



Implenia[®]

Implenia plans and builds for life. With pleasure.

5.2

Order book
CHF billion

1.6

Revenue
CHF billion



Sustainability

An integral part of
Global Reporting
Initiative "GRI G4"

33.3

EBIT excl. PPA
CHF million

8,473

Employees

5

Core markets

Switzerland
Germany
Austria
Norway
Sweden



10

years of Implenia

**Working together as "One Company" through
four business segments**



Development



Switzerland



Infrastructure

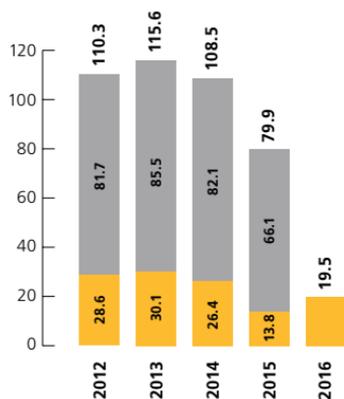


International

KEY FIGURES

Operating income

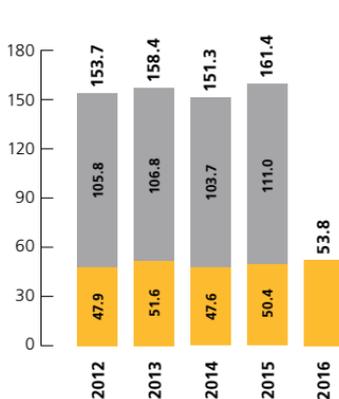
(in CHF million)



■ 2nd half-year
■ 1st half-year

EBITDA

(in CHF million)



■ 2nd half-year
■ 1st half-year

Consolidated key figures

	1.1.–30.6. 2016	1.1.–30.6. 2015	Δ	Δ like for like ²
	CHF 1,000	CHF 1,000		
Consolidated revenue	1,564,604	1,514,570	3.3%	3.0%
EBIT Business Units excl. PPA ¹	33,280	23,949	39.0%	38,3%
EBIT Business Units	27,959	15,408	81.5%	81.6%
Operating income	19,479	13,847	40.7%	40.9%
Consolidated profit	9,154	8,003	14.4%	14.7%
EBITDA	53,810	50,414	6.7%	5.9%
Free cash flow	(145,594)	(194,780)	25.3%	25.5%
Net cash position (as at 30.6.)	201,756	183,074	10.2%	9.0%
Equity (as at 30.6.)	598,106	556,654	7.4%	7.6%
Order book (as at 30.6.)	5,202,735	4,215,246	23.4%	22.1%
Production output	1,588,508	1,579,931	0.5%	0.2%
Headcount (FTE; as at 30.6.)	8,179	7,827	4.5%	

1 Excluding PPA from Bilfinger Construction

2 Foreign currency adjusted

Basis established for a successful year

Implenia has made a good start in its tenth year of operation. Results for the first half of 2016 are significantly better than in the same period of the previous year. Business in Switzerland (the Development and Switzerland Segments) as well as domestic and international infrastructure business (Infrastructure Segment) performed well, while regional business outside Switzerland (International Segment) remained subdued. Implenia's successful order acquisition underlines the company's good market position in Switzerland and Europe. During the first semester, Implenia continued to invest in its future – in industrial construction skills, innovative technologies and operational excellence – and pressed ahead with its sustainability efforts. Given the improvements made and its high volume of orders, the Group is looking to the future with confidence.

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This Half-Year Report is also available in French and German. The original German version is binding.

Half-Year Report 2016

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Dear Shareholders

We are pleased to be able to report on a successful first semester. Business was good in the first six months, with positive results from the Development, Switzerland and Infrastructure Segments. Development in the International Segment is still subdued. Implemia's order acquisition once again underlined its strong market position in Switzerland and Europe. Based on the full order books and the improvements that have already been made, we are confident about reaching our 2017 EBIT target of CHF 140 to 150 million.

Implemia posted a revenue of CHF 1,565 million for the first half of 2016, slightly exceeding previous year's figure (2015: CHF 1,515 million).

Excluding the amortisation costs for intangible assets acquired through the takeover of Bilfinger Construction (PPA), business unit EBIT came to CHF 33.3 million. This is 39.0%, or CHF 9.3 million, higher than for the equivalent period of the previous year. Including PPA, the business unit EBIT came to CHF 28.0 million, compared with CHF 15.4 million in the first half of 2015 (+81.5%). Operating income including PPA was CHF 19.5 million (2015: CHF 13.9 million).

Cash flow improved by almost CHF 50 million, from CHF -194.8 million to CHF -145.6 million; it should be noted that the acquisition of Bilfinger Construction had a CHF 86.0 million impact in the previous year. The financial result was lower than in the first half of 2015 because one-time foreign currency gains of CHF 3.5 million from the Bilfinger Construction acquisition no longer applied.

Consolidated profit was 14.4% higher than a year earlier at CHF 9.2 million (2015: CHF 8.0 million). Currency effects were insignificant in the reporting period.

Order books grew very healthily. The order backlog at the end of June 2016 was 23.4% higher than a year previously at CHF 5,203 million (2015: CHF 4,215 million).

A good start

The Development Segment posted excellent results thanks to project business which we expect to match the 2015 performance for the year as a whole. Property sales planned for 2016 were completed earlier than expected in the first half of the year. Activities were once again concentrated in the Zurich region and along Lake Geneva. A full pipeline of development projects will ensure a healthy earnings situation in the future.

The Switzerland Segment also delivered a strong result. Profitability improved, with higher earnings generated from virtually the same level of revenue. The performance of the Buildings business was particularly pleasing, with the measures taken beginning to take effect. Meanwhile regional business in Western Switzerland continued to do very well. Further progress was also made on the expansion of the Modernisation business.

The Infrastructure Segment performed well, with results exceeding our expectations. Foundation Engineering in Switzerland and Germany contributed to this positive outcome, as did the good work done at current tunnel construction sites. The opening of the epochal Gotthard Base Tunnel project was undoubtedly one of the highlights of the first six months. New orders in Switzerland and Europe confirm that Implenia is well positioned in infrastructure construction and that it is exploiting the opportunities presented by the "infrastructure" megatrend.

Regional activities outside Switzerland (International Segment) did not perform as well as expected. Business is going as planned in Sweden, but remains subdued in Germany and Austria. Norway has not yet been able to realise the targeted operational improvements or volume growth to a sufficient level. The low margins on the inherited Norwegian project portfolio from Bilfinger Construction also put a brake on results.

This portfolio also led to one-off value adjustments of more than CHF 6 million, which were booked to the Miscellaneous/Holding Segment. The latter further comprises slightly lower Group costs and income from IAS 19 that had halved since the previous year to CHF 1.5 million.

10 years of Implenia: Investing in the future

Implenia is celebrating its 10th anniversary this year. The merger of two construction groups in 2006 created a company whose clear vision has given it a strong position in Switzerland and in fast developing European home markets. Today, Implenia is a firm that systematically uses its strengths as “One Company” and that is helping to shape the future of construction.

Construction continues to be one of the most inefficient industries. That explains why there is a major emphasis on standardising processes and optimising every part of the value chain. Consequently, Implenia focuses hard on matters relating to operational excellence, investing in expanding its own industrial construction expertise, as well as in promoting innovative technologies such as Building Information Modelling (BIM). Its strategic partnership with ETH Zurich, launched during the period under review, should be seen in this context: the company is supporting an assistant professorship for innovative industrial construction, as well as working to intensify knowledge transfer between academic research and business.

Implenia publishes its third Sustainability Report

Megatrends, such as mobility, the energy transition, urban sprawl and resource shortages demand sustainable responses. At the same time, we know that Implenia, through all its activities, has an enormous influence on the economy, environment and society. We take the responsibilities this implies very seriously.

Since 2009, Implenia has published a detailed Sustainability Report every two years. This contains information about our progress and objectives in five key areas: sustainable products and services, attractive working conditions, protecting the environment, social engagement and compliance, and financial excellence. To ensure that Implenia’s direction of travel is compatible with the views of external stakeholders, we compared positions in a series of “stakeholder dialogues”. Based on these discussions, we have just published our third Sustainability Report, which covers the 2014/2015 period and which has been compiled in accordance with the latest guidelines of the Global Reporting Initiative (GRI).

In conclusion, the many concrete results we have achieved make us optimistic. It is also true that we still haven’t achieved our targets in many areas. Reason enough for us to keep working hard, out of conviction and with all our passion, on sustainability issues.

Management

Petter Vistnes, Member of the Group Executive Board, has unfortunately had to take sick leave. We wish him a fast recovery and hope very much that he can return to work soon. The unit is currently being led by an interim head. We are working hard on strengthening the management structure in Norway and Sweden and are confident that we will be able to communicate the details within the next month.

Outlook: Implenia on track

Implenia has started the year well. We expect a good business performance for the second semester. This means that – on a reported as well as on a comparable basis – the result for 2016 as a whole should be significantly better than 2015's. Full order books give us good reason for confidence. Owing to this and to the improvements we have achieved, we are sticking to our 2017 EBIT target of CHF 140 to 150 million.

Thanks

A lot of hard work was once again required from our employees in the first half of 2016. We would like to thank them on behalf of the Board of Directors and the Group Executive Board for their outstanding dedication. Thanks also to our customers for their loyalty, and to you, our valued shareholders, for the trust you have placed in Implenia.



Hans-Ulrich Meister
Chairman of the Board of Directors



Anton Affentranger
CEO



Property development in Switzerland, from the initial idea through to the finished construction project.

695,936 (759,451)

Land reserves (m²)¹

179 (216)

Real estate portfolio (CHF million)¹

4,770 (4,559)

Apartments in development (number)¹

49 (54)

Headcount (FTE)¹

Development

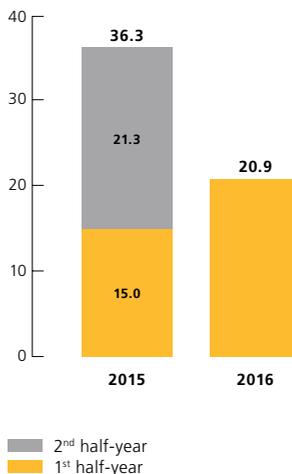
The Development Segment includes the Group's activities in real estate project development. It achieved a strong result for the first six months of the year thanks to continued good market conditions and a high quality project portfolio.

Segment with excellent performance

- Strong results thanks to good market conditions and the quality of the project portfolio
- Major property sales already completed in the first half of the year
- Project pipeline guarantees future business

EBIT Development

(in CHF million)



EBIT for the first half of the current year came to CHF 20.9 million (+39.4%), with project business suggesting that the twelve-month performance will be similar to the previous year's. The significantly better half-year result can be explained by the fact that major property sales planned for 2016 in the Zurich and Lake Geneva regions were completed ahead of schedule in the first half of the year. A full pipeline of development projects will ensure a healthy earnings situation in the future.

In Zurich North, nearly all the apartments in the two residential tower blocks known as "The Metropolitans" were sold during the period under review. In Western Switzerland, the "Promenade des Artisans" investment properties in Meyrin near Geneva were sold.

Some important milestones were reached in the first six months at the Sulzerareal development projects in Winterthur. Implenia completed the architectural competitions for the first three plots on the "Werk 1" part of the site, where Winterthur's first 2,000-Watt neighbourhood is being built over the next few years. "Werk 1" will provide a mixture of properties for living, working and education. Implenia sold Halle 52, also on the Sulzerareal site, to SSKA Heuberger Holding AG, and secured a total contracting order worth almost CHF 100 million to modernise the property.

Key figures Development

	1.1.–30.6.2016	1.1.–30.6.2015	Δ	1.1.–31.12.2015
	CHF 1,000	CHF 1,000		CHF 1,000
EBIT	20,907	15,002	39.4%	36,303
Headcount (FTE; as at reporting date)	49	54	(9.3%)	49



The Giessen site in Dübendorf meets the “Green Property” sustainability criteria.

Key projects

Im Giessen, Dübendorf

Implenia, working for its client Credit Suisse Real Estate Fund Siat (CS REF SIAT), developed a new neighbourhood on a site of around 25,800 m² in Dübendorf. Implenia, acting as total contractor, is also building the development in three phases. The project has been awarded the “Green Property” certification. The first two phases include the construction of the “Giessenhof” residential development with around 300 rental apartments and commercial properties, as well as the erection of the 85-metre high Giessenturm tower. Construction work of the Giessenhof begins in September 2016.

Promenade des Artisans, Meyrin

A retirement home with 66 apartments is being built in the town of Meyrin. Working as total contractor, Implenia is executing the project, worth around CHF 31.5 million, for client Edmond de Rothschild Real Estate SICAV. The building meets the Minergie standard and offers around 6,400 m² of floorspace for age-appropriate housing and retail units. Construction work is scheduled to finish in spring 2018.



Generalist for construction
in Switzerland – from
new buildings to modernisation,
to road construction and
civil works.

2,735 (2,417)

Order book (CHF million)¹

88% (89%)

Visibility^{1,3}

1,098 (1,129)

Production output (CHF million)²

3,932 (3,953)

Headcount (FTE)¹

1 As at 30.6.2016

2 1.1.2016–30.6.2016

3 Visibility: Assured production output current year/expected production output current year

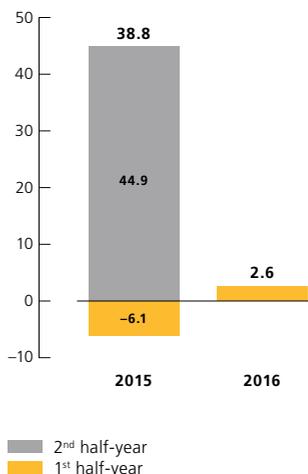
Switzerland

The Switzerland Segment, which includes Implenia's services relating to Modernisation, Buildings (General and Total Contracting, Building Construction), as well as roads and civil works in the German-speaking and French-speaking parts of Switzerland (incl. production facilities), performed very well in the first six months. There was particular encouragement from development of the Buildings business, from another good performance by Western Switzerland, and from the progress made on expanding the Modernisation business.

Good performance in the first half of the year

- Measures implemented at Buildings are taking effect: significantly improved EBIT
- Good performance from regional business in Western Switzerland once more
- Major progress in the growing Modernisation business

EBIT Switzerland (in CHF million)



With almost identical revenues of CHF 1,087 million, the Switzerland Segment increased its EBIT in the first semester by CHF 8.6 million to CHF 2.6 million (+142.5%) compared to the same period in the previous year.

The marked improvement in results shows that the measures implemented at Buildings in recent years are taking effect. Swiss regional business, which tends to be weaker in the first half of the year owing to seasonal factors, continued the good work of the previous year. The wet weather in May/June caused some slight delays, but these should be made up in the second half of the year. Further strategic progress was made in the Modernisation business with the extension of market coverage to Western Switzerland and the continued development of expertise.

The segment also did well at acquiring new orders. SBB Immobilien commissioned Implenia to build the 80-metre high Andresturm tower block next to Zurich Oerlikon railway station, for example. The project, worth more than CHF 100 million, is becoming a new landmark in northern Zurich. The regional business in the French-speaking part of Switzerland won several new orders, including a general contractor mandate for civil engineering work at the Geneva airport terminal extension project, and the contract to renew the Vallorbe–Essert-Pittet section of the A9 motorway.

This lively acquisition activity was reflected in the improved quality of the order book, which also grew in size by around CHF 300 million to CHF 2,735 million at mid-2016 (2015: CHF 2,417 million).

Key figures Switzerland

	1.1.–30.6.2016	1.1.–30.6.2015	Δ	1.1.–31.12.2015
	CHF 1,000	CHF 1,000		CHF 1,000
Revenue	1,087,134	1,095,792	(0.8%)	2,391,575
EBIT	2,581	(6,067)	(142.5%)	38,770
Order book (as at reporting date)	2,735,359	2,416,572	13.2%	2,648,111
Production output	1,097,801	1,129,237	(2.8%)	2,463,925
Headcount (FTE; as at reporting date)	3,932	3,953	(0.5%)	3,855



Implenia is using computer-aided 3D models for the construction of the Labitzke-Areal project in Zurich Altstetten.

Key projects

Labitzke site, Zurich

Implenia, as total contractor, is realising ten buildings for Mobimo AG on a 10,000 m² site in Zurich Altstetten, including two tower blocks of 48 and 64 metres in height. By the start of 2018 around 277 apartments in total will be built, plus ground-floor commercial and retail units. Implenia used 3D modelling (BIM) for the CHF 90 million project right from the start of the tendering phase, which facilitated more accurate cost and time planning as well as simplifying the management of any changes made.

Terminal expansion, Geneva Airport

As part of the terminal expansion at Geneva Airport, Implenia, as general contractor, is undertaking the civil engineering work for the new east wing. Implenia was able to draw on the considerable know-how from within the Group – from road building and civil works, to tunnelling and foundation engineering. The construction work should be completed for the client, Genève Aéroport, by November 2017.



Large and complex tunnelling and foundation engineering projects in Implenia's home markets and beyond.

1,539 (989)

Order book (CHF million)¹

93% (85%)

Visibility^{1,3}

277 (217)

Production output (CHF million)²

1,015 (969)

Headcount (FTE)¹

1 As at 30.6.2016

2 1.1.2016–30.6.2016

3 Visibility: Assured production output current year/expected production output current year

Infrastructure

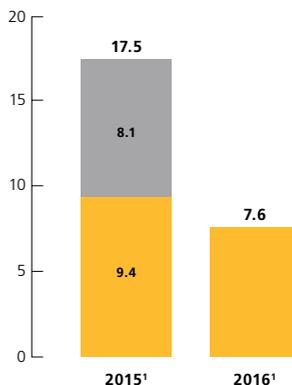
The Infrastructure Segment, which focuses on tunnelling and foundation engineering in Europe, beat expectations with a very pleasing result for the first half of 2016. Implania is well positioned in its home markets and is exploiting opportunities arising from the infrastructure megatrend. The Segment's excellent volume of orders underlines its healthy prospects.

Pleasing result exceeding expectations

- Good performance by foundation engineering and ongoing tunnel construction sites
- Opening of the epochal Gotthard base tunnel
- Acquisition successes in Switzerland and Europe underline strong market position

EBIT Infrastructure

(in CHF million)



■ 2nd half-year
■ 1st half-year

¹ Excluding PPA from Bilfinger Construction

Thanks to the good performance by Foundation Engineering in Switzerland and Germany and by the current tunnel construction sites, the Infrastructure Segment's EBIT for the first half of 2016 came to CHF 7.6 million (excl. PPA), which is lower than the year-back figure of CHF 9.4 million, but exceeds expectations.

One highlight of the period under review was the official opening of the epochal Gotthard base tunnel on 1 June 2016 after 17 years of construction work. Together with its consortium partners, Implenia built three of the five tunnel sections – Sedrun, Faido and Bodio – that make up the 57-kilometre Gotthard base tunnel.

The Infrastructure Segment is well positioned in the tunnelling business in its home markets Switzerland, Austria and Norway. It now also has major infrastructure projects in Germany (the Albvorland Tunnel section of the Wendlingen–Ulm train line) and Sweden (the Johannelund Tunnel near Stockholm). The successful bid to help build a section of the “Grand Paris Express”, worth around CHF 325 million, was an important acquisition success outside the home markets during the period under review. Together with its consortium partners (Implenia has a 25% share), Implenia is working on extending one of the lines that make up Paris's regional transport network.

Overall, the order book increased in value by more than CHF 550 million in comparison to last year to reach CHF 1,539 million. This excellent figure underlines the Infrastructure Segment's positive prospects.

Key figures Infrastructure

	1.1.–30.6.2016	1.1.–30.6.2015	Δ	1.1.–31.12.2015
	CHF 1,000	CHF 1,000		CHF 1,000
Revenue	260,577	183,605	41.9%	418,915
EBIT excl. PPA ¹	7,602	9,395	(19.1%)	17,497
EBIT	4,879	5,670	(14.0%)	8,099
Order book (as at reporting date)	1,538,973	988,915	55.6%	1,603,166
Production output	277,220	217,125	27.7%	507,514
Headcount (FTE; as at reporting date)	1,015	969	4.7%	931

1 Excluding PPA from Bilfinger Construction



Milestone reached: In October 2015 workers celebrated the breakthrough of the tunnel de Pinchat in Geneva.

Key projects

Tunnel de Pinchat (CEVA), Geneva

Implenia is working within a consortium on the construction of the tunnel de Pinchat, part of the CEVA project in Geneva. This will form the basis of a local railway system between Switzerland and France. The CHF 134 million section, commissioned by SBB AG and Canton Geneva, includes a two-kilometre tunnel, an 85-metre long overground section and an access shaft. The city centre location and cramped space present additional challenges in terms of logistics and noise emissions, and necessitate complex construction techniques, such as the top-down construction method. The work will finish in spring 2017.

Galerie de sécurité du tunnel du Fréjus, Modane (FR)

Implenia, as part of a construction consortium, is building a second shaft for the Fréjus road tunnel between Modane (FR) and Bardonecchia (IT). This major infrastructure job, Implenia's first active project in France, requires the use of a tunnel boring machine for the entire tunnel route as well as the management of construction materials in an alpine environment. The finished tunnel is expected to be handed over to the client in 2018.



Regional provider of civil engineering services in Germany, Austria, Norway and Sweden as well as building construction in Germany and Austria.

926 (805)

Order book (CHF million)¹

87% (88%)

Visibility^{1,3}

313 (307)

Production output (CHF million)²

1,940 (1,799)

Headcount (FTE)¹

1 As at 30.6.2016

2 1.1.2016–30.6.2016

3 Visibility: Assured production output current year/expected production output current year

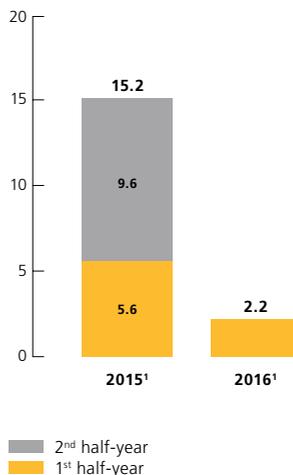
International

In the first six months of 2016, the International Segment, with its regional businesses in Germany, Austria, Norway and Sweden, could not match the results of the same period of the previous year. Implenia secured major new orders in Scandinavia.

Performance still subdued in the first half of the year

- Norway influenced by low margins in acquired project portfolio
- Regional business in Germany & Austria below previous year as expected
- Foreign gravel plants with an excellent performance

EBIT International (in CHF million)



¹ Excluding PPA from Bilfinger Construction

In the first half of 2016 the segment generated an EBIT of CHF 2.2 million excl. PPA, thus not matching the results achieved in the first six months of 2015 (CHF 5.6 million).

While business in Sweden is generally on track, the first-half performance in Norway fell short of expectations. This is due to the increased costs incurred to build up structures, with more or less static volumes, and the lower margins on the Norwegian project portfolio taken over as part of the Bilfinger acquisition. Regional business in Germany and Austria was still subdued and, as expected, its performance was down on the prior year's. Meanwhile, the gravel plants in Mali and in Ivory Coast reported an excellent performance.

The International Segment scored acquisition successes in Norway by winning two major new contracts worth a total of around CHF 160 million: the Norwegian Public Roads Administration commissioned Implenia to build new sections of the E134 motorway, a key transport link between Oslo and the west coast, while the company also secured the contract for complex concrete work on a new building in Oslo's government district.

At the end of June 2016, the International Segment's order book came to CHF 926 million (previous year: CHF 805 million).

Key figures International

	1.1.–30.6.2016	1.1.–30.6.2015	Δ	1.1.–31.12.2015
	CHF 1,000	CHF 1,000		CHF 1,000
Revenue	316,151	300,175	5.3%	708,997
EBIT excl. PPA ¹	2,190	5,619	(61.0%)	15,153
EBIT	(408)	803	(150.8%)	3,001
Order book (as at reporting date)	925,555	804,539	15.0%	878,596
Production output	312,745	307,284	1.8%	713,198
Headcount (FTE; as at reporting date)	1,940	1,799	7.8%	2,096

1 Excluding PPA from Bilfinger Construction



Implenia employees were pleased to inaugurate the new Wehrhahn Line in Düsseldorf at the end of February 2016.

Key projects

Wehrhahn Line, Düsseldorf (DE)

After eight years of construction, Düsseldorf celebrated the opening of the new “Wehrhahn Line” city railway at the end of February 2016. Implenia, as general contractor, was responsible for the extended shell construction of Section 1 of the 3.4-kilometre new line. The contract included all tunnel and ramp structures, five of the six underground stations and all the surface work, such as road building, track-laying, drainage and cabling/pipework. More than 200 Implenia employees were involved in the project.

North Sea Link, Kvilldal (NO)

Implenia is carrying out tunnelling and civil engineering work for Norwegian energy company Statnett as part of the North Sea Link project. This work is contributing significantly to the creation of the world’s longest direct current cable, between Kvilldal in Norway and Blyth in England. The section being built by Implenia includes a 2.4-kilometre tunnel, rock stabilisation measures and the construction of access roads.



Sustainability Report

In the third edition of its Sustainability Report, Implenia follows the latest GRI guidelines to provide information about the objectives it has set, the measures it has taken, and the progress it has achieved.

Implenia's third Sustainability Report appears in August 2016 and covers the 2014/2015 period. It reports on objectives, measures and progress in five key areas: sustainable products and services, attractive working environment, protecting the environment, social engagement and compliance, and financial excellence.

The report was prepared according to the latest guidelines of the Global Reporting Initiative (GRI), and was reviewed by external stakeholders. The form in which it is published also sends out a signal: it is only available online.

sustainability.implenia.com



Interim Financial Report

26-27

Interim financial report of the Implenla Group – Consolidated income statements 28 – Consolidated statements of comprehensive income 29 – Consolidated balance sheets 30 – Consolidated statements of changes in equity 32 – Consolidated cash flow statements 34 – Notes to the consolidated financial statements of Implenla 36



Consolidated income statements

		1.1.–30.6.2016	1.1.–30.6.2015
	Notes	CHF 1,000	CHF 1,000
Consolidated revenue	6	1,564,604	1,514,570
Materials and subcontractors		(966,461)	(965,568)
Personnel expenses		(437,267)	(403,781)
Other operating expenses		(111,341)	(99,073)
Depreciation and amortisation		(34,331)	(36,567)
Income from associates		4,275	4,266
Operating income	6	19,479	13,847
Financial expenses	7	(7,947)	(7,659)
Financial income	7	755	4,577
Profit before tax		12,287	10,765
Tax		(3,133)	(2,762)
Consolidated profit		9,154	8,003
Attributable to:			
Shareholders of Implenla Ltd.		6,763	6,592
Non-controlling interests		2,391	1,411
Earnings per share (CHF)			
Basic earnings per share	14	0.37	0.36
Diluted earnings per share	14	0.37	0.36

The accompanying notes form part of the consolidated financial statements.

Consolidated statements of comprehensive income

		1.1.–30.6.2016	1.1.–30.6.2015
	Notes	CHF 1,000	CHF 1,000
Consolidated profit		9,154	8,003
Remeasurement of post-employment benefits	8	4,260	(57,637)
Income tax on remeasurement of post-employment benefits		(932)	12,605
Total items that will not be reclassified to income statement in the future		3,328	(45,032)
Changes from cash flow hedges		(121)	–
Foreign exchange differences		1,730	(18,462)
Total items that will be reclassified to income statement in the future		1,609	(18,462)
Other comprehensive income		4,937	(63,494)
Attributable to:			
Shareholders of Implenla Ltd.		5,016	(63,062)
Non-controlling interests		(79)	(432)
Total comprehensive income		14,091	(55,491)
Attributable to:			
Shareholders of Implenla Ltd.		11,779	(56,470)
Non-controlling interests		2,312	979

The accompanying notes form part of the consolidated financial statements.

Consolidated balance sheets

ASSETS		30.6.2016	31.12.2015 ¹	30.6.2015 ¹
	Notes	CHF 1,000	CHF 1,000	CHF 1,000
Cash and cash equivalents		616,464	877,108	670,258
Marketable securities and derivative financial instruments		492	456	228
Trade receivables	9	660,148	589,155	640,292
Work in progress	10	386,974	302,520	329,341
Joint ventures (equity method)		49,920	51,254	55,805
Other receivables		65,606	51,835	82,602
Raw materials and supplies		43,779	45,090	44,898
Real estate transactions	11	178,834	196,087	215,702
Accrued income and prepaid expenses		35,080	27,971	36,027
Total current assets		2,037,297	2,141,476	2,075,153
Property, plant and equipment		290,108	296,293	303,285
Investment property		14,932	15,084	15,017
Investments in associates		62,828	60,736	59,696
Other financial assets		9,652	9,915	9,424
Pension assets		–	133	185
Intangible assets		196,052	200,436	207,045
Deferred tax assets		5,323	6,593	11,590
Total non-current assets		578,895	589,190	606,242
Total assets		2,616,192	2,730,666	2,681,395

1 The comparative information has been adjusted, see note 3

EQUITY AND LIABILITIES		30.6.2016	31.12.2015 ¹	30.6.2015 ¹
	Notes	CHF 1,000	CHF 1,000	CHF 1,000
Derivative financial instruments		227	122	–
Financial liabilities	12	2,737	203,450	203,532
Trade payables		362,033	393,782	392,832
Work in progress	10	822,797	762,240	731,059
Joint ventures (equity method)		28,752	48,437	44,491
Other liabilities		69,503	80,835	92,507
Tax liabilities		25,670	38,609	44,312
Prepaid income and accrued expenses		140,524	128,713	139,751
Provisions		7,398	11,017	11,831
Total current liabilities		1,459,641	1,667,205	1,660,315
Financial liabilities	12	411,971	285,552	283,652
Other liabilities		1,900	1,900	1,900
Deferred tax liabilities		85,120	84,384	91,372
Pension liabilities		30,800	37,994	58,852
Provisions		28,654	29,855	28,650
Total non-current liabilities		558,445	439,685	464,426
Share capital	13	18,841	18,841	18,841
Treasury shares	13	(9,268)	(8,833)	(8,916)
Reserves		562,959	547,048	525,047
Consolidated profit attributable to shareholders		6,763	48,405	6,592
Equity attributable to shareholders		579,295	605,461	541,564
Non-controlling interests		18,811	18,315	15,090
Total equity		598,106	623,776	556,654
Total equity and liabilities		2,616,192	2,730,666	2,681,395

¹ The comparative information has been adjusted, see note 3

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 1.1.2016	18,841	(8,833)
Consolidated profit	–	–
Other comprehensive income	–	–
Total comprehensive income	–	–
Dividends	–	–
Change in treasury shares	–	(435)
Share-based payments	–	–
Change in non-controlling interests	–	–
Total other changes in equity	–	(435)
Total equity as at 30.6.2016	18,841	(9,268)
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	–	–
Total other changes in equity	–	(511)
Total equity as at 30.6.2015	18,841	(8,916)

The accompanying notes form part of the consolidated financial statements.

Reserves						
Capital reserves	Foreign exchange differences	Cash flow hedge reserves	Retained earnings	Total shareholders' equity	Non-controlling interests	Total equity
CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
92,775	(35,807)	(2)	538,487	605,461	18,315	623,776
-	-	-	6,763	6,763	2,391	9,154
-	1,809	(121)	3,328	5,016	(79)	4,937
-	1,809	(121)	10,091	11,779	2,312	14,091
-	-	-	(34,735)	(34,735)	(592)	(35,327)
471	-	-	(1,419)	(1,383)	-	(1,383)
-	-	-	1,419	1,419	-	1,419
(3,246)	-	-	-	(3,246)	(1,224)	(4,470)
(2,775)	-	-	(34,735)	(37,945)	(1,816)	(39,761)
> 90,000	(33,998)	(123)	513,843	579,295	18,811	598,106
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

Consolidated cash flow statements

		1.1.–30.6.2016	1.1.–30.6.2015
	Notes	CHF 1,000	CHF 1,000
Consolidated profit		9,154	8,003
Tax		3,133	2,762
Financial result	7	7,192	3,082
Depreciation and amortisation		34,331	36,567
Result from sale of non-current assets		(1,282)	(927)
Income and distribution from associates		(2,096)	(1,688)
Change in provisions		(4,936)	(1,347)
Change in pension assets and liabilities		(2,846)	(2,686)
Change in net working capital			
Change in trade and other receivables		(81,242)	(57,446)
Change in work in progress (net), raw materials and supplies		(23,510)	(66,891)
Change in real estate transactions		17,255	13,550
Change in trade payables and other liabilities		(42,553)	(8,889)
Change in accruals and joint ventures (equity method)		(13,664)	4,168
Interest paid		(6,943)	(6,275)
Interest received		318	314
Tax paid		(15,963)	(11,243)
Cash flow from operating activities		(123,652)	(88,946)
Investments in property, plant and equipment		(22,378)	(23,780)
Disposals of property, plant and equipment		2,167	1,645
Investments in other financial assets and associates		(138)	(534)
Disposals of other financial assets and associates		535	2,622
Investments in intangible assets		(13)	(331)
Proceeds from sale of intangible assets		–	518
Acquisition of subsidiaries	3	(2,115)	(85,974)
Cash flow from investing activities		(21,942)	(105,834)

	1.1.–30.6.2016	1.1.–30.6.2015
	CHF 1,000	CHF 1,000
Increase in financial liabilities	125,795	157,425
Repayment of financial liabilities	(202,262)	(1,518)
Equity raised through convertible bond	–	15,178
Change in treasury shares	36	(162)
Dividends	(34,735)	(32,948)
Cash flow with non-controlling interests	(5,895)	(15)
Cash flow from financing activities	(117,061)	137,960
Foreign exchange differences on cash and cash equivalents	2,011	(4,456)
Change in cash and cash equivalents	(260,644)	(61,276)
Cash and cash equivalents at the beginning of the period	877,108	731,534
Cash and cash equivalents at the end of the period	616,464	670,258

The accompanying notes form part of the consolidated financial statements.

Notes to the consolidated financial statements of Implenla

1 General information

Implenia Ltd. is a Swiss public limited company incorporated in Dietlikon, Zurich. The shares of Implenla 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.

Implenia's business activities are described in note 6.

The interim financial report as at 30 June 2016 was approved by the Board of Directors of Implenla Ltd. on 22 August 2016. The consolidated financial statements as at 30 June 2016 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 Implenla Ltd. and its subsidiaries for the reporting period ended 30 June 2016. The consolidated financial statements were prepared in accordance with IAS 34 “Interim Financial Reporting”. As the report does not contain all the notes required for the Annual Report, it should be read in conjunction with the consolidated financial statements as at 31 December 2015, which were prepared in accordance with the International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB).

The accounting policies applied to this interim financial report are identical to those applied and described in the financial report 2015.

The application of new and revised standards and interpretations did not have any material impact on these consolidated financial statements. The effects of IFRS 15 and IFRS 16 are currently being analysed.

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

Notes to the consolidated financial statements of Implenia

3 Material changes in the scope of consolidation

In February 2016, the Implenia Group acquired all the minority shareholders' shares (12.2 percent) in Implenia Norge AS and thus holds 100 percent of the shares in the company. The purchase price amounted to CHF 5.3 million (NOK 47.2 million).

As at 2 March 2015, the Implenia Group acquired 100 percent of the shares in Bilfinger Construction GmbH, based in Wiesbaden, Germany. Bilfinger Construction GmbH and its subsidiaries are an expert in infrastructure construction, foundation engineering, civil engineering and tunnelling. The companies have a strong regional presence in their target markets of Germany, Austria, Norway and Sweden. They offer a high degree of technical know-how and an attractive project and service portfolio. The businesses acquired were fully consolidated as from the acquisition date. The acquisition is an important step for Implenia in establishing itself internationally and strengthens its technical expertise. The Implenia Group is geographically diversifying its business and expanding its regional presence.

The purchase price amounted to CHF 144.9 million (EUR 135.9 million) and includes the acquisition of cash and cash equivalents worth CHF 55.5 million (EUR 52.0 million). The purchase price does not contain any variable components.

Based on the definitive purchase price allocation, the identifiable net assets amount to CHF 51.9 million. The goodwill from the transaction amounts to CHF 93.0 million and reflects the assets acquired that cannot be capitalised such as market access, customer relationships under public law, the expertise of the workforce and anticipated synergy effects. The goodwill acquired is not expected to be tax-deductible. The CHF 4.1 million in costs associated with the acquisition have been reported under other operating expenses in the income statement.

The definitive purchase price allocation includes adjustments to the remeasurement of the Norwegian project portfolio and therefore differs from the provisional price allocation detailed in the financial report 2015. These adjustments have raised other current liabilities by CHF 7.3 million and diminished other non-current liabilities by CHF 2.2 million, increasing goodwill from CHF 87.9 million to CHF 93.0 million. The consolidated balance sheets as at 31 December 2015 and 30 June 2015 were adjusted based on the definitive purchase price allocation.

The following overview shows the definitive purchase price allocation.

	2.3.2015
	CHF 1,000
Cash and cash equivalents	55,455
Trade receivables	63,628
Other current assets	66,108
Property, plant and equipment	67,283
Intangible assets	40,546
Other non-current assets	13,000
Trade payables	(30,983)
Current and non-current provisions	(13,852)
Other current liabilities	(161,355)
Other non-current liabilities	(47,800)
Fair value identifiable net assets	52,030
Non-controlling interests	(96)
Fair value net assets acquired – share Implenla	51,934
Goodwill	92,961
Purchase price	144,895
Cash and cash equivalents acquired	(55,455)
Outstanding purchase price payment	–
Net cash outflow	89,440

Bilfinger Construction GmbH achieved an operating result of CHF –8.4 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. Furthermore, the first half of 2015 included depreciation and amortisation in the amount of CHF 8.8 million resulting from redetermining fair values.

Notes to the consolidated financial statements of Implenia

4 Fair value estimates

	Level	Carrying amounts		Fair values	
		30.6.2016	31.12.2015	30.6.2016	31.12.2015
		CHF 1,000	CHF 1,000	CHF 1,000	CHF 1,000
Financial assets					
Financial assets measured at fair value through profit or loss					
Currency derivatives	2	242	122	242	122
Available for sale financial assets					
Marketable securities	2	250	334	250	334
Unlisted participations	3	6,945	6,992	6,945	6,992
Loans and receivables					
Trade receivables	*	660,148	589,155	660,148	589,155
Other receivables	*	65,606	51,835	65,606	51,835
Other financial assets	*	2,707	2,923	2,707	2,923
Financial liabilities					
Financial liabilities measured at fair value through profit or loss					
Currency derivatives	2	227	122	227	122
Other financial liabilities					
Trade payables	*	362,033	393,782	362,033	393,782
Bonds	1	250,414	324,810	265,125	332,225
Convertible bond	2	158,837	157,581	169,134	161,162
Other liabilities	*	71,403	82,735	71,403	82,735
Other financial liabilities	*	5,457	6,611	5,457	6,611

* The carrying amount of these financial instruments roughly correspond to the fair value.

Fair value hierarchy:

Level 1 – The inputs used are unadjusted listed prices on active markets for identical assets and liabilities as at the reporting date. The fair value of bonds recognised at amortised cost reflects the closing price on the SIX Swiss Exchange.

Level 2 – The measurement is based on inputs (other than the listed prices included in level 1) that are either directly or indirectly observable for the asset or liability.

The fair values of currency derivatives (forward contracts) are determined on the basis of the difference between contractually fixed forward prices and the current forward prices applicable on the balance sheet date. The convertible bond issued on 30 June 2015 has a carrying amount of CHF 158.8 million (31 December 2015: CHF 157.6 million) reported under liabilities and an unchanged carrying amount of CHF 15.2 million reported under equity. The fair value of the liability component is calculated from the contractually agreed interest and amortisation payments discounted at market interest rates.

Level 3 – The inputs are not based on observable market data. They reflect the Group's best estimate of the criteria that market participants would use to determine the price of the asset or liability on the reporting date. Allowance is made for the inherent risks in the valuation procedure and the model inputs. Assets in this category are generally securities not traded on active markets. The Group owns a portfolio of unlisted domestic interests. 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.

5 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

6 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 Group consists of the following segments:

- Development
- Switzerland
- Infrastructure
- International
- Miscellaneous/Holding

The segments undertake the following activities:

Development

In the Development Segment, Implenla brings together its expertise in project development, from initial idea to completed building. As a partner for private and institutional property developers, Implenla develops and realises sustainable property and sites in Switzerland, and can utilise its own land bank. It concentrates especially on housing, health and the ageing population, and has a geographically broad project portfolio with a focus on the strong growth regions of Zurich and Lake Geneva.

Switzerland

The Switzerland Segment includes Implenla's services for modernising residential and commercial properties, general and total contracting, building construction, road building and civil works. The segment also includes the surfacing and gravel works in Switzerland and wooden construction. Modernisation brings together the segment's capabilities in conversion and renovation, from consultancy to implementation. As general and total contractor Implenla offers comprehensive services from a single source.

Infrastructure

The Infrastructure Segment focuses on tunnel construction and foundation engineering in Europe. The segment brings together Implenla's tunnelling, foundation engineering, large-scale project and design/planning capabilities. These services are offered in the home markets of Switzerland, Germany, Austria, Sweden and Norway. In addition, the Global Projects sub-unit bids for large, complex infrastructure projects outside our home markets and also takes on project management.

International

The International Segment includes Implenía's activities in its home markets of Germany, Austria, Norway and Sweden, as well as the foreign gravel plants. Implenía Germany & Austria is the provider for regional customers in German-speaking countries outside Switzerland that need services for civil works, general civil engineering, maintenance and repair, and selective building construction. Implenía Scandinavia offers comprehensive services for complex infrastructure projects including conventional tunnelling. It also provides niche services for road and rail. The International Segment's goal is to further expand its market position.

Miscellaneous/Holding

Miscellaneous/Holding contains all the costs of Implenía that cannot be allocated to a segment. The 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. In 2016, the effect of the remeasurement of the Norwegian project portfolio is recognised in this segment's operating result. The associated work in progress is shown in the current assets of the Infrastructure and International segments. The Miscellaneous/Holding 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, Corporate Controlling, Corporate Reporting & Tax, Investor Relations, Business Development, Marketing/Communications, Treasury, Legal Services, Insurance, Human Resources, IT, Health & Safety, Sustainability and other Technical Center services.

Notes to the consolidated financial statements of Implenia

Segment reporting as submitted to the Board of Directors as at 30 June 2016:

	Development	Switzerland
	CHF 1,000	CHF 1,000
IFRS revenue unconsolidated	76,913	1,087,134
Intra-Group revenue	(7,944)	(130,544)
Consolidated revenue	68,969	956,590
Operating income excl. PPA ²	20,907	2,581
Operating income	20,907	2,581

Investments in property, plant and equipment and intangible assets

Current assets excl. cash and cash equivalents	204,343	754,103
Non-current assets (excl. pension assets)	18,170	260,780
Less debt capital (excl. financial and pension liabilities)	(78,657)	(925,458)
Total invested capital	143,856	89,425

1 Including eliminations

2 Operating result as reported to the chief operating decision maker (operating income excluding depreciation and amortisation due to redetermining fair values in respect of the acquisition of Bilfinger Construction)

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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
260,577	316,151	1,740,775	32,514	1,773,289
(41,268)	(13,336)	(193,092)	(15,593)	(208,685)
219,309	302,815	1,547,683	16,921	1,564,604
7,602	2,190	33,280	(8,187)	25,093
4,879	(408)	27,959	(8,480)	19,479
7,699	6,659	22,154	1,120	23,274
183,482	268,380	1,410,308	10,525	1,420,833
123,086	135,242	537,278	41,617	578,895
(248,208)	(307,635)	(1,559,958)	(12,620)	(1,572,578)
58,360	95,987	387,628	39,522	427,150

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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 2015:

	Development	Switzerland
	CHF 1,000	CHF 1,000
IFRS revenue unconsolidated	88,318	1,095,792
Intra-Group revenue	(18,629)	(119,837)
Consolidated revenue	69,689	975,955
Operating income excl. PPA ²	15,002	(6,067)
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 ³	244,909	719,634
Non-current assets (excl. pension assets) ³	18,728	265,645
Less debt capital (excl. financial and pension liabilities) ³	(107,124)	(900,096)
Total invested capital³	156,513	85,183

1 Including eliminations

2 Operating result as reported to the chief operating decision maker (operating income excluding depreciation and amortisation due to redetermining fair values in respect of the acquisition of Bilfinger Construction)

3 The invested capital of the Infrastructure and International segments has been adjusted, see note 3

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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
9,395	5,619	23,949	(1,337)	22,612
5,670	803	15,408	(1,561)	13,847
4,820	10,580	22,424	2,911	25,335
120,048	245,295	1,329,886	75,009	1,404,895
130,560	138,340	553,273	52,784	606,057
(166,106)	(313,340)	(1,486,666)	(92,039)	(1,578,705)
84,502	70,295	396,493	35,754	432,247

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Notes to the consolidated financial statements of Implenia

Reconciliation of invested capital:

	30.6.2016	30.6.2015 ¹
	CHF 1,000	CHF 1,000
Total assets	2,616,192	2,681,395
Minus cash and cash equivalents	(616,464)	(670,258)
Minus pension assets	–	(185)
Assets of invested capital	1,999,728	2,010,952
Total equity and liabilities	2,616,192	2,681,395
Minus equity	(598,106)	(556,654)
Minus financial liabilities	(414,708)	(487,184)
Minus pension liabilities	(30,800)	(58,852)
Liabilities of invested capital	1,572,578	1,578,705
Total invested capital	427,150	432,247

¹ The comparative information has been adjusted, see note 3

Operating income from Miscellaneous/Holding includes:

	1.1.–30.6.2016	1.1.–30.6.2015
	CHF 1,000	CHF 1,000
Other expenses net	(2,101)	1,299
Income from defined benefit pension plans	1,484	2,970
Depreciations of investment property	(183)	(46)
Depreciation and amortisation	(1,276)	(1,541)
Operating result from support and other services ¹	(6,404)	(1,309)
Integration and acquisition expenses	–	(2,934)
Total operating income Miscellaneous / Holding	(8,480)	(1,561)

¹ Including the effect of the remeasurement of the Norwegian project portfolio, see page 43

Group revenues and non-current assets by geographical area:

Implenia Ltd. is domiciled in Switzerland. Revenue from third parties in Switzerland amounted to CHF 1,097 million (previous year: CHF 1,122 million). Revenue generated abroad reached CHF 468 million (previous year: CHF 393 million). Non-current assets located in Switzerland (excluding financial assets, pension assets and deferred tax assets) as at 30 June 2016 amounted to CHF 272 million (31 December 2015: CHF 275 million). Non-current assets located abroad (excluding financial assets, pension assets and deferred tax assets) amounted to CHF 229 million (31 December 2015: CHF 237 million), which included CHF 93 million in adjusted goodwill from the acquisition of Bilfinger Construction GmbH.

7 Financial expenses and income

	1.1.–30.6.2016	1.1.–30.6.2015
	CHF 1,000	CHF 1,000
Financial expenses		
Interest expenses	492	436
Bond and convertible bond interest	5,591	4,361
Bank charges	392	266
Fixed costs of financial guarantees	509	490
Other financial expenses	806	860
Currency losses	157	1,246
Total	7,947	7,659
Financial income		
Interest income	304	744
Income from investments	214	329
Other financial income	5	1
Currency gains	232	3,503
Total	755	4,577
Financial result	(7,192)	(3,082)

8 Remeasurement of pension liabilities

The discount factor used to calculate pension liabilities was reduced from 1.0% to 0.7% during the reporting period (previous year: from 1.4% to 1.0%). The resulting negative impact on other comprehensive income was mainly offset by returns on plan assets and also impacted by adjustments to other actuarial assumptions. This resulted in a pre-tax gain of CHF 4.3 million in the statement of comprehensive income (previous year: CHF –57.6 million).

Notes to the consolidated financial statements of Implenla

9 Trade receivables

	30.6.2016	31.12.2015
	CHF 1,000	CHF 1,000
Third parties	588,403	529,150
Joint ventures (equity method)	36,435	38,869
Associates	4,913	4,012
Related parties	22	156
Guarantee retentions	64,140	57,997
Allowance for doubtful and/or unapproved receivables	(33,765)	(41,029)
Total	660,148	589,155

Allowance is made for receivables that are in arrears on the basis of current experience. In the ex-Bilfinger Construction companies, the client is usually invoiced for unapproved but expected claims with the final invoice. At the same time, an allowance is made for claims that have not yet been approved.

Due receivables:

As at 30 June 2016, total due receivables amounted to CHF 293.2 million (31 December 2015: CHF 279.5 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 due receivables include (gross) 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. The Zurich District Court has rejected the action on the basis of a decision of principle regarding the planning risk and a stringent formal examination of the addenda. Implenla has lodged an appeal against the District Court's ruling with the Upper Court, claiming an amount of about CHF 20 million.

The City of Zurich has called in the guarantee provided when carrying out the Letzigrund stadium project, obliging Implenla to make a payment of CHF 12 million. This payment is being reclaimed and is therefore included in 'Receivables from utilised guarantees'. Implenla has taken legal action to obtain full repayment of the utilised guarantee.

10 Work in progress

	30.6.2016	31.12.2015 ¹
	CHF 1,000	CHF 1,000
Work in progress, assets (services provided but not yet invoiced)	468,264	377,776
Work in progress, liabilities (services invoiced but not yet provided)	(464,430)	(402,545)
Valuation adjustment on contract costs	(53,642)	(51,945)
Contract costs in relation to future services by suppliers and subcontractors	100,633	112,668
Contract costs in relation to past services by suppliers and subcontractors	(486,648)	(495,674)
Work in progress, net	(435,823)	(459,720)
of which work in progress, assets	386,974	302,520
of which work in progress, liabilities	(822,797)	(762,240)

1 The comparative information has been adjusted, see note 3

Notes to the consolidated financial statements of Implenla

11 Real estate transactions

	30.6.2016	31.12.2015
	CHF 1,000	CHF 1,000
Acquisition costs as at 1.1.	203,728	238,114
Additions	19,747	65,381
Disposals	(37,002)	(99,344)
Foreign exchange differences	–	(423)
Cumulative acquisition costs	186,473	203,728
Cumulative value adjustments as at 1.1.	(7,641)	(8,337)
Additions	–	–
Disposals	2	696
Cumulative value adjustments	(7,639)	(7,641)
Net carrying amount	178,834	196,087

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

	1.1.–30.6.2016	1.1.–30.6.2015
	CHF 1,000	CHF 1,000
Sale proceeds	73,026	66,052
Carrying amount of assets sold	(37,000)	(50,031)
Gain on real estate¹	36,026	16,021

¹ Excluding other expenses and income of the segment Development

12 Current and non-current financial liabilities

	30.6.2016	31.12.2015
	CHF 1,000	CHF 1,000
As at 1.1.	489,002	330,057
Additions	127,805	161,818
Disposals	(202,262)	(2,635)
Change in scope of consolidation	–	470
Foreign exchange differences	163	(708)
Total	414,708	489,002
Breakdown		
Bond issues	250,414	324,810
Subordinated convertible bond	158,837	157,581
Liabilities to banks and other financial institutions	566	1,652
Finance lease liabilities	4,502	4,698
Other financial liabilities	389	261
Total	414,708	489,002
Maturity		
Less than 1 year	2,737	203,450
Between 2 and 5 years	2,720	2,971
Over 5 years	409,251	282,581
Total	414,708	489,002

Under a syndicated loan agreement, Implenia 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.

Implenia also has bilateral loan agreements with various banks for the amount of CHF 63 million (31 December 2015: CHF 63 million).

Notes to the consolidated financial statements of Implenla

Financial liabilities contain two bonds and a subordinated convertible bond:

- CHF 125 million Payment under subscription 15 October 2014, interest rate (affecting liquidity) 1.625%, term 2014–2024, issue price 101.063%, ISIN CH025 359 2767, effective interest rate 1.624%
- CHF 125 million Payment under subscription 21 March 2016, interest rate (affecting liquidity) 1.000%, term 2016–2026, issue price 100.739%, ISIN CH031 699 4661, effective interest rate 0.964%
- CHF 175 million Payment under subscription 30 June 2015, subordinated convertible bond, interest rate (affecting liquidity) 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%

Implenia repaid the outstanding amount of CHF 200 million on the bond with a term from 2010 to 2016 when it matured on 12 May 2016.

13 Share capital

	31.12.2014	Changes 2015	31.12.2015	Changes 2016	30.6.2016
	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	155,301	7,804	163,105	6,859	169,964
Total shares outstanding	18,316,699	(7,804)	18,308,895	(6,859)	18,302,036

All shares are subscribed and fully paid up. As at 30 June 2016, all shares have voting rights and qualify for dividends, with the exception of 169,964 treasury shares (31 December 2015: 163,105 treasury shares).

	31.12.2014	Changes 2015	31.12.2015	Changes 2016	30.6.2016
	Par value of shares CHF 1,000				
Share capital	18,841	–	18,841	–	18,841
Treasury shares	(158)	(8)	(166)	(7)	(173)
Total share capital outstanding	18,683	(8)	18,675	(7)	18,668

The par value of a share as at 30 June 2016 is CHF 1.02 (31 December 2015: CHF 1.02).

14 Earnings per share

	1.1.–30.6.2016	1.1.–30.6.2015
Data for calculating earnings per share:		
Consolidated profit attributable to shareholders of Implenla Ltd.	6,763	6,592
Adjustment to effect on result due to convertible bond	1,355	–
Consolidated profit attributable to shareholders of Implenla Ltd. after adjustment	8,118	6,592
Weighted average number of shares outstanding	18,285,029	18,307,291
Adjustment due to diluting effect of convertible bond	2,331,469	12,953
Weighted average for calculating diluted earnings per share	20,616,498	18,320,244
Basic earnings per share in CHF	0.37	0.36
Diluted earnings per share in CHF	0.37	0.36

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 outstanding.

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 all potential shares that would have a diluting effect were they to be created as a result of all conversion rights being exercised.

The convertible bond did not trigger any dilution in the first half of 2016.

Notes to the consolidated financial statements of Implenla

15 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.

16 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. – 30.6.2016	1.1. – 30.6.2015
	CHF 1,000	CHF 1,000
Free cash flow		
Cash flow from operating activities	(123,652)	(88,946)
Investments in non-current assets	(22,529)	(24,645)
Disposal of non-current assets	2,702	4,785
Free cash flow before acquisition of subsidiaries	(143,479)	(108,806)
Acquisition of subsidiaries and deferred purchase price payments	(2,115)	(85,974)
Free cash flow after acquisition of subsidiaries	(145,594)	(194,780)

17 Events after the balance sheet date

There were no material events after the balance sheet date.

18 Foreign exchange rates

		Average rate 1.1.–30.6.		Closing rate	
		2016	2015	30.6.2016	31.12.2015
European Union	1 EUR	CHF 1.10	CHF 1.06	CHF 1.09	CHF 1.08
Ivory Coast/Mali	100 XOF	CHF 0.17	CHF 0.16	CHF 0.17	CHF 0.17
Norway	100 NOK	CHF 11.65	CHF 12.24	CHF 11.67	CHF 11.28
Sweden	100 SEK	CHF 11.79	CHF 11.33	CHF 11.55	CHF 11.79
USA	1 USD	CHF 0.98	CHF 0.95	CHF 0.98	CHF 0.99



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Key dates

Media and analysts' conference on the
2016 full-year results

23 February 2017

2017 Annual General Meeting

22 March 2017

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