



Implenia[®]

Implenia plans and builds for life. With pleasure.

Implenia, Switzerland's leading construction and construction services company, also has a strong position in the German, Austrian and Scandinavian infrastructure markets. Its integrated business model and comprehensive portfolio of products and services enable the company to 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 as well as environmental responsibility.

Formed in 2006, the company can look back on around 150 years of construction tradition. With its highly qualified specialists, Implenia is working on approximately 4500 ongoing construction projects in its target markets. All of the Group's united capabilities and capacities can be made available for challenging real estate and infrastructure tasks:

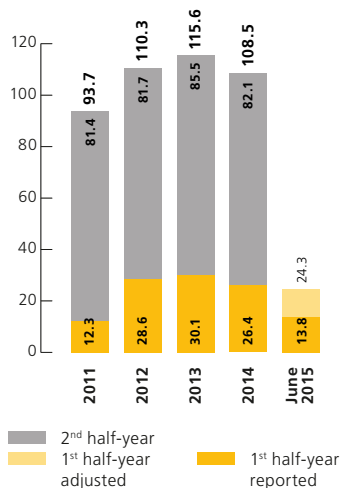
- In the **Development** segment, Implenia brings together its expertise in real estate project development, from initial idea to finished building.
- In the **Switzerland** Segment, Implenia operates through its Modernisation, Buildings and Swiss regional units. Modernisation brings together the Group's capabilities in conversion and renovation, from consultancy to implementation. Buildings offers its supra-regional customers in Switzerland integrated services for complex buildings, ranging from planning and coordination to actual construction. Construction German-speaking Switzerland and Construction French-speaking Switzerland are the face of Implenia for local customers in Switzerland looking for roadbuilding, civil engineering and regional building construction capabilities.
- The **Infrastructure** segment focuses on tunnel construction and foundation engineering in all of Implenia's national markets. It brings together the company's expertise in tunnelling, foundation engineering, large-scale projects and design/planning, giving Implenia a strong technical platform to exploit the infrastructure megatrend.
- The **International** segment includes Implenia's activities in its target markets of Germany and Austria, and Norway and Sweden. Implenia Scandinavia offers its customers comprehensive services for complex infrastructure projects including conventional tunnelling. It also provides niche services for road and rail. Implenia Germany & Austria is the expert provider for regional customers in German-speaking countries outside Switzerland for civil works, general civil engineering, maintenance and repair, and building construction services.
- These operational units are supported by the **Technical Center** and the central Group functions pooled in the **Corporate Center**.

With its headquarters in Dietlikon near Zurich, Implenia has an extensive network of branches in its core markets of Switzerland, Germany, Austria, Norway and Sweden. The Group employs more than 8100 people around Europe and in 2014 posted pro forma revenue (including the former Bilfinger Construction GmbH) of around CHF 3.6 billion. Implenia is listed on the SIX Swiss Exchange (IMPN, CH0023868554). For further information: www.implenia.com.

KEY FIGURES

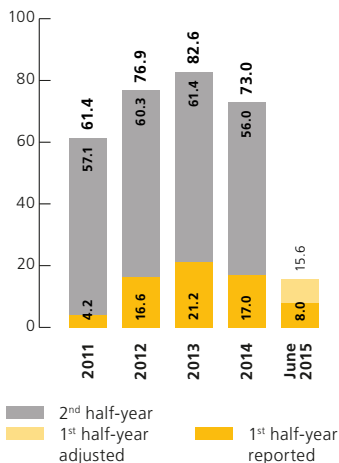
Operating income

(in CHF million)



Consolidated profit

(in CHF million)



Consolidated key figures

	1.1.–30.6. 2015	1.1.–30.6. 2014	Δ	like for like ²
	CHF 1,000	CHF 1,000		
Consolidated revenue	1,514,570	1,413,312	7.2%	9.7%
EBIT Business Units adjusted¹	21,419	20,958	2.2%	5.4%
EBIT Business Units	15,408	20,958	(26.5%)	(23.3%)
Operating income adjusted¹	24,323	26,414	(7.9%)	(5.4%)
Operating income	13,847	26,414	(47.6%)	(45.0%)
Consolidated profit adjusted¹	15,620	17,012	(8.2%)	(4.2%)
Consolidated profit	8,003	17,012	(53.0%)	(49.0%)
EBITDA	50,414	47,621	5.9%	
Free cash flow	(194,780)	(62,702)	(210.6%)	
Net cash position (as at 30.6.)	183,074	290,351	(36.9%)	
Equity (as at 30.6.)	556,654	623,059	(10.7%)	
Production output	1,579,931	1,500,607	5.3%	7.7%
Order book (as at 30.6.)	4,215,246	3,475,323	21.3%	23.9%
Headcount (FTE; as at 30.6.)	7,304	6,636	10.1%	

1 Excluding acquisition effects and contribution from Bilfinger Construction

2 Foreign currency adjusted

Investing in the future

Implenia achieved a good operational performance in the first half of 2015 and was very successful at winning orders. The first half of 2015 was heavily influenced by the acquisition and integration of Bilfinger Construction. With this step, the Group has invested in its future and put itself in a good position to successfully exploit the opportunities arising from the infrastructure megatrend in Europe. Exceptional costs associated with the acquisition reduced the result for the first six months. EBIT was slightly up on the first half of 2014 on an adjusted basis.

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Dear Shareholders

Implenia has invested in the future. The first half of 2015 was characterised by the acquisition and integration of Bilfinger Construction, as well as the optimisation of processes and structures. On an adjusted basis, i.e. excluding the exceptional effects of acquisition and integration, the Group performed slightly better than in the same period of the previous year. Our very good order acquisition demonstrates our Group's power and closeness to the market. In addition to its own good work, Implenia benefited from the continuing health of the construction industry in its target markets, and from strong demand for residential property in Switzerland. This is why we believe Implenia will continue in future to make good use of its market opportunities in Switzerland and Europe.

Implenia posted revenue of CHF 1.515 billion for the first half of 2015, compared to CHF 1.413 billion in the first half of 2014 (+7.2%). The increase is entirely due to the first-time consolidation of Bilfinger Construction, which contributed CHF 189.9 million.

Adjusted Business Unit EBIT came to CHF 21.4 million, which is CHF 0.5 million higher than a year previously. Including exceptional acquisition effects and non-recurring integration costs associated with Bilfinger Construction, Business Unit EBIT, at CHF 15.4 million, was CHF 5.6 million lower than in the first half of 2014 (CHF 21.0 million).

Adjusted operating income stood at CHF 24.3 million (first half of 2014: CHF 26.4 million). This figure was also impacted by the exceptional effects mentioned. After deducting all the effects from the acquisition, totalling CHF 10.5 million, operating income came to CHF 13.8 million.

Despite a better financial result, the adjusted consolidated profit, at CHF 15.6 million, was down by CHF 1.4 million on the prior-year period. After deducting all the exceptional costs, consolidated profit came to CHF 8.0 million.

Negative currency influences affected revenue (CHF –35.8 million) as well as earnings (CHF –0.7 million) during the period under review. In this context, the euro and the Norwegian krone were relevant.

The order backlog has grown very nicely, and at end-June 2015 was significantly higher than the previous year's figure, reaching CHF 4.215 billion (+21.3%). Even if the acquisition of Bilfinger Construction is excluded, the rise was still a very healthy 5.0%. This is a result of Implenia's good market positioning and gives grounds for the Group to look to the future with confidence.

Bilfinger Construction acquisition: investing in the future

With the acquisition of Bilfinger Construction in March 2015, Implenia invested in its future, securing and developing good platforms in Germany, Austria, Norway and Sweden to benefit more from the infrastructure megatrend in Europe. Customers, business partners and shareholders have reacted very positively to the move. In order to exploit its strategic opportunities as effectively as possible, Implenia has adjusted its operational structure and, therefore, the way it produces its segment reporting (see page 10). In the first half of 2015, the Group reported for the first time on the basis of four segments: Development (Real Estate Project Development), Switzerland (Modernisation, Buildings, Swiss regional business and the Swiss surfacing and gravel works in Switzerland), Infrastructure (Tunnelling and Foundation Engineering), and International (regional business in Germany, Austria, Norway and Sweden, as well as the gravel works outside Switzerland).

Segments on track

The Development Segment achieved a good result again, particularly in the Zurich region and French-speaking Switzerland. Its full pipeline of development projects guarantees a future earnings stream. The Switzerland Segment benefited from the expansion of modernisation business and the continued good performance of regional business. The Buildings unit did not meet expectations, but worked hard on streamlining its processes and portfolio. The Infrastructure Segment performed positively: despite a large charge for the amortisation of intangible assets following the acquisition and integration of Bilfinger Construction, operating income went up due to the good performance of construction sites in Switzerland. Several new orders in Switzerland and abroad have strengthened Implenia's good positioning in the European infrastructure market. The International Segment was newly created. Thanks to an increased acquisition effort and a very good order intake in Scandinavia, as well as the inherently strong seasonality of the business, this segment will gain considerable momentum in the second half of this year.

New convertible bonds and increased syndicated loan strengthen financial basis

On 23 June 2015 Implenia placed a subordinated convertible bond with an interest rate of 0.5% maturing in 2022. The proceeds of the convertible bond will be used to refinance the acquisition of Bilfinger Construction and to fund the early refinancing of a bond maturing in May 2016. The current syndicated loan was renewed early on 30 June 2015. It was increased by CHF 150 million to CHF 650 million, and its term extended to 2020 with an option to extend the contract twice by a year. Thanks to the renewal, the Group's funding has been secured for the long-term at improved and more flexible conditions. Both transactions highlight the unbroken trust of the capital and financial markets in Implenia, despite the CHF 66 million reduction in shareholders' equity caused primarily by currency influences and the effects of IAS 19.

Changes on the Board of Directors

The Annual General Meeting of Shareholders of Implenia Ltd. on 24 March 2015 confirmed Hubert Achermann as Member of the Board of Directors and elected him as the new Chairman of the Board. He succeeds Markus Dennler who, after ten years on Implenia's Board, did not stand for re-election. In the name of the whole company we would like to take this opportunity to thank him again for his key contribution to Implenia's successful development. Henner Mahlstedt was newly elected to the Board. He has many years of international experience in the construction industry, including as CEO of Hochtief Solutions AG and Hochtief Construction AG, as well as a member of the Global Executive Board of the German construction company.

Confident outlook

Implenia is well set up for the future. With its healthy order book and positive market outlook, the company is confident of improving on the prior year's operating income on a comparable basis. Implenia is sticking to its announced EBIT target of CHF 140–150 million for 2016/17.

Thanks

On behalf of the Board of Directors and the Group Executive Board we would like to thank Implenia's employees for their work and commitment in the first half of 2015. Many of them went the vital extra mile to ensure the success of the Bilfinger Construction acquisition and integration. We profoundly appreciate this exceptional dedication to the future of our Group. Thanks also to our customers for the trust they have in us, and of course to you, our valued shareholders, for your loyalty and continuing support.



Hubert Achermann
Chairman of the Board of Directors



Anton Affentranger
CEO

Well equipped for the future

Implenia's acquisition of Bilfinger Construction has put the Implenia Group in a position to exploit the European infrastructure megatrend successfully in areas such as mobility and energy. Against the background of the integration, Implenia has intensively discussed, clarified and confirmed its vision and values.

Vision



Values



Top:

The values also serve as Implenia's constitution: they determine the way each Implenia employee thinks and acts.

Opposite page:

The vision provides the framework for the long-term development of the Implenia Group.

Market opportunities with a structure focused on customers and the market

With the integration of Bilfinger Construction, Implenia has passed a milestone in the implementation of its strategy and is well positioned for further growth. As part of the integration, Implenia changed its operational structure, and therefore its segment reporting, as per 1 July 2015. In 2015 Implenia is reporting its half-year results for the first time on the basis of four segments.

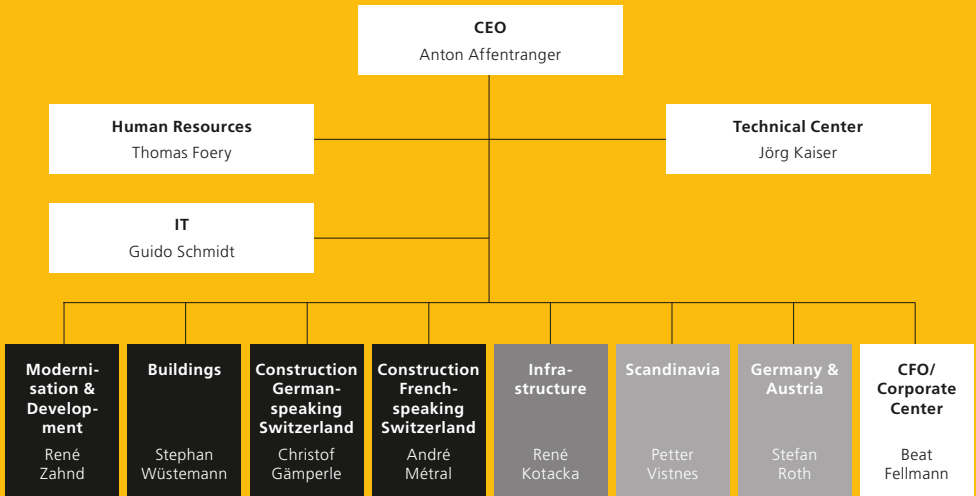
-
- **Development**
(real estate project development, from page 14)
 - **Switzerland**
(Modernisation, Buildings, Swiss regional business and the surfacing and gravel plants in Switzerland, from page 18)
 - **Infrastructure**
(tunnelling and foundation engineering, global projects, from page 22)
 - **International**
(Regional business in Germany & Austria as well as Scandinavia, and gravel plants outside Switzerland, from page 26)
-

The integration of Bilfinger Construction is reflected mainly in the Infrastructure and International segments, in the latter especially in the Scandinavia and Germany & Austria units.

Infrastructure

The Infrastructure Segment brings together tunnelling, foundation engineering, large-scale project and design/planning capabilities in all countries. These services are offered in the home markets of Switzerland, Germany, Austria, Sweden and Norway. The global projects unit brings together the Group's expertise in the planning and execution of large, complex infrastructure projects. It tenders for attractive infrastructure projects in Europe outside the home markets, as

Group



well as taking on project management roles. The technical design office plans and coordinates international infrastructure projects from a single source. These capabilities are also available to the other units in the Group.

International – Scandinavia

With its Scandinavia unit, Implenia specialises in regional infrastructure construction in Norway and Sweden. The Business Unit provides complex infrastructure and niche services for road and rail through its various units in Norway and Sweden. These services include bridge construction, traditional “Drill & Blast” tunnelling, tunnel lining, concrete construction, hydraulic engineering and drainage. The segment’s niches include services such as rock stabilisation and railway technology.

International – Germany & Austria

Germany & Austria operates in the German-speaking market outside Switzerland on civil works, general civil engineering, maintenance and repair, as well as building construction (as builder and turnkey contractor). The BBV unit, the competence centre for prestressing and geotechnology projects, focuses on European and international customers.

Implenia continues to operate in Switzerland through its established units: Development (Development Segment), Modernisation, Buildings, and the Swiss regional business incl. surfacing and gravel works (all in the Switzerland Segment).



All of the former Bilfinger Construction companies have been working under the Implen brand since 1 July 2015. Pictured: Implen's construction site for the U5 project in the heart of Berlin.

Support continues to be provided for the operating units by the central Group functions Corporate Center, HR, IT and the Technical Center. As part of the integration of Bilfinger Construction, the Technical Center was adjusted, with the addition of the technical units Machinery & Electrical, Formwork and the Central Laboratory.

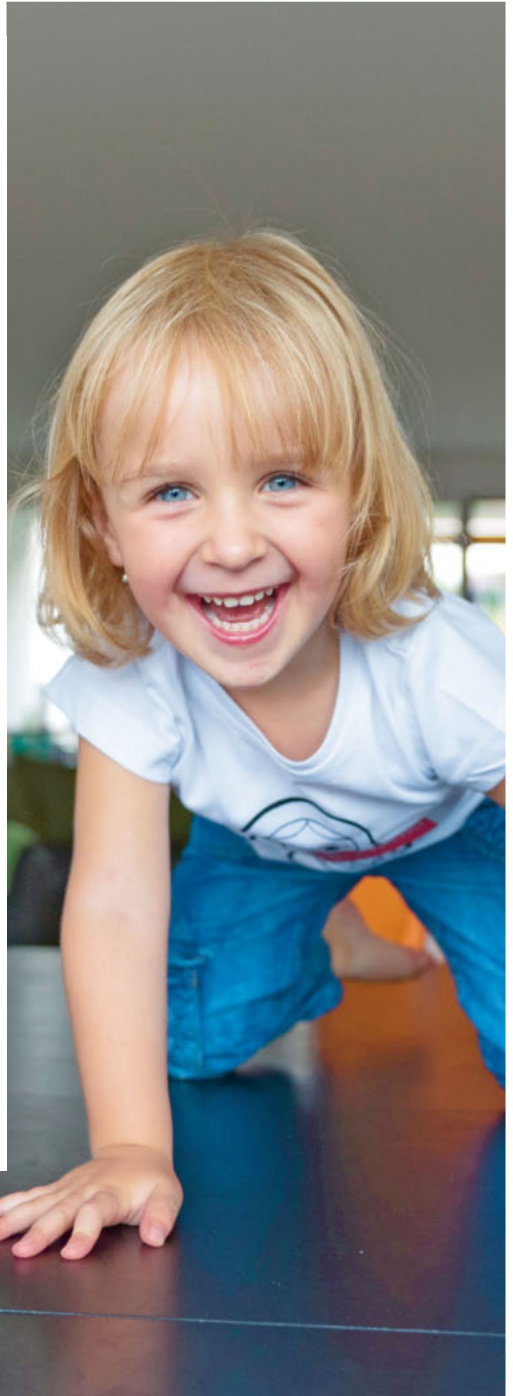


Key projects

[Gerlisbrunnen, Benglen](#) Implenla, acting as total contractor for the Gerlisbrunnen conversion project, is developing and building a sustainable residential development with commercial space in the old village centre of Benglen. This is an important project for the health of the village centre. The 44 owner-occupied apartments, which are all expected to be sold by the end of 2015, are being built to the Minergie standard. The first residents, large and small, have already moved in. For more information, please visit: www.gerlisbrunnen.ch. (Picture)

[Wooden Construction production hall, Rümlang](#) Implenla uses natural wood and efficient modular construction to build sustainable buildings and residential developments. Demand is increasing for multi-storey apartment blocks, so Implenla is setting up a new production hall for modular wooden construction in Rümlang. It will be ready in 2016 and will put Implenla in an even better position to build high-quality wooden buildings on budget as a competitive and reliable partner. Production is being optimised in the facility through the use of a digitised production chain.

[The Global Fund, Le Grand-Saconnex](#) Implenla is acting as project developer and total contractor for the new headquarters of "The Global Fund" in the Geneva municipality of Le Grand-Saconnex. The building is scheduled for completion by the end of 2017. The fund is active in 140 countries where it works to combat the three major infectious diseases, AIDS, malaria and tuberculosis. Planning permission was granted for the building in May 2015.



Development

Implenia's Development Segment posted record results in the first half of 2015. Project development was very successful in the Zurich area and the French-speaking part of Switzerland.

In the first half of 2015, the Development Segment, which includes all of the Group's real estate project development activities, surpassed the previous year's results. EBIT came to CHF 15.0 million, which is 2.7% higher than in the first six months of 2014 (CHF 14.6 million).

Key figures Development

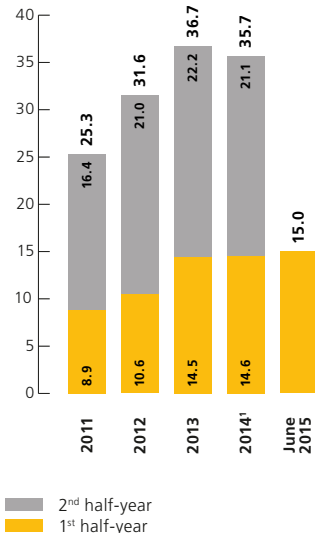
	1.1.–30.6.2015	1.1.–30.6.2014 ¹	Δ	1.1.–31.12.2014 ²
	CHF 1,000	CHF 1,000		CHF 1,000
EBIT	15,002	14,607	2.7%	35,705
Headcount (FTE; as at 30.6.)	54	55	(1.8%)	54

¹ Restated, see page 44, note 3

² Restated

EBIT Development

(in CHF million)



1 Restated, see page 44, note 3
 2011–2013: Pro forma figures

This excellent result is due to the continued good level of property sales, especially in Zurich, where Implenias projects include “The Metropolitans”. All of the apartments in the west tower, which has already been completed, were sold before the official moving-in date. Another important project is “sue&til” in Winterthur, the largest wooden-built residential development in Switzerland. Construction work starts here at the end of 2015. CHF 162 million is being invested in “sue&til”, and Allianz Suisse Immobilien AG has recently purchased 260 rental apartments there for CHF 135 million. Project development business was good in French-speaking Switzerland too. In Morges in Canton Vaud, for example, Implenias took the role of developer and total contractor in the “Les Residences du Lac” project, which includes 115 apartments and 4000 m² of commercial floorspace.

In March 2015 the approval given by Winterthur’s voters (just under 64% in favour) to the development plan for the Sulzer site, gave Implenias’s successful project development business another boost. Over the next few years numerous projects – providing homes, workplaces and educational facilities – will be built on the “Werk 1” plot, which is one of Switzerland’s largest “2000-Watt” neighbourhoods, and the first in Winterthur.

Key facts Development

- Confirmation: Project development beats the previous year's record results
- Regions: Development performs successfully in Zurich and French-speaking Switzerland
- Dynamic: "Yes" to development plan clears the way for "Werk 1" on the Sulzer site in Winterthur

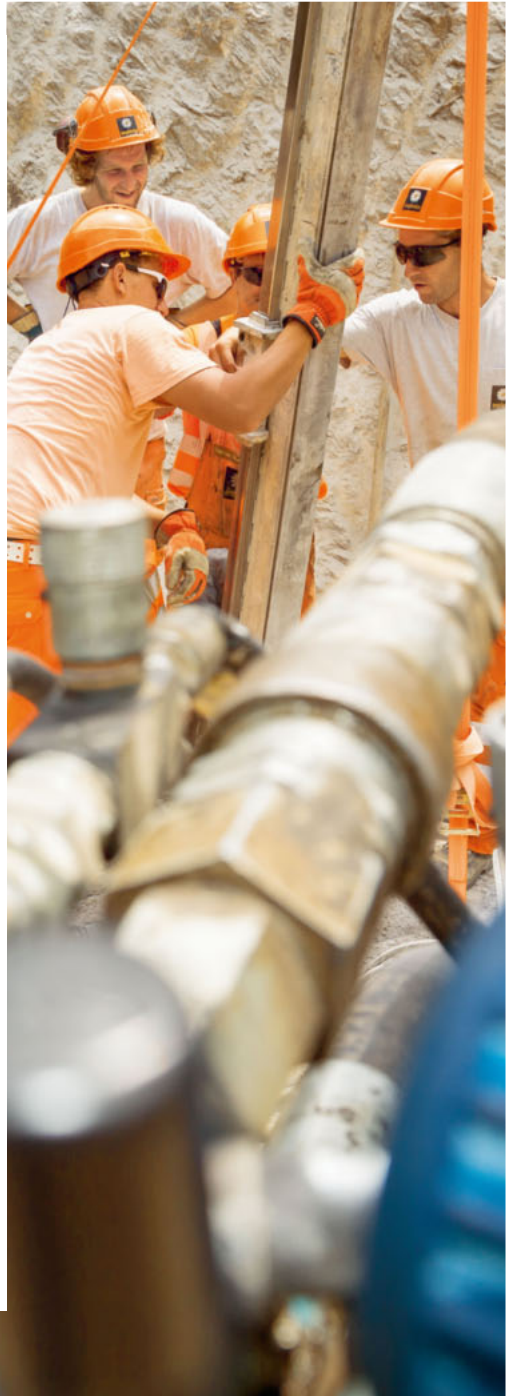
Key projects

Swissgrid, Nant de Drance Implenia's jobs are certainly varied: In the Val de Trient near Martigny, Implenia is building pylon foundations for a high tension electricity line on behalf of Swissgrid AG. Helicopters have to be used for the often acrobatic work. The project is being executed by Business Unit Construction French-speaking Switzerland and is scheduled for completion in October 2015. (Picture)

Jardin du Paradis, Biel Previs Vorsorge has asked Implenia to act as total contractor for the construction of its "Jardin du Paradis" housing development. By 2018 the Implenia Buildings unit will have built approximately 280 rental apartments in 14 apartment blocks for around CHF 85 million. As the project's name suggests, the Minergie-standard apartments are situated in a spacious park. The plan is for tenants to move in gradually from 2016 onwards.

BDWM railway refurbishment, Wohlen–Bremgarten A rail service has run between Wohlen and Bremgarten for 140 years. The line is now being completely refurbished: 6330 metres of trackbed, track and overhead power lines, including repair of structures, construction of two new stops as well as track drainage and cabling systems. Executed by Business Unit Construction German-speaking Switzerland, this is another important reference project for the Group in railway construction.

Motel One, Basel On behalf of Swiss Prime Site AG, Implenia, acting as general contractor and total contractor for building technology, is repurposing an old office building close to Barfüsserplatz in the heart of Basel. The site is being turned into the first Swiss branch of successful budget design hotel chain "Motel One". The 143-room hotel will be completed by summer 2016. The project is being executed by the Modernisation unit. Construction work began in March 2015.



Switzerland

The Switzerland Segment recorded an improved performance in the first half of 2015. Modernisation and Swiss regional business performed well, whereas Buildings did not meet the defined targets.

The Switzerland Segment, which includes Business Units Modernisation and Buildings as well as the regional Business Units for German-speaking and French-speaking Switzerland (including production plants) achieved a better result than in the same period last year. EBIT for the first semester of 2015 came to CHF –6.1 million, compared with CHF –7.0 million in the first six months of 2014. It should also be noted that most of the operating income in Swiss regional business is earned in the second half of the year owing to seasonal factors.

Key figures Switzerland

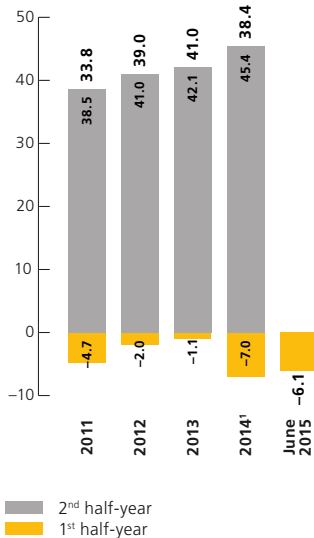
	1.1.–30.6.2015	1.1.–30.6.2014 ¹	Δ	1.1.–31.12.2014 ²
	CHF 1,000	CHF 1,000		CHF 1,000
Revenue	1,095,792	1,222,906	(10.4%)	2,583,492
EBIT	(6,067)	(7,019)	13.6%	38,392
Production output	1,129,237	1,265,656	(10.8%)	2,656,683
Order book (as at 30.6.)	2,416,572	2,330,912	3.7%	2,025,744
Headcount (FTE; as at 30.6.)	3,953	4,279	(7.6%)	4,023

¹ Restated, see page 44, note 3

² Restated

EBIT Switzerland

(in CHF million)



1 Restated, see page 44, note 3
 2011–2013: Pro forma figures

The Modernisation unit saw its performance improve again. This gratifying development confirms the strategy Implenia introduced two years ago: it has positioned itself in this growth market as a provider of comprehensive services from a single source, including consultancy, planning and execution. Swiss regional business also did well in the first six months of the year, with another strong performance in French-speaking Switzerland and a clear improvement in the German-speaking part of the country. Despite the intensive work done to improve the results of Business Unit Buildings, its operational performance did not meet the defined targets, not least because of the lower volumes. The measures taken to improve operational performance have not yet had a satisfactory effect.

On a comparable basis, the Switzerland Segment's order backlog at CHF 2.417 billion is 3.7% higher than a year ago.

Key facts Switzerland

- Building up: Modernisation on track for success
- Performance: Swiss regional business sees strong performance in French-speaking Switzerland
- Seasonal: Most of the Swiss regional business's EBIT is earned in the second half of the year

Key projects

[U5, Berlin \(DE\)](#) Right in the middle of the German capital, Implenia is responsible for the shell construction of Lot 1 of the new U5 rail line. The project includes construction of a new track switching system at Berlin Rathaus, building the Museumsinsel and Unter den Linden stations, the link to the Brandenburger Tor station, and the tunnel sections in between. The 1.6 kilometre long tunnels are being built under the River Spree, sometimes with only a 5 metre gap between tunnel roof and riverbed. Due to the central location, disturbance from the construction site has to be kept to a minimum, so excavated material is being removed by boat along the River Spree. (Picture)

[tpg, Vernier](#) Implenia is in charge of a project in the Geneva municipality of Vernier to build a new depot and maintenance centre for trams and buses on behalf of Transports publics genevois (tpg). From 2019 this depot on the “En Chardon” site will provide garaging for 70 trams and 130 buses on two underground levels. The contract is worth CHF 93 million.

[Granitztal, St. Andrä \(AT\)](#) In April 2015 construction work began on the Granitztal tunnels in Austria’s “Lavanttal” valley. A consortium, with Implenia in the technical lead, is building the 7.8 kilometre section, which is due for completion in 2020 (Implenia’s share of the contract is worth CHF 73 million).

[Citybanan, Stockholm \(SE\)](#) Implenia is building the new 6 kilometre, twin-track Vasatunnel in the Swedish capital, as well as the new Odenplan railway station. As part of the “Citybanan” project, traffic congestion around the main railway station is being relieved by doubling passenger capacity.



Infrastructure

The Infrastructure Segment achieved a good result in the first half of 2015 despite the effects of acquiring and integrating Bilfinger Construction. The main drivers behind the results were the good performance in Swiss tunnelling business and healthy capacity utilisation in foundation engineering business.

The Infrastructure Segment includes the former Implenia tunnelling and foundation engineering units, as well as the relevant units of Bilfinger Construction. These accounted for around 40% of amortisation costs from the purchase price allocation for the intangible assets acquired in the course of the Bilfinger Construction takeover. The fact that operating income for the segment is still slightly higher than a year previously underlines the good operating performance. EBIT came to CHF 5.7 million, a rise of 9.3% compared to the first semester of 2014 (CHF 5.2 million).

This excellent result is partly down to healthy capacity utilisation in foundation engineering, and partly to the good performance of tunnelling construction sites in Switzerland. These include the Nant de Drance pump-storage power station between the Emosson and Vieux Emosson reservoirs in Finhaut, Canton Valais, where construction is proceeding on schedule, and the Tunnel de Pinchat site in Geneva. This latter tunnel is the centrepiece of the CEVA project, a 16 kilometre link between Cornavin and the French town of Annemasse.

Key figures Infrastructure

	1.1.–30.6.2015	1.1.–30.6.2014 ¹	Δ	1.1.–31.12.2014 ²
	CHF 1,000	CHF 1,000		CHF 1,000
Revenue	183,605	90,857	102.1%	179,961
EBIT adjusted³	7,410	5,187	42.9%	13,019
EBIT	5,670	5,187	9.3%	13,019
Production output	217,125	135,402	60.4%	274,226
Order book (as at 30.6.)	988,915	710,798	39.1%	646,532
Headcount (FTE; as at 30.6.)	969	540	79.4%	517

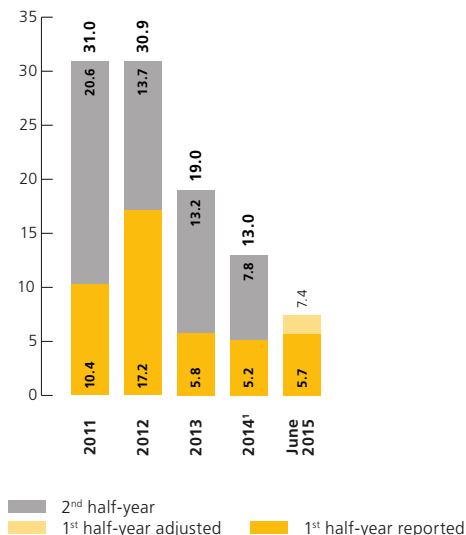
1 Restated, see page 44, note 3

2 Restated

3 Excluding acquisition effects and contribution from Bilfinger Construction

EBIT Infrastructure

(in CHF million)



1 Restated, see page 44, note 3
 2011–2013: Pro forma figures

The results for the reporting period also include income from provisions no longer required that were formed as a result of our conservative valuation policy during construction of the Gotthard Base Tunnel.

In its European infrastructure business Implenia scored a success in April 2015 when it secured Lot 1.1, the second of three tunnel sections at Semmering (Implenia's share is worth the equivalent of around CHF 190 million). The two other major Austrian tunnel projects, Granitztal (Implenia's share is worth the equivalent of around CHF 73 million) and Lot 2.1 of the Semmering Base Tunnel (Implenia's share equivalent to around CHF 323 million), were begun in January 2014 and spring 2015, and will take five and ten years respectively to complete.

In Switzerland, Implenia has just been awarded the contract to build the new Bözberg rail tunnel. The work begins in spring 2016 and will last until 2020/22. Nevertheless, as expected and already announced, there is a shortage of large-scale projects in Switzerland, and this is bound to affect the performance of Infrastructure in the second half of the year.

The order backlog for the Infrastructure Segment is worth CHF 989 million (+39.1%).

Key facts Infrastructure

- Performance: Infrastructure has performed well in the Swiss tunnelling and foundation engineering business
- Exceptional costs: Higher EBIT despite acquisition and integration costs
- Prospects: Segment's order backlog up by 39%

Key projects

[Lysebotn II, Lysebotn \(NO\)](#) Implenla is building the new Lysebotn II hydroelectric plant for Lyse produksjon AS close to the coastal town of Stavanger in southwestern Norway. This is one of the country's largest hydroelectric projects under construction. The new replacement power station will produce 1.5 TWh of electric power per year, an increase of 14%. The contract is worth the equivalent of CHF 70 million. (Picture)

[Lorenz-Reiter-Strasse residential complex, Vienna \(AT\)](#) Construction work was well underway in the first half of 2015 on the subsidised residential complex on Lorenz-Reiter-Strasse in Vienna. The centrally located development, which Implenla is building as general contractor, consists of 143 residential units, a supermarket, an assisted living home, underground parking and outdoor areas. Tenants can help design the layout of their apartments. The project is scheduled for handover to the client in spring 2016.

[Park Tower, Karlsruhe \(DE\)](#) In May 2015 construction work finished on Park Tower in Karlsruhe, Germany. In the middle of City Park, about 200 homes have been built to differing specifications – ranging from student accommodation to the exclusive penthouse apartment. The ground floor includes space for commercial use. Implenla was responsible for realising the project, worth around EUR 35 million, as general contractor and builder.



International

The International Segment operates through powerful new units in Scandinavia and in German-speaking countries outside Switzerland. Acquisition and currency effects have reduced its results. Further growth will come from targeted expansion in Norway. The segment won some important contracts in the first half of 2015.

The International Segment, with its regional businesses in Germany, Austria, Norway, and Sweden, as well as the foreign gravel works, achieved EBIT of CHF 0.8 million in the first half of the current year. As in the Infrastructure Segment, amortisation costs from purchase price allocation amounting to almost CHF 5 million had a negative effect on EBIT. In total, approximately 60% of the depreciation of intangible assets resulting from the acquisition of Bilfinger Construction were booked to this segment. The decline in the value of both the euro and the Norwegian krone also had a negative impact on results. Excluding currency effects, EBIT came to CHF 1.5 million.

Key figures International

	1.1.–30.6.2015	1.1.–30.6.2014 ¹	Δ	1.1.–31.12.2014 ²
	CHF 1,000	CHF 1,000		CHF 1,000
Revenue	300,175	201,001	49.3%	415,513
EBIT adjusted³	5,074	8,183	(38.0%)	16,291
EBIT	803	8,183	(90.2%)	16,291
Production output	307,284	201,001	52.9%	415,513
Order book (as at 30.6.)	804,539	433,614	85.5%	329,477
Headcount (FTE; as at 30.6.)	1,799	862	108.7%	901

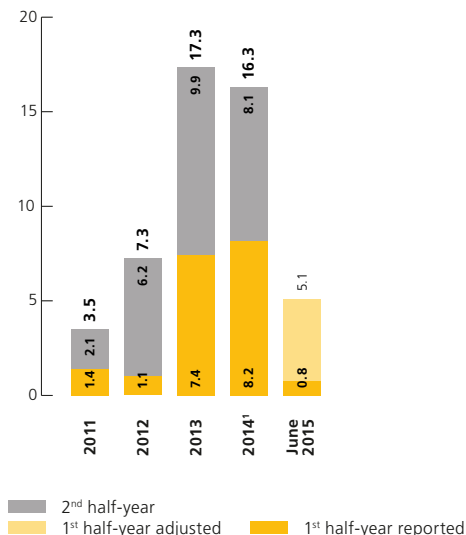
1 Restated, see page 44, note 3

2 Restated

3 Excluding acquisition effects and contribution from Bilfinger Construction

EBIT International

(in CHF million)



1 Restated, see page 44, note 3
 2011–2013: Pro forma figures

Implenia Norge was unable to match the results it achieved in the first half of 2014. As in the second half of 2014, investment in structures and staff in Norway affected the period under review. However, acquisition activity has been significantly increased again, leading to very good order intake over the last six months: among other projects, Implenia has been asked to build a new road between the towns of Svegatjørn and Rådal (E39) for around CHF 173 million, and to help install the world's longest submarine power line between the UK and Norway.

The new Germany & Austria regional unit posted a result in line with expectations. Its challenge in the coming months is to turn the impetus from the Implenia integration into successful growth.

The plants in Mali and the Ivory Coast performed well, increasing their contribution to results in Swiss franc terms despite negative currency effects.

At the end of June 2015 the International Segment had an order backlog of CHF 805 million (+85.5%).

Key facts International

- Strength: New units in Scandinavia, Germany and Austria
- Negative effects: Acquisition and currency influences bring down results
- Confident: Lively acquisition activities result in healthy order book

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Consolidated income statements

		1.1.–30.6.2015	1.1.–30.6.2014
	Notes	CHF 1,000	CHF 1,000
Consolidated revenue	3	1,514,570	1,413,312
Materials and subcontractors		(965,568)	(907,861)
Personnel expenses		(403,781)	(379,512)
Other operating expenses		(99,073)	(81,618)
Depreciation and amortisation		(36,567)	(21,207)
Income from associates		4,266	3,300
Operating income	3	13,847	26,414
Financial expenses	4	(7,659)	(5,386)
Financial income	4	4,577	1,444
Profit before tax		10,765	22,472
Tax		(2,762)	(5,460)
Consolidated profit		8,003	17,012
Attributable to:			
Shareholders of Implenla Ltd.		6,592	14,505
Non-controlling interests		1,411	2,507
Earnings per share (CHF)			
Basic earnings per share	11	0.36	0.79
Diluted earnings per share	11	0.36	0.79

The accompanying notes form part of the consolidated financial statements.

Consolidated statements of comprehensive income

		1.1.–30.6.2015	1.1.–30.6.2014
	Notes	CHF 1,000	CHF 1,000
Consolidated profit		8,003	17,012
Remeasurement of post-employment benefits	5	(57,637)	(7,175)
Income tax on remeasurement of post-employment benefits		12,605	1,579
Total items that will not be reclassified to income statement		(45,032)	(5,596)
Foreign exchange differences		(18,462)	(890)
Total items that will be reclassified to income statement		(18,462)	(890)
Other comprehensive income		(63,494)	(6,486)
Attributable to:			
Shareholders of Implenla Ltd.		(63,062)	(6,489)
Non-controlling interests		(432)	3
Total comprehensive income		(55,491)	10,526
Attributable to:			
Shareholders of Implenla Ltd.		(56,470)	8,016
Non-controlling interests		979	2,510

The accompanying notes form part of the consolidated financial statements.

Consolidated balance sheets

ASSETS		30.6.2015	31.12.2014	30.6.2014
	Notes	CHF 1,000	CHF 1,000	CHF 1,000
Cash and cash equivalents		670,258	731,534	499,568
Marketable securities		228	96	133
Trade receivables	6	642,016	542,021	620,631
Work in progress	7	329,341	302,658	362,913
Joint ventures (equity method)		55,805	39,316	43,335
Other receivables		82,713	46,514	60,835
Raw materials and supplies		44,898	25,039	25,524
Real estate transactions	8	215,702	229,777	215,472
Accrued income and prepaid expenses		36,027	27,005	38,572
Total current assets		2,076,988	1,943,960	1,866,983
Property, plant and equipment		303,330	245,611	243,562
Investment property		15,017	16,434	16,591
Investments in associates		59,432	48,788	47,961
Other financial assets		9,424	8,897	9,104
Pension assets		185	5,698	6,991
Intangible assets		192,014	87,847	90,464
Deferred tax assets		11,590	424	300
Total non-current assets		590,992	413,699	414,973
Total assets		2,667,980	2,357,659	2,281,956

EQUITY AND LIABILITIES		30.6.2015	31.12.2014	30.6.2014
	Notes	CHF 1,000	CHF 1,000	CHF 1,000
Financial liabilities	9	203,532	3,306	3,481
Trade payables		395,050	368,702	343,943
Work in progress	7	715,218	678,381	705,693
Joint ventures (equity method)		44,491	41,562	51,478
Other liabilities		89,138	75,108	85,914
Tax liabilities		44,312	42,180	33,260
Prepaid income and accrued expenses		137,431	105,391	140,787
Provisions		13,072	6,425	7,306
Total current liabilities		1,642,244	1,321,055	1,371,862
Financial liabilities	9	283,652	326,751	205,736
Other liabilities		1,900	1,900	2,191
Deferred tax liabilities		96,364	54,142	55,365
Pension liabilities		55,925	1,927	1,305
Provisions		31,241	22,095	22,438
Total non-current liabilities		469,082	406,815	287,035
Share capital	10	18,841	18,841	35,097
Treasury shares	10	(8,916)	(8,405)	(6,651)
Reserves		525,047	536,124	552,890
Consolidated profit attributable to shareholders		6,592	69,231	14,505
Equity attributable to shareholders		541,564	615,791	595,841
Non-controlling interests		15,090	13,998	27,218
Total equity		556,654	629,789	623,059
Total equity and liabilities		2,667,980	2,357,659	2,281,956

The accompanying notes form part of the consolidated financial statements.

Consolidated statements of changes in equity

	Share capital	Treasury shares
	CHF 1,000	CHF 1,000
Equity as at 1.1.2015	18,841	(8,405)
Consolidated profit	–	–
Other comprehensive income	–	–
Total comprehensive income	–	–
Dividends	–	–
Change in treasury shares	–	(511)
Share-based payments	–	–
Change in non-controlling interests	–	–
Equity component of convertible bond 2.3	–	–
Total other changes in equity	–	(511)
Total equity as at 30.6.2015	18,841	(8,916)
Equity as at 1.1.2014	35,097	(5,149)
Consolidated profit	–	–
Other comprehensive income	–	–
Total comprehensive income	–	–
Dividends	–	–
Change in treasury shares	–	(1,502)
Share-based payments	–	–
Change in non-controlling interests	–	–
Total other changes in equity	–	(1,502)
Total equity as at 30.6.2014	35,097	(6,651)

The accompanying notes form part of the consolidated financial statements.

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Reserves			Total shareholders' equity	Non-controlling interests	Total equity
Capital reserves	Foreign exchange differences	Retained earnings			
CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
77,546	(23,870)	551,679	615,791	13,998	629,789
–	–	6,592	6,592	1,411	8,003
–	(18,030)	(45,032)	(63,062)	(432)	(63,494)
–	(18,030)	(38,440)	(56,470)	979	(55,491)
–	–	(32,948)	(32,948)	(567)	(33,515)
349	–	(1,238)	(1,400)	–	(1,400)
–	–	1,238	1,238	–	1,238
–	–	175	175	680	855
15,178	–	–	15,178	–	15,178
15,527	–	(32,773)	(17,757)	113	(17,644)
93,073	(41,900)	480,466	541,564	15,090	556,654

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90,301	(19,016)	501,613	602,845	25,843	628,688
–	–	14,505	14,505	2,507	17,012
–	(893)	(5,596)	(6,489)	3	(6,486)
–	(893)	8,909	8,016	2,510	10,526
(13,224)	–	–	(13,224)	(1,400)	(14,624)
346	–	(1,348)	(2,504)	–	(2,504)
–	–	1,348	1,348	–	1,348
–	–	(641)	(641)	265	(376)
(12,878)	–	(641)	(15,021)	(1,135)	(16,156)
77,423	(19,909)	509,881	595,841	27,218	623,059

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Consolidated cash flow statements

		1.1.–30.6.2015	1.1.–30.6.2014
	Notes	CHF 1,000	CHF 1,000
Consolidated profit		8,003	17,012
Tax		2,762	5,460
Financial result	4	3,082	3,942
Depreciation and amortisation		36,567	21,207
Result from sale of non-current assets		(927)	(97)
Income and distribution from associates		(1,688)	(2,190)
Change in provisions		(1,347)	(1,617)
Change in pension assets and liabilities		(2,686)	(5,000)
Change in net working capital			
Change in trade and other receivables		(57,446)	(128,795)
Change in work in progress (net), raw materials and supplies		(66,891)	44,828
Change in real estate transactions		13,550	1,971
Change in trade payables and other liabilities		(8,889)	(6,870)
Change in accruals and joint ventures (equity method)		4,168	30,233
Interest paid		(6,275)	(7,678)
Interest received		314	1,669
Tax paid		(11,243)	(12,253)
Cash flow from operating activities		(88,946)	(38,178)
Investments in property, plant and equipment		(23,780)	(21,858)
Disposals of property, plant and equipment		1,645	1,856
Investments in other financial assets and associates		(534)	(365)
Disposals of other financial assets and associates		2,622	942
Investments in intangible assets		(331)	(1,405)
Proceeds from sale of intangible assets		518	445
Acquisition of subsidiaries	2.2	(85,974)	(4,139)
Cash flow from investing activities		(105,834)	(24,524)

		1.1.–30.6.2015	1.1.–30.6.2014
	Notes	CHF 1,000	CHF 1,000
Increase in financial liabilities		157,425	2,533
Repayment of financial liabilities		(1,518)	(6,180)
Equity raised through convertible bond	2.3	15,178	–
Change in treasury shares		(162)	(1,156)
Dividends		(32,948)	(13,224)
Cash flow with non-controlling interests		(15)	(2,246)
Cash flow from financing activities		137,960	(20,273)
Foreign exchange differences on cash and cash equivalents		(4,456)	(38)
Change in cash and cash equivalents		(61,276)	(83,013)
Cash and cash equivalents at the beginning of the period		731,534	582,581
Cash and cash equivalents at the end of the period		670,258	499,568

The accompanying notes form part of the consolidated financial statements.

Notes to the consolidated financial statements of Implenia

1 General information

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

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

The interim financial report as at 30 June 2015 was approved by the Board of Directors of Implenia Ltd. on 19 August 2015. The consolidated financial statements as at 30 June 2015 were not 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 Ltd. and its subsidiaries for the reporting period ended 30 June 2015. The consolidated financial statements were prepared in accordance with IAS 34 "Interim Financial Reporting". As the report does not contain all of the notes required for the Annual Report, it should be read in conjunction with the consolidated financial statements as at 31 December 2014, which were prepared in accordance with the International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB).

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.

2.1 Changes in accounting policies

The accounting policies applied to the 2015 interim financial statements are identical to those published and described in the Annual Report 2014.

2.2 Material changes in the scope of consolidation

As at 2 March 2015, the Implenia Group acquired 100% of the shares in Bilfinger Construction GmbH, based in Wiesbaden, Germany. Bilfinger Construction GmbH is an expert in infrastructure construction, foundation engineering, civil engineering and tunnelling. The company has a strong regional presence in its target markets of Germany, Austria, Norway and Sweden. It offers a high degree of technical know-how and an attractive project and service portfolio. Bilfinger Construction GmbH also owns regional and technical companies with strong roots in their local markets. These companies offer specialised services in their core markets of Germany and Austria in areas such as civil works, road construction, engineering and formwork construction. Bilfinger Construction GmbH and its subsidiaries are fully consolidated as from the acquisition date. The acquisition is an important step for Implenia in establishing itself as an international expert in challenging infrastructure projects and strengthens its technical expertise and clout. The Implenia Group is geographically diversifying its business and expanding its regional presence.

The purchase price as provisionally paid amounts to CHF 141.4 million (EUR 132.7 million) and includes the acquisition of cash and cash equivalents worth CHF 55.5 million (EUR 52.0 million). The final price will depend on the outcome of negotiations. The purchase price does not include any variable components.

Based on the provisional purchase price allocation, the identifiable net assets amount to CHF 63.9 million. The goodwill from the transaction amounts to CHF 77.5 million and reflects assets acquired that cannot be capitalised such as market entry, customer relationships under public law, the workforce and anticipated synergy effects. The goodwill acquired is not expected to be tax-deductible. The CHF 3.8 million in costs associated with the acquisition have been reported under other operating expenses in the income statement.

Bilfinger Construction GmbH achieved an operating result of CHF –4.8 million and revenue of CHF 261.8 million in the first half of 2015. For the period from 2 March to 30 June 2015, Bilfinger Construction GmbH reported an operating result of CHF 1.2 million and revenue of CHF 189.9 million. There is also depreciation and amortisation in the amount of CHF 8.8 million resulting from redetermining fair values.

The following overview shows the fair values provisionally recorded for the assets and liabilities acquired as well as for the goodwill. Some more information is still required before the purchase price allocation can be finalised.

Notes to the consolidated financial statements of Implenia

	2.3.2015
	CHF 1,000
Cash and cash equivalents	55,455
Trade receivables	65,401
Other current assets	66,222
Property, plant and equipment	67,329
Intangible assets	40,546
Other non-current assets	12,727
Trade payables	(33,264)
Current and non-current provisions	(17,794)
Other current liabilities	(142,680)
Other non-current liabilities	(49,922)
Fair value identifiable net assets	64,020
Non-controlling interests	(96)
Fair value net assets acquired – share Implenia	63,924
Goodwill	77,505
Purchase price paid	141,429
Cash and cash equivalents acquired	(55,455)
Net cash outflow	85,974

There were no changes in the scope of consolidation in the previous year that have a material impact on these consolidated financial statements.

2.3 Fair value estimates

The carrying amounts of the financial instruments equal their fair value, except for the bonds and convertible bonds included in financial liabilities, which are measured at amortised cost. As at 30 June 2015, the bonds had carrying amounts of CHF 199.6 million (31 December 2014: CHF 199.4 million) and CHF 125 million (31 December 2014: CHF 125 million). Their fair values of CHF 205.8 million (31 December 2014: CHF 208 million) and CHF 128.3 million (31 December 2014: CHF 127.9 million) reflect the closing price on the SIX Swiss Exchange. The convertible bond issued on 30 June 2015 has a carrying amount of CHF 156.3 million reported under liabilities and CHF 15.2 million reported under equity. Its fair value including the equity component amounts to CHF 173.6 million.

Financial instruments are assigned to the following valuation hierarchies in accordance with IFRS 13.

	Classification (level) as per IAS 39 ¹	Carrying amounts		Fair values	
		30.6.2015	31.12.2014	30.6.2015	31.12.2014
		CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
Financial assets					
Marketable securities	AfS (2)	228	96	228	96
Trade receivables	LaR (2)	642,016	542,021	642,016	542,021
Other receivables	LaR (2)	82,713	46,514	82,713	46,514
Unlisted participations	AfS (3)	6,744	6,586	6,744	6,586
Other financial assets	LaR (2)	2,680	2,311	2,680	2,311
Total		734,381	597,528	734,381	597,528
Financial liabilities					
Current financial liabilities	OFL (1)/(2)	203,532	3,306	209,762	3,306
Trade payables	OFL (2)	395,050	368,702	395,050	368,702
Other current liabilities	OFL (2)	89,138	75,108	89,138	75,108
Non-current financial liabilities	OFL (1)/(2)	283,652	326,751	289,058	338,320
Other non-current liabilities	OFL (2)	1,900	1,900	1,900	1,900
Total		973,272	775,767	984,909	787,336

1 Classifications as per IAS 39:

- LaR: Loans and receivables
- AfS: Available for sale (measured at fair value)
- OFL: Other financial liabilities

The inputs used for level 1 in the hierarchy are unadjusted listed prices on active markets for identical assets and liabilities as at the reporting date. The fair values of securities and the convertible bond are determined using valuation models and directly or indirectly observable inputs (level 2). The carrying amounts of loans and receivables roughly correspond to their fair values (level 2). The fair values of unlisted shareholdings use inputs based on the Group's best estimate (level 3). Revaluations at level 3 are only performed once a year for materiality reasons. There were no reclassifications into or out of any of the three levels.

2.4 Seasonal fluctuation

Implenia's building production services are subject to seasonal fluctuation as building activity is more intense in the second half of the year.

Notes to the consolidated financial statements of Implenla

3 Segment reporting

The Group's business segments are based on the organisational units, for which the Group Executive Board (GEBO) and the Group Board of Directors are presented a report. The Board of Directors takes on the role of chief operating decision maker. It receives regular internal reports in order to assess the Group's performance and resource allocation. The acquisition of Bilfinger Construction GmbH prompted a reorganisation within the Implenla Group. The new internal organisational and reporting structure has given rise to the following business units:

- Development
- Modernisation
- Buildings
- Infrastructure
- Construction German-speaking Switzerland
- Construction French-speaking Switzerland
- Scandinavia
- Germany & Austria
- Miscellaneous/Holding

Management has grouped these into four reporting segments in accordance with the requirements of IFRS 8.12 and based on geographical and product-related criteria. The individual components of the reporting segments provide their customers with similar construction services and achieve similar EBIT margins. The segments undertake the following activities:

Development

The Development segment comprises activities such as the planning and construction of real estate projects. This segment transforms visions and ideas into sustainable real estate projects and provides other real estate services.

Switzerland

- Modernisation: This business unit comprises conceptual and strategic advisory services as well as the planning and execution of modernisation construction projects. It includes Wooden Construction and Engineering.
- Buildings: This business unit comprises activities such as planning, coordination and processing as a general and total contractor as well as the execution of complex construction projects using traditional construction methods.
- Construction Switzerland: This business unit is active in all areas of traditional construction. It has two business units – Construction German-speaking Switzerland and Construction French-speaking Switzerland. This includes road construction and civil engineering projects, commercial construction, surface works and gravel processing in Switzerland.

Infrastructure

The Infrastructure segment comprises tunnelling and foundation engineering activities as well as design, planning and large-scale projects. This segment is primarily concerned with the realisation of complex construction projects for infrastructure facilities, including renovation and maintenance, as a builder and total contractor. Its core competencies include microtunnelling, underground engineering, gallery construction for power plants, railway technology, bridge construction, avalanche galleries construction, foundation engineering and hydrodynamics. These services are provided for complex infrastructure projects in both the domestic market and other European markets.

International

The International reporting segment is made up of the Scandinavia and Germany & Austria business units plus the international gravel processing business.

Scandinavia: This business unit is responsible for civil works and road and bridge construction in Norway and Sweden as well as for general engineering and conventional tunnelling. It also offers services in select niche segments.

Germany & Austria: This business unit provides civil works, general engineering, repair and construction services in Germany and Austria.

Miscellaneous / Holding

Miscellaneous/Holding contains all the costs of Implenia that cannot be allocated to a segment. The newly acquired Machinery & Electrotechnology (MET) and Formwork Construction (BBS) activities as well as the Central Laboratory have been integrated into this segment for the time being as Group-wide service providers. The segment also includes Group companies with no activities, holding company overheads, the material investment properties, deferred taxes recognised at Group level, and pension assets and liabilities.

Certain headquarter functions are disclosed under Miscellaneous/Holding. These include Procurement, Finance & Controlling, Investor Relations, Business Development, Human Resources, IT, Investment Management, Risk Management, Marketing/Communications, Treasury, Legal, Insurance, Health & Safety, Sustainability and other Technical Center services.

The relationship between the current segments and the previous ones as per the 2014 financial statements is illustrated below:

Previous segments	Current segments			
	Development	Switzerland	Infrastructure	International
Modernisation		x		
Development	x	Consulting		
Buildings		x		Bau Südbaden
Tunnelling & Civil Engineering		Civil Engineering and Reprojet	x	
Construction Switzerland		x		Gravel Processing International
Norge			Special Foundation and Large-Scale Projects	x

The activities acquired together with Bilfinger Construction GmbH are reported in the Infrastructure and International segments plus, to a limited extent, in Miscellaneous/Holding. The previous year's segment reporting figures have been restated accordingly.

Notes to the consolidated financial statements of Implenla

Segment reporting as submitted to the Board of Directors as at 30 June 2015:

	Development	Switzerland
	CHF 1,000	CHF 1,000
IFRS revenue unconsolidated	88,318	1,095,792
Intragroup revenue	(18,629)	(119,837)
Consolidated revenue	69,689	975,955
Operating income	15,002	(6,067)
Investments in property, plant and equipment and intangible assets	98	6,926
Current assets excl. cash and cash equivalents	244,909	719,634
Non-current assets (excl. pension assets)	18,728	265,645
Less debt capital (excl. financial and pension liabilities)	(107,124)	(900,096)
Total invested capital	156,513	85,183

1 Including eliminations

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Infrastructure	International	Total of Business Units	Miscellaneous/ Holding ¹	Total
CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
183,605	300,175	1,667,890	18,010	1,685,900
(19,220)	(8,602)	(166,288)	(5,042)	(171,330)
164,385	291,573	1,501,602	12,968	1,514,570
5,670	803	15,408	(1,561)	13,847
4,820	10,580	22,424	2,911	25,335
120,506	246,672	1,331,721	75,009	1,406,730
125,344	128,306	538,023	52,784	590,807
(159,993)	(308,965)	(1,476,178)	(92,039)	(1,568,217)
85,857	66,013	393,566	35,754	429,320

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Notes to the consolidated financial statements of Implenia

Segment reporting as submitted to the Board of Directors as at 30 June 2014 (restated):

	Development	Switzerland
	CHF 1,000	CHF 1,000
IFRS revenue unconsolidated	56,248	1,222,906
Intragroup revenue	(15,438)	(133,887)
Consolidated revenue	40,810	1,089,019
Operating income	14,607	(7,019)
Investments in property, plant and equipment and intangible assets	565	8,258
Current assets excl. cash and cash equivalents	233,571	828,099
Non-current assets (excl. pension assets)	19,506	265,946
Less debt capital (excl. financial and pension liabilities)	(96,445)	(954,084)
Total invested capital	156,632	139,961

1 Including eliminations

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Infrastructure	International	Total of Business Units	Miscellaneous/ Holding ¹	Total
CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
90,857	201,001	1,571,012	13,754	1,584,766
(10,329)	(2,116)	(161,770)	(9,684)	(171,454)
80,528	198,885	1,409,242	4,070	1,413,312
5,187	8,183	20,958	5,456	26,414
3,549	9,368	21,740	1,523	23,263
101,537	212,197	1,375,404	(7,989)	1,367,415
52,474	52,566	390,492	17,490	407,982
(146,845)	(186,426)	(1,383,800)	(64,575)	(1,448,375)
7,166	78,337	382,096	(55,074)	327,022

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Notes to the consolidated financial statements of Implenla

Reconciliation of invested capital:

	30.6.2015	30.6.2014
	CHF 1,000	CHF 1,000
Total assets	2,667,980	2,281,956
Minus cash and cash equivalents	(670,258)	(499,568)
Minus pension assets	(185)	(6,991)
Assets of invested capital	1,997,537	1,775,397
Total equity and liabilities	2,667,980	2,281,956
Minus equity	(556,654)	(623,059)
Minus financial liabilities	(487,184)	(209,217)
Minus pension liabilities	(55,925)	(1,305)
Liabilities of invested capital	1,568,217	1,448,375
Total invested capital	429,320	327,022

Operating income from Miscellaneous/Holding includes:

	1.1.–30.6.2015	1.1.–30.6.2014
	CHF 1,000	CHF 1,000
Operating result from support and other services (ex-Bilfinger Constr.)	(1,309)	–
Depreciation and amortisation	(1,541)	(1,120)
Depreciation of investment property	(46)	(46)
Income from defined benefit pension plans	2,970	5,000
Integration and acquisition expenses	(2,934)	–
Other expenses net	1,299	1,622
Total operating income Miscellaneous/Holding	(1,561)	5,456

Group revenues and non-current assets by geographical area:

Implenia Ltd. is domiciled in Switzerland. Revenues from third parties in Switzerland amounted to CHF 1,122 million (previous year: CHF 1,193 million). Revenues generated abroad came to CHF 393 million (previous year: CHF 220 million). Non-current assets located in Switzerland (excluding financial assets, pension assets and deferred tax assets) as at 30 June 2015 stood at CHF 279 million (31 December 2014: CHF 288 million). Non-current assets located abroad (excluding financial assets, pension assets and deferred tax assets) stood at CHF 232 million (31 December 2014: CHF 62 million).

4 Financial expenses and income

	1.1.–30.6.2015	1.1.–30.6.2014
	CHF 1,000	CHF 1,000
Financial expenses		
Interest expenses	436	428
Interest on bond issues	4,361	3,339
Bank charges	266	289
Fixed costs of financial guarantees	490	427
Other financial expenses	860	805
Currency losses	1,246	98
Total	7,659	5,386
Financial income		
Interest income	744	639
Income from investments	329	244
Other financial income	1	379
Currency gains	3,503	182
Total	4,577	1,444
Financial result	(3,082)	(3,942)

5 Remeasurement of pension liabilities

The discount factor used to calculate pension liabilities was reduced from 1.4% to 1% during the reporting period (previous year: from 2.2% to 1.8%). This change is primarily responsible for the pre-tax fall of CHF 57.6 million (previous year: CHF 7.2 million) in the statement of comprehensive income.

Notes to the consolidated financial statements of Implenla

6 Trade receivables

	30.6.2015	31.12.2014
	CHF 1,000	CHF 1,000
Third parties	583,031	447,849
Joint ventures (equity method)	41,705	50,932
Associates	4,682	2,855
Related parties	–	1,280
Guarantee retentions	49,321	47,494
Allowance for doubtful receivables	(36,723)	(8,389)
Total	642,016	542,021

Allowance is made for receivables that are in arrears on the basis of current experience. The increase in allowances during the reporting period is due to the Bilfinger Construction acquisition.

Valuation allowances are only disclosed separately for trade receivables. For all other financial instruments, value adjustments are offset directly.

Overdue receivables:

As at 30 June 2015, total overdue receivables amounted to CHF 272 million (31 December 2014: CHF 215.3 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.

The overdue receivables include outstanding invoices to the City of Zurich for adjustments and changes to the Letzigrund stadium amounting to CHF 22.9 million. Implenla has taken legal action to obtain full payment of the outstanding debts.

7 Work in progress

	30.6.2015	31.12.2014
	CHF 1,000	CHF 1,000
Work in progress, assets (services provided but not yet invoiced)	418,281	395,763
Work in progress, liabilities (services invoiced but not yet provided)	(409,130)	(385,787)
Valuation adjustment on contract costs	(24,150)	(7,689)
Contract costs in relation to future services by suppliers and subcontractors	85,271	73,477
Contract costs in relation to past services by suppliers and subcontractors	(456,149)	(451,487)
Work in progress, net	(385,877)	(375,723)
of which work in progress, assets	329,341	302,658
of which work in progress, liabilities	(715,218)	(678,381)

Notes to the consolidated financial statements of Implenia

8 Real estate transactions

	30.6.2015	31.12.2014
	CHF 1,000	CHF 1,000
Acquisition costs as at 1.1.	238,114	232,223
Additions	36,480	54,974
Disposals	(50,031)	(49,011)
Reclassifications	–	–
Foreign exchange differences	(524)	(72)
Cumulative acquisition costs	224,039	238,114
Cumulative value adjustments as at 1.1.	(8,337)	(14,750)
Additions	–	–
Disposals	–	6,413
Cumulative value adjustments	(8,337)	(8,337)
Net carrying amount	215,702	229,777

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

	1.1.–30.6.2015	1.1.–30.6.2014
	CHF 1,000	CHF 1,000
Sale proceeds	66,052	34,486
Carrying amount of assets sold	(50,031)	(20,081)
Gain on real estate¹	16,021	14,405

1 Excluding other expenses and income of the segment Development.

9 Current and non-current financial liabilities

	30.6.2015	31.12.2014
	CHF 1,000	CHF 1,000
As at 1.1.	330,057	211,512
Additions	158,650	126,757
Disposals	(1,518)	(7,818)
Change in scope of consolidation	508	–
Foreign exchange differences	(513)	(394)
Total	487,184	330,057
Breakdown		
Bond issues	324,590	324,369
Subordinated convertible bond	156,338	–
Liabilities to banks and other financial institutions	2,005	1,320
Finance lease liabilities	4,072	4,198
Other financial liabilities	179	170
Total	487,184	330,057
Maturity		
Less than 1 year	203,532	3,306
Between 2 and 5 years	2,314	201,723
Over 5 years	281,338	125,028
Total	487,184	330,057

Under a syndicated loan agreement concluded on 5 August 2015, Implenla now has a cash credit line of CHF 200 million and a guarantee limit of CHF 450 million. The agreement runs until 30 September 2020 and includes two options for one-year extensions. The new agreement has replaced the existing one ahead of time.

Implenla also has bilateral loan agreements with various banks for the amount of CHF 62 million (previous year: CHF 31 million).

Notes to the consolidated financial statements of Implenla

Financial liabilities include two bonds and a subordinated convertible bond:

- CHF 200 million Payment under subscription 12 May 2010, interest rate 3.125%, term 2010–2016, redemption 12 May 2016, issue price 100.269%, ISIN CH011 219 3518, effective interest rate 3.356%
- CHF 125 million Payment under subscription 15 October 2014, interest rate 1.625%, term 2014–2024, issue price 101.063%, ISIN CH025 359 2767, effective interest rate 1.624%
- CHF 175 million Payment under subscription 30 June 2015, subordinated convertible bond, interest rate 0.500%, term 2015–2022, issue price 100.000%, ISIN CH028 550 9359, conversion premium 32.5%, conversion price CHF 75.06, effective interest rate 2.158%

10 Share capital

	31.12.2013	Changes 2014	31.12.2014	Changes 2015	30.6.2015
	No. of shares	No. of shares	No. of shares	No. of shares	No. of shares
Total shares of Implenla Ltd.	18,472,000	–	18,472,000	–	18,472,000
Unreserved treasury shares	102,316	52,985	155,301	5,815	161,116
Total shares outstanding	18,369,684	(52,985)	18,316,699	(5,815)	18,310,884

All shares are subscribed and fully paid up. As at 30 June 2015, all shares have voting rights and qualify for dividends, with the exception of 161,116 treasury shares (31 December 2014: 155,301 treasury shares).

	31.12.2013	Changes 2014	31.12.2014	Changes 2015	30.6.2015
	Par value of shares CHF 1,000	Par value of shares CHF 1,000	Par value of shares CHF 1,000	Par value of shares CHF 1,000	Par value of shares CHF 1,000
Share capital	35,097	(16,256)	18,841	–	18,841
Treasury shares	(195)	37	(158)	(6)	(164)
Total share capital outstanding	34,902	(16,219)	18,683	(6)	18,677

The par value of a share as at 30 June 2015 is CHF 1.02 (31 December 2014: CHF 1.02).

11 Earnings per share

	1.1.–30.6.2015	1.1.–30.6.2014
Data for calculating earnings per share:		
Consolidated profit attributable to shareholders of Implenla Ltd.	6,592	14,505
Adjustment to result due to convertible bond issue	–	–
Consolidated profit attributable to shareholders of Implenla Ltd. after adjustment	6,592	14,505
Weighted average number of shares outstanding	18,307,291	18,362,793
Adjustment due to diluting effect of convertible bond	12,953	–
Weighted average for calculating diluted earnings per share	18,320,244	18,362,793
Basic earnings per share in CHF	0.36	0.79
Diluted earnings per share in CHF	0.36	0.79

Undiluted earnings per share (EPS) are calculated by dividing the net income attributable to shareholders of Implenla Ltd. 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 issued.

Diluted earnings per share (EPS) are calculated by adjusting the consolidated profit attributable to shareholders of Implenla Ltd. to take account of the effect of the convertible bond before taxes. This figure is divided by the weighted number of outstanding shares plus the weighted average of the potential shares that would have a diluting effect were they to be created as a result of all conversion rights being exercised.

Notes to the consolidated financial statements of Implenla

12 Contingent liabilities

Together with many other construction companies in the regional market for road construction and civil engineering in the cantons of Grisons and St Gallen, Implenla is currently involved in investigations by the Swiss Competition Commission (see media releases of 15 November 2012 for Grisons and 16 April 2013 for St Gallen). Implenla is cooperating with the Competition Commission's investigation, which has not yet been completed. As management felt that it was impossible to make a reliable estimate of the outcome or amount of any penalties when the balance sheet was drawn up, no provisions were raised.

13 Free cash flow

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

	1.1.–30.6.2015	1.1.–30.6.2014
	CHF 1,000	CHF 1,000
Free cash flow		
Cash flow from operating activities	(88,946)	(38,178)
Investments in non-current assets	(24,645)	(23,628)
Disposal of non-current assets	4,785	3,243
Free cash flow before acquisition of subsidiaries	(108,806)	(58,563)
Acquisition of subsidiaries and deferred purchase price payments	(85,974)	(4,139)
Free cash flow after acquisition of subsidiaries	(194,780)	(62,702)

14 Events after the balance sheet date

There were no material events after the balance sheet date.

15 Foreign exchange rates

		Average rate		Closing rate	
		30.6.2015	30.6.2014	30.6.2015	31.12.2014
European Union	1 EUR	CHF 1.06	CHF 1.22	CHF 1.04	CHF 1.20
Ivory Coast/Mali	100 XOF	CHF 0.16	CHF 0.19	CHF 0.16	CHF 0.18
Norway	100 NOK	CHF 12.24	CHF 14.76	CHF 11.84	CHF 13.31
Sweden	100 SEK	CHF 11.33	CHF 13.65	CHF 11.24	CHF 12.69
USA	1 USD	CHF 0.95	CHF 0.89	CHF 0.93	CHF 0.99

LOCATIONS

With its headquarters in Dietlikon near Zurich, Implenia has an extensive network of branches in its core markets of Switzerland (see below), Germany, Austria, Norway and Sweden (see p. 61).

Further presences of Implenia are located in the Netherlands, France, Italy, Poland, Romania, Thailand and Hong Kong, as well as in Mali and the Ivory Coast. For location details see the maps or visit our website at www.impenia.com.





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Dates

Media and analysts' conference on the 2015 full-year results – **23 February 2016**

2016 Annual General Meeting – **22 March 2016**

Impressum

Published by: Implenia Ltd., Dietlikon

Concept and design: schneitermeier AG, Zurich;

Neidhart + Schön AG, Zurich

Photos: Implenia Ltd., Dietlikon; Alessandro Della Bella, Zurich;

Lyse produksjon AS, Lysebotn; Thomas Metzkow, Oranienburg; Swissgrid AG

Texts: Implenia Ltd.; Dynamics Group AG, Zurich

Translation: James Knight Ltd., Warwickshire, England

Printed by: Linkgroup, Zurich



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