



PRESS RELEASE

First half of 2015 characterised by good order intake and investments in the future – EBIT improves on an adjusted basis | Acquisition of Bilfinger Construction strengthens market opportunities in Europe | EBIT target of CHF 140-150 million by 2016/2017 confirmed

Dietlikon, 20 August 2015 – **Implenia achieved a good operational performance in the first half of 2015 and was very successful at winning orders. In addition to its own solid work, the company benefited from the continuing robust health of the construction industry in its target markets, and from strong demand for residential property in Switzerland. The first half of 2015 was influenced by the acquisition and integration of Bilfinger Construction. With this purchase, 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 effects 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.**

Implenia posted consolidated revenue of CHF 1.515 billion for the first half of 2015, compared to CHF 1.413 billion in the first half of 2014. This 7.2% increase was 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 the end of 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 Implenias good market positioning and gives grounds for the Group to look to the future with confidence.

Bilfinger Construction acquisition – an investment in the future

With the acquisition of Bilfinger Construction in March 2015, Implenias made an investment in its future, securing and developing good platforms in Germany, Austria, Norway and Sweden that will allow it to benefit from the infrastructure megatrend in Europe. Implenias has adjusted its operational structure and, therefore, its segment reporting, so it can make the most of the new strategic opportunities. 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 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).

Development Segment exceeds record results of previous year

In the first half of 2015, the Development Segment exceeded the result posted for the first half of the prior year. EBIT came to CHF 15.0 million, which is 2.7% higher than in the first six months of 2014 (CHF 14.6 million). Implenias project development business performed very well again in the Zurich area and the French-speaking part of Switzerland. The segment has a full pipeline of development projects, helping to ensure a good future income stream.

Modernisation and regional business drive the Switzerland Segment

The Switzerland Segment improved its earnings compared with the prior-year period. EBIT came to CHF -6.1 million, compared with CHF -7.0 million in the first six months of 2014. It should 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. The Modernisation unit continued along its growth path, with higher revenue and earnings in the first half. This confirms the strategic decision Implenias took two years ago to position itself in this growth market. Swiss regional business also did well, with another strong performance in French-speaking Switzerland and a clear improvement in the German-speaking part of the country. The Buildings unit did not meet expectations, but worked hard on streamlining its processes and portfolio. The order backlog of CHF 2.417 billion exceeded the previous year's figure by 3.7% on a comparable basis.

Positive performance from Infrastructure Segment

The Infrastructure Segment's adjusted EBIT came to CHF 7.4 million, a rise of 42.9% compared to the first half of 2014 (CHF 5.2 million). Around 40% of total amortisation costs were charged to this segment. Reported EBIT stood at CHF 5.7 million (+9.3%). This pleasing result, which underlines the segment's good operating performance, is partly down to healthy capacity utilisation in foundation engineering, and partly to the good performance of tunnelling construction sites in Switzerland. The results for the reporting period also include income from provisions no longer required that were formed as a result of Implenia's conservative valuation policy during construction of the Gotthard Base Tunnel.

Several new orders in Switzerland and abroad have strengthened Implenia's good positioning in the European infrastructure market. The order backlog is CHF 989 million, an increase of 39.1%. Nevertheless, as expected and already announced, there is a lack of large-scale projects in Switzerland, and this is bound to affect Business Unit Infrastructure's performance in the second half of the year.

Added power for International Segment in Scandinavia, Germany and Austria

The International Segment's adjusted EBIT came to CHF 5.1 million. This is lower than the figure posted for the first half of 2014 (CHF 8.2 million). As in the second half of 2014, investments in structures and staff in Norway affected the period under review. The devaluation of the euro and Norwegian krone also had a negative impact on earnings. As in the Infrastructure Segment, the EBIT figure was weighed down by amortisation costs (around 60% of the total). Reported EBIT stood at CHF 0.8 million.

The International Segment is operating with new, powerful units in Scandinavia, Germany and Austria. Further growth will come from targeted expansion in Norway. The plants in Mali and the Ivory Coast performed well, increasing their contribution to results in Swiss franc terms despite negative currency effects. The segment won some important contracts in the first half of 2015. At the end of June 2015 its order backlog was worth CHF 805 million (+85.5%).

Confident outlook

With its healthy order book and positive market prospects, Implenia is confident that for 2015 as a whole it will improve on the prior year's operating income on a comparable basis. Implenia is also sticking to its announced EBIT target of CHF 140-150 million for 2016/2017.

Management changes

For personal reasons, Stephan Wüstemann, Head of Business Unit Buildings, can no longer perform his role. Operational considerations mean that Implenía has had to start looking for his successor. CEO Anton Affentranger is taking over management of the Business Unit ad interim. Information about a definitive new appointment to the role will be provided in due course.

Adrian Wyss, formerly Head of the Modernisation unit, takes over as the new Head of Business Unit Modernisation & Development with effect from 1 September 2015. Mr. Wyss is a qualified architect with a diploma in business management and is a graduate of the "Winning the Future" internal management programme. He has worked for Implenía for nine years in various management positions and in the last two and a half years has successfully built up Implenía's Modernisation department. Among other projects, he was overall manager for the execution of Plots A and C of the Europaallee development in Zurich. Adrian Wyss succeeds René Zahnd, who leaves Implenía in mid-September 2015, as announced in April, to become the new CEO of Swiss Prime Site (SPS). The Board of Directors and Group Executive Board would like to thank René Zahnd warmly for his excellent work and his great contribution to the success of the Implenía Group over the past six years. CEO Anton Affentranger: "We are proud that we have been able to appoint the new Head of Modernisation & Development from within the company. We congratulate Adrian Wyss on his new job and wish him much success."

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Half-Year Report 2015

The 2015 Half-Year Report can be downloaded from the following link:

http://www.implenia.com/en/investor-relations/publications_1/financial-publications/2015.html

Media and analysts' conference on the 2015 first-half results

Implenia is holding a media and analysts conference on the 2015 half-year results today, Thursday 20 August 2015, in the East Tower of the "Metropolitans" – an Implenia development project. The accompanying presentation will be available to download from 9.00 a.m. at:

http://www.implenia.com/en/investor-relations/publications_1/presentations/2015.html

Investors' diary

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

22 March 2016: Annual General Meeting 2016

Implenia, Switzerland's leading construction and construction services company, also has a strong position in the German, Austrian and Scandinavian infrastructure markets. Established in 2006, Implenia can look back on around 150 years of construction tradition. It brings together the expertise of its highly skilled sectoral and regional units under the single roof of a company active throughout Europe. With its integrated business model and specialists operating in all areas of construction, the Group 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 has its headquarters in Dietlikon near Zurich and employs approximately 8100 people around Europe. In 2014 it posted pro forma turnover (including the former Bilfinger Construction GmbH) of around CHF 3.6 billion. The company is listed on the SIX Swiss Exchange (IMPN, CH0023868554). For more information, please visit www.implenia.com.

Consolidated key figures Group

	1.1.-30.6.2015 CHF 1,000	1.1.-30.6.2014 CHF 1,000	Δ	Δ like for like ²
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%)
Miscellaneous/Holding	(1,561)	5,456	(128.6%)	(128.6%)
Operating income adjusted¹	24,323	26,414	(7.9%)	(5.4%)
<i>in % of revenue</i>	<i>1.6%</i>	<i>1.9%</i>		
Operating income	13,847	26,414	(47.6%)	(45.0%)
<i>in % of revenue</i>	<i>0.9%</i>	<i>1.9%</i>		
Consolidated profit adjusted¹	15,620	17,012	(8.2%)	(4.2%)
<i>in % of revenue</i>	<i>1.0%</i>	<i>1.2%</i>		
Consolidated profit	8,003	17,012	(53.0%)	(49.0%)
<i>in % of revenue</i>	<i>0.5%</i>	<i>1.2%</i>		
EBITDA	50,414	47,621	5.9%	
<i>in % of revenue</i>	<i>3.3%</i>	<i>3.4%</i>		
Free cash flow	(194,780)	(62,702)	(210.6%)	
Cash and cash equivalents (as at 30.06.)	670,258	499,568	34.2%	
Financial liabilities (as at 30.06.)	487,184	209,217	132.9%	
Net cash position (as at 30.06.)	183,074	290,351	(36.9%)	
Invested capital (as at 30.06.)	429,320	327,022	31.3%	
Equity (as at 30.06.)	556,654	623,059	(10.7%)	
<i>Equity ratio in %</i>	<i>20.9%</i>	<i>27.3%</i>		
Production output	1,579,931	1,500,607	5.3%	7.7%
Order book (as at 30.06.)	4,215,246	3,475,323	21.3%	23.9%
Headcount (FTE; as at 30.06.)	7,304	6,636	10.1%	

¹ Excluding acquisition effects and contribution from Bilfinger Construction

² Foreign currency adjusted

Key figures segments

Development

	1.1.-30.6.2015 CHF 1,000	1.1.-30.6.2014 ¹ CHF 1,000	Δ
EBIT	15,002	14,607	2.7%
Headcount (FTE; as at 30.06.)	54	55	(1.8%)

Switzerland

	1.1.-30.6.2015 CHF 1,000	1.1.-30.6.2014 ¹ CHF 1,000	Δ
Revenue	1,095,792	1,222,906	(10.4%)
EBIT	(6,067)	(7,019)	13.6%
<i>in % of revenue</i>	<i>(0.6%)</i>	<i>(0.6%)</i>	
Production output	1,129,237	1,265,656	(10.8%)
Order book (as at 30.06.)	2,416,572	2,330,912	3.7%
Headcount (FTE; as at 30.06.)	3,953	4,279	(7.6%)

Infrastructure

	1.1.-30.6.2015 CHF 1,000	1.1.-30.6.2014 ¹ CHF 1,000	Δ
Revenue	183,605	90,857	102.1%
EBIT adjusted²	7,410	5,187	42.9%
<i>in % of revenue</i>	<i>4.0%</i>	<i>5.7%</i>	
EBIT	5,670	5,187	9.3%
<i>in % of revenue</i>	<i>3.1%</i>	<i>5.7%</i>	
Production output	217,125	135,402	60.4%
Order book (as at 30.06.)	988,915	710,798	39.1%
Headcount (FTE; as at 30.06.)	969	540	79.3%

¹ Restated, see Half-Year Report 2015, page 44, note 3

² Excluding acquisition effects and contribution from Bilfinger Construction

International

	1.1.-30.6.2015 CHF 1,000	1.1.-30.6.2014 ¹ CHF 1,000	Δ
Revenue	300,175	201,001	49.3%
EBIT adjusted²	5,074	8,183	(38.0%)
<i>in % of revenue</i>	<i>1.7%</i>	<i>4.1%</i>	
EBIT	803	8,183	(90.2%)
<i>in % of revenue</i>	<i>0.3%</i>	<i>4.1%</i>	
Production output	307,284	201,001	52.9%
Order book (as at 30.06.)	804,539	433,614	85.5%
Headcount (FTE; as at 30.06.)	1,799	862	108.7%

¹ Restated, see Half-Year Report 2015, page 44, note 3

² Excluding acquisition effects and contribution from Bilfinger Construction