



PRESS RELEASE

Implenia on track overall in the first half of 2014 – Results weighed down by one-off corrections in Buildings business | All other Business Units at prior-year level or better | Confident about full-year results thanks to positive market environment, good positioning, full order books and measures taken at Buildings | Group is sticking to its medium-term EBIT target of CHF 140-150 million

Dietlikon, 21 August 2014 – **Implenia's results for the first half of 2014 are down on the same period of the previous year owing to one-off earnings corrections at the Business Unit Buildings. All the other Business Units are well on track and have posted very pleasing results for the first half, either matching or beating the equivalent period of 2013. Given the changes that have been made, the healthy market outlook and the stronger performance expected from Buildings in the coming months, Implenia is looking forward to the second half of the year with confidence. At Group level operating income for the full 2014 financial year will exceed CHF 100 million. However, the record result achieved in 2013 is out of reach. The Group's good market position and set-up, along with its full order books, provide good reason to be optimistic about the periods beyond the current financial year, so Implenia is sticking to its medium-term target of CHF 140-150 million.**

Implenia reported revenue of CHF 1.413 billion for the first half of 2014, practically the same as for the first six months of the previous year (CHF 1.408 billion). However, the Group's operating income of CHF 26.4 million (-12.2%) is lower than the figure recorded for the first half of 2013. This decline is due to the much weaker performance of the Business Unit Buildings in the first half of 2014. The introduction of new processes, rigorous application of the new risk management system and especially a change in management in the key Western Switzerland region led to a revaluation of certain ongoing projects during the period under review. This in turn resulted in a one-off earnings correction. Optimised processes and strict application of the risk management system should result in a clear positive result for Buildings in the second half of 2014.

Owing to these issues and to a lower financial result, the Implenla Group reported a year-on-year reduction in consolidated profit to CHF 17.0 million (-19.8%). Pending orders came to CHF 3.475 billion as at 30 June, which is 7.2% higher than a year before. All of Implenla Group's other Business Units are well on track and posted first-half results that either match or beat the equivalent period of 2013:

Successful start for Modernisation & Development

The Business Unit Modernisation & Development had a very successful first half, increasing EBIT by 5.9% to CHF 15.8 million. Development (project development) performed well again, consolidating the record result posted a year earlier with EBIT of CHF 14.3 million. Its activity in the regions around Zurich and Lake Geneva was particularly dynamic. The Modernisation business, which now includes Wooden Construction and Engineering (formerly part of the Business Unit Buildings), made very positive progress. The business worked on numerous attractive projects and posted an EBIT of CHF 1.5 million for the first half of 2014, which is more than twice as high as a year before.

Tunnelling & Civil Engineering benefits from healthy Swiss tunnelling business

The Business Unit Tunnelling & Civil Engineering benefited from the continued good performance of tunnelling activities in Switzerland, posting revenue of CHF 128.4 million and EBIT of CHF 5.0 million and thus building on the prior year's momentum. Now that the NEAT transalpine tunnelling work has come to an end, we can, as previously announced, expect to see a significant fall in earnings in the second half of the year. Following a delay of around six months, work began on the major Semmering base tunnel project in Austria on 1 July 2014. These six months up to July were used for vital preparatory work at the tunnel site, so the delay has had no significant financial consequences for Implenla or the project as a whole.

Swiss regional business confirms role as the Group's backbone

The Business Unit Construction Switzerland, which includes Road Construction, Civil Engineering and regional Building Construction, performed well in the first half of 2014, increasing its production output to CHF 396.2 million. EBIT at CHF -3.4 million was higher than the figure of CHF -4.8 million posted for the first half of 2013. It should be noted that most of this Business Unit's operating earnings come in the second half of the year owing to seasonal factors. The performance in the first half of 2014 underlines the stabilising role played by Implenla's Swiss regional business. Western Switzerland performed particularly well, and Implenla also recorded a healthy level of incoming orders in the region. As well as good acquisition work, this reflects the continuing good health of the construction market in Western Switzerland. In the Zurich region, too, Implenla's business remained lively.

Deliberate consolidation at Implen Norge

Implenia Norge achieved revenue of CHF 152.1 million in the first six months of 2014. EBIT, at CHF 4.7 million, was unchanged on the previous year's interim figure. If the negative currency effect of around 10% is excluded, the operating result was actually better than in the first half of 2013. Having grown very strongly since it was established in 2011, the Business Unit – as announced – initiated a phase of stabilisation and the pace was deliberately slowed. The focus was on creating foundations for the next stages of growth. with Implen Norge investing heavily in structures, processes and the necessary personnel.

Sustainability Report 2012/2013 published

Implenia published its second Sustainability Report at the same time as the Half-Year Report 2014. Implen Norge has achieved many of its targets in the two years since the first report was published. Its portfolio of sustainable products and services has continued to develop and establish itself on the market. The company has also become a more attractive employer and the organisation has been made much more aware of the importance of an environmentally friendly approach. New targets have been set, including for Health & Safety, a vital area in which comprehensive measures have been taken. Implen Norge also wants to make a 10% cut in greenhouse gas emissions and primary energy consumption per franc of revenue from 2013 levels by 2017. The Sustainability Report is exclusively available online and can be found at <http://www.sustainability.implen.com>.

Confident outlook

Thanks to a continuing positive market environment, a leading market position and full order books, Implen Norge is confident about the second half of 2014. However, it will not be possible to make up the decline in the first six months caused by the one-off earnings corrections for the Business Unit Buildings, so the record result achieved in 2013 is not within reach. Nevertheless, the Group's operating income for 2014 as a whole will exceed CHF 100 million. Implen Norge is sticking to the medium-term EBIT target of CHF 140-150 million that it defined in 2013.

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Half-Year Report 2014:

The Half-Year Report 2014 can be downloaded from the following link:

<http://www.implenia.com/en/investor-relations/publications/financial-publications/2014.html>

Media and analysts conference:

Implenia is holding a media and analysts conference on the 2014 interim results today, Thursday 21 August 2014, at 9 a.m. in the Auditorium at Implenia's head office building in Dietlikon. The accompanying presentation will be available to download from 7 a.m. today at the following link:

<http://www.implenia.com/en/investor-relations/publications/investor-presentations/2014.html>

Dates for investors:

24 February 2015: Publication of the annual results for 2014

24 March 2015: 2015 Annual General Meeting

Consolidated key figures

	1.1.-30.6.2014 CHF 1,000	1.1.-30.6.2013 CHF 1,000	Δ
Consolidated revenue	1,413,312	1,408,500	0.3%
EBIT Business Units	20,958	26,715	(21.6%)
Miscellaneous/Holding	5,456	3,374	61.7%
Operating income	26,414	30,089	(12.2%)
<i>in % of revenue</i>	<i>1.9%</i>	<i>2.1%</i>	
Consolidated profit	17,012	21,201	(19.8%)
<i>in % of revenue</i>	<i>1.2%</i>	<i>1.5%</i>	
EBITDA	47,621	51,626	(7.8%)
<i>in % of revenue</i>	<i>3.4%</i>	<i>3.7%</i>	
Free cash flow	(62,702)	(58,456)	(7.3%)
Cash and cash equivalents (as at 30.6.)	499,568	441,258	13.2%
Financial liabilities (as at 30.6.)	209,217	214,034	(2.3%)
Net cash position (as at 30.6.)	290,351	227,224	27.8%
Invested capital (as at 30.6.)	327,022	332,089	(1.5%)
Equity (as at 30.6.)	623,059	559,627	11.3%
<i>Equity ratio</i>	<i>27.3%</i>	<i>25.5%</i>	
Order book (as at 30.6.)	3,475,323	3,242,054	7.2%
Production output	1,500,607	1,505,816	(0.3%)
Headcount (FTE; as at 30.6.)	6,636	6,753	(1.7%)

Key figures Business Units

Modernisation & Development

<i>Modernisation</i>	1.1.-30.6.2014 CHF 1,000	1.1.-30.6.2013 ¹ CHF 1,000	Δ
Revenue	106,268	62,862	69.0%
EBIT	1,497	628	138.4%
<i>in % of revenue</i>	<i>1.4%</i>	<i>1.0%</i>	
Production output	106,292	65,271	62.8%
Order book (as at 30.6.)	199,693	108,019	84.9%
Headcount (FTE; as at 30.6.)	402	377	6.6%
<i>Development</i>	1.1.-30.6.2014 CHF 1,000	1.1.-30.6.2013 CHF 1,000	Δ
EBIT	14,348	14,333	0.1%
Headcount (FTE; as at 30.6.)	60	53	13.2%
Buildings	1.1.-30.6.2014 CHF 1,000	1.1.-30.6.2013 ¹ CHF 1,000	Δ
Revenue	760,189	811,918	(6.4%)
EBIT	(1,219)	6,975	
<i>in % of revenue</i>	<i>(0.2%)</i>	<i>0.9%</i>	
Production output	762,960	819,022	(6.8%)
Order book (as at 30.6.)	1585,446	1985,457	(20.1%)
Headcount (FTE; as at 30.6.)	1,237	1,218	1.6%
Tunnelling & Civil Engineering	1.1.-30.6.2014 CHF 1,000	1.1.-30.6.2013 CHF 1,000	Δ
Revenue	128,429	129,421	(0.8%)
EBIT	5,027	4,937	1.8%
<i>in % of revenue</i>	<i>3.9%</i>	<i>3.8%</i>	
Production output	184,591	201,498	(8.4%)
Order book (as at 30.6.)	791,337	492,403	60.7%
Headcount (FTE; as at 30.6.)	826	1,023	(19.3%)

¹ see Half-Year Report 2014, page 46, note 3

Construction Switzerland	1.1.-30.6.2014 CHF 1,000	1.1.-30.6.2013¹ CHF 1,000	Δ
Revenue	367,819	328,012	12.1%
EBIT	(3,385)	(4,844)	30.1%
<i>in % of revenue</i>	<i>(0.9%)</i>	<i>(1.5%)</i>	
Production output	396,157	347,989	13.8%
Order book (as at 30.6.)	550,302	455,796	20.7%
Headcount (FTE; as at 30.6.)	2,698	2,727	(1.1%)
Norge	1.1.-30.6.2014 CHF 1,000	1.1.-30.6.2013 CHF 1,000	Δ
Revenue	152,059	159,806	(4.8%)
EBIT	4,690	4,686	0.1%
<i>in % of revenue</i>	<i>3.1%</i>	<i>2.9%</i>	
Production output	152,059	159,806	(4.8%)
Order book (as at 30.6.)	348,546	200,106	74.2%
Headcount (FTE; as at 30.6.)	513	467	9.9%

¹ see Half-Year Report 2014, page 46, note 3

Implenia is the leading construction and construction services company in Switzerland. Formed in 2006 from the merger between Zschokke and Batigroup, Implenia can look back on around 150 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 divisions, 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, currently employs more than 6900 people and posted revenue of around CHF 3.1 billion in 2013. The company is listed on the SIX Swiss Exchange (IMPN, CH0023868554). For further information please visit www.implenia.com.