



## P R E S S   R E L E A S E

**Successful first semester 2012 for Implenia** – Result well above last year thanks to a good performance in all divisions | Infrastructure Construction back on track | Full order book underpins confident outlook | Publication of first sustainability report ensures transparency

Dietlikon, 30 August 2012 – **Implenia, Switzerland’s leading construction and construction services company, looks back on a successful first half of 2012. EBIT divisions, operating income as well as consolidated profit significantly exceeded the previous year’s figures. The Real Estate Division posted a good result from its General Contracting unit and showed a strong performance in Project Development. Infrastructure Construction is back on track. Despite an exceptionally cold period in February, it closed the first semester with a substantially better result than during the same period of the previous year. Industrial Construction benefited from the consistently solid performance of the Tunnelling business in Switzerland. In Norway, Implenia is on track for success thanks to an excellent order intake. With the order book at a very high level and the positive market environment holding up well, Implenia looks to the future with confidence for the Group as a whole.**

Implenia increased its consolidated revenue during the first half of 2012 by 10.1% to CHF 1.195 billion (first half of 2011: CHF 1.085 billion). Excluding the contribution of Implenia Norge (CHF 84.4 million), this corresponds to a moderate organic growth in revenue of 2.4%. However, earnings rose substantially: EBIT divisions increased by two-thirds to reach CHF 26.2 million, while operating income almost doubled to CHF 24.2 million. Consolidated profit rose from CHF 4.2 million to CHF 13.1 million. The order book was up by 9.1%, reaching CHF 3’283 million, which is a high level on a long-term comparison (first half of 2011: CHF 3’008 million).

Thanks to a systematic focus on the management of net working capital, Implenia was able to increase its net cash position almost threefold to CHF 140 million in year-on-year terms. Compared with the first semester of 2011, the seasonally typical first-half “cash-drain” was reduced by more than CHF 70 million from CHF –101.4 million to CHF –29.4 million. In particular General Contracting and Infrastructure Construction contributed to a lean balance sheet, while invested capital was reduced by 12.1% relative to the same period of 2011.

### **Successful Real Estate division**

Real Estate posted a good performance in General Contracting as well as a marked improvement in Project Development. EBIT for the division increased by 10.1% to CHF 20.1 million (first half of 2011: CHF 18.2 million). The order book stood at CHF 1.617 billion, on a par with last year's excellent level (first half of 2011: CHF 1.603 billion). Major projects coming to an end were replaced by new projects such as the JTI headquarters in Geneva and Park Tower in Zug.

In the reporting period, General Contracting was able to build on the previous year's record result, posting an EBIT of CHF 9.5 million (+1.4%). Although intensive work on the final phase of the Europaallee construction site A in Zurich resulted in higher revenues, no increases in capacity were made. In order to optimise the risk profile for project handling, Implenia is currently introducing a new project management system that includes a risk management module. The workforce was increased by 5%. This is intended to further improve quality in work preparation and during the early stages of construction.

The real estate segment (Project Development) also performed well, posting a substantial rise in EBIT. This confirms the chosen strategy of increasing activities in the Project Development business, thus boosting the proportion of internally generated orders in general contracting and construction production. Several major projects are currently in realisation. Thanks to investments in new projects of CHF 30 million, Implenia was able to maintain the value of the land bank at the same level as at the end of 2011.

### **Infrastructure Construction back on track**

In the first half of 2012, the Infrastructure Construction division (roads, buildings construction and civil works, civil engineering, foundation engineering) recorded a production output of CHF 559.6 million, on a par with the previous year's level. EBIT improved by more than CHF 6 million compared with the first half of 2011 (CHF -6.7 million as per 30.6.2012). Based on the favourable economic situation and the improved acquisition of new contracts, the order book rose by more than a fifth to CHF 961.0 million (first half of 2011: CHF 790.2 million).

Following a relatively weak first quarter, due to an exceptionally cold February, there was a marked upturn in the second quarter. This was made possible by a significantly improved performance in the foundation engineering business, which in turn was due to the stabilisation of the market situation. It was also possible to convert further fixed personnel costs into variable costs, particularly in building construction, where the earnings situation stabilised. The steps taken in building construction at the beginning of the year should have a positive impact in the medium term. Thanks to measures to reduce capital commitment, Infrastructure Construction made a significant contribution to the improvement in the cash situation within the Group.

In June 2012, Implenía announced the acquisition of Locher Bauunternehmer AG. In that context and in line with Implenía's overall modernisation strategy (see below), a new independent "Infra Modernisation" business unit is being set up within the Infrastructure Construction division. This will pool existing Implenía services in the field of maintenance (e.g. concrete preservation) and the infrastructure modernisation activities of Locher Bauunternehmer AG.

### **Industrial Construction in Switzerland and Norway on course**

In year-on-year terms, Industrial Construction (Tunnelling, Prime Buildings) increased production output in the first semester 2012 by 9.5% to CHF 217 million (first half of 2011: CHF 198.2 million). EBIT rose by almost a quarter to CHF 12.8 million (first half of 2011: CHF 10.3 million). Thanks to the contribution made by Implenía Norge, which offset the declining volume in the Swiss tunnelling construction market, the order book reached CHF 704.8 million. This is on a par with the previous year's level (first half of 2011: CHF 698.6 million).

Despite a slightly lower volume due to the gradual completion of the NRLA works, the Tunnelling business achieved an excellent result, posting an EBIT of CHF 15.2 million. This is almost a third higher than the previous year's figure. Start-up problems with the first projects in the Middle East burdened the result. Implenía Norge posted an even operating result. Yet the EBIT for the unit is, due to seasonal factors, negative for the present at CHF -0.9 million in the first semester, and affected by integration costs as well as the amortisation of intangible assets. Implenía Norge is well positioned and expected to contribute positively towards the consolidated profit by the end of the year. Thanks to a successful order intake and an order book that has more than doubled at almost CHF 200 million since the acquisition, Implenía Norge is on track for success.

The Prime Buildings business unit, which specialises in international consultancy for challenging real estate projects, posted a disappointing result. Break-even by the end of the year is now beyond reach. As a consequence, the business unit is likely to be repositioned with effect from 1 January 2013.

### **Exploiting the potential in the modernisation market**

The modernisation business in Switzerland has great potential and offers attractive market opportunities. Implenía is harnessing the potential of this growth sector with a modernisation strategy that is tailored to the specific needs of customers. In the reporting period, Implenía invested in the development of a new organisational unit that is strongly oriented towards the market. In the future, this will enable the company to focus on the modernisation market, while simultaneously making the most of the growth and earnings potential in its Swiss home market.

### **First Sustainability Report published**

Sustainability is a decisive factor for Implenias long-term prosperity and is therefore anchored in the companys strategy. Implenias determined to achieve a balance in everything it does between social and ecological responsibility on the one hand and economic success on the other. Together with the publication of the Half-Year Report 2012, Implenias also publishing its first Sustainability Report. Thus, the company ensures transparency in regard to sustainability by reporting systematically on where it stands in many different areas. In addition, Implenias presents its future objectives and shows how it aims to achieve them.

### **Confident outlook**

Based on the positive market environment and a full order book, which includes orders scheduled for delivery well beyond the end of the current year, Implenias looks to the future with optimism. In terms of strategy, operations and personnel, all Group divisions are in excellent condition to face future challenges. For the full year, Implenias is confident and currently on course to meet its medium-term operating earnings target of CHF 100 million.

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Implenia is Switzerland's leading construction and construction services company. Formed in 2006 from the merger between Zschokke and Batigroup, Implenias can look back on more than 140 years of history in the construction industry. The company brings the expertise of its highly skilled Real Estate, Infrastructure Construction and Industrial Construction divisions under the single roof of a nationally and internationally active business. With its integrated business model and specialists operating in all its divisions, Implenias can manage a building project through its entire lifecycle and deliver work that is economical, integrated and customer-centric. The focus is on striking a sustainable balance between financial success and social and environmental responsibility.

Implenia, with its headquarters in Dietlikon near Zurich, employs around 6,400 people and posted turnover of more than CHF 2.5 billion in 2011. The company is listed on the SIX Swiss Exchange (IMPN, CH0023868554). More information can be found at [www.implenia.com](http://www.implenia.com).

## Consolidated key figures

	1.1-30.6.2012	1.1-30.6.2011	Δ	1.1-31.12.2011
	CHF 1,000	CHF 1,000		CHF 1,000
<b>Consolidated revenue</b>	<b>1,194,699</b>	1,084,654	10.1%	2,522,646
<b>EBIT divisions</b>	<b>26,183</b>	15,719	66.6%	93,529
Miscellaneous/holding company	(1,949)	(3,389)		147
<b>Operating income</b>	<b>24,234</b>	12,330	96.5%	93,676
<i>in % of revenue</i>	<b>2.0%</b>	1.1%		3.7%
<b>Consolidated profit</b>	<b>13,139</b>	4,223	211.1%	61,351
<i>in % of revenue</i>	<b>1.1%</b>	0.4%		2.4%
EBITDA	<b>43,240</b>	29,379	47.2%	140,489
<i>in % of revenue</i>	<b>3.6%</b>	2.7%		5.6%
Free cash flow	<b>(29,390)</b>	(101,401)	(71.0)%	67,311
Cash and cash equivalents	<b>351,095</b>	246,673	42.3%	402,532
Interest-bearing liabilities	<b>211,120</b>	199,831	5.6%	209,073
<b>Net cash position</b>	<b>139,975</b>	46,842	198.8%	193,459
<b>Equity</b>	<b>534,774</b>	496,163	7.7%	543,528
<i>Equity ratio</i>	<b>28.2%</b>	29.7%		28.8%
Order book	<b>3,283,122</b>	3,008,196	9.1%	3,153,915
Production output	<b>1,292,137</b>	1,224,868	5.5%	2,776,666
Headcount (FTE)	<b>5,835</b>	5,596	4.3%	5,648

## Key figures divisions

<b>Real Estate</b>	<b>1.1-30.6.2012</b>	1.1-30.6.2011	<b>Δ</b>	1.1-31.12.2011
	CHF 1,000	CHF 1,000		CHF 1,000
<b>Revenue</b>	<b>672,949</b>	641,516	4.9%	1,414,880
EBIT General Contracting/Services	<b>9,492</b>	9,362	1.4%	19,659
EBIT Real Estate (Project Development)	<b>10,573</b>	8,866	19.3%	25,297
<b>EBIT</b>	<b>20,065</b>	18,228	10.1%	44,956
Order book	<b>1,617,416</b>	1,603,090	0.9%	1,616,139
Headcount (FTE)	<b>489</b>	461	6.1%	482
<b>Infrastructure Construction</b>	<b>1.1-30.6.2012</b>	1.1-30.6.2011	<b>Δ</b>	1.1-31.12.2011
	CHF 1,000	CHF 1,000		CHF 1,000
<b>Revenue</b>	<b>514,295</b>	511,390	0.6%	1,147,649
<b>EBIT</b>	<b>-6,696</b>	(12,842)	47.9%	18,100
Production output	<b>559,597</b>	584,320	-4.2%	1,288,224
Order book	<b>960,954</b>	790,178	21.6%	744,157
Headcount (FTE)	<b>4,284</b>	4,334	-1.2%	4,138
<b>Industrial Construction</b>	<b>1.1-30.6.2012</b>	1.1-30.6.2011	<b>Δ</b>	1.1-31.12.2011
	CHF 1,000	CHF 1,000		CHF 1,000
Revenue	<b>164,874</b>	83,286		262,629
EBIT Tunnelling	<b>15,238</b>	11,477	32.8%	33,590
EBIT Norway	<b>(917)</b>			-805 <sup>2)</sup>
EBIT Prime Buildings	<b>(1,507)</b>	(1,144)	(31.7%)	-2,312
<b>EBIT</b>	<b>12,814</b>	10,333	24.0%	30,473
Production output	<b>217,010</b>	198,223 <sup>1)</sup>	9.5%	423,727 <sup>1)</sup>
Order book	<b>704,752</b>	698,585 <sup>1)</sup>	0.9%	793,619
Headcount (FTE)	<b>865</b>	860 <sup>1)</sup>	0.6%	833

<sup>1)</sup> like for like

<sup>2)</sup> Implenja Norge after integration costs and amortisation of intangible assets of CHF 2.7 million