



P R E S S R E L E A S E

Implenia with a strong performance in 2013 – Group breaks operational and financial records | Major contracts in Norway and Austria confirm success in foreign markets | Higher dividend | Full order book and confident outlook

Dietlikon, 25 February 2014 – **Implenia shows a strong performance for the 2013 financial year. With its "Daring to Shape our Future" project, the leading Swiss construction services provider set the course for the Group's successful long-term development. At the same time it managed to further increase operating income and to set new financial records. The Modernisation & Development Business Unit achieved an outstanding result in Project Development and generated a profit in its Modernisation business for the first time. Buildings secured a good market position with its new integrated business model and achieved a significant increase in revenue and EBIT. Tunnelling & Civil Engineering won an important new order in the form of a major contract for the Semmering base tunnel and gathered momentum in business outside Switzerland. Regional business in Switzerland was stable. Implenia Norge experienced a further boost in growth and successfully continued to secure orders. At Group level, incoming new orders kept pace with the dynamic business performance. Furthermore, the quality of the order book continued to improve. Implenia remains on track to achieve its medium-term objectives. The Board of Directors is asking the General Meeting to approve an increase in the dividend from CHF 1.40 to CHF 1.60 per share.**

Implenia increased its consolidated revenue by 9.2% to CHF 3057 million in the 2013 financial year. This growth came more or less in equal measure from business in the Group's Swiss home market and its international activities. In Switzerland, the strategic Buildings Business Unit expanded as expected. Internationally, Implenia further boosted growth in Norway. At the earnings level, Implenia broke new records in 2013: EBIT Business Units went up by 4.7% year-on-year to CHF 114.0 million, and consolidated profit by 7.5% to CHF 82.6 million. Margins were slightly down on the previous year, mainly because of the lower proportion of revenue coming from the high-margin tunnel construction business. Added to this were the one-time effects recorded in the first half-year due to losses associated with the completion of activities in the Middle East, and due to investments made in acquiring infrastructure projects. At CHF 158.4 million, EBITDA was even higher than the very good figure achieved in 2012 (+3.0%).

The power of the new organisation and its closeness to the market were reflected not least in the fact that during the year under review Implenia won new orders worth CHF 3326 million (+8.8%). As planned, incoming orders in Norway and in the Modernisation & Development and Buildings Business Units more than compensated for the decline in order volumes from Tunnelling in Switzerland. At the end of 2013, the backlog of orders stood at CHF 3190 million,

2.9% more than at the end of 2012. Implenla was also able to improve the quality of its order book: overall the new projects tend to be longer in duration, more profitable and more diversified geographically.

Excellent return on capital

Implenia once again achieved an excellent return on invested capital (ROIC) of 46.0%, which clearly exceeds the weighted average cost of capital (WACC) of 9.5%. The company thus created substantial value again, which is even better given that Implenla had to use additional net working capital to finance the strong growth seen during the year under review. This also explains the fact that free cash flow was down year-on-year at CHF 78.9 million (2012: CHF 133.6 million). The net cash position at the end of 2013 was CHF 371.1 million, which is 15.5% higher than in 2012. The expansion of business volumes and investment in new projects led to an increase in total assets to CHF 2196 million at the end of 2013. The balance sheet structure is sound, with equity of CHF 628.7 million giving an equity ratio of 28.6%.

Project Development performs strongly, Modernisation breaks into profit zone

Implenia Modernisation & Development progressed well in 2013: the Business Unit's EBIT rose by 32.0% to CHF 37.2 million. As intended, Implenla's Modernisation business moved into the profit zone, posting an EBIT of CHF 0.6 million. The Group consolidated its expertise in modernisation into one specialist unit and established itself successfully on the market, which is reflected by the good level of incoming orders. Orders worth a total of more than CHF 100 million were secured in the Zurich region alone. Implenla's Development business achieved the best result in its history during the year under review. Its EBIT rose from CHF 31.6 million to CHF 36.5 million (+15.7%). This result can be attributed to the geographically well balanced project portfolio. Construction of the "The Metropolitans" residential high-rise in the north of Zurich is going well. Projects including "Coupe Gordon Bennett" in Geneva and "Riedmühlepark" in Dietlikon were placed on the market and sold as condominiums. The 2000 Watt Society project "roy" in Winterthur proved successful as an investment property. At CHF 217.5 million the value of the land-bank is slightly below the prior year's level of CHF 251.7 million, thus opening up scope to selectively take attractive market opportunities in the future.

Buildings well positioned on the market with integrated business model

With revenue of CHF 1660 million (+17.9%), the Buildings Business Unit was able to increase its EBIT by 19.6% to CHF 23.6 million. The new business model, which offers planning, general contracting and execution services for complex buildings from a single source, was positioned effectively on the market. When acquiring new orders, the Business Unit focused on qualitative growth through profitable contracts. At year end, Implenla Buildings reported a good level of orders on hand worth CHF 1847 million. New projects acquired during the year under review included the "Centro Valsangiacomo" residential development in Chiasso, the new "Swissmill Tower" in Zurich and the "vierfeld" development in Pratteln.

Tunnelling & Civil Engineering gains international momentum

As expected, the Tunnelling & Civil Engineering Business Unit saw falls in both production output (-5.0% to CHF 438.2 million) and EBIT (-42.8% to CHF 20.4 million) as major infrastructure projects in Switzerland came to an end. The Tunnelling unit in Switzerland performed well in 2013. The Bodio and Faido sections of NEAT, which Implenía had been in charge of, were handed over on schedule to the client in September 2013 after approximately twelve years of construction work. Implenía completed its withdrawal from tunnelling business in the Middle East as announced. Results were adversely affected by the one-time impact in the first half-year due to losses associated with the completion of activities in the Middle East, and due to investments made in acquiring infrastructure projects. In line with its strategy, the Group invested in building up its tunnelling business in Germany and Austria and opened a new branch office in Salzburg. The Business Unit reaped the benefits of the internationalisation strategy when it won the major order for the Semmering base tunnel in Austria, a project worth around CHF 770 million (Implenía's share: 50%).

Stable performance from Construction Switzerland

Regional business in Switzerland, which includes roads, civil works and regional building construction, showed a stable performance during the 2013 financial year. Production output rose by 6.6 % to CHF 982.1 million. EBIT was about the same as in the previous year at CHF 22.5 million. The Business Unit's Swiss-wide presence proved to be an asset: very good business in and around Zurich and in French-speaking Switzerland compensated for weaknesses in other regions. The gravel and surfacing plants generated good earnings.

Implenía Norge on course for growth

Implenía experienced a strong growth in Norway in 2013, increasing revenue by an impressive 46.9%. The Business Unit's EBIT more than tripled from CHF 3.0 million in the previous year to CHF 10.3 million. The margin improved significantly from 1.4% to 3.2%. Implenía Norge won numerous contracts and saw a significant increase in the average size of the projects it was able to secure. At the beginning of July it signed the contract, worth almost CHF 100 million, to build the Eidanger Tunnel. In October Implenía was commissioned to build the new "Lysebotn II" hydroelectric power plant near Stavanger for CHF 90 million. And at the end of the year, it signed a CHF 230 million contract to build the new E6 link road – Implenía's biggest project acquisition in Norway so far. Implenía Norge's ability to win these orders reflects its strong market position and acknowledged technical expertise. It also shows the strength that comes from interaction with the Group's resources. At the end of 2013 the order backlog stood at CHF 456 million, which is 81.6% higher than at the end of 2012.

Higher dividend proposed again

Owing to the good results, the company's solid financial situation and the continuing positive outlook, the Board of Directors is recommending that the General Meeting of Implenla Ltd. on 25 March 2014 approve another dividend increase to CHF 1.60 per share, up from CHF 1.40 per share in the previous year. This equates to a yield of 2.5% as measured against Implenla's share price at the end of the year. The payment will be made partly from the capital contribution reserve and partly from a reduction in par value. As in the prior year, the payment will not be subject to any deduction of withholding tax and will be tax-free for most private individuals.

Implenla looks forward with confidence

The construction industry in Switzerland is performing well and looks set to continue doing so in 2014. The market is still being driven by residential construction on the one hand and a stable level of public sector investment in infrastructure on the other. The referendum vote in favour of the so-called "mass immigration initiative" will not affect the construction and real estate market in the short term, but it does make planning more difficult. The true effects will become apparent in the medium term and will depend on the specific way the new law is framed. Implenla expects the government to find a solution that takes proper account of the needs of business and society. Norway continues to invest heavily in the maintenance and expansion of its road, bridge, tunnel and railway infrastructure. The Norwegian government's "National Transport Plan 2014-2023", updated in April 2013, envisages spending of around CHF 82.4 billion in total over the next ten years. This is more than half as much again as stipulated in the previous version of the plan. Demand will, therefore, remain high in Norway's infrastructure market. The order book is full and ensures good visibility. Against this background, Implenla is confident for 2014. The Group is on course to reach its medium-term EBIT goal of CHF 140-150 million.

Contacts for investors:

Beat Fellmann, CFO and Head of Corporate Centre

Tel.: +41 44 805 45 00

beat.fellmann@implenia.com

Serge Rotzer, Head of Investor Relations

Tel.: +41 44 805 46 22

serge.rotzer@implenia.com

Contact for media:

Philipp Bircher, Head of Communications

Tel.: +41 44 805 45 85

philipp.bircher@implenia.com

2013 Annual Report

Implenia Ltd.'s 2013 annual report (HTML) is available at annualreport.implenia.com (English available from 27 February 2014) or [here](#) as a PDF download

Media and analysts' conference on the 2013 full-year results

Today, 25 February 2014, Implenia is holding a press conference (9.15 – 10.30 a.m.) and an analysts' conference (11.30 a.m. – 12.45 p.m.) on the 2013 annual results at the SIX Convention Point. From noon the accompanying presentation will be available [here](#) to download.

Investors' diary

25 March 2014: 2014 Annual General Meeting

21 August 2014: Publication of 2014 half-year results

Implenia is Switzerland's leading construction and construction services company. Formed in 2006 from the merger of Zschokke and Batigroup, Implenia can look back on more than 140 years of history in the construction industry. The company brings the expertise of its highly skilled Modernisation & Development, Buildings, and Tunnelling & Civil Engineering Sectors, and its Switzerland and Norway Regions under the single roof of a nationally and internationally active company. With its integrated business model and specialists operating in all its Business Units, Implenia can manage a building project through its entire lifecycle and deliver work that is economical, integrated and customer-centric. The focus is on striking a sustainable balance between financial success and social and environmental responsibility. Implenia, with its headquarters in Dietlikon near Zurich, employs more than 6600 people and posted revenue of more than CHF 3 billion in 2013. The company is listed on the SIX Swiss Exchange (IMPN, CH0023868554). More information can be found at www.implenia.com.

Consolidated key figures

	1.1.-31.12.2013 CHF 1000	1.1.-31.12.2012 ¹ CHF 1000	Δ
Consolidated revenue	3 057 414	2 800 443	9.2%
EBIT Business Units	113 952	108 829	4.7%
Miscellaneous/Holding	1 663	1 458	14.1%
Operating income	115 615	110 287	4.8%
<i>in % of revenue</i>	<i>3.8%</i>	<i>3.9%</i>	
Consolidated profit	82 634	76 870	7.5%
<i>in % of revenue</i>	<i>2.7%</i>	<i>2.7%</i>	
EBITDA	158 401	153 731	3.0%
<i>in % of revenue</i>	<i>5.2%</i>	<i>5.5%</i>	
Free cash flow	78 925	133 614	(40.9%)
Cash and cash equivalents (as at 31.12.)	582 581	537 358	8.4%
Financial liabilities (as at 31.12.)	211 512	215 964	(2.1%)
Net cash position (as at 31.12.)	371 069	321 394	15.5%
Invested capital (as at 31.12.)	251 435	266'937	(5.8%)
Equity (as at 31.12.)	628 688	549 598	14.4%
<i>Equity ratio</i>	<i>28.6%</i>	<i>26.5%</i>	-
Order book			
as at 31.12.	3 190 380	3 101 010	2.9%
Production output	3 288 021	2 998 694	9.6%
Headcount (FTE; as at 31.12.)	6 435	6 404	0.5%
Dividend per share in CHF	1.60	1.40	14,3%
Earnings per share in CHF	4.11	3.82	7.6%

¹ Restated; see annual report 2013, p. 181, notes 2.1

Key figures Business Units

Modernisation & Development

<i>Modernisation</i>	1.1.-31.12.2013 CHF 1000	1.1.-31.12.2012 ¹ CHF 1000	Δ
Revenue	75 303	93 410	(19.4%)
EBIT	619	(3 427)	118.1%
<i>in % of revenue</i>	<i>0.8%</i>		
Production output	75'303	94'050	(19.9%)
Order book (as at 31.12.)	120 248	26 413	355.3%
Headcount (FTE; as at 31.12.)	266	289	(8.0%)

<i>Development</i>	1.1.-31.12.2013 CHF 1000	1.1.-31.12.2012 ¹ CHF 1000	Δ
EBIT	36 543	31 575	15.7%
Headcount (FTE; as at 31.12.)	50	53	(5.7%)

Buildings	1.1.-31.12.2013 CHF 1000	1.1.-31.12.2012 ¹ CHF 1000	Δ
Revenue	1 660 292	1 408 229	17.9%
EBIT	23 568	19 703	19.6%
<i>in % of revenue</i>	<i>1.4%</i>	<i>1.4%</i>	
Production output	1 685 068	1 421 592	18.5%
Order book (as at 31.12.)	1 847 029	1 832 452	0.8%
Headcount (FTE; as at 31.12.)	1 108	1 006	10.1%

Tunnelling & Civil Engineering	1.1.-31.12.2013 CHF 1000	1.1.-31.12.2012 ¹ CHF 1000	Δ
Revenue	292 052	332 635	(12.2%)
EBIT	20 394	35 680	(42.8%)
<i>in % of revenue</i>	<i>7.0%</i>	<i>10.7%</i>	
Production output	438 208	461 453	(5.0%)
Order book (as at 31.12.)	414 834	592 129	(29.9%)
Headcount (FTE; as at 31.12.)	862	1 100	(21.6%)

¹ Restated; see annual report 2013, p. 181, notes 2.1

Construction Switzerland	1.1.-31.12.2013 CHF 1000	1.1.-31.12.2012¹ CHF 1000	Δ
Revenue	925 035	865 549	6.9%
EBIT	22 543	22 295	1.1%
<i>in % of revenue</i>	<i>2.4%</i>	<i>2.6%</i>	
Production output	982 083	920 980	6.6%
Order book (as at 31.12.)	352 250	386 053	(8.8%)
Headcount (FTE; as at 31.12.)	2 779	2 824	(1.6%)

Norge	1.1.-31.12.2013 CHF 1000	1.1.-31.12.2012¹ CHF 1000	Δ
Revenue	320 882	218 466	46.9%
EBIT	10 285	3 003	242.5%
<i>in % of revenue</i>	<i>3.2%</i>	<i>1.4%</i>	
Production output	320 882	218 466	46.9%
Order book	456 019	251 046	81.6%
Headcount (FTE)	478	395	21.0%

¹ Restated; see annual report 2013, p. 181, notes 2.1