroz	CHF	–
SFR société Fribourgeoise de Recyclage SA	20.8%	Hauterive	CHF	1 200 000
Socarco Bénin Sàrl	40.0%	Cotonou	XOF	1 000 000
Socarco Burkina Sàrl	40.0%	Burkina	XOF	10 000 000
Société Coopérative Les Terrasses	42.3%	Versoix	CHF	815 000
Société de recyclage de matériaux pierreux – SRMP	40.0%	Savigny	CHF	95 443
Société d'exploitation du Mégastore d'Archamps – SEMA	30.0%	Archamps	EUR	37 000
Tapidrance (EG)	52.0%	Martigny	CHF	1 000 000
Unas Technology	21.6%	Gisikon	CHF	155 000
Urner Belagszentrum (UBZ), Flüelen/UR (EG)	50.0%	Flüelen	CHF	1 000 000
Urphalt Gemeinschaftsunternehmung (EG)	25.0%	Altdorf	CHF	–
Valbéton (EG)	50.6%	Sion	CHF	100 000
Valver (EG)	27.9%	Martigny	CHF	1 729 936
Wohnpark an der Kander GmbH	40.0%	Rümmingen-D	EUR	204 517

Associated companies are consolidated using the equity method. Despite a holding in excess of 50%, Seval, Tapidrance and Valbéton are considered to be associated companies consolidated using the equity method. These are companies over which Implenia does not have sufficient control to justify full consolidation. Furthermore, other companies in which Implenia has a holding of less than 20% are considered to be associate companies due to the fact that Implenia has significant influence over them.

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