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Implenia | Half-Year Report 2012



**Implenia<sup>®</sup>**

**Half-Year Report 2012**

## Implenia develops and builds the Switzerland of tomorrow.

Implenia is Switzerland's leading construction and construction services company. With its integrated business model and comprehensive portfolio of products and services, Implenia can manage a building project through its entire lifecycle and deliver work that is economical, integrated and customer-centric. The focus is on striking a sustainable balance between financial success and social and environmental responsibility.

Formed in 2006 from the merger between Zschokke and Batigroup, Implenia can look back on more than 140 years of history in the construction industry. Experience, know-how, size and financial strength allow Implenia to offer its services throughout Switzerland as well as internationally. The entire Group's capabilities and capacities are made available for challenging real estate and infrastructure projects.

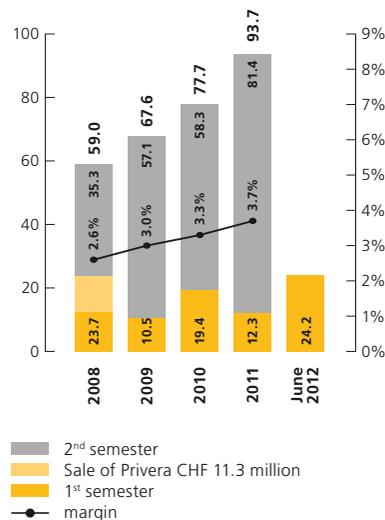
Implenia brings together the expertise of three specialist divisions:

- As a full service provider, Implenia Real Estate covers all areas of a property's lifecycle, from project development through realisation and modernisation, to operational optimisation and promotion. Implenia is the market leader for General Contracting in Switzerland.
- Implenia Infrastructure Construction offers the full range of productive construction services, from classic road construction and civil works, through building construction, restoration and refurbishment, to civil engineering and foundation engineering. Here too, Implenia is the market leader in Switzerland.
- Implenia Industrial Construction is a specialist in its home and international markets for underground infrastructure projects, as well as for demanding prime building projects outside Switzerland.

Implenia's head office is in Dietlikon near Zurich, and it has approximately 100 branches throughout Switzerland as well as representative offices in France, Germany, Italy, the Ivory Coast, Liechtenstein, Mali, Norway, Russia and the United Arab Emirates. The Group employs around 6,400 people and generated a revenue of more than CHF 2.5 billion in 2011. Implenia is listed on the SIX Swiss Exchange (IMPN, CH0023868554). More information can be found at [www.implenia.com](http://www.implenia.com).

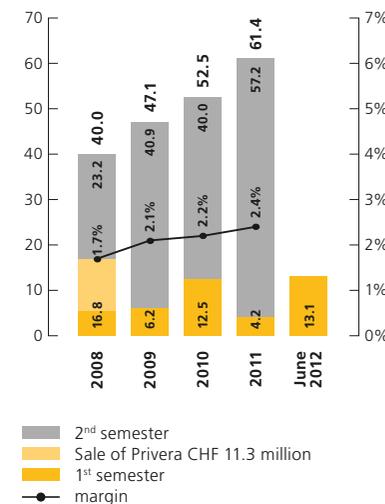
### Operating income

(in CHF million)



### Consolidated Profit

(in CHF million)



### Consolidated key figures

	1.1. – 30.6.2012	1.1. – 30.6.2011 <sup>1</sup>	Δ
	CHF 1,000	CHF 1,000	
<b>Consolidated revenue</b>	<b>1,194,699</b>	1,084,654	10.1%
<b>EBIT divisions</b>	<b>26,183</b>	15,719	66.6%
Miscellaneous/holding company	(1,949)	(3,389)	42.5%
<b>Operating income</b>	<b>24,234</b>	12,330	96.5%
<b>Consolidated profit</b>	<b>13,139</b>	4,223	211.1%
EBITDA	43,240	29,379	47.2%
Free cash flow	(29,390)	(101,401)	71.0%
<b>Net cash position</b>	<b>139,975</b>	46,842	198.8%
<b>Equity</b>	<b>534,774</b>	496,163	7.8%
Production output	1,292,137	1,224,868	5.5% <sup>2</sup>
Order book	3,283,122	3,008,196	9.1% <sup>3</sup>
Headcount (full time equivalents)	5,835	5,596	4.3% <sup>4</sup>
Number of shares	18,472,000	18,472,000	–
Number of outstanding shares	18,254,906	18,237,422	0.1%

1 Excl. Implenia Norge  
 2 Of which Implenia Norge: 4.0%  
 3 Of which Implenia Norge: 3.0%  
 4 Of which Implenia Norge: 4.5%

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## Dear Shareholder,

Implenia recorded a successful first semester 2012. EBIT divisions, operating income as well as consolidated profit all significantly exceeded previous year's figures. The Real Estate division posted a good result from its General Contracting unit, as well as a strong performance in Project Development. Thanks to the consistently good operations in Tunnelling in Switzerland, Industrial Construction reported a favorable performance. Infrastructure Construction is back on track. Despite an exceptionally cold period in February, it closed the first semester significantly better than during the same period of the previous year. With a full order book for the Group as a whole, we look to the future with confidence.

Consolidated revenue rose during the first half of 2012 by 10.1% relative to the previous year to reach CHF 1.195 billion (first half of 2011; CHF 1.085 billion). Excluding the contribution of Implenia Norge (CHF 84.4 million), this corresponds to a moderate organic growth in revenue of 2.4%. However, earnings rose substantially: EBIT divisions increased by two thirds to reach CHF 26.2 million, while operating income almost doubled at CHF 24.2 million. The consolidated profit rose from CHF 4.2 million to reach CHF 13.1 million. The order book climbed by 9.1% to reach CHF 3.28 billion. This is a high level on a long-term comparison.

Thanks to an increased focus on the management of the net working capital, the Group's net cash position rose almost threefold to CHF 140 million in year-on-year terms. Compared to the first semester of 2011, the seasonally typical first-half "cash-drain" was reduced by more than CHF 70 million from CHF -101.4 million to CHF -29.4 million. On the General Contracting side in particular, as well as at Infrastructure Construction, we were able to contribute to a lean balance sheet during the period under review. Invested capital was reduced by 12.1% relative to the same period of 2011.

### Successful Real Estate Division

The Group's Real Estate Division recorded a very successful result. EBIT in General Contracting built on the record result in 2011, and rose significantly in year-on-year terms at Project Development. Despite closing major projects like Europaallee in Zurich, the order book at General Contracting was kept at a high level thanks to new projects such as the JTI headquarters in Geneva. We continued to invest in Project Development activities, and have been able to maintain the value of our land bank in line with the figure for the end of 2011. Thanks to our integrated business model, this will help generate additional orders internally for General Contracting as well as for Infrastructure Construction in the future. On the Project Development side we are well on our way to reaching the medium-term earnings target of CHF 30 million EBIT.

### Infrastructure Construction back on track

Following the difficult first half of 2011, Infrastructure Construction is successfully back on track. Relative to the previous year's figures, the operating loss halved during the first semester 2012. This is a remarkable achievement, not least in view of the exceptionally low temperatures in February. This impressive improvement is attributable to a better course of business in the foundation engineering business which was due to the stabilisation of the market situation. In general, we were also able to better variabilise our fixed personnel costs. Our building construction business benefitted from this in particular, as the earnings situation has stabilised here, but it has not yet shown any marked improvement. We remain confident, notwithstanding the still-difficult price environment, that the measures taken in the past year will have a positive impact on the results by the end of the year. The order book at Infrastructure Construction rose significantly during the first half of 2012. In overall terms, we are confident about the outlook for the division in the second half. The outlook for Infrastructure Construction has been further boosted by the recently reported acquisition of Locher Bauunternehmer AG (further details on page 15).

### Industrial Construction in Switzerland and Norway on course for success

At Industrial Construction, capacity utilisation on construction sites within the Swiss tunnelling business remains good. Despite the declining Swiss market volume, the division recorded an improved result relative to the previous year's figures. The first projects in the Middle East have suffered from start-up problems that burdened the Group's results. Implenía Norge has posted an even operating result. Yet, the EBIT for the unit is, due to seasonal factors, negative for the present in the first semester at CHF -0.9 million and affected by integration costs as well as the amortisation of intangible assets. Implenía is well positioned in Norway and expected to contribute positively towards the consolidated profit by the end of the year. It is on course for success and could nearly double its order book to almost CHF 200 million since the acquisition thanks to a strong acquisition performance. The headquarters' support and resources made a significant contribution to this result.

Prime Buildings posted a disappointing result. Break-even by the end of the year is now out of reach. The unit is likely to be repositioned from 1 January 2013. Cost-cutting measures have been introduced with immediate effect.

### Exploiting the potential in the modernisation market

The modernisation business in Switzerland has great potential and offers interesting market opportunities. Implenía is making use of this growth field of the future with a targeted modernisation strategy that is tailored to the needs of customers. For this reason, we have invested in the building up of a new organisational unit that is strongly oriented towards the market. In the future, this will enable us to tackle the modernisation market in a focused manner, while simultaneously making optimal use of the growth and earnings potential in our Swiss home market.

### Management training and junior executive planning

Junior executive planning and talent management are of central strategic importance for our company. Thus, a great deal of work has been done within the framework of the "Implenia Academy" to build up in-house training and further development programmes. In August an initial module was launched in the field of internal management training. The existing range of specialist training courses continues to be developed in a targeted fashion.

### Milestone achieved with first Sustainability Report

Sustainability is a decisive factor for Implenía's long-term prosperity. For this reason, it is anchored in our strategy. We are determined to achieve a balance in everything we do between social and ecological responsibility on the one hand and economic success on the other. That is why we are delighted that together with the publication of this Half-Year Report, we will also be publishing the first Implenía Sustainability Report. For the first time, we ensure transparency by reporting systematically on where we stand in many different areas. In addition, we present our future objectives in the field of sustainability, and show how we aim to achieve them.

### Confident outlook

Our order book is at a very high level and includes orders that are scheduled for delivery well beyond the end of the current year. In all Group divisions we are in excellent strategic, operational and personnel form in order to face future challenges. At the same time, Implenía continues to profit from a positive market environment. We are optimistic for the full year and are currently on course for a medium-term operating earnings target of CHF 100 million.

### Thank you

In the name of the Board of Directors and Group Management we would like to thank all our employees sincerely for their contribution towards the success of Implenía over the past six months, which was only possible thanks to their skills and passion. We would also like to thank our clients for their confidence and loyalty. And, last but not least, we would like to thank our shareholders for the trust they have shown in us.



Markus Dennler  
Chairman of the Board of Directors



Anton Affentranger  
CEO

**Key projects**

**Park-Tower, Zug** Park-Tower, designed by Axxess/Cometti Architekten, is scheduled to be completed in 2014. It will be the tallest residential and commercial building in the canton. Implenla is the total contractor and also responsible for the foundation engineering and construction work, the sustainability and building technology planning as well as the interior finishing. The order for the basic construction work is worth around CHF 63 million. The scaffolding-free construction method cuts building time and reduces the volume of materials required. The Minergie-standard also meets the most stringent noise protection requirements, and, thanks to the use of ground water and thermal energy, also guarantees sustainable operations. (picture)

**Student Hall of Residence, Geneva** In Champel Implenla is responsible for realising an eight-storey student hall of residence by mid 2013 comprising 248 rooms, 15 studios, four apartments and various shared facilities. The project was commissioned by the Institution Fondation de la Cité Universitaire de Genève, the design was realised by the architectural firm Frei Rezakhanlou. The order is worth CHF 28 million.

**"City Halle", Winterthur** The development and conversion of the former "City Halle" on the Sulzer Site in Winterthur, which is being developed by Implenla, will create a new Central Library for the Zurich University of Applied Sciences. The project is scheduled to be completed by 2014.

**Real Estate Division**

Thanks to an excellent result in Project Development and a strong performance in General Contracting, Real Estate can look back on a successful first half of 2012.

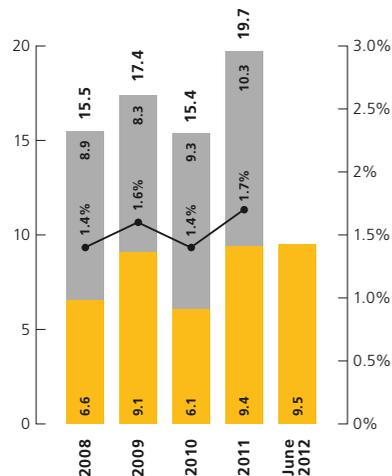
Real Estate recorded a significantly improved result in the Project Development segment in the first half of 2012. Together with a result in General Contracting in line with the previous year's record figure, the division can look back on a successful first semester with an EBIT of CHF 20.1 million (+10.1%). For General Contracting in particular, substantial improvements in invested capital were recorded. At CHF 1617.4 million, the order book was at the previous year's excellent level.

**Key figures Real Estate**

	1.1.–30.6.2012	1.1.–30.6.2011	Δ	1.1.–31.12.2011
	CHF 1,000	CHF 1,000		CHF 1,000
Revenue	672,949	641,516	4.9%	1,414,880
EBIT General Contracting/Services	9,492	9,362	1.4%	19,659
EBIT Real Estate (Project Development)	10,573	8,866	19.3%	25,297
<b>EBIT</b>	<b>20,065</b>	18,228	10.1%	44,956
Order book	1,617,416	1,603,090	0.9%	1,616,139
Headcount (FTE)	489	461	6.1%	482

**EBIT General Contracting/Services**

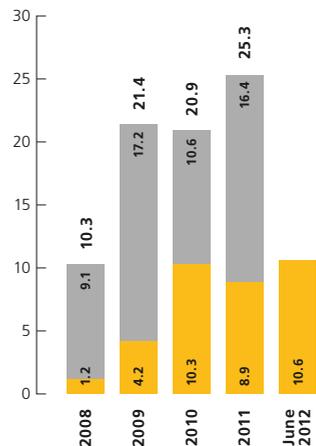
(in CHF million)



■ 2<sup>nd</sup> semester  
 ■ 1<sup>st</sup> semester  
 ● EBIT margin

**EBIT Real Estate (Project Development)**

(in CHF million)



■ 2<sup>nd</sup> semester  
 ■ 1<sup>st</sup> semester

**General Contracting posts good result**

General Contracting generated EBIT of CHF 9.5 million, in line with the figure for the previous year. Even though revenue was higher due to the intensive final phase of the Europaallee construction site A in Zurich during the first half of 2012, no increases in capacity were made. In order to optimise its project handling risk profile, General Contracting is in the process of introducing a new project management approach that also includes the management of risks. In order to ensure quality from the earliest construction phases onwards, in-house rather than external technical employees are increasingly being deployed. Against this background, the workforce was expanded by 5% during the period under review. A number of major projects are drawing to a close. It was possible, however, to secure new projects such as the JTI headquarters in Geneva and Park-Tower in Zug. This has helped maintain the order book at last year's record level.



**My highlights**

- Impressive General Contracting: EBIT at the level of the record year 2011
- Project Development in good shape: CHF 30 million EBIT target within reach
- Confident outlook: Order book at the previous year's excellent level

René Zahnd, Head of Real Estate Division

**Project Development business with full pipeline**

Project Development generated a strong result and boosted its EBIT relative to the previous year by 19.3% to CHF 10.6 million. This positive performance confirms the chosen strategy of increasing activities in the Project Development business in the medium and long term, while at the same time increasing the proportion of internally generated general contracting and construction production orders. With the residential developments Riedmühlepark in Dietlikon, Gerlisbrunnen in Schwerzenbach and Wriighthouse in Opfikon-Glattbrugg, several projects are currently in the process of being realised. Investments in new projects during the first half totalled approx. CHF 30 million. This is in line with the previous year. The value of the land bank has consequently been kept at the same level as at the end of 2011. Thanks to the marked improvement in results, coupled with the moderate fall in working capital, the ROIC parameter has again been further increased by one percentage point. The outlook for the real estate segment for the second half of 2012 remains positive. The record result recorded in 2011 is likely to be topped once again.

**Key projects**

**Bridge repairs, Brüttisellen intersection (ZH)** Up to 130,000 vehicles use the motorway bridge at the Brüttisellen intersection near Zurich every day. Over the years, the level of this bridge has dropped. Under the supervision of Implenia, it is now being raised by up to 12 cm. Work is conducted at night only, using hydraulic presses that exert a force of 400 tons. The first stage was completed quickly and seamlessly. The second is set to begin in the spring of 2013. The order is worth around CHF 24 million. This includes structural measures to reinforce and boost earthquake protection, as well as work to resurface the existing lanes and sliproads. (picture)

**Sion Airport** Since the middle of May 2012, about 30 employees have been busy building ten hangars for private jets as well as runways at Sion Airport. The 13 metre high walls of the hangars are made of self-compressing concrete that is stronger than standard concrete. The order is worth around CHF 10.5 million. Construction work is due to be completed by mid-December 2012.

**Elephant Park, Zurich Zoo (wooden structure)** Implenia is overseeing the wood construction for the asymmetrical roof at the new Elephant Park at Zurich Zoo. It is also responsible for the technical management, quality management, industrial safety and environmental protection.



**Infrastructure Construction Division**

Infrastructure Construction is back on track. Despite the exceptionally cold period in February it recorded a positive first half of 2012. Thanks to a full order book and the therefore secure capacity utilisation of the construction sites, the outlook for the second half is positive.

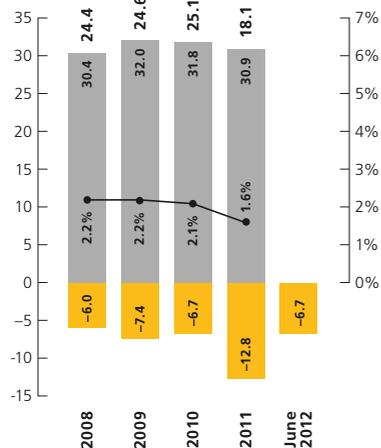
In the first semester of 2012, the Infrastructure Construction Division recorded a production output at the previous year's level of CHF 559.6 million. EBIT improved by more than 6 million relative to the first half of 2011 (CHF – 6.7 million as per 30.6.2012). It is important to note that first-half results at Infrastructure Construction are not necessarily representative of the results for the year as a whole as the majority of the operating income is recorded during the second half of the year due to seasonal factors. The order book rose by more than one fifth to around CHF 961 million. The latter is a consequence of the consistently active business environment in the construction industry, as well as the improved acquisition of new orders.

**Key figures Infrastructure Construction**

	1.1.–30.6.2012	1.1.–30.6.2011	Δ	1.1.–31.12.2011
	CHF 1,000	CHF 1,000		CHF 1,000
Revenue	514,295	511,390	0.6%	1,147,649
<b>EBIT</b>	<b>(6,696)</b>	(12,842)	47.9%	18,100
Production output	559,597	584,320	(4.2%)	1,288,224
Order book (incl. ARGE)	960,954	790,178	21.6%	744,157
Headcount (FTE)	4,284	4,334	(1.2%)	4,138

**EBIT Infrastructure Construction**

(in CHF million)



■ 2<sup>nd</sup> semester  
 ■ 1<sup>st</sup> semester  
 ● EBIT margin

**Marked improvement in earnings: Infrastructure Construction back on track**

Following a difficult first half of 2011, Infrastructure Construction is back on track. Following a relatively weak first quarter, caused by the exceptionally cold February, activities rose sharply during the second quarter. EBIT improved by over CHF 6 million on a year-on-year basis. This welcome improvement in results is attributable to a significantly better performance of the foundation engineering business, which in turn was due to the fact that the market situation stabilised during the period under review. In addition, it was possible to further variabilise the fixed personnel costs in general and in building construction in particular. As far as the latter is concerned, the earnings situation has stabilised but has not shown substantial improvement yet. Thanks to numerous measures taken to reduce capital commitment, Infrastructure Construction made a significant contribution towards the improved cash situation within the Group.



**My highlights**

- Back on track: Challenges of recent years successfully mastered
- Full order book: Excellent backlog of orders
- Additional boost: Targeted expansion in the infrastructure modernisation field thanks to acquisition of Locher

Arturo Henniger, Head of Infrastructure Construction Division

**Confident outlook**

In view of the high level of the order book and the continuing strong state of the economic environment, the outlook for the division is good. Measures implemented at building construction are likely to have a positive impact on the results by the end of the year, despite the fact that the price situation remains difficult. As a consequence, Infrastructure Construction is expecting business to perform well in the second half of 2012.

**Additional boost thanks to acquisition of Locher**

Infrastructure Construction has been further boosted by the acquisition of Locher Bauunternehmer Ltd. which was announced in June 2012. Within the context of Implenia's overall modernisation strategy, infrastructure refurbishment will be a particular focus of attention in the future. Within Infrastructure Construction, for example, a new, independent business unit "Infra Modernisation" is being set up. It will pool existing Implenia services in the field of maintenance (e.g. concrete preservation) and the infrastructure modernisation activities of the acquired company. By this means, Implenia is creating a strong platform with which to make optimal use of the future growth opportunities offered by the modernisation market in the field of infrastructure modernisation in Switzerland.

**Key projects****Increasing the height of Emosson Dam**

The Marti Implenia consortium has been working to expand the capacity of the pump/storage power station Nant de Drance since 2008. For CHF 109 million, Implenia has now been commissioned to raise the height of Vieux Emosson Dam, as well as to expand the machinery and transformer caverns, works water channels and pressure shafts. (picture)

**Brokke Nord (Norway)** Implenia Norge has been commissioned by the Norwegian energy group Otra Kraft to realise the hydroelectric plant "Brokke Nord" in southern Norway. This project is scheduled to be completed in April 2014. With an order volume amounting to some CHF 75 million, "Brokke Nord" is the most significant new project secured by Implenia since it entered the Norwegian market. The project entails the construction of a 50 metre dam and a 10 kilometre water tunnel with various feeds. The technical challenges are substantial. The deadlines are tight. Some 20 employees are being deployed from Switzerland to Norway in conjunction with the construction of the hydroelectric plant.

**Tunnel de Pinchat, Geneva** In the "CEVA" project, a 16 kilometre tunnel is being built for Geneva between Cornavin and the French town of Annemasse. Within the framework of the CTP consortium, Implenia is responsible for the core section, the approx. two kilometre long Tunnel de Pinchat costing CHF 130 million. This is scheduled to start operations in 2017.

**Industrial Construction Division**

Industrial Construction generated a strong result during the first half of 2012 thanks to a strong performance of its Swiss Tunnelling activities. Business in Norway is on track.

**Key figures Industrial Construction**

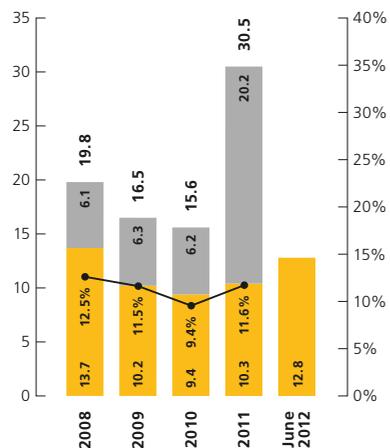
	1.1.–30.6.2012	1.1.–30.6.2011	Δ	1.1.–31.12.2011
	CHF 1,000	CHF 1,000		CHF 1,000
Revenue Tunnelling	69,580	78,151	(11.0%)	161,426
Revenue Implenia Norge	84,424	47,653 <sup>1</sup>	77.2%	129,097 <sup>1</sup>
Revenue Prime Buildings	10,870	5,135	111.7%	19,759
<b>Revenue</b>	<b>164,874</b>	130,939 <sup>2</sup>	25.9%	310,282 <sup>2</sup>
<b>Revenue IFRS</b>	<b>164,874</b>	83,286	–	262,629
EBIT Tunnelling	15,238	11,477	32.8%	33,590
EBIT Implenia Norge	(917)	601 <sup>1</sup>	(252.6%)	(204) <sup>1</sup>
EBIT Prime Buildings	(1,507)	(1,144)	(31.7%)	(2,312)
<b>EBIT</b>	<b>12,814</b>	10,934 <sup>2</sup>	17.2%	31,074 <sup>2</sup>
<b>EBIT IFRS</b>	<b>12,814</b>	10,333	24.0%	30,473
Production output	132,586	150,570	(11.9%)	294,630
Production output Implenia Norge	84,424	47,653 <sup>1</sup>	77.2%	129,097 <sup>1</sup>
<b>Production output</b>	<b>217,010</b>	198,223 <sup>2</sup>	9.5%	423,727
Order book	507,552	614,928	(17.5%)	667,090
Order book Implenia Norge	197,200	83,657 <sup>1</sup>	135.7%	126,529
<b>Order book</b>	<b>704,752</b>	698,585 <sup>2</sup>	0.9%	793,619
Headcount	559	610	(8.4%)	573
Headcount Implenia Norge	306	250 <sup>1</sup>	22.4%	260
<b>Headcount (FTE)</b>	<b>865</b>	860 <sup>2</sup>	0.6%	833

1 pro forma values

2 like for like

**EBIT Industrial Construction**

(in CHF million)



■ 2<sup>nd</sup> semester  
 ■ 1<sup>st</sup> semester  
 ● EBIT margin

In year-on-year terms, Industrial Construction increased production output during the first half of 2012 by 9.5% to CHF 217.0 million. EBIT rose by almost one quarter to CHF 12.8 million. Thanks to the contribution made by Implenia Norge, the order book was maintained at the previous year's level, despite the declining Swiss Tunnelling construction market volumes. The size of the workforce has significantly risen in Norway and the Middle East, although it has declined in Tunnelling in Switzerland. As a whole, Industrial Construction employs 865 employees, calculated on a full-time equivalent basis. Relative to the end of 2011, the headcount (FTE) therefore remains almost unchanged.

**Strong Tunnelling result**

EBIT rose 32.8% to reach CHF 15.2 million. This meant the Tunnelling Division was able to post an excellent result, despite a slight reduction in volume due to the gradual completion of the NRLA works and including the positive contribution from the settlement of Consorzio TAT with ATG. Start-up problems with the first projects in the Middle East had a negative impact on the result.

**My highlights**

- Good performance: Tunnelling in Switzerland with excellent EBIT
- On track for success: Implenia in Norway with excellent order intake
- Know-how transfer: “Brokke Nord” – For the first time, Swiss employees contribute with their skills on site

Peter Preindl, Head of Industrial Construction Division

**Implenia Norge well positioned – promising outlook**

Implenia Norge has posted an even operating result. Yet, the EBIT for the unit is, due to seasonal factors, negative for the present in the first semester at CHF –0.9 million and burdened by integration costs as well as the amortisation of intangible assets. Implenia is well positioned in Norway and expected to contribute positively towards the consolidated profit by the end of the year. At CHF 197.2 million, Implenia Norge has a full order book which has more than doubled following its acquisition due to the very positive growth in orders. Examples are projects such as the hydroelectric power plant “Brokke Nord” and the wide-ranging infrastructure project “E39”, which were also made possible thanks to the headquarters' support and resources. Implenia is well positioned with its activities in Norway in order to offset declining volumes in the Swiss tunnelling market in the medium term.

**Prime Buildings likely to be repositioned**

The Prime Buildings business unit, which specialises in international consultancy for challenging real estate projects, posted a disappointing result for the first half of 2012. EBIT fell in year-on-year terms by over CHF 0.35 million to CHF –1.5 million. This means that break-even by the end of the year is beyond reach. For this reason the division is likely to be repositioned with effect from 1 January 2013. Cost-cutting measures have been introduced with immediate effect.

## Corporate Center

The Corporate Center makes important contributions towards increasing efficiency and supporting the Group's operational units. In Human Resources (HR), internal training and further education was the focus of attention. Further highlights included the successful renegotiation of the syndicated credit facility and the launching of a new costing system for project control in General Contracting.

### Focus on training and further education

With its continuing education and training programme, Implenia promotes the personal and specialist training of all Implenia employees throughout the Group. Within the framework of the "Implenia Academy", intensive work was carried out during the period under review to expand the in-house training and further training programmes. With the "Management Development" course an initial module was launched in August in the field of internal executive training. Implenia is currently working on a targeted expansion of the existing range of specialist training courses.

### Value-based management: from theory to practice

With the concept of value-based management, Implenia took an initial step from theory to practice during the first half of 2012. Medium-term planning has for the first time been extended to cover the concept of economic profit. With a view to successful financial project controls, a dedicated costing system has also been developed for the General Contracting business which is based on the existing SAP solution. The new system is already being used in the field of reporting; improved processes ensure faster preparation and analysis.



### My highlights

- Financing secured: Syndicated credit facility successfully renegotiated for a five-year term
- Increased efficiency: All divisions contribute towards value creation at Implenia
- The marguerite on the move: Simone Brändli is Implenia's new brand ambassador

Beat Fellmann, CFO

### Long-term finance secured thanks to renegotiated syndicated credit facility at attractive conditions

The syndicated credit facility which is due to expire at the end of September 2012 was successfully extended with effect from 31 August 2012. At the same time, the maturity of the CHF 500 million credit facility – of which CHF 150 million as a cash facility and CHF 350 as a guarantee facility – was extended to five years. This means the bullet maturity of the syndicated credit facility lies beyond the maturity of the bond.

### Insurance portfolio put out to tender

In the first half of 2012, the Insurance Department prepared the whole insurance portfolio for tender in January 2013. The actual tendering will be conducted during the second half of the year.

### Contract management optimised

Over the past two years, attention was focused on professionalising and modernising the management of lawsuits and compliance, whereas during the current year the particular emphasis lies on improved contract management. In this conjunction, the process will be overseen by the Legal Services Department from the outset, beginning with standard legal agreements, through legal risk assessment to the management of warranty claims and archiving.



Along with Ruedi Wild, Simone Brändli (picture), the successful Swiss triathlete and 2011 Ironman winner, will be Implenia's brand ambassador in the future.

### New purchasing strategy

The purchasing strategy drawn up for the Group was approved by the Board of Directors and Group Management. Implementation will be carried out on a step-by-step basis. At the same time and for the purposes of transparency and the creation of a Group-wide purchasing network, an SAP-based IT landscape will be developed. Positive results in the area of the purchasing of services from neighbouring countries have already been achieved. Purchasing contracts and purchasing conditions have been drawn up and introduced throughout the Group.

### Triathlete Simone Brändli is Implenia's new brand ambassador

During the first half of 2012 Implenia secured the successful Swiss triathlete and 2011 Ironman winner, Simone Brändli, as its new brand ambassador. Together with Ruedi Wild, Simone Brändli is the second top Swiss athlete to wear the Implenia brand on her sportswear. The Group's website was revamped in 2011, and is updated on an ongoing basis. The employee magazine "Impact", which is of great importance for internal communications, was updated during the past six months. The various changes in terms of content and design will be revealed in the forthcoming September issue.

## Sustainability is our passion

Sustainability is a cornerstone of Implenia's long-term prosperity, and therefore an integral part of the company's strategy. The challenge is to create added value for all stakeholders, while striking a balance between economic success and social as well as ecological responsibility. Implenia is determined to play a pioneering role in the industry. But where does Implenia stand today? What does its commitment specifically entail? Which objectives has the company set itself for the next few years? The first Implenia Sustainability Report provides information on this topic.

The construction industry provides employment for some 300,000 workers in Switzerland. This makes it one of the country's most important employers. With its residential and infrastructure construction activities, it greatly influences the lives of the Swiss population in the fields of health, security, housing, workspace and mobility. At the same time, the construction sector is directly and indirectly responsible for 30% of the greenhouse emissions, 40% of the energy consumption and 75% of the waste in Switzerland. Moreover, construction is dangerous work. Each year, around 50,000 industrial accidents occur.

This is where Implenia's sustainability strategy comes into play: Implenia is keenly aware of how important the construction sector is for the environment, society and business in Switzerland. For this reason, Implenia exercises responsibility and has anchored sustainability in its corporate strategy. For Implenia, sustainability also means striking a balance between economic performance, social responsibility and an intact environment.

.....

"What we do – and don't do – has a major impact on the environment, economy and society." Anton Affentranger, CEO

.....

**Dynamic construction: The construction industry has a strong influence on the environment, the society and the economy of Switzerland.**

### Environment

Approx. 30% of the greenhouse gas emissions  
 •  
 Approx. 40% of the national energy consumption  
 •  
 Approx. 75% of waste

### Society

50,000 industrial accidents annually  
 •  
 Creation of 1,500,000 buildings with 3,400,000 apartments  
 •  
 70,000 km of roads and 5,000 km of track

### Economy

On average CHF 55 billion per year, of which one third comes from the public sector  
 •  
 300,000 jobs

“Implenia is currently assessing its position and defining its ground – to ensure a successful future with sustainable construction.”

Moritz Leuenberger, Member of Implenia's Board of Directors and Chairman of the Sustainability Committee

### From the initiative to the first Sustainability Report

It was within this context that the Group-wide “Implenia Sustainability” initiative was launched at the beginning of 2010. In this the company defined ten specific topics. Building on these, it set five strategic targets which are the focus of the Group's sustainability policy and which represent the concerns of the stakeholders, such as its customers, employees and shareholders. Implenia has defined specific targets for these and has drawn up measures which will enable the company to develop the current status, processes and organisation in the direction of greater sustainability, as well as to measure the progress that has been made.

The Implenia Sustainability Report was drawn up on the basis of these studies. It will be published this year for the first time together with the 2012 Half-Year Report. The company's five strategic targets are set out in the five chapters “Sustainable Products and Services”, “Attractive Working Environment”, “Handling the Environment with Care”, “Social Commitment and Compliance” as well as “Financial Excellence” (see brief interview on page 25).

“The work is just beginning.”



Markus Koschenz, project leader of “Sustainable Implenia” initiative, on the first Implenia Sustainability Report.

### Why is sustainability a central issue for Implenia?

The construction industry plays a decisive role in coping with the challenges of today and the future with regard to climate change, dealing with the increasing scarcity of resources, population growth and a mobile society. As a construction services provider, Implenia wants to harness the potential that is created by these challenges and to provide an active contribution to solving these problems.

### What exactly does the 2011 Sustainability Report cover?

Essentially we only record and report matters which are relevant and which we are also able to influence. The 2011 Sustainability Report takes into account all the information relating to the Swiss

field of operations. The report is based on the Global Reporting Initiative (GRI) Guideline G 3.0 and fulfils the criteria of Application Level B.

### Has Implenia achieved its objectives with the first Sustainability Report?

The work is just beginning. The Report marks the first important step. We have established transparency regarding the current state of affairs, our targets and measures in the field of sustainability. However, the question of whether we have achieved our targets will not be decided by the blueprint. Instead, day-to-day project meetings will be decisive; identifying solutions for construction methods that make more efficient use of resources; on building sites, ensuring that construction machinery is operated ecologically and cost-effectively; motivating our workforce to achieve new heights; at the Shareholders' Meeting when votes of confidence in Implenia are passed or amongst the shareholders when a shareholder supports Implenia's dedication to sustainability.

### And the next steps?

We will now put all our efforts into implementing our targets. Our progress will be set out, at the latest, in the next issue of the Sustainability Report which is expected to be released in 2014.

## Urban renewal with consideration

Noise, dust and obstructions – the renewal of utility conduits threatened to undermine the small businesses on Spalenberg in Basel's Old Town. But careful planning, thoughtfulness and an active information policy made the renovation works a model of their kind.

A stroll through the Spalenberg pedestrian zone today reveals an exquisite little shopping idyll. The narrow houses lining the steep lane in Basel's Old Town are home to many small shops – some going back decades. A step away from the street there is a confectioner, an art gallery, an antiquarian bookseller, a goldsmith, a restaurant, a saddler and a boutique. Not long ago, it was a different story.

### Matter of survival for small businesses

The ancient traditions of the Old Town buildings and the variety of shops in the lane come with equally ancient pipework and ramshackle foundations. For political reasons, the authorities had long deferred renovation work. But then the time came to renew the water, electricity and gas mains, lay a fibre-optic network and pedestrianise the shopping street. Accord-



ing to Franz Bonetti, general project manager at the Basel-Stadt Public Works Department: “At the time, the long-overdue work was one of the most pressing inner-city projects for the Canton of Basel-Stadt.” And for the small shops, it was a question of survival. The renovation would mean noise, dust, undermined façades and excavations right on the shop doorsteps. A critical issue for the shopkeepers on Spalenberg – and a challenge for the Public Works Department and for the construction consortium “Spalenberg” led by Implen.

**Careful planning and local involvement**

In view of the pressure to succeed, the Public Works Department set great store by meticulous forward planning and an active and transparent information policy. At the request of residents, a detailed construction plan was drawn up in advance. For example, as planning architect Gaetano Castiello explains, every effort was made to ensure that work in front of Johann Wanner, the Christmas decoration shop, would not take place in the run-up to the festivities. Those affected were able to see in advance what was coming and suggest changes. The Canton opened a site office with regular opening hours next to the road works. This proved very popular, receiving over 580 visitors during the project. Part of the PR work was a campaign with the motto: “Der Berg bewegt” (“The moving hill”), regularly drawing the attention of local people to Spalenberg and its many shopping opportunities.

**Logistical challenge overcome without incident**

As lead company in the Spalenberg consortium, Implen also took account of the specific situation. To minimise the impact on commerce, the company put a well-trained team with plenty of experience in place. The challenges were huge: “During the whole pe-



**Previous page:** Accessible despite the road works: a vital factor for the businesses on Spalenberg. **Top:** Shopping street as construction site: excavators and dumper trucks had to move at walking pace. **Right:** Delighted with the thoughtfulness shown: Johann Wanner, over 30 years on Spalenberg in the shop that bears his name, still rolling out the red carpet for his customers during the road works.

**Spalenberg Basel – transformation of an inner-city shopping street**

Basel’s Spalenberg was opened as a pedestrian zone at the end of July 2012 after less than two years’ construction work. The renewal of the water, electricity and gas mains, laying of a fibre-optic network for the surrounding buildings, the new surface design and improvements to the foundations of the buildings were preceded by a two-year planning phase. At peak times, the work involved 35 people from the Spalenberg consortium, in which Implen was the lead company.





riod of construction, from October 2010 to the end of July 2012, passers-by were walking over, through or alongside the site. This required great concentration and consideration from all concerned,” points out Implenia project manager Franz Comi. For example, the excavator driver had to be constantly on the lookout for people walking under the boom or getting within its swivel range. “Our operatives had to keep an eye on all the customers visiting the small shops and boutiques,” says Comi, describing the daily scene on Spalenberg. These are far from ideal conditions for safe operations. One thing Comi takes special pride in: “The project passed off without a single accident and with very little damage to property.”



**Concentration and consideration are all**

To ensure access to the shops for customers, aluminium bridges led from the street over the excavations to the doorways. Although this made things more difficult for the construction work, the shopkeepers were delighted to have the custom – not to mention the small services occasionally provided by the building workers. Beat Waldmeier, landlord of Café Spalenberg, is enthusiastic about the helpful attitude of the building workers: “When a big drinks delivery

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“The formula is simple: be honest, be open and always on hand.”

**Franz Bonetti**, general project manager at the Basel-Stadt Public Works Department  
.....

arrived, the workers pitched in spontaneously, carrying 60 crates of bottles over the bridge into the restaurant. In all my 55 years on Spalenberg, I’ve never seen anything like it.” He was also really impressed by the way the Implenia

**Previous page, left:** Business as usual: for the shopkeepers, life continued almost as normal. **Previous page, right:** Despite limited space, there were no accidents or damage to property during the building work. **Top:** Open communications: Beat Waldmeier, landlord of Café Spalenberg, talking to Implenia project manager Franz Comi. **Right:** The same applies for all involved: an unusual building site demands great flexibility.

team handled the old paving stones, laying them carefully in the skip to avoid unnecessary noise, rather than just throwing them in. “Such thoughtfulness is truly impressive. And at mid-day, there was a real break, so our guests were able to eat lunch in peace,” continues Waldmeier. By way of thanks for their considerate behaviour, foreman Reto Burri and his team were on the receiving end of many small kindnesses: a morning snack, a drink or even lunch. Nevertheless, there were one or two situations which tested the nerves of the building workers.



**Left:** The hill is alive: colourfully decorated bridges drew the attention of Basel's inhabitants to the shopping opportunities on Spalenberg. **Right:** Better than expected: Barbara Farner's turnover at the clothes boutique Anna Schwarz was scarcely affected, despite the road works.

"One day, an indignant shopkeeper demanded that I come to the cellar, saying the light there had suddenly stopped working," remembers Burri with a smile. As it turned out, it was just a light bulb that needed replacing. "It was really nothing to do with the road works." Nevertheless, he had the bulb changed anyway, without making a fuss.

#### **Less impact on sales than anticipated**

But however considerate those involved, every building site is a test of stamina for residents and local traders. Johann Wanner, proprietor of the Christmas decoration shop, was longing for the work to be finished. "We certainly felt the effects on passing trade. But it was nowhere near as bad as expected." He is very understanding about the renovations and full of praise for the workers. "I hate sloppiness. So I'm all the more pleased that the site workers always left things tidy. Implanzia really couldn't have done a better job." Looking down the steeply sloping street, Barbara Farner, from the clothes boutique Anna Schwarz at the top of Spalenberg, takes a similar view. "Spalenberg is a hill. People won't necessarily make it to the top at the best of times," she explains. As a result, she is all the more surprised that turnover was so little affected by the road works.

#### **A success story thanks to plain speaking**

Franz Bonetti of the Basel-Stadt Public Works Department also sees the outcome in a positive light: "It was vital for the smooth running of the project to explain from the outset



"Spalenberg is a hill. People won't necessarily make it to the top at the best of times."

Barbara Farner, Anna Schwarz clothes boutique

how important and necessary the renovations were and to call a spade a spade." Every building site is bound to produce noise, interfere with normal life and affect sales. There is no way around that. The fact that, once the work was completed, all concerned declared themselves really satisfied was chiefly thanks to the way the Spalenberg project was a joint undertaking, based on mutual respect. "Keeping to the promised schedule was a crucial factor," Bonetti sums up. It is a simple formula: "Be honest, be open and always on hand."



## “Specialist and personal skills are key factors”

High quality and adherence to deadlines and budgets are crucial for general contractors when it comes to satisfying customers. The construction of the Halde Cantonal School in Chur shows that, even under difficult conditions, it is possible to realise highly successful results. Markus Dünner, Cantonal Master Builder for Graubünden, explains in an interview what it takes for successful cooperation.

### **In realising the Halde Cantonal School in Chur you worked together with Implenia as a total contractor (incl. planning). What were the special challenges of this construction project?**

The special challenges were related to the complexity of the task. To begin with, the renovation work had to be carried out in three phases, sometimes whilst daily school life with 1,300 pupils was continuing around us. Provisional classrooms were erected to replace those that were being renovated. Secondly, there was a problem with pollutants. As the old cantonal

school dated back to the 70s, the sealants and paint contained large quantities of PCB, which is harmful to health in the long term. This was actually banned in the 80s. The building had to be stripped back to its carcass and the PCB had to be removed and disposed of professionally.

### **Why did you decide to work together on the construction project with a general contractor?**

With the construction of the Halde Cantonal School we needed a reliable partner, as the deadline, costs and quality were extremely

### **Modernisation of the Halde Cantonal School, Chur**

Under the supervision of Implenia the old building of the Halde Cantonal School in Chur was transformed into new, ultramodern school premises. The blueprint was designed by the Chur architects Jüngling und Hagmann and the principal was the Graubünden Construction Department (HBA). The building has been equipped with a thermally insulated façade, state-of-the-art building technology, including a photovoltaic power system that generates around 40,000 kWh per year, as well as an appropriate new interior and cutting-edge equipment.



important and had to be fixed in advance. This meant that the cantonal school had to be completed at a fixed price and to a fixed deadline within three years prior to the summer holidays, so that the school would be fully operational in the autumn.

### **In your view, what are the key factors for a successful cooperation with a general contractor?**

There's a saying: “Tight contracts create firm friendships”. We negotiated a clear and comprehensive contract with Implenia. We took a great deal of time over this. As everything was so clearly stipulated there was no room for any misunderstandings. Other key factors were the high level of specialist and personal skills of the people carrying this out. We already knew Implenia and some of the individual company employees from previous projects. All in all, it was an extremely good collaboration with an excellent communication culture. And because the hierarchies were flat, the information flows were seamless and on time.

.....  
 “All in all, it was an extremely good collaboration with an excellent communication culture.”  
 .....

Markus Dünner, Cantonal Master Builder for Graubünden



### **Are you satisfied with the result?**

We are extremely satisfied with the new cantonal school – the result is a resounding success. And it's not just the construction specialists who are delighted but also the representatives of the cantonal school, who as users were also involved in the project.

**Thank you very much for the interview.**



# Interim Financial Report

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## Consolidated income statements

		1.1.–30.6.2012	1.1.–30.6.2011
	Notes	CHF 1,000	CHF 1,000
Consolidated revenue	3	1,194,699	1,084,654
Materials and subcontractors		(741,454)	(655,620)
Personnel expenses		(331,697)	(330,259)
Other operating expenses		(80,558)	(71,262)
Depreciation and amortisation		(19,006)	(17,049)
Income from associates		2,250	1,866
<b>Operating income</b>	3	<b>24,234</b>	12,330
Financial expenses	4	(6,942)	(6,769)
Financial income	4	1,180	1,193
<b>Profit before tax</b>		<b>18,472</b>	6,754
Tax		(5,333)	(2,531)
<b>Consolidated profit</b>		<b>13,139</b>	4,223
<b>Attributable to:</b>			
Shareholders of Implenla AG		12,541	3,583
Non-controlling interests		598	640
<b>Consolidated earnings per share (CHF)</b>			
Basic earnings per share	16	0.69	0.20
Diluted earnings per share	16	0.69	0.20

The accompanying notes form part of the consolidated financial statements.

## Consolidated statements of comprehensive income

	1.1.–30.6.2012	1.1.–30.6.2011
	CHF 1,000	CHF 1,000
<b>Consolidated profit</b>	<b>13,139</b>	4,223
Foreign exchange differences attributable to:		
Shareholders of Implenla AG	(408)	(2,613)
Non-controlling interests	55	–
<b>Other comprehensive income</b>	<b>(353)</b>	(2,613)
<b>Total comprehensive income</b>	<b>12,786</b>	1,610
<b>Attributable to:</b>		
Shareholders of Implenla AG	12,133	970
Non-controlling interests	653	640

The accompanying notes form part of the consolidated financial statements.

## Consolidated balance sheets

ASSETS	Notes	30.06.2012	31.12.2011	30.06.2011
		CHF 1,000	CHF 1,000	CHF 1,000
Cash and cash equivalents	5	351,095	402,532	246,673
Marketable securities		238	516	276
Trade receivables	6	513,389	472,789	485,378
Work in progress	7	247,773	220,098	227,087
Joint ventures	8	21,136	33,552	17,311
Other receivables		43,967	45,285	46,892
Raw materials		22,323	23,398	22,477
Real estate transactions	9	252,680	247,047	229,410
Prepaid expenses and accrued income		27,714	24,421	25,353
<b>Total current assets</b>		<b>1,480,315</b>	<b>1,469,638</b>	<b>1,300,857</b>
Property, plant and equipment	10	220,599	225,365	218,218
Investment property	11	18,652	18,860	7,712
Investments in associates		47,860	47,169	43,597
Other financial assets		9,865	9,764	9,979
Pension assets		27,219	25,519	12,813
Intangible assets	12	92,410	90,674	72,373
Deferred tax assets		796	714	4,103
<b>Total non-current assets</b>		<b>417,401</b>	<b>418,065</b>	<b>368,795</b>
<b>Total assets</b>		<b>1,897,716</b>	<b>1,887,703</b>	<b>1,669,652</b>

EQUITY AND LIABILITIES	Notes	30.06.2012	31.12.2011	30.06.2011
		CHF 1,000	CHF 1,000	CHF 1,000
Financial liabilities	13	4,584	3,795	1,420
Trade payables		256,431	272,537	241,995
Work in progress	7	591,019	555,083	464,573
Joint ventures	8	28,742	49,341	36,620
Other liabilities		54,491	55,782	39,633
Tax liabilities		29,842	30,018	20,474
Prepaid income and accrued expenses		96,829	75,151	89,256
Provisions	14	5,154	5,892	4,466
<b>Total current liabilities</b>		<b>1,067,092</b>	<b>1,047,599</b>	<b>898,437</b>
Financial liabilities	13	206,536	205,278	198,411
Other liabilities		5,188	7,295	–
Deferred tax liabilities		58,168	57,742	47,943
Provisions	14	25,958	26,261	28,698
<b>Total non-current liabilities</b>		<b>295,850</b>	<b>296,576</b>	<b>275,052</b>
Share capital	15	35,097	35,097	51,722
Treasury shares	15	(5,999)	(4,460)	(7,057)
Reserves		482,307	441,974	441,059
Consolidated profit attributable to shareholders		12,541	60,264	3,583
<b>Equity attributable to shareholders</b>		<b>523,946</b>	<b>532,875</b>	<b>489,307</b>
Non-controlling interests		10,828	10,653	6,856
<b>Total equity</b>		<b>534,774</b>	<b>543,528</b>	<b>496,163</b>
<b>Total equity and liabilities</b>		<b>1,897,716</b>	<b>1,887,703</b>	<b>1,669,652</b>

The accompanying notes form part of the consolidated financial statements.

## Consolidated statements of changes in equity

	Notes	Share capital		Reserves				Non-controlling interests	Total equity	
		CHF 1,000	Treasury shares CHF 1,000	Capital reserves CHF 1,000	Revaluation reserve CHF 1,000	Foreign exchange differences CHF 1,000	Retained earnings CHF 1,000			Total shareholders' equity CHF 1,000
<b>Equity as at 1.1.2012</b>		35,097	(4,460)	131,511	5,763	(16,167)	381,131	532,875	10,653	543,528
Consolidated profit							12,541	12,541	598	13,139
Other comprehensive income						(408)		(408)	55	(353)
<b>Total comprehensive income</b>						(408)	12,541	12,133	653	12,786
Dividends	17			(20,052)				(20,052)	(378)	(20,430)
Change in treasury shares			(1,539)	716			(2,102)	(2,925)		(2,925)
Share-based payments							2,102	2,102		2,102
Change in non-controlling interests							(187)	(187)	(100)	(287)
<b>Total other changes in equity</b>			(1,539)	(19,336)			(187)	(21,062)	(478)	(21,540)
<b>Total equity as at 30.6.2012</b>		35,097	(5,999)	112,175	5,763	(16,575)	393,485	523,946	10,828	534,774
<b>Equity as at 1.1.2011</b>		51,722	(6,292)	132,813	5,650	(15,766)	320,867	488,994	6,490	495,484
Consolidated profit							3,583	3,583	640	4,223
Other comprehensive income						(2,613)		(2,613)		(2,613)
<b>Total comprehensive income</b>						(2,613)	3,583	970	640	1,610
Dividends									(334)	(334)
Change in treasury shares			(765)	108			(1,811)	(2,468)		(2,468)
Share-based payments							1,811	1,811		1,811
Change in scope of consolidation	2.2								60	60
<b>Total other changes in equity</b>			(765)	108				(657)	(274)	(931)
<b>Total equity as at 30.6.2011</b>		51,722	(7,057)	132,921	5,650	(18,379)	324,450	489,307	6,856	496,163

The accompanying notes form part of the consolidated financial statements.

## Consolidated cash flow statements

		1.1.–30.6.2012	1.1.–30.6.2011
	Notes	CHF 1,000	CHF 1,000
<b>Consolidated profit</b>		<b>13,139</b>	4,223
Tax		<b>5,333</b>	2,531
Financial result	4	<b>5,763</b>	5,576
Depreciation and amortisation		<b>19,006</b>	17,049
Result from sale of non-current assets		<b>207</b>	(638)
Result and distribution from associates		<b>398</b>	631
Change in provisions		<b>(1,019)</b>	(5,937)
Change in pension assets		<b>(1,700)</b>	(402)
Change in net working capital			
Change in trade and other receivables		<b>(39,646)</b>	(98,290)
Change in work in progress (net), raw materials		<b>8,896</b>	(33,462)
Change in real estate transactions		<b>(5,681)</b>	(12,606)
Change in trade payables and other liabilities		<b>(21,112)</b>	19,703
Change in accruals and joint ventures		<b>11,173</b>	17,383
Interest paid		<b>(6,985)</b>	(6,983)
Interest received		<b>608</b>	406
Tax paid		<b>(4,023)</b>	(3,256)
<b>Cash flow from operating activities</b>		<b>(15,643)</b>	(94,072)
Investments in property, plant and equipment		<b>(11,716)</b>	(13,632)
Disposals of property, plant and equipment		<b>1,473</b>	1,198
Investments in other financial investments and associates		<b>(919)</b>	(2,347)
Disposals of other financial investments and associates		<b>437</b>	7,473
Investments in intangible assets	12	<b>(3,022)</b>	(21)
<b>Cash flow from investing activities</b>		<b>(13,747)</b>	(7,329)

		1.1.–30.6.2012	1.1.–30.6.2011
	Notes	CHF 1,000	CHF 1,000
Increase of financial liabilities		<b>1,132</b>	26,084
Repayment of financial liabilities		<b>(1,702)</b>	(26,013)
Change in treasury shares		<b>(823)</b>	(657)
Dividends	17	<b>(20,052)</b>	–
Cash flow with non-controlling interests		<b>(661)</b>	(334)
<b>Cash flow from financing activities</b>		<b>(22,106)</b>	(920)
Foreign exchange differences on cash and cash equivalents		<b>59</b>	(280)
<b>Change in cash and cash equivalents</b>		<b>(51,437)</b>	(102,601)
Cash and cash equivalents at beginning of the period	5	<b>402,532</b>	349,274
<b>Cash and cash equivalents at end of the period</b>	5	<b>351,095</b>	246,673

The accompanying notes form part of the consolidated financial statements.

## Notes to the consolidated financial statements of Implenia

### 1 General information

Implenia AG is a Swiss public limited company incorporated in Dietlikon, Zurich. The shares of Implenia AG are listed on the SIX Swiss Exchange (ISIN code CH002 386 8554, IMPN).

The German version of the financial statements is the original version. The English and French versions are non-binding translations.

Implenia's business activities are described in Note 2.3.

The interim financial report as at 30 June 2012 was approved by the Board of Directors of Implenia AG on 29 August 2012. The consolidated financial statements as at 30 June 2012 have not been audited by the statutory auditor PricewaterhouseCoopers AG, Zurich. Unless otherwise stated, the figures in the interim financial report are given in thousands of Swiss francs.

### 2 Summary of significant accounting policies

These consolidated financial statements cover Implenia AG and its subsidiaries for the reporting period ended 30 June 2012. The consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". The report does not contain all the notes that are required to be included in the Annual Report. For this reason, it should be read in conjunction with the consolidated financial statements as at 31 December 2011, which were prepared in accordance with IFRS.

Management estimates and judgements for the purposes of financial reporting affect the values of reported assets and liabilities, contingent liabilities and assets on the balance sheet date, and expenses and income during the reporting period. Actual values may differ from these estimates.

The accounting principles applied in the 2012 consolidated interim financial report are identical to those published and described in the Annual Report 2011.

The following new standards as well as revisions and interpretations of standards were introduced for the first time for the financial year beginning 1 January 2012, but are not relevant for Implenia:

- Annual Improvements 2011
- IFRS 7 Financial Instruments: Disclosures (Amendment)

### 2.1 Principles of consolidation

The consolidated financial statements of Implenia include the financial statements of Swiss-domiciled Implenia AG and its subsidiaries as at 30 June 2012. Subsidiaries are companies directly or indirectly controlled by Implenia AG. Control is defined as the ability to control the financial and operating activities so as to obtain benefits from them. This is usually the case where Implenia controls directly or indirectly more than 50% of the company's voting rights or potential voting rights that can be exercised at any given time. Companies acquired during the year under review are included in the consolidated accounts from the date on which the Group obtains control over their operating activities, and all companies sold during the year under review are included up to the date on which control passes to the buyer. Receivables, liabilities, transactions and unrealised gains between Group entities are completely eliminated from the consolidated accounts. Changes in ownership interests in subsidiaries that do not result in a change in control are recognised as a transaction in equity.

Business combinations in which the Group assumes control over another company are accounted for using the purchase method. The purchase price is calculated as the sum of the fair values of the assets transferred to the seller and the liabilities incurred or assumed at the time of the transaction. IFRS requires agreed adjustments in acquisition-related costs dependent on future events to be recognised in the purchase price and any interests already held in an acquired business to be remeasured at fair value and recognised in the income statement. Transaction costs are recognised as expenses in the period in which they are incurred. Identifiable assets, liabilities and contingent liabilities acquired are recognised in the balance sheet at their acquisition-date fair value, irrespective of the size of the minority interests. Acquisition costs exceeding the Group's share of the fair value of the identifiable net assets are recognised as goodwill.

Investments in associates (defined as companies in which Implenia holds 20–50% of the voting rights or over which Implenia can otherwise exercise significant influence) are accounted for under the equity method.

### 2.2 Material changes in the scope of consolidation

The following changes took place in the first half of 2012:

Implenia AS acquired the minority interest of Implenia Miljøsanering AS and of Lindcon AS.

The following changes took place in the first half of 2011:

In January 2011 the newly founded company BLH Baulabor Horw AG, which is 50% owned by Implenia Bau AG and 50% by BRZ Belags- und Recycling-Zentrum (sp), was included in the group of consolidated companies, since the composition of the Group Management gives Implenia a controlling interest in the company.

The following additional changes took place in 2011:

With effect from 18 July 2011, Implenia acquired 80.79% of the outstanding shares of Betonmast Anlegg AS, Oslo (NO). Betonmast Anlegg AS and its subsidiaries are specialists in tunnel and infrastructure construction in Norway.

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## Notes to the consolidated financial statements of Implenla

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### 2.3 Segment reporting

The Group's segments are defined on the basis of the organisational units for which the Group's Board of Directors receives reports. Significant Group companies and the segment to which they are assigned are listed in Note 22. The Group comprises the following segments:

#### 2.3.1 Real Estate

The Real Estate segment comprises General Contracting/Services and Project Development. As a full service provider, the Real Estate segment covers all stages of the real estate lifecycle from development and realisation, right through to operational optimisation and promotion.

##### 2.3.1.1 General Contracting/Services

This segment includes activities such as coordinating, engineering and planning real estate projects, carrying out building work as a general and total contractor, and technical facility management.

##### 2.3.1.2 Project Development

This segment comprises activities such as designing and preparing real estate projects. It transforms visions and ideas into long-term real estate projects and provides additional services in the area of property management.

#### 2.3.2 Infrastructure Construction

This segment is active in all areas of traditional construction. This includes road building and foundation projects, infrastructure facilities and civil engineering, concrete restoration, bridge and avalanche protection construction, foundation construction, building projects (new and renovations), and gravel processing and surfacing works.

#### 2.3.3 Industrial Construction

##### 2.3.3.1 Tunnelling

This segment is primarily concerned with realising complex construction projects in Switzerland and abroad as a builder and total contractor. Among the services provided are microtunnelling, underground engineering, gallery construction for power plants, and railway technology.

##### 2.3.3.2 Norway

This new segment comprises tunnelling, road building and civil engineering of all Norwegian-domiciled entities which were acquired in July 2011.

##### 2.3.3.3 Prime Buildings

This segment is responsible for consultative and project construction management on sophisticated real estate projects abroad.

#### 2.3.4 Miscellaneous/Holding

This area contains any costs of Implenla that cannot be allocated to a segment. These include Group companies with no activities, holding company overheads, deferred taxes recognised at Group level and pension assets or obligations.

The segments each have their own management structures and internal reporting systems and are therefore classed and reported as separate operating segments. Certain headquarter functions are disclosed under Miscellaneous/Holding. These include procurement, financing & controlling, human resources, IT, investment management, marketing/communication, legal services and insurance.

#### 2.3.5 Notes on segment reporting

Transfer pricing between the operating segments is based on the arm's-length principle. The reported operating assets and liabilities of the reporting segments comprise property, plant and equipment, intangible assets, trade receivables and payables, inventories, and other assets and other liabilities such as provisions which can be allocated to the reported segments. Assets and liabilities not allocated to the segments mainly comprise current and deferred tax assets and liabilities, as well as pension assets and liabilities.

The Board of Directors exercises the role of chief operating decision maker as defined in IFRS 8. The Board regularly receives internal reports in order to assess the performance of the Group and review the allocation of resources within the Group. The chief operating decision maker receives segment information in the same level of detail as presented in segment reporting.

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### 2.4 Foreign currencies

The consolidated financial statements of Implenla are denominated in Swiss francs (CHF). The functional currencies of the Group companies abroad are the respective local currency. In the subsidiaries, foreign currency transactions are measured at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing on the balance sheet date. All foreign exchange differences are recognised in the income statements of the respective companies.

Income, expenses and cash flows of the consolidated companies are translated to CHF at the average rate for the reporting period. Balance sheet items are translated at the closing rate. Exchange differences relating to equity positions and non-current intra-group financing transactions in connection with net investments in foreign subsidiaries are recognised directly within the exchange differences in other comprehensive income. These cumulative amounts of currency gains and losses recognised in equity are classified in the income statement upon deconsolidation.

## Notes to the consolidated financial statements of Implenia

### 3 Segment reporting

Segment reporting as submitted to the Board of Directors as at 30 June 2012:

	Real Estate			>	Industrial Construction					
	General Contracting/ Services	Project Development	Infrastructure Construction		Tunnelling	Norway	Prime Buildings	Total of divisions	Miscellaneous/ Holding <sup>1</sup>	Total
	CHF 1,000	CHF 1,000	CHF 1,000		CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
Segment revenue	580,727	92,222	514,295	>	69,580	84,424	10,870	<b>1,352,118</b>	29,749	<b>1,381,867</b>
Intragroup revenue	(61,116)	(4,205)	(86,928)		(2,208)	(3,443)	(115)	<b>(158,015)</b>	(29,153)	<b>(187,168)</b>
<b>External revenues</b>	<b>519,611</b>	<b>88,017</b>	<b>427,367</b>		<b>67,372</b>	<b>80,981</b>	<b>10,755</b>	<b>1,194,103</b>	596	<b>1,194,699</b>
of which services	519,611	50,484	417,573		67,070	80,981	10,755	<b>1,146,474</b>	596	<b>1,147,070</b>
of which goods	–	37,533	9,794		302	–	–	<b>47,629</b>	–	<b>47,629</b>
<b>Operating income</b>	<b>9,492</b>	<b>10,573</b>	<b>(6,696)</b>	>	<b>15,238</b>	<b>(917)</b>	<b>(1,507)</b>	<b>26,183</b>	<b>(1,949)</b>	<b>24,234</b>
Investments in property, plant and equipment and intangible assets	1,304	–	9,548		688	1,468	–	<b>13,008</b>	1,715	<b>14,723</b>
Total assets	608,142	385,042	769,856		215,423	59,003	16,467	<b>2,053,933</b>	(156,217)	<b>1,897,716</b>
Total liabilities	(527,241)	(184,832)	(604,065)		(91,588)	(56,146)	(42,465)	<b>(1,506,337)</b>	143,395	<b>(1,362,942)</b>
Total equity	(80,901)	(200,210)	(165,791)	>	(123,835)	(2,857)	25,998	<b>(547,596)</b>	12,822	<b>(534,774)</b>

<sup>1</sup> including eliminations

## Notes to the consolidated financial statements of Implenia

Segment reporting as submitted to the Board of Directors as at 30 June 2011:

	Real Estate			>	Industrial Construction					
	General Contracting/ Services	Project Development	Infrastructure Construction		Tunnelling	Norway	Prime Buildings	Total of divisions	Miscellaneous/ Holding	Total
	CHF 1,000	CHF 1,000	CHF 1,000		CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
Segment revenue	554,730	86,786	511,390	>	78,151	–	5,135	<b>1,236,192</b>	29,803	<b>1,265,995</b>
Intragroup revenue	(43,375)	(9,210)	(99,814)		(627)	–	(201)	<b>(153,227)</b>	(28,114)	<b>(181,341)</b>
<b>External revenues</b>	<b>511,355</b>	<b>77,576</b>	<b>411,576</b>		<b>77,524</b>	<b>–</b>	<b>4,934</b>	<b>1,082,965</b>	<b>1,689</b>	<b>1,084,654</b>
of which services	511,355	46,110	403,153		77,465	–	4,934	<b>1,043,017</b>	1,689	<b>1,044,706</b>
of which goods	–	31,466	8,423		59	–	–	<b>39,948</b>	–	<b>39,948</b>
<b>Operating income</b>	<b>9,362</b>	<b>8,866</b>	<b>(12,842)</b>	>	<b>11,477</b>	<b>–</b>	<b>(1,144)</b>	<b>15,719</b>	<b>(3,389)</b>	<b>12,330</b>
Investments in property, plant and equipment and intangible assets	15	73	12,201		670	–	8	<b>12,967</b>	686	<b>13,653</b>
Total assets	460,097	294,762	698,522		169,461	–	9,294	<b>1,632,136</b>	37,516	<b>1,669,652</b>
Total liabilities	(423,568)	(93,009)	(518,207)		(80,153)	–	(29,133)	<b>(1,144,070)</b>	(29,419)	<b>(1,173,489)</b>
Total equity	(36,529)	(201,753)	(180,315)	>	(89,308)	–	19,839	<b>(488,066)</b>	(8,097)	<b>(496,163)</b>

## Notes to the consolidated financial statements of Implenla

	30.06.2012	30.06.2011
	CHF 1,000	CHF 1,000
<b>Reconciliation of total segment assets to total assets</b>	<b>1,897,716</b>	1,669,652
Deviation	–	–
Total assets	<b>1,897,716</b>	1,669,652
<b>Reconciliation of total segment liabilities to total liabilities</b>	<b>(1,362,942)</b>	(1,173,489)
Deviation	–	–
Total liabilities	<b>(1,362,942)</b>	(1,173,489)
<b>Reconciliation of operating income to consolidated profit</b>		
Operating income	<b>24,234</b>	12,330
Financial expenses	<b>(6,942)</b>	(6,769)
Financial income	<b>1,180</b>	1,193
<b>Profit before tax</b>	<b>18,472</b>	6,754
Tax	<b>(5,333)</b>	(2,531)
<b>Consolidated profit</b>	<b>13,139</b>	4,223
<b>Operating income from Miscellaneous/Holding includes:</b>		
Amortisation of intangible assets	<b>(321)</b>	(945)
Income from defined benefit pension plans	<b>1,700</b>	272
Other expenses net	<b>(3,328)</b>	(2,716)
<b>Total operating income Miscellaneous/Holding</b>	<b>(1,949)</b>	(3,389)

Implenia AG is domiciled in Switzerland. Revenues from third parties in Switzerland amounted to CHF 1,062 million (2011: CHF 1,056 million). Revenues generated abroad came to CHF 133 million (2011: CHF 29 million). Non-current assets located in Switzerland (excluding financial assets and deferred tax assets) as at 30 June 2012 stood at CHF 279 million (31 December 2011: CHF 283 million). Non-current assets located abroad (excluding financial assets and deferred tax assets) stood at CHF 53 million (31 December 2011: CHF 52 million).

#### 4 Financial expenses and income

	30.06.2012	30.06.2011
	CHF 1,000	CHF 1,000
<b>Financial expenses</b>		
Interest expenses	<b>1,074</b>	540
Interest on bond issue	<b>3,325</b>	3,318
Bank charges	<b>251</b>	307
Fixed costs of financial guarantees	<b>605</b>	643
Other financial expenses	<b>1,301</b>	1,339
Currency losses	<b>386</b>	622
<b>Total</b>	<b>6,942</b>	6,769
<b>Financial income</b>		
Interest income	<b>608</b>	429
Income from financial investments	<b>408</b>	315
Other financial income	<b>18</b>	31
Currency gains	<b>146</b>	418
<b>Total</b>	<b>1,180</b>	1,193
<b>Financial result</b>	<b>(5,762)</b>	(5,576)

## Notes to the consolidated financial statements of Implenia

### 5 Cash and cash equivalents

	30.06.2012	31.12.2011
	CHF 1,000	CHF 1,000
Cash	344	358
Bank and post office accounts	306,398	388,495
Other cash equivalents	44,353	13,679
<b>Total</b>	<b>351,095</b>	<b>402,532</b>

### 6 Trade receivables

	30.06.2012	31.12.2011
	CHF 1,000	CHF 1,000
Third parties	434,850	413,526
Joint ventures	56,462	39,734
Associates	3,902	3,280
Related parties	–	62
Guarantee retentions	28,740	28,145
Allowance for doubtful receivables	(10,565)	(11,958)
<b>Total</b>	<b>513,389</b>	<b>472,789</b>
of which pledged	6,376	6,272

Allowance is made for receivables that are in arrears in the form of individual and collective value adjustments, calculated on the basis of current experience. Past experience has shown that this risk can be regarded as minor. Valuation allowances are only disclosed separately for trade receivables. For all other financial instruments, value adjustments are directly offset.

Allowance for doubtful receivables:

	30.06.2012	31.12.2011
	CHF 1,000	CHF 1,000
As at 1.1.	11,958	12,579
Increase	135	4,217
Used	(7)	(738)
Reversed	(1,501)	(4,066)
Foreign exchange differences	(20)	(33)
<b>Total</b>	<b>10,565</b>	<b>11,958</b>

## Notes to the consolidated financial statements of Implenia

	Total 30.6.2012	Not due	Overdue			
			1–30 days	31–60 days	61–90 days	>90 days
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
Third parties	434,850	290,382	30,496	16,286	4,853	92,833
Joint ventures	56,462	37,438	5,387	2,595	955	10,087
Associates	3,902	2,417	792	19	–	674
Related parties	–	–	–	–	–	–
<b>Sub-total</b>	<b>495,214</b>	<b>330,237</b>	<b>36,675</b>	<b>18,900</b>	<b>5,808</b>	<b>103,594</b>
Guarantee retentions	28,740					
Allowance for doubtful receivables	(10,565)					
<b>Total</b>	<b>513,389</b>					

As at 30 June 2012, total overdue receivables amounted to CHF 165.0 million (31 December 2011: CHF 184.2 million). With regard to the trade receivables that were neither impaired nor in arrears, there were no indications at the balance sheet date that the customers would not be able to meet their financial obligations.

	Total 31.12.2011	Not due	Overdue			
			1–30 days	31–60 days	61–90 days	>90 days
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
Third parties	413,526	249,496	37,757	12,032	8,023	106,218
Joint ventures	39,734	20,778	4,789	2,818	1,376	9,972
Associates	3,280	2,039	122	–	–	1,119
Related parties	62	62	–	–	–	–
<b>Sub-total</b>	<b>456,602</b>	<b>272,375</b>	<b>42,668</b>	<b>14,850</b>	<b>9,399</b>	<b>117,310</b>
Guarantee retentions	28,145					
Allowance for doubtful receivables	(11,958)					
<b>Total</b>	<b>472,789</b>					

## Notes to the consolidated financial statements of Implenia

### 7 Work in progress

Work in progress includes accruals for work that has been carried out but not yet invoiced, including on-site inventories, advance payments from customers and to suppliers for work not yet carried out, accruals for outstanding invoices from suppliers and subcontractors, and provisions for losses on the order book and work in progress.

	<b>30.06.2012</b>	31.12.2011
	<b>CHF 1,000</b>	<b>CHF 1,000</b>
Work in progress, assets	<b>247,773</b>	220,098
Work in progress, liabilities	<b>(591,019)</b>	(555,083)
<b>Work in progress, net</b>	<b>(343,246)</b>	(334,985)

	<b>30.06.2012</b>	31.12.2011
	<b>CHF 1,000</b>	<b>CHF 1,000</b>
Work in progress, assets (services provided but not yet invoiced)	<b>316,276</b>	282,731
Work in progress, liabilities (services invoiced but not yet provided)	<b>(315,361)</b>	(279,932)
Valuation adjustment on contract costs	<b>(12,497)</b>	(10,449)
Contract costs in relation to future services by suppliers and subcontractors	<b>61,384</b>	54,716
Contract costs in relation to past services by suppliers and subcontractors	<b>(393,048)</b>	(382,051)
<b>Work in progress, net</b>	<b>(343,246)</b>	(334,985)

	<b>30.06.2012</b>	31.12.2011
	<b>CHF 1,000</b>	<b>CHF 1,000</b>
Advance payments received	<b>80,177</b>	71,849
Guarantee retentions	<b>28,740</b>	28,145

### 8 Joint ventures

Initial measurement of joint ventures is at cost. In subsequent years, the carrying amount is increased by the proportional share of profits and reduced by the proportional share of losses through the income statement. Liquidity contributions and disbursements increase or reduce the carrying amount respectively without being taken through the income statement. The resulting asset or liability is recognised in the balance sheet.

	<b>Net asset 2012 6 months</b>	Net asset 2011 12 months	<b>Net liability 2012 6 months</b>	Net liability 2011 12 months
	<b>CHF 1,000</b>	<b>CHF 1,000</b>	<b>CHF 1,000</b>	<b>CHF 1,000</b>
As at 1.1.	<b>33,552</b>	23,770	<b>49,341</b>	44,218
Change	<b>(12,416)</b>	9,782	<b>(20,599)</b>	5,123
<b>Total</b>	<b>21,136</b>	33,552	<b>28,742</b>	49,341

Net amount receivable from (payable to) joint ventures:

	<b>30.06.2012</b>	31.12.2011
	<b>CHF 1,000</b>	<b>CHF 1,000</b>
Joint ventures, assets	<b>21,136</b>	33,552
Joint ventures, liabilities	<b>(28,742)</b>	(49,341)
Services invoiced to joint ventures but not yet received	<b>56,462</b>	39,734
Services invoiced by joint ventures but not yet paid	<b>(7,629)</b>	(4,933)
<b>Total</b>	<b>41,227</b>	19,012

## Notes to the consolidated financial statements of Implenia

Implenia's share in the assets and liabilities (the balance sheet shows assets and liabilities of joint ventures as at the reporting date), revenue (Implenia's share of revenues) and expenses of joint ventures is as follows:

	30.06.2012	31.12.2011
	CHF 1,000	CHF 1,000
Total assets	483,438	369,681
Total liabilities	(457,579)	(376,299)
<b>Net assets</b>	<b>25,859</b>	<b>(6,618)</b>

	30.06.2012	30.06.2011
	CHF 1,000	CHF 1,000
Net revenue	195,991	242,953
Expenses	(172,051)	(232,315)
<b>Income from joint ventures</b>	<b>23,940</b>	<b>10,638</b>

The partners in joint ventures are jointly and severally liable for any debts of the joint ventures unless otherwise agreed.

	30.06.2012	31.12.2011
	CHF 1,000	CHF 1,000
Joint and several liability of partners in joint ventures	138,204	150,858

	Participation Implenia	Participation Implenia
Major joint ventures in terms of Implenia's share of revenue:		
ARGE Cityring Luzern	20.0%	20.0%
ARGE Transco Gottardo Sedrun	40.0%	40.0%
ARGE Tunnel Weinberg ATW	45.0%	45.0%
Consorzio TAT Tunnel Alp Transit Ticino	25.0%	25.0%
Groupement Marti-Implenia (Nant de Drance, Emosson)	50.0%	50.0%

## 9 Real estate transactions

	30.06.2012	31.12.2011
	CHF 1,000	CHF 1,000
Acquisition costs as at 1.1.	262,929	234,735
Additions	29,125	76,459
Disposals	(23,000)	(29,946)
Reclassifications	–	(17,751)
Change in scope of consolidation	–	–
Foreign exchange differences	(49)	(568)
<b>Cumulative acquisition costs</b>	<b>269,005</b>	<b>262,929</b>

Cumulative value adjustments as at 1.1.	(15,882)	(16,752)
Additions	(443)	(886)
Disposals	–	516
Reclassifications	–	1,209
Foreign exchange differences	–	31
<b>Cumulative value adjustments</b>	<b>(16,325)</b>	<b>(15,882)</b>

<b>Net carrying amount</b>	<b>252,680</b>	247,047
of which pledged	10,949	10,949
of which capitalised borrowing costs	–	–

	30.06.2012	30.06.2011
	CHF 1,000	CHF 1,000

### The gain on sale of real estate during the period is as follows:

Sale proceeds	31,554	21,613
Carrying amount of assets sold	(23,000)	(15,283)
<b>Gain on real estate<sup>1</sup></b>	<b>8,554</b>	6,330

1 excluding other expenses and income of the Project Development segment

## Notes to the consolidated financial statements of Implenia

### 10 Property, plant and equipment

	Business premises	Production facilities	Machinery, furniture, IT	Assets under construction	Total
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
<b>30.06.2012</b>					
Acquisition costs as at 1.1.2012	124,437	43,096	254,215	6,737	<b>428,485</b>
Additions	145	430	12,203	1,398	<b>14,176</b>
Disposals	–	–	(9,779)	–	<b>(9,779)</b>
Reclassifications	1,073	3,167	235	(4,475)	–
Change in scope of consolidation	–	–	–	–	–
Foreign exchange differences	(35)	(142)	(120)	9	<b>(288)</b>
<b>Cumulative acquisition costs as at 30.6.2012</b>	<b>125,620</b>	<b>46,551</b>	<b>256,754</b>	<b>3,669</b>	<b>432,594</b>
Cumulative depreciations as at 1.1.2012	(42,627)	(29,687)	(130,806)	–	<b>(203,120)</b>
Additions	(1,990)	(1,333)	(14,041)	–	<b>(17,364)</b>
Disposals	–	–	8,141	–	<b>8,141</b>
Reclassifications	–	–	–	–	–
Foreign exchange differences	21	112	215	–	<b>348</b>
<b>Cumulative depreciations as at 30.6.2012</b>	<b>(44,596)</b>	<b>(30,908)</b>	<b>(136,491)</b>	<b>–</b>	<b>(211,995)</b>
<b>Net carrying amount as at 30.6.2012</b>	<b>81,024</b>	<b>15,643</b>	<b>120,263</b>	<b>3,669</b>	<b>220,599</b>
of which finance leases	–	–	11,430	–	<b>11,430</b>
of which pledged	45,649	–	–	–	<b>45,649</b>
of which capitalised borrowing costs	–	–	–	–	–

	Business premises	Production facilities	Machinery, furniture, IT	Assets under construction	Total
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
<b>31.12.2011</b>					
Acquisition costs as at 1.1.2011	112,912	56,054	243,250	2,101	<b>414,317</b>
Additions	5,092	819	28,724	4,085	<b>38,720</b>
Disposals	(138)	(7,363)	(28,660)	(45)	<b>(36,206)</b>
Reclassifications	6,420	(6,420)	–	–	–
Change in scope of consolidation	188	34	10,517	569	<b>11,308</b>
Foreign exchange differences	(37)	(28)	384	27	<b>346</b>
<b>Cumulative acquisition costs as at 31.12.2011</b>	<b>124,437</b>	<b>43,096</b>	<b>254,215</b>	<b>6,737</b>	<b>428,485</b>
Cumulative depreciations as at 1.1.2011	(35,573)	(31,668)	(126,023)	–	<b>(193,264)</b>
Additions	(3,780)	(2,987)	(28,007)	–	<b>(34,774)</b>
Disposals	65	1,587	23,172	–	<b>24,824</b>
Reclassifications	(3,351)	3,351	–	–	–
Foreign exchange differences	12	30	52	–	<b>94</b>
<b>Cumulative depreciations as at 31.12.2011</b>	<b>(42,627)</b>	<b>(29,687)</b>	<b>(130,806)</b>	<b>–</b>	<b>(203,120)</b>
<b>Net carrying amount as at 31.12.2011</b>	<b>81,810</b>	<b>13,409</b>	<b>123,409</b>	<b>6,737</b>	<b>225,365</b>
of which finance leases	–	–	10,488	–	<b>10,488</b>
of which pledged	45,534	–	–	–	<b>45,534</b>
of which capitalised borrowing costs	–	–	–	–	–

## Notes to the consolidated financial statements of Implenia

### Leasing agreements where the Group is lessee

#### Finance leases:

	Future minimum lease payment		Net present value of minimum lease payment	
	30.06.2012	31.12.2011	30.06.2012	31.12.2011
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
Less than 1 year	3,594	3,157	3,250	2,749
Between 2 and 5 years	7,793	6,412	7,047	5,866
Over 5 years	–	692	–	664
<b>Total</b>	<b>11,387</b>	<b>10,261</b>	<b>10,297</b>	<b>9,279</b>

#### Operating leases:

	Future minimum lease payment	
	30.06.2012	31.12.2011
	CHF 1,000	CHF 1,000
Less than 1 year	24,331	25,829
Between 2 and 5 years	57,720	58,575
Over 5 years	12,381	15,716
<b>Total</b>	<b>94,432</b>	<b>100,120</b>

The subsidiaries have entered into numerous operating leases, mainly for the short-term rental of construction machinery. The total expense for operating leases was TCHF 22,854 (2011: TCHF 20,648).

### 11 Investment property

	30.06.2012	31.12.2011
	CHF 1,000	CHF 1,000
Acquisition costs as at 1.1.	33,385	15,634
Additions	1	–
Disposals	(27)	–
Reclassifications	–	17,751
Change in scope of consolidation	–	–
Foreign exchange differences	(227)	–
<b>Cumulative acquisition costs</b>	<b>33,132</b>	<b>33,385</b>
Cumulative depreciations as at 1.1.	(14,525)	(7,902)
Additions	(39)	(5,486)
Disposals	–	–
Reclassifications	–	(1,209)
Change in scope of consolidation	–	–
Foreign exchange differences	84	72
<b>Cumulative depreciations</b>	<b>(14,480)</b>	<b>(14,525)</b>
<b>Net carrying amount</b>	<b>18,652</b>	<b>18,860</b>
of which pledged	2,238	2,277

## Notes to the consolidated financial statements of Implenia

### 12 Intangible assets

	IT projects	Licences and software	Brands	Customer list and order book	Goodwill	Total
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
<b>30.06.2012</b>						
Acquisition costs as at 1.1.2012	3,812	4,731	2,881	18,804	85,697	<b>115,925</b>
Additions	–	3,022	–	–	–	<b>3,022</b>
Disposals	–	(9)	–	–	–	<b>(9)</b>
Change in scope of consolidation	–	–	–	–	–	–
Foreign exchange differences	–	–	–	91	273	<b>364</b>
<b>Cumulative acquisition costs as at 30.6.2012</b>	<b>3,812</b>	<b>7,744</b>	<b>2,881</b>	<b>18,895</b>	<b>85,970</b>	<b>119,302</b>
Cumulative amortisations as at 1.1.2012	(3,812)	(3,845)	(2,881)	(14,713)	–	<b>(25,251)</b>
Additions	–	(446)	–	(1,158)	–	<b>(1,604)</b>
Disposals	–	9	–	–	–	<b>9</b>
Foreign exchange differences	–	–	–	(46)	–	<b>(46)</b>
<b>Cumulative amortisations as at 30.6.2012</b>	<b>(3,812)</b>	<b>(4,282)</b>	<b>(2,881)</b>	<b>(15,917)</b>	<b>–</b>	<b>(26,892)</b>
<b>Net carrying amount as at 30.6.2012</b>	<b>–</b>	<b>3,462</b>	<b>–</b>	<b>2,978</b>	<b>85,970</b>	<b>92,410</b>
of which pledged	–	–	–	–	–	–
of which with unlimited useful life	–	–	–	–	85,970	<b>85,970</b>
Residual life (years)	–	4	–	2	n.a.	–

	IT projects	Licences and software	Brands	Customer list and order book	Goodwill	Total
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
<b>31.12.2011</b>						
Acquisition costs as at 1.1.2011	3,812	3,689	2,881	13,290	69,193	<b>92,865</b>
Additions	–	1,042	–	–	–	<b>1,042</b>
Disposals	–	–	–	–	–	–
Change in scope of consolidation	–	–	–	5,270	15,748	<b>21,018</b>
Foreign exchange differences	–	–	–	244	756	<b>1,000</b>
<b>Cumulative acquisition costs as at 31.12.2011</b>	<b>3,812</b>	<b>4,731</b>	<b>2,881</b>	<b>18,804</b>	<b>85,697</b>	<b>115,925</b>
Cumulative amortisations as at 1.1.2011	(3,812)	(3,540)	(2,681)	(9,509)	–	<b>(19,542)</b>
Additions	–	(305)	(200)	(5,162)	–	<b>(5,667)</b>
Disposals	–	–	–	–	–	–
Foreign exchange differences	–	–	–	(42)	–	<b>(42)</b>
<b>Cumulative amortisations as at 31.12.2011</b>	<b>(3,812)</b>	<b>(3,845)</b>	<b>(2,881)</b>	<b>(14,713)</b>	<b>–</b>	<b>(25,251)</b>
<b>Net carrying amount as at 31.12.2011</b>	<b>–</b>	<b>886</b>	<b>–</b>	<b>4,091</b>	<b>85,697</b>	<b>90,674</b>
of which pledged	–	–	–	–	–	–
of which with unlimited useful life	–	–	–	–	85,697	<b>85,697</b>
Residual life (years)	–	3	–	1	n.a.	–

## Notes to the consolidated financial statements of Implenla

### 13 Current and non-current financial liabilities

	30.06.2012	31.12.2011
	CHF 1,000	CHF 1,000
As at 1.1.	209,073	199,760
Additions	3,606	2,544
Disposals	(1,702)	(431)
Change in scope of consolidation	–	6,869
Foreign exchange differences	143	331
<b>Total</b>	<b>211,120</b>	<b>209,073</b>
<b>Breakdown</b>		
Bond issue	198,328	198,128
Liabilities to banks and other financial institutions	941	796
Finance lease liabilities	10,297	9,279
Other financial liabilities	1,554	870
<b>Total</b>	<b>211,120</b>	<b>209,073</b>
<b>Maturity</b>		
Less than 1 year	4,584	3,795
Between 2 and 5 years	206,403	204,481
Over 5 years	133	797
<b>Total</b>	<b>211,120</b>	<b>209,073</b>

Implenia has a syndicated loan agreement with a cash limit of CHF 150 million and a guarantee limit of CHF 450 million. The syndicated loan agreement runs until 30 September 2012.

In addition, Implenla has bilateral loan agreements with several banks in the amount of CHF 36.1 million (31 December 2011: CHF 35.9 million).

Non-current financial liabilities (between 1 and 5 years) include the bond issue for CHF 200 million placed on 12 May 2010. The bond pays interest rate of 3.125%, has a term of six years and matures on 12 May 2016.

### 14 Current and non-current provisions

	Service guarantees	Onerous contracts	Litigation	Restoration and remediation	Others	Total
	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
<b>30.06.2012</b>						
As at 1.1.2012	3,827	–	4,226	22,679	1,421	32,153
Increase	20	–	–	5	220	245
Used	–	–	–	(738)	(24)	(762)
Reversed	–	–	–	(20)	(482)	(502)
Change in scope of consolidation	–	–	–	–	–	–
Foreign exchange differences	4	–	–	–	(26)	(22)
<b>Total as at 30.6.2012</b>	<b>3,851</b>	<b>–</b>	<b>4,226</b>	<b>21,926</b>	<b>1,109</b>	<b>31,112</b>
of which current	–	–	–	5,154	–	5,154
<b>31.12.2011</b>						
As at 1.1.2011	3,564	46	5,608	27,455	2,428	39,101
Increase	52	–	–	30	133	215
Used	–	–	(1,132)	(531)	(1,094)	(2,757)
Reversed	(130)	(46)	(250)	(4,275)	–	(4,701)
Change in scope of consolidation	332	–	–	–	–	332
Foreign exchange differences	9	–	–	–	(46)	(37)
<b>Total as at 31.12.2011</b>	<b>3,827</b>	<b>–</b>	<b>4,226</b>	<b>22,679</b>	<b>1,421</b>	<b>32,153</b>
of which current	–	–	–	5,892	–	5,892

Service guarantees concern completed projects. Related costs tend to be payable within two to five years.

The provisions for litigation mainly relate to inactive companies.

The provisions for restoration and remediation relate to future restoration costs of real estate, primarily gravel pits after they have been fully exploited. Provisions for restoration and remediation were reduced by CHF 4.3 million in 2011 due to planned projects, and recognised in the income statement.

## Notes to the consolidated financial statements of Implenia

### 15 Share capital

	31.12.2010	Changes 2011	31.12.2011	Changes 2012	30.6.2012
	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
Total number of Implenia AG shares	18,472,000	–	18,472,000	–	<b>18,472,000</b>
Shares reserved for share-based payments	–	–	–	–	–
Unreserved treasury shares	211,017	(32,011)	179,006	38,088	<b>217,094</b>
Total treasury shares	211,017	(32,011)	179,006	38,088	<b>217,094</b>
<b>Total shares outstanding</b>	<b>18,260,983</b>	<b>32,011</b>	<b>18,292,994</b>	<b>(38,088)</b>	<b>18,254,906</b>

All shares are subscribed and fully paid up. As at 30 June 2012, all shares have voting rights and qualify for dividends, with the exception of 217,094 treasury shares (31 December 2011: 179,006).

	31.12.2010	Changes 2011	31.12.2011	Changes 2012	30.6.2012
	Par value of shares CHF 1,000				
Share capital	51,722	(16,625)	35,097	–	<b>35,097</b>
Treasury shares	(591)	251	(340)	(72)	<b>(412)</b>
<b>Total share capital outstanding</b>	<b>51,131</b>	<b>(16,374)</b>	<b>34,757</b>	<b>(72)</b>	<b>34,684</b>

As at 30 June 2012, the par value of a share amounted to CHF 1.90 (31 December 2011: CHF 1.90).

### 16 Earnings per share

	30.06.2012	30.06.2011
<b>Data for calculating earnings per share:</b>		
Consolidated profit attributable to shareholders of Implenia AG in CHF 1,000	<b>12,541</b>	3,583
Number of shares outstanding	<b>18,254,906</b>	18,237,422
Weighted average number of shares outstanding	<b>18,264,153</b>	18,202,524
Basic earnings per share	<b>CHF 0.69</b>	CHF 0.20
Diluted earnings per share	<b>CHF 0.69</b>	CHF 0.20

Undiluted earnings per share (EPS) are calculated by dividing the net income attributable to shareholders of Implenia AG by the weighted average number of shares outstanding during the period. The average number of treasury shares held and acquired by the Group is deducted from the number of shares outstanding.

### 17 Distribution of reserves from capital contributions

The Board of Directors has proposed a tax-exempt distribution of reserves from capital contribution of CHF 1.10 per share for the 2011 financial year to the General Meeting held on 4 April 2012. The General Meeting approved this proposal. The payment was made on 16 April 2012.

### 18 Contingent liabilities

	30.06.2012	31.12.2011
	CHFm	CHFm
As at 1.1.	<b>175.2</b>	216.8
Change	<b>(20.8)</b>	(41.6)
<b>Total</b>	<b>154.4</b>	175.2

Implenia's contingent liabilities relate primarily to outstanding guarantees (tender guarantees, warranties and performance bonds) for ongoing projects for its own account, projects in joint ventures and tax disputes/litigation.

## Notes to the consolidated financial statements of Implenla

### 19 Free cash flow

Implenia defines free cash flow as cash flow from operating activities, less acquisitions and disposals of non-current assets. The following table provides an overview of free cash flow:

	1.1.–30.6.2012	1.1.–30.6.2011
	CHF 1,000	CHF 1,000
<b>Free cash flow</b>		
Cash flow from operating activities	<b>(15,643)</b>	(94,072)
Investments in non-current assets	<b>(15,657)</b>	(16,000)
Disposal of non-current assets	<b>1,910</b>	8,671
<b>Free cash flow before acquisition of subsidiaries</b>	<b>(29,390)</b>	(101,401)
Acquisition of subsidiaries	–	–
<b>Free cash flow after acquisition of subsidiaries</b>	<b>(29,390)</b>	(101,401)

Free cash flow is not a financial indicator defined under IFRS and should not be interpreted as such. Free cash flow is not equivalent to cash flow from operating activities as defined under IFRS.

### 20 Events after the balance sheet date

On 4 July 2012 Implenla acquired 100% of the shares in Locher Bauunternehmer AG, Zurich (CH). Locher Bauunternehmer AG is specialised in the fields of conversion, civil works refurbishment and hydrodynamics. The company has around 160 employees and expects to generate revenue of CHF 40 million in 2012. The acquisition is in line with Implenla's strategy to strengthen market presence and know-how in the area of refurbishment of infrastructure facilities. Locher Bauunternehmer AG and its subsidiary are fully consolidated as from the acquisition date and will therefore have no impact on Implenla's 2012 half-year results.

On 22 August 2012 Implenla renewed the syndicated loan agreement. The agreement runs until 30 June 2017 and contains a cash limit of CHF 150 million and a guarantee limit of CHF 350 million.

### 21 Foreign exchange rates

		Average rate		Closing rate	
		30.06.2012	30.06.2011	30.06.2012	31.12.2011
European Union	1 EUR	<b>CHF 1.21</b>	CHF 1.26	<b>CHF 1.20</b>	CHF 1.22
Ivory Coast/Mali	100 XOF	<b>CHF 0.19</b>	CHF 0.19	<b>CHF 0.18</b>	CHF 0.19
Norway	100 NOK	<b>CHF 15.92</b>	CHF 16.24	<b>CHF 15.94</b>	CHF 15.68
Sweden	100 SEK	<b>CHF 13.57</b>	CHF 14.23	<b>CHF 13.57</b>	CHF 13.64
United Arab Emirates	100 AED	<b>CHF 25.30</b>	CHF 24.41	<b>CHF 26.02</b>	CHF 25.59
USA	1 USD	<b>CHF 0.93</b>	CHF 0.90	<b>CHF 0.96</b>	CHF 0.94

## Notes to the consolidated financial statements of Implenia

### 22 Significant fully consolidated companies

Name	Share-holding	Registered office	Country	Currency	Capital	Segment	Held by
Développements transfrontaliers SA	100%	Lyon	F	EUR	14,663,800	Miscellaneous and Holding Company	Implenia Development AG
Gravière de La Claie-aux-Moines S.A.	66.67%	Savigny	CH	CHF	1,500,000	Infrastructure Construction	Implenia AG
Implenia AS	79.78%	Oslo	N	NOK	4,095,432	Norway	Implenia Bau AG
Implenia (Tessin) AG	100%	Bioggio	CH	CHF	150,000	Infrastructure Construction	Implenia AG
Implenia Bau AG	100%	Geneva	CH	CHF	40,000,000	Infrastructure Construction + Tunnelling	Implenia AG
Implenia Bau GmbH	100%	Rümmingen	D	EUR	2,556,459	Infrastructure Construction	Implenia Holding GmbH
Implenia Cyprus Ltd.	100%	Nicosia	CY	EUR	3,001	Prime Buildings	Implenia AG
Implenia Development AG	100%	Dietlikon	CH	CHF	30,000,000	Project Development	Implenia AG
Implenia Generalunternehmung AG	100%	Basel	CH	CHF	20,000,000	General Contracting/Services	Implenia AG
Implenia Global Solutions AG	100%	Dietlikon	CH	CHF	100,000	Prime Buildings	Implenia AG
Implenia Holding GmbH	100%	Rümmingen	D	EUR	3,067,751	Infrastructure Construction	Implenia Immobilien AG
Implenia Immobilien AG	100%	Dietlikon	CH	CHF	30,600,000	Project Development	Implenia AG
Implenia Italia S.p.A.	100%	Basiliano	I	EUR	250,000	Prime Buildings	Implenia Bau AG
Implenia Management AG	100%	Dietlikon	CH	CHF	500,000	Miscellaneous and Holding Company	Implenia AG
Implenia Miljøsanering AS	100%	Oslo	N	NOK	3,144,000	Norway	Implenia AS
Implenia Österreich GmbH	100%	Vienna	A	EUR	35,000	Tunnelling	Implenia AG
Lindcon AS	100%	Oslo	N	NOK	100,000	Norway	Implenia AS
Norbridge AS	51%	Stjørdal	N	NOK	3,000,000	Norway	Implenia AS
Reprojet AG	100%	Zurich	CH	CHF	100,000	Infrastructure Construction	Implenia AG
Reuss Engineering AG	100%	Dietlikon	CH	CHF	100,000	General Contracting/Services	Implenia AG
Russian Land Implenia Ltd.	100%	Moscow	RU	RUB	70,000,000	Prime Buildings	Russian Land Implenia Holding Ltd.
SAPA, Société Anonyme de Produits Asphaltiques	75%	Satigny	CH	CHF	500,000	Infrastructure Construction	Implenia AG
Sisag AG	100%	Abidjan	CI	XOF	492,000,000	Infrastructure Construction	Implenia AG
Socarco Bénin Sàrl	100%	Cotonou	BJ	XOF	1,000,000	Infrastructure Construction	SISAG
Socarco Burkina Sàrl	100%	Ouagadougou	BF	XOF	10,000,000	Infrastructure Construction	SISAG
Socarco Mali Sàrl	100%	Bamako	RMM	XOF	100,000,000	Infrastructure Construction	SISAG
Tetrag Automation AG	100%	Dietlikon	CH	CHF	100,000	General Contracting/Services	Implenia AG
Trachsel AG	100%	Heimberg	CH	CHF	100,000	Infrastructure Construction	Implenia AG
Tunnelteknikk AS	100%	Eidsnes	N	NOK	2,800,000	Norway	Implenia AS
Zschokke Construction Sàrl	100%	Lyon	F	EUR	76,225	Infrastructure Construction	Zschokke France SA
Zschokke France SA	100%	Lyon	F	EUR	914,694	Miscellaneous and Holding Company	Implenia AG

## Notes to the consolidated financial statements of Implenla

### 23 Significant associates

Name	Share-holding	Registered office	Country	Currency	Capital
ARGE Deponie Schwanental	37.0%	Eglisau	CH	CHF	–
Argo Mineral AG	50.0%	Aarau	CH	CHF	300,000
Argobit AG	40.0%	Schafisheim	CH	CHF	1,200,000
Asfatop AG	50.0%	Unterengstringen	CH	CHF	1,000,000
Associés Poste Enrobage en Commun (APEC) SA	20.0%	Hauterive	CH	CHF	300,000
Bawag, Belagsaufbereitungsanlage Wimmis AG	24.0%	Wimmis	CH	CHF	100,000
Belagswerk Rinau AG	25.0%	Kaiseraugst	CH	CHF	1,000,000
Bewo Belagswerk Oberwallis (sp)	25.0%	Niedergesteln	CH	CHF	1,500,000
Bioasfa SA	50.0%	Bioggio	CH	CHF	900,000
Bipp Asphalt AG	27.5%	Niederbipp	CH	CHF	1,000,000
BRZ Belags- und Recycling-Zentrum (sp)	33.3%	Horw	CH	CHF	1,500,000
Catram AG	24.0%	Chur	CH	CHF	1,000,000
Deponie Vorderland AG	33.3%	Rehetobel	CH	CHF	150,000
Garage-Parc Montreux Gare SA	26.0%	Montreux	CH	CHF	2,050,000
GU Kies AG	33.3%	Schaffhausen	CH	CHF	450,000
Holcim Bétondrance SA	46.0%	Martigny	CH	CHF	300,000
Kieswerk Oldis AG	26.4%	Haldenstein	CH	CHF	1,200,000
Léchire S.A.	33.0%	Fribourg	CH	CHF	100,000
Microlog SPA	50.0%	San Giorgio	I	EUR	500,000
MIFAG Mischgutwerk Frauenfeld AG	10.0%	Frauenfeld	CH	CHF	600,000
MOAG Baustoffe Holding AG	14.3%	Mörschwil	CH	CHF	300,000
Mobival (sp)	26.0%	Massongex	CH	CHF	–
Parking Port d'Ouchy S.A.	24.0%	Lausanne	CH	CHF	6,986,000
Prébit, Centre d'enrobage (sp)	25.0%	Marin-Epagnier	CH	CHF	500,000
Pro Quarta (sp)	42.0%	Alvaneu	CH	CHF	500,000
Remora AG	18.3%	St. Gallen	CH	CHF	300,000

(sp) simple partnership

Name	Share-holding	Registered office	Country	Currency	Capital
Reproad AG	33.3%	Bremgarten	CH	CHF	1,500,000
Sebal (sp)	22.0%	Lyss-Büttenberg	CH	CHF	–
Sebal Lyss AG	22.0%	Lyss	CH	CHF	500,000
Seval - Société d'Enrobage du Valais central (sp)	83.0%	Vétroz	CH	CHF	–
SFR Société Fribourgeoise de Recyclage SA	21.0%	Hauterive	CH	CHF	1,200,000
Siseg SA	21.1%	Geneva	CH	CHF	500,000
Société Coopérative Les Terrasses	45.1%	Versoix	CH	CHF	775,500
Société de recyclage de matériaux pierreux (sp)	40.0%	Savigny	CH	CHF	95,443
Société d'exploitation du Mégastore d'Archamps - SEMA (sp)	30.0%	Archamps	F	EUR	37,000
Société Romande de Recyclage - SRREC (EG)	37.5%	Satigny	CH	CHF	–
Tapidrance (sp)	60.0%	Martigny	CH	CHF	1,000,000
Urner Belagszentrum (UBZ) (sp)	50.0%	Flüelen	CH	CHF	1,000,000
Valbéton (sp)	50.6%	Sion	CH	CHF	100,000
Valver (sp)	27.9%	Martigny	CH	CHF	1,729,936
Wohnpark an der Kander GmbH	40.0%	Rümmingen	D	EUR	204,517
wsb AG	50.0%	Rafz	CH	CHF	500,000

(sp) simple partnership

Associates are recognised according to the equity method. Although the stakes held in Seval, Tapidrance and Valbéton are higher than 50%, these companies are accounted for as associates and the equity method is applied as Implenla does not have control over these companies. The composition of the Executive Boards of the companies named does not allow Implenla to control these companies. By contrast, some companies in which Implenla holds a stake of less than 20% are recognised as associates as Implenla exercises significant influence over them.



## Successful first semester 2012

Implenia can look back on a successful first half of 2012. EBIT divisions, operating income as well as consolidated profit rose significantly in year-on-year terms. The Real Estate Division posted a positive result from its General Contracting unit and showed a strong performance in Project Development. Thanks to the consistently good operations in Tunnelling in Switzerland, Industrial Construction reported a favorable performance. Infrastructure Construction is back on track. Despite an exceptionally cold period in February, it closed the first semester significantly better than during the same period of the previous year. With a full order book for the Group as a whole, we look to the future with confidence.

The history of Implenia is written on a daily basis on more than 4,000 construction sites in Switzerland and abroad. In the first half of 2012 Implenia was responsible for numerous projects once again. The diversity of the projects underpins our solid business base and justifies our pride as a construction services provider, whilst it also highlights the trust our clients have in Implenia. In this Half-Year Report three projects are described in greater detail to illustrate the activities of the three divisions:

- The Park-Tower in Zug, designed by the architects Axess/Cometti, is scheduled to be completed in 2014. This will be the tallest residential and commercial building in the canton. Implenia is the total contractor in realising this project (page 8).
- The motorway bridge at the Brüttsellen intersection near Zurich has sunk during the course of the years and is now being raised under the supervision of Implenia (page 12).
- At the pump/storage power station Nant de Drance, Implenia is raising the height of Vieux Emosson Dam, as well as expanding the machinery and transformer caverns, works water channels and pressure shafts (page 16).

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