



PRESS RELEASE

Implenia back on track – Good result despite difficult start | Group shows its strength and clearly exceeds targets set half way through the year | Solid generation of funds and high return on capital | Significantly higher dividend | Confident outlook for 2015

Dietlikon, 24 February 2015 – **Implenia produced a convincing result for 2014 despite a difficult start caused by one-off earnings' corrections for the Business Unit Buildings in the first half of the year. The operating income of CHF 108.5 million for 2014 as a whole easily exceeded the goal of more than CHF 100 million set in June 2014. Implenia is well positioned for the future and the outlook is positive. Against this background, a significant increase in the dividend to CHF 1.80 per share is being proposed. In line with the "One Company" model, cooperation between the operational units and support functions was more closely coordinated. Implenia has come out of 2014 stronger in terms of its organisation and its geographical reach, and it is confident about reaching its medium-term goals.**

Implenia posted revenue of just under CHF 3 billion for the 2014 financial year. Within the Business Units the still relatively new, rapidly growing Modernisation area made a particularly clear leap in revenue and earnings. The solid result produced by Construction Switzerland, which once again convincingly played its role as Implenia's backbone, also stood out. The Development business just about matched the record result achieved in 2013. Buildings stabilised its business in the second half of the year, while the Norwegian unit's results were down on the previous year's. Business Unit Tunnelling & Civil Engineering had a successful year and reported better results than expected.

As a result, overall operating income for the period under review came to CHF 108.5 million (previous year: CHF 115.6 million), meaning that Implenia achieved the Group-level goal that it had set half way through the year. As communicated at the time, the correction in first-half results, caused by a revaluation of specific projects at Business Unit Buildings, was a one-off occurrence. The operating margin of 3.7% was more or less the same as in the previous year (2013: 3.8%). In the second half of 2014 Implenia achieved its second-best operating margin ever.

One-off supplementary payments from completed tax assessments reduced consolidated profit, which still came to a healthy CHF 73.0 million for the 2014 financial year, compared with CHF 82.6 million in 2013.

At the end of 2014 the Group order book, at CHF 3002 million, didn't quite match the prior-year level (2013: CHF 3190 million). The backlog of orders is still worth more than a year's turnover however, so Implenia will continue

to have good visibility in the marketplace. The level of incoming orders in Business Units Modernisation, Tunnelling & Civil Engineering and Construction Switzerland was particularly pleasing.

Solid generation of funds and high return on capital

In 2014 Implenia once again created substantial added value. Its return on invested capital reached a very good 48.3%. This is higher than the excellent figure of 46.0% recorded in 2013 and much higher than the average cost of capital of 9.5%.

At the end of 2014 Implenia Group's equity stood at CHF 629.8 million, which is more or less the same as a year previously (2013: CHF 628.7 million). With an equity ratio of 26.7%, Implenia still has a solid equity base by industry standards.

The Board of Directors is proposing an ordinary dividend of CHF 1.80 (prior year: CHF 1.60) per share to the Annual General Meeting of Implenia Ltd. on 24 March 2015. The positive outlook has allowed an increase in the dividend of 12.5%.

Business Unit Modernisation & Development

Implenia Modernisation & Development can look back on a successful 2014. The fast-growing Modernisation business reported EBIT of CHF 5.2 million compared with CHF 3.7 million in 2013 (+41.9%). Revenue rose by 65.1% to CHF 219.9 million. The Modernisation unit successfully positioned itself with a comprehensive range of consultancy, planning and execution services. Its order book was worth CHF 190.4 million on 31.12.2014, which is 10.4% higher than a year previously. This represents a well filled project pipeline, with contracts worth around CHF 65 million acquired in the Zurich area alone. The focus in 2015 is on rolling out the new business model to new regions.

The Development area (project development) just about matched its outstanding result of the previous year with EBIT of CHF 35.0 million (2013: CHF 36.5 million). The area's project portfolio is geographically well diversified and its good result is based largely on the very dynamic markets of Greater Zurich and the Lake Geneva region. Investments in the land bank increased compared with the prior year, leading to a rise in its value from CHF 217 million to CHF 230 million.

Business Unit Buildings

The Buildings business, which brings together Implenias expertise in planning, general contracting and construction of complex buildings, achieved turnover of CHF 1529 million in 2014 (-7.6%). EBIT amounted to CHF 10.4 million, compared to CHF 18.3 million in the prior year. The fall in earnings is due to a weak first-half performance caused by problems with various projects in the key Western Switzerland region. As predicted half way through the year, this dip proved temporary, and in the second six months Buildings managed to lift its EBIT margin even higher than in the equivalent period of 2013. At CHF 1441 million the order backlog was down on the prior year (CHF 1816 million). This decline can be attributed to a risk-conscious acquisition strategy and disciplined application of processes.

Business Unit Tunnelling & Civil Engineering

Tunnelling & Civil Engineering reported EBIT of CHF 15.7 million for 2014, compared with CHF 20.4 million in 2013. The Business Unit's operating result was thus better than expected. Ongoing projects in Switzerland performed particularly well. Revenue was 8.8% lower than in the prior year at CHF 266.2 million. Work began on the major Semmering Base Tunnel project in Austria on 1 July 2014. The project will last ten years in total. The Business Unit increased its order backlog by around 70% compared with the previous year to approximately CHF 700 million. In addition, Implenias has secured another major contract in Austria worth EUR 140 million (Implenias share 50%) for the Granitztal tunnels. This contract, which is being entered as an incoming order in the 2015 financial year, marks a major success in the Group's strategy to expand its infrastructure business in Europe. Winning the order also underlines the power of Implenias international tunnelling unit, which will be made even stronger by the acquisition of Bilfinger Construction, announced at the end of December.

Business Unit Construction Switzerland

The Business Unit Construction Switzerland, which includes road construction, civil engineering and regional building construction, performed well again in 2014. Revenue was 3.0% down on the prior year at CHF 846.1 million. Despite the lower volume, EBIT increased year-on-year by 15.2% to CHF 28.5 million. As a result, the Business Unit improved its EBIT margin from 2.8% in the previous year to 3.4%. Production output was 3.3% below the 2013 figure at CHF 898.7 million. The broad geographical presence of the Swiss regional business proved an advantage: the very good operational performance in Western Switzerland and Greater Zurich carried the Business Unit as a whole and compensated for weaker regions. The gravel and surfacing plants also performed very well. The order book stands at CHF 410.3 million, which is around a quarter more than a year previously.

Business Unit Norge

2014 was a year of consolidation for Business Unit Norge. Revenue was just short of the previous year's figure at CHF 317.4 million (2013: CHF 320.8 million). If adjusted for currency movements it would have been much higher at CHF 344.5 million (+7.4%). EBIT was 16.4% lower at CHF 8.6 million, though half of this fall was due to currency

effects. After adjusting for currency movements, operating earnings would have been CHF 9.3 million. With a view to improving its project margins, Implenia Norge concentrated on building up its operational structures and human resources in 2014. The Business Unit deliberately held back on bidding for contracts, and as a consequence the order backlog was lower than in the prior year at CHF 260.6 million (2013: CHF 456.0 million).

Outlook for 2015

In 2015, Swiss construction activity should remain as lively as in the previous year. Growth is still being driven by residential construction on the one hand and public sector infrastructure investment on the other. The market is likely to be more volatile, however, owing to uncertainties about the implementation of the “mass immigration initiative” and fears of a recession following the Swiss National Bank's removal of the minimum euro exchange rate. This makes predictions more difficult. In Norway, the infrastructure construction market should continue to perform well thanks to extensive public sector investment plans.

Implenia made significant structural progress during the year under review. The “One Company” model was developed further and the different parts of the Group worked closely together. Investments made in 2014 to optimise processes will pay off from 2015 onwards. The acquisition of Bilfinger Construction means Implenia is also now more diversified and international than ever. Risks are more broadly spread, giving the Group a more balanced risk profile. For all these reasons Implenia is confident about the 2015 financial year. The Group confirms the medium-term EBIT goal it set in 2013 of CHF 140-150 million.

Contacts for investors:

Beat Fellmann, CFO

Tel.: +41 58 474 45 00

beat.fellmann@implenia.com

Serge Rotzer, Head of Investor Relations

Tel. +41 58 474 07 34

serge.rotzer@implenia.com

Contact for media:

Philipp Bircher, Head of Communications Group

Tel.: +41 58 474 74 77

philipp.bircher@implenia.com

2014 Annual Report

The 2014 Annual Report can be downloaded from the following link:

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

Media and analysts' conference on the 2014 full-year results

Today, Tuesday 24 February 2015, Implenia is holding an analysts' conference (9.00 - 10.15 a.m.) and a press conference (10.30 - 11.30 a.m.) on the 2014 annual results at the SIX Convention Point. From 7 a.m. the accompanying presentation will be available to download from here:

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

Investors' diary

24 March 2015: 2015 Annual General Meeting

20 August 2015: Publication of 2015 half-year results

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, employs around 6600 people and posted turnover of more than CHF 2.9 billion in 2014. The company is listed on the SIX Swiss Exchange (IMPN, CH0023868554). For more information, please visit www.implenia.com.

Consolidated key figures

	2014 CHF 1,000	2013 CHF 1,000	Δ
Consolidated revenue	2,919,760	3,057,414	(4.5%)
EBIT Business Units	103,407	113,952	(9.3%)
Miscellaneous/Holding	5,057	1,663	204.1%
Operating income	108,464	115,615	(6.2%)
<i>in % of revenue</i>	<i>3.7%</i>	<i>3.8%</i>	
Consolidated profit	73,006	82,634	(11.7%)
<i>in % of revenue</i>	<i>2.5%</i>	<i>2.7%</i>	
EBITDA	151,252	158,401	(4.5%)
<i>in % of revenue</i>	<i>5.2%</i>	<i>5.2%</i>	
Free cash flow	67,168	78,925	(14.9%)
Cash and cash equivalents (as at 31.12.)	731,534	582,581	25.6%
Financial liabilities (as at 31.12.)	330,057	211,512	56.0%
Net cash position (as at 31.12.)	401,477	371,069	8.2%
Invested capital (as at 31.12.)	224,541	251,435	(10.7%)
Equity (as at 31.12.)	629,789	628,688	0.2%
<i>Equity ratio in %</i>	<i>26.7%</i>	<i>28.6%</i>	
Production output	3,087,216	3,288,021	(6.1%)
Order book (as at 31.12.)	3,001,753	3,190,380	(5.9%)
Headcount (FTE; as at 31.12.)	6,378	6,435	(0.9%)
Earnings per share (in CHF)	3.77	4.11	(8.3%)
Gross dividend (in CHF)	1.80	1.60	12.5%

Key figures Business Units

Modernisation & Development

<i>Modernisation</i>	2014 CHF 1,000	2013 ¹ CHF 1,000	Δ
Revenue	219,917	133,181	65.1%
EBIT	5,194	3,660	41.9%
<i>in % of revenue</i>	<i>2.4%</i>	<i>2.7%</i>	
Production output	219,941	133,181	65.1%
Order book (as at 31.12.)	190,384	172,522	10.4%
Headcount (FTE; as at 31.12.)	411	397	3.5%
<i>Development</i>	2014 CHF 1,000	2013 CHF 1,000	Δ
EBIT	34,985	36,543	(4.3%)
Headcount (FTE; as at 31.12.)	59	47	25.5%

Buildings

	2014 CHF 1,000	2013 ¹ CHF 1,000	Δ
Revenue	1,529,295	1,655,267	(7.6%)
EBIT	10,405	18,313	(43.2%)
<i>in % of revenue</i>	<i>0.7%</i>	<i>1.1%</i>	
Production output	1,536,267	1,680,043	(8.6%)
Order book (as at 31.12.)	1,440,710	1,816,036	(20.7%)
Headcount (FTE; as at 31.12.)	1,131	1,180	(4.2%)

Tunnelling & Civil Engineering

	2014 CHF 1,000	2013 CHF 1,000	Δ
Revenue	266,237	292,052	(8.8%)
EBIT	15,699	20,394	(23.0%)
<i>in % of revenue</i>	<i>5.9%</i>	<i>7.0%</i>	
Production output	374,140	438,208	(14.6%)
Order book (as at 31.12.)	699,758	414,834	68.7%
Headcount (FTE; as at 31.12.)	770	845	(8.9%)

¹ See Annual Report 2014, page 220, note 5

Construction Switzerland

	2014 CHF 1,000	2013 ¹ CHF 1,000	Δ
Revenue	846,132	872,182	(3.0%)
EBIT	28,527	24,757	15.2%
<i>in % of revenue</i>	<i>3.4%</i>	<i>2.8%</i>	
Production output	898,689	929,230	(3.3%)
Order book (as at 31.12.)	410,337	330,726	24.1%
Headcount (FTE; as at 31.12.)	2,579	2,596	(0.7%)

Norge

	2014 CHF 1,000	2013 CHF 1,000	Δ
Revenue	317,361	320,882	(1.1%)
EBIT	8,597	10,285	(16.4%)
<i>in % of revenue</i>	<i>2.7%</i>	<i>3.2%</i>	
Production output	317,361	320,882	(1.1%)
Order book (as at 31.12.)	260,564	456,019	(42.9%)
Headcount (FTE; as at 31.12.)	545	478	14.0%

¹ See Annual Report 2014, page 220, note 5