

Royal Imtech publishes first quarter 2014 results

Stable market positions in the quarter; debt reduction program in progress

- Revenue in the first quarter of 1,120 million euro
- Operational EBITDA in the first quarter of 6 million euro negative (Q1 2013: -15 million euro)
- Order intake in the first quarter 1,137 million euro, slightly higher than revenue
- Net loss in the first quarter 77 million euro significantly impacted by finance costs
- Net debt end of first quarter 895 million euro
- Update on financial restructuring costs

Key figures

<i>in € million, unless otherwise indicated</i>	Q1 2014	Q1 2013*
Revenue and other income	1,119.9	1,179.8
Operational EBITDA	-5.9	-15.1
Non-operational costs	-9.9	-12.0
EBITDA	-15.8	-27.1
Operating result (EBIT)	-33.5	-49.2
Result from continuing operations	-77.3	-59.4
Net result	-77.3	-59.6
Order intake	1,136.7	1,181.0
Working capital	78.3	464.8
Net interest-bearing debt	894.7	1,220.7
<i>Margins</i>		
Operational EBITDA margin	-0.5%	-1.3%
EBITDA margin	-1.4%	-2.3%
Employees	26,075	28,605

Unaudited figures

* Restated (based on continuing operations)

Gerard van de Aast, CEO: “Imtech’s key focus continues to be on operational and financial recovery. While the quarter showed mixed results by region, operational EBITDA for the group showed an improvement. Satisfactorily progress was also made on order intake and working capital development for the group. In Germany the implementation of the ‘Neue Imtech’-program continued. While in Germany satisfactorily progress was made on EBITDA, working capital development needs improvement. The quality of our work continues to be a main driver for customer satisfaction and customers rewarded us across the group with good orders in 2014. Increased finance costs were largely the reason for the net loss in the quarter. We announced the first step of the debt reduction program through the divestment of the ICT division and the divestment process is on track. A significant debt reduction will benefit all stakeholders given the expense associated with the current debt level.”

Financial performance

Income statement

<i>in € million</i>	Q1 2014	Q1 2013*
Revenue and other income	1,119.9	1,179.8
Operational EBITDA	-5.9	-15.1
Non-operational costs	-9.9	-12.0
EBITDA	-15.8	-27.1
Depreciation	-8.7	-11.9
Amortisation & impairment	-9.0	-10.2
Operating result (EBIT)	-33.5	-49.2
Net finance result	-45.1	-21.0
Share of results of associates, joint ventures and other investments	0.3	0.3
Income tax expense	1.0	10.5
Result from continuing operations	-77.3	-59.4
Result from discontinued operations	-	-0.2
Net result	-77.3	-59.6

Unaudited figures

* Restated (based on continuing operations)

In Q1 2014, which is seasonally a weak quarter, revenue came in 5% lower at 1,120 million euro compared to Q1 2013, mainly due to delayed project start dates in the UK.

The operational EBITDA in Q1 2014 resulted in a loss of 5.9 million euro. This is an improvement compared to Q1 2013, when operational EBITDA amounted to a loss of 15.1 million euro.

The non-operational costs in Q1 2014 amounted to 9.9 million euro and include restructuring costs of 6.7 million euro (mainly in Germany & Eastern Europe and at corporate level), 1.3 million euro for refinancing and other non-operational items of 1.9 million euro mainly related to the situation in Switzerland.

In Q1 2014, the net finance result is -45.1 million euro. The net finance result includes amongst others net interest expenses of 23.9 million euro (Q1 2013: 10.1 million euro) and other financing expenses of 18.4 million euro (Q1 2013: 5.4 million euro). For the full breakdown of the net finance results, see appendix 6.

The share of results of associates, joint ventures and other investments in Q1 2014 amounted to 0.3 million euro (Q1 2013: 0.3 million euro).

The effective tax rate for Q1 2014 amounted to 1.3% (Q1 2013: 15.0%). The effective tax rate is impacted by losses made in 2014. Parts of these losses do not result in a direct tax credit.

Result for the period, result per share

<i>in € million, unless otherwise indicated</i>	Q1 2014	Q1 2013
Net result	-77.3	-59.6
Non-controlling interests	0.4	1.3
Net result for shareholders	-77.7	-60.9
Amortisation & impairment	9.0	10.2
Adjusted net result for shareholders	-68.7	-50.7
Basic result per share from continuing operations (euro)	-0.17	-0.33
Diluted result per share from continuing operations (euro)	-0.17	-0.33
Basic result per share (euro)	-0.17	-0.33
Diluted result per share (euro)	-0.17	-0.33

Unaudited figures

Balance sheet

Selected balance sheet items

<i>in € million</i>	31 Mar 2014	31 Dec 2013	31 Mar 2013 [*]
Property, plant and equipment	158.3	161.0	170.9
Goodwill & other intangible assets	1,169.1	1,181.8	1,320.0
Other non-current assets	46.3	44.3	73.3
Non-current assets	1,373.7	1,387.1	1,564.2
Working capital	78.3	-9.5	464.8
Assets held for sale	0.2	79.9	27.6
Capital employed	1,452.2	1,457.5	2,056.6
Equity	228.6	313.3	471.7
Net interest-bearing debt	894.7	745.0	1,220.7
Other (non-interest bearing) LT liabilities	20.3	11.8	19.3
Restructuring provisions	17.0	30.9	22.1
Other liabilities	291.6	296.7	297.7
Liabilities held for sale	-	59.8	25.1
Funding	1,452.2	1,457.5	2,056.6

Unaudited figures

^{*} Restated (change in accounting policy, IAS 19 Employee benefits (2011))

Capital employed was stable at 1,452 million euro per end Q1 2014 and developed in line with previous announcements. Regular Q1 seasonality is the main driver of a working capital increase of 87.8 million euro to 78.3 million euro. With 1.6% of last twelve months revenue, working capital stayed well within our target 0-3% bandwidth and was significantly down from last year. The assets held for sale decreased by 79.7 million euro as a result of the disposal of the Turkish business Arma-Elektropanç as announced on 17 January 2014. The outstanding receivable on the shareholders of Arma amounted to 11.9 million euro per 31 March 2014. Goodwill and intangibles developed in line with ordinary course amortisation patterns and did not require any one-off adjustments or impairments.

The equity decreased by 84.7 million euro to 228.6 million euro mainly as a result of the net loss of 77.3 million euro realised in Q1 2014. The net interest-bearing debt increased by 149.7 million euro to 894.7 million euro mainly due to normal seasonal working capital trend, cash refinancing costs of 14.5 million euro, cash restructuring costs of 20.6 million euro and net cash interest of 11.6 million euro.

Working capital

<i>in € million</i>	31 Mar 2014	31 Dec 2013	31 Mar 2013
Work in progress	235.3	168.7	341.7
Trade receivables	727.7	859.3	1,094.8
Other current assets	215.5	215.7	360.1
	1,178.5	1,243.7	1,796.6
Trade payables	624.8	756.5	689.5
Other current liabilities	475.4	496.7	642.3
	1,100.2	1,253.2	1,331.8
Working capital	78.3	-9.5	464.8
As % of LTM revenue	1.6%	-0.2%	8.8%
Working capital excluding remaining legacy items	-2.0	-85.2	
As % of LTM revenue	0.0%	-1.7%	

Unaudited figures

Net amount trade receivables (aging)

<i>in € million</i>	31 Mar 2014	31 Dec 2013	31 Mar 2013
Not past due	515.2	635.5	707.2
Past due <180 days	132.9	136.5	252.2
Past due >180 days	79.6	87.3	135.4
Total	727.7	859.3	1,094.8
Past due > 180 days excluding remaining legacy items	38.0	33.6	
Unaudited figures			

Remaining legacy items

As announced on 3 February 2014, there are remaining legacy items on the balance sheet. The vast majority of these remaining legacy items does not have a direct relation to current operations. At the end of Q1 2014 the total amount of remaining legacy items in working capital amounts to 80.3 million euro, an increase of 4.6 million euro. This is related to some legacy projects in Germany which are still in execution. Within trade receivables the remaining legacy items at the end of Q1 2014 amount to 41.6 million euro.

Cash flow statement

The net cash flow from operating activities in Q1 2014 amounts to 126.6 million euro negative. The cash flow was impacted by the EBITDA loss of 15.8 million euro, the largely seasonal cash out for working capital of 77.1 million euro and cash interest of 12.2 million euro.

The net cash flow from investing activities in Q1 2014 amounts to 4.2 million euro positive. During the quarter an amount of 6.0 million euro was received regarding the disposal of the Turkish company AE Arma-Elektropanç and net capex amounted to 2.4 million euro.

Update on financial restructuring costs

On 18 March 2014 we announced the agreement with our main lenders and guarantee providers on a financing solution that creates a foundation to stabilise operations and implement the operational and financial recovery of Imtech. The new agreement includes, as earlier announced, revised interest arrangements as follows:

	Cash	Non-cash	Total	Previously
RCF* and bilateral credit facilities (margin on euribor)	3.75%	3.75%	7.5%	4.75%
Senior notes	~8%	2.0%	~10%	~8%
Guarantee fees	2.5-3.0%	1.25-1.5%	3.75-4.5%	0.65-4.75%

* RCF = Revolving credit facilities

The margin on the RCF and bilateral credit facilities are subject to reduction based on a leverage ratio grid:

Senior leverage ratio (x)	Cash margin [*]	Non-cash margin [*]	Total
> 5.0	3.75%	3.75%	7.50%
> 4.0 but ≤ 5.0	3.75%	2.50%	6.25%
> 3.0 but ≤ 4.0	3.75%	1.00%	4.75%
> 2.5 but ≤ 3.0	3.50%	1.00%	4.50%
> 2.0 but ≤ 2.5	3.25%	1.00%	4.25%
> 1.5 but ≤ 2.0	2.50%	0.00%	2.50%
> 1.0 but ≤ 1.5	2.25%	0.00%	2.25%
≤ 1.0	2.00%	0.00%	2.00%

^{*} Margin excluding base rate EURIBOR

The leverage grid for the guarantee facilities follows the same course as the cash facilities. At a senior leverage ratio ≤ 1.0 the margin amounts to 1.0-1.2%, all-cash.

As a result of the previously announced revised interest agreements, we expect recurring cash and guarantee costs for the full year 2014 of approximately 120 million euro of which approximately 35 million euro is non-cash. Other recurring financing results, such as employee benefits, will amount to approximately 15 million euro, all non-cash. Non-recurring financing costs, such as earlier announced one-off fees and make-whole amounts in relation to the mid-term solution may aggregate to 85 million euro, of which 25 million euro is cash. These amounts will be included in the net finance result of Q2 2014. In 2013 the net finance result amounted to 105 million euro, of which 15% was non-cash.

On 18 March, we have announced to focus on achieving a long term sustainable capital structure and to be committed to reduce debt by at least 400 million euro. Since then, we made further steps in our debt reduction program:

- To have maximum flexibility in achieving our debt reduction, we request the annual meeting of shareholders of 22 May 2014 to reduce the nominal value for each share from 0.80 euro to 0.01 euro. This reduction of the nominal value has no impact on the shareholders' equity per share.
- On 17 April 2014, we announced our intention to divest the ICT division. The proceeds of the divestment will be used to reduce our debt.

To realise our debt reduction program of at least 400 million euro, we will continue to review all options.

Operational performance

<i>in € million</i>	Revenue		Operational EBITDA		Order intake
	Q1 2014	Q1 2013	Q1 2014	Q1 2013	Q1 2014
Benelux	159.6	162.7	-6.0	-4.2	184.4
Germany & Eastern Europe	239.0	253.0	-7.4	-25.7	187.7
UK & Ireland	149.2	182.6	3.0	7.3	157.2
Nordic	203.2	211.2	3.7	6.1	237.4
Spain	23.4	31.1	-1.7	-1.0	16.4
ICT	134.8	140.6	5.4	7.3	126.2
Traffic & Infra	95.4	79.1	1.0	-2.3	78.6
Marine	114.9	119.0	2.2	-	148.5
Group management	0.4	0.5	-6.1	-2.6	0.3
Total	1,119.9	1,179.8	-5.9	-15.1	1,136.7

Unaudited figures

Market conditions in the Netherlands, UK, Finland and Sweden, remained challenging during the quarter. We see longer lead times from our customers, particularly for our Dutch industrial business, in the UK for our engineering services and our water businesses and in Sweden. Elsewhere market conditions remained unchanged.

In **Benelux**, revenue amounted to 159.6 million euro. Operational EBITDA was a loss of 6.0 million euro as a result of project losses in the Dutch buildings business and lower production levels in the Dutch industrial businesses, partly compensated by positive results in Belgium and Luxembourg. In order to improve its results, Benelux is intensifying its recovery program for efficiency and quality improvements. Order intake during the quarter amounted to 184.4 million euro, well in excess of quarterly revenue. Interesting contracts awarded in Q1 are building technologies for the new to be build demonstration facilities for Barco and the electrical and instrumentation solutions for the new to be built headquarters of Ernst & Young in Luxembourg.

Germany & Eastern Europe revenue in the quarter amounted to 239.0 million euro. Operational EBITDA was a loss of 7.4 million euro, which is an improvement compared to the 2013 quarterly

results. Order intake in Q1 was significantly lower than revenue and amounted to 187.7 million euro, mainly as a result of our focus on prioritising margin over volume. Good contracts awarded in Q1 are test bench technology and building technologies for the new R&D centre at Kaeser Kompressoren and electrical systems, fire alarm systems and security management systems for a new cargo hall at Fraport. While in the quarter operational EBITDA showed a satisfactory movement, working capital development needs improvement. Imtech is reviewing the strategic options for the Russian subsidiary of the German business. The Russian subsidiary had revenue of 22 million euro in 2013 and a negative operational EBITDA.

In **UK & Ireland**, revenue decreased by 33.4 million euro compared to Q1 2013 to 149.2 million euro, and operational EBITDA was 4.3 million euro down to 3.0 million euro. Both revenue and operational EBITDA were lower due to low production levels as a result of some slow project start-ups. Order intake during the quarter amounted to 157.2 million euro. Interesting awarded contracts in Q1 are systems for climate control, lightning, fire alarm and fire suppression for the new to be built Hilton Hotel in Leeds and a new anaerobic digestion plant for generation of 3 MW of renewable electricity each year for Tamar.

Nordic revenue was 4% down compared to 203.2 million euro. Operational EBITDA decreased to 3.7 million euro, as a result of margin pressure. In order to improve the project result on the large hospital NKS project, Imtech is engaging with the customer in a discussion on additional works. Order intake in the quarter amounted to a solid 237.4 million euro. An interesting contract awarded is the design and build contract for geothermal energy system for a new shopping centre of Ikano Retail Centres.

In **Spain**, revenue decreased by 7.7 million euro year-on-year to 23.4 million euro due to delays in execution of some projects as well as delays in new project awards. Operational EBITDA decreased to a 1.7 million euro loss as a result of the lower production levels. Order intake was low at 16.4 million euro.

ICT revenue was 4% down compared to Q1 2013 to 134.8 million euro. Operational EBITDA was 1.9 million euro lower and amounted to 5.4 million euro. Order intake amounted to 126.2 million euro. Interesting new contracts awarded include multi-year IT-as-a-Service contracts for network infrastructure for telephony and data communications for both the Municipality of The Hague and the Municipality of Rotterdam.

Traffic & Infra revenue increased by 16.3 million euro year-on-year to 95.4 million euro, partly due to mild winter weather at the beginning of the quarter. Operational EBITDA turned into a positive result of 1.0 million euro as a result of the benefits of last year's restructuring. Order intake was lower than revenue and amounted to 78.6 million euro. Lower order intake applies especially within the T&I Netherlands business unit. Interesting new contracts are awarded by Norfolk County Council for a seven years maintenance contract for their traffic signal infrastructure and for the Dutch Municipalities of The Hague and Amersfoort a management and maintenance contract for 260 traffic management systems.

Marine revenue was year-on-year 3% down to 114.9 million euro. Operational EBITDA turned into a positive result of 2.2 million euro due to benefits of last year's restructuring. Order intake amounted to 148.5 million euro. Interesting new contracts are technologies (propulsion, drives, switchboards, navigation and communication) for two icebreaker ferries in Canada and systems (power electric, automation, navigation, communication) for two seismic survey vessels.

Group management operational EBITDA amounted to -6.1 million euro in the quarter and is more negative than Q1 2013 due to increased personnel expenses and higher advisory costs.

Outlook

2014 is a transition year where we enter the next phase of our operational and financial recovery program. Given the size of this transition and the challenging market circumstances, no specific forecasts are given regarding 2014.

Gouda, 15 May 2014

Board of Management Royal Imtech N.V.

Financial calendar 2014

- 22 May 2014: Annual General Meeting of shareholders
- 26 August 2014: second quarter and half-year results
- 18 November 2014: third quarter results

Press conference

Today at 9.00 hours (CET) Imtech will organise a conference call for media.

Analyst meeting

Today at 11.00 hours (CET) Imtech will organise a conference call for analysts. Dial-in details are +31 (0)20 717 68 68, pin code 74736573#. This call will be transmitted live via the internet (www.imtech.com) and will afterwards also be available on the website as a replay.

More information

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Imtech profile

Royal Imtech N.V. is a European technical services provider in the fields of electrical solutions, ICT and mechanical solutions. With approximately 26,000 employees, Imtech has attractive positions in the buildings and industry markets in the Netherlands, Belgium, Luxembourg, Germany, Austria, Eastern Europe, Sweden, Norway, Finland, the UK, Ireland and Spain, the European markets of ICT and Traffic as well as in the global marine market. In total Imtech serves 24,000 customers. Imtech offers integrated and multidisciplinary total solutions that lead to better business processes and more efficiency for customers and the customers they, in their turn, serve. Imtech also offers solutions that contribute towards a sustainable society - for example, in the areas of energy, the environment, water and traffic. Imtech shares are listed on the NYSE Euronext Amsterdam.

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1. Condensed consolidated profit and loss account

	First quarter	
<i>in € million, unless otherwise indicated</i>	2014	2013*
Continuing operations		
Revenue	1,119.4	1,178.5
Other income	0.5	1.3
Total revenue and other income	1,119.9	1,179.8
Raw and auxiliary materials and trade goods	353.1	385.2
Work by third parties and other external expenses	259.0	261.5
Personnel expenses	415.9	434.0
Depreciation of property, plant and equipment	8.7	11.9
Amortisation and impairments	9.0	10.2
Other expenses	107.7	126.2
Total operating expenses	1,153.4	1,229.0
Result from operating activities	(33.5)	(49.2)
Net finance result	(45.1)	(21.0)
Share in results of associates, joint ventures and other investments (net of tax)	0.3	0.3
Result before income tax	(78.3)	(69.9)
Income tax benefit / (expense)	1.0	10.5
Result from continuing operations	(77.3)	(59.4)
Discontinued operation		
Result from discontinued operation (net of tax)	-	(0.2)
Result for the period (net result)	(77.3)	(59.6)
Attributable to:		
Shareholders of Royal Imtech N.V.	(77.7)	(60.9)
Non-controlling interests	0.4	1.3
Result for the period	(77.3)	(59.6)
Basic earnings per share from continuing and discontinued operation		
From continuing operations (euro)	(0.17)	(0.33)
From discontinued operation (euro)	-	-
From result attributable to shareholders of Royal Imtech N.V. (euro)	(0.17)	(0.33)
Diluted earnings per share from continuing and discontinued operation		
From continuing operations (euro)	(0.17)	(0.33)
From discontinued operation (euro)	-	-
From result attributable to shareholders of Royal Imtech N.V. (euro)	(0.17)	(0.33)
Operational EBITDA**	(5.9)	(15.1)

Unaudited figures

* Restated (based on continuing operations).

** Non IFRS measure.

2. Condensed consolidated balance sheet

in € million

	31 Mar 2014	31 Dec 2013	31 Mar 2013*
Property, plant and equipment	158.3	161.0	170.9
Goodwill	1,029.8	1,032.8	1,104.9
Other intangible assets	139.3	149.0	215.1
Investments in associated companies and joint ventures	2.8	2.5	3.3
Non-current receivables and other investments	23.8	21.9	31.4
Deferred tax assets	19.7	19.9	38.6
Total non-current assets	1,373.7	1,387.1	1,564.2
Inventories	73.2	72.8	94.5
Due from customers	541.0	443.9	636.9
Trade receivables	727.7	859.3	1,094.8
Other receivables	132.9	134.0	255.6
Income tax receivables	9.4	8.9	10.0
Cash and cash equivalents	357.3	296.4	143.2
	1,841.5	1,815.3	2,235.0
Assets held for sale	0.2	79.9	27.6
Total current assets	1,841.7	1,895.2	2,262.6
Total assets	3,215.4	3,282.3	3,826.8
Equity attributable to shareholders of Royal Imtech N.V.	222.4	304.6	460.5
Non-controlling interests	6.2	8.7	11.2
Total equity	228.6	313.3	471.7
Loans and borrowings	970.5	907.3	40.5
Employee benefits	208.1	207.1	210.6
Provisions	31.1	35.8	14.1
Deferred tax liabilities	41.8	45.9	60.6
Total non-current liabilities	1,251.5	1,196.1	325.8
Bank overdrafts	251.4	106.2	134.1
Loans and borrowings	50.4	39.7	1,208.6
Due to customers	305.7	275.2	295.2
Trade payables	624.8	756.5	689.5
Other payables	458.2	476.4	607.6
Income tax payables	17.2	20.3	34.7
Provisions	27.6	38.8	34.5
	1,735.3	1,713.1	3,004.2
Liabilities held for sale	-	59.8	25.1
Total current liabilities	1,735.3	1,772.9	3,029.3
Total liabilities	2,986.8	2,969.0	3,355.1
Total equity and liabilities	3,215.4	3,282.3	3,826.8
Net interest bearing debt**	894.7	745.0	1,220.7

Unaudited figures

* Restated (change in accounting policy, IAS 19 Employee benefits (2011)).

** Non IFRS measure.

3. Condensed consolidated statement of changes in equity

<i>in € million</i>	Equity attributable to shareholders of Royal Imtech N.V.							Non- control- ling interests	Total equity
	Share capital	Share premium reserve	Trans- lation reserve	Hedging reserve	Reserve for own shares	Retained earnings	Unap- propria- ted result		
As at 1 January 2013	75.2	208.6	7.3	(10.4)	(101.1)	582.4	(247.2)	9.7	524.5
Total comprehensive income for the period	-	-	3.8	1.6	-	-	(60.9)	1.6	(53.9)
Dividends to shareholders	-	-	-	-	-	-	-	(0.1)	(0.1)
Share based premium	-	-	-	-	-	1.2	-	-	1.2
As at 31 March 2013	75.2	208.6	11.1	(8.8)	(101.1)	583.6	(308.1)	11.2	471.7
As at 1 April 2013	75.2	208.6	11.1	(8.8)	(101.1)	583.6	(308.1)	11.2	471.7
Total comprehensive income for the period	-	-	(13.6)	4.6	-	(242.5)	(393.1)	2.6	(642.0)
Issue of shares	298.6	188.5	-	-	-	-	-	-	487.1
Dividends to shareholders	-	-	-	-	-	-	-	(5.1)	(5.1)
Repurchase of own shares	-	-	-	-	0.4	-	-	-	0.4
Share-based payments	-	-	-	-	-	1.2	-	-	1.2
As at 31 December 2013	373.8	397.1	(2.5)	(4.2)	(100.7)	342.3	(701.2)	8.7	313.3
As at 1 January 2014	373.8	397.1	(2.5)	(4.2)	(100.7)	342.3	(701.2)	8.7	313.3
Total comprehensive income for the period	-	-	(0.9)	(4.2)	-	-	(77.7)	0.4	(82.4)
Conversion of cumulative financing preference shares into ordinary shares	0.2	(0.2)	-	-	-	-	-	-	-
Dividends to shareholders	-	-	-	-	-	-	-	(2.9)	(2.9)
Share based payments	-	-	-	-	-	0.6	-	-	0.6
As at 31 March 2014	374.0	396.9	(3.4)	(8.4)	(100.7)	342.9	(778.9)	6.2	228.6

Unaudited figures

4. Condensed consolidated statement of cash flows

<i>in € million</i>	First quarter	
	2014	2013
<u>Cash flow from operating activities</u>		
Result for the period	(77.3)	(59.6)
Adjustments for:		-
Depreciation of property, plant and equipment	8.7	11.9
Amortisation and impairment of intangible assets	9.0	11.3
Impairment loss on trade receivables	(0.6)	0.5
Net finance result	45.1	21.5
Share in results of associates, joint ventures and other investments	(0.3)	(0.3)
Result on disposal of non-current assets	-	(0.3)
Share-based payments	0.6	1.2
Income tax expense	(1.0)	(10.4)
Operating cash flow before changes in working capital and provisions	(15.8)	(24.2)
Change in inventories	(0.5)	(13.5)
Change in amounts due from/to customers	(66.6)	(71.0)
Change in trade and other receivables	144.2	(19.7)
Change in trade and other payables	(154.2)	(276.5)
Change in provisions and employee benefits	(16.3)	(3.3)
Cash flow from operating activities	(109.2)	(408.2)
Interest paid	(12.2)	(19.0)
Income tax paid	(5.2)	9.0
Net cash flow from operating activities	(126.6)	(418.2)
<u>Cash flow from investing activities</u>		
Proceeds from the sale of property, plant and equipment and other non-current assets	3.1	5.7
Interest received	0.6	1.3
Disposal of discontinued operation (net of cash disposed of)	6.0	-
Acquisition of subsidiaries (net of cash acquired)	(0.5)	(7.4)
Acquisition of property, plant and equipment	(4.0)	(8.2)
Acquisition of intangible assets	(1.5)	(3.9)
(Purchase) sale of associates, joint ventures and other investments	-	0.7
Issue less repayment of non-current receivables	0.5	0.7
Net cash flow from investing activities	4.2	(11.1)
<u>Cash flow from financing activities</u>		
Proceeds from loans and borrowings	61.0	374.6
Repayment of loans and borrowings	(2.0)	(8.0)
Transaction costs related to loans and borrowings	(14.5)	-
Payments of finance lease liabilities	(3.5)	(1.4)
Dividend paid in relation to non-controlling interests	(2.9)	(0.1)
Net cash flow from financing activities	38.1	365.1
Net change in cash, cash equivalents and bank overdrafts	(84.3)	(64.2)
Cash, cash equivalents and bank overdrafts beginning of period	190.2	70.8
Effect of exchange rate fluctuations on cash, cash equivalents and bank overdrafts	-	2.5
Cash, cash equivalents and bank overdrafts at the end of the period	105.9	9.1

Unaudited figures

5. Operating segments

<i>in € million, unless otherwise indicated</i>	First quarter	
	2014	2013*
Revenue		
Benelux	159.6	162.7
Germany & Eastern Europe	239.0	253.0
UK & Ireland	149.2	182.6
Nordic	203.2	211.2
Spain	23.4	31.1
ICT	134.8	140.6
Traffic & Infra	95.4	79.1
Marine	114.9	119.0
Group management	0.4	0.5
Revenue	1,119.9	1,179.8
Operational EBITDA		
Benelux	(6.0)	(4.2)
Germany & Eastern Europe	(7.4)	(25.7)
UK & Ireland	3.0	7.3
Nordic	3.7	6.1
Spain	(1.7)	(1.0)
ICT	5.4	7.3
Traffic & Infra	1.0	(2.3)
Marine	2.2	-
Group management	(6.1)	(2.6)
Operational EBITDA	(5.9)	(15.1)
Operational EBITDA margin		
Benelux	(3.8%)	(2.6%)
Germany & Eastern Europe	(3.1%)	(10.2%)
UK & Ireland	2.0%	4.0%
Nordic	1.8%	2.9%
Spain	(7.3%)	(3.2%)
ICT	4.0%	5.2%
Traffic & Infra	1.0%	(2.9%)
Marine	1.9%	-
Operational EBITDA margin	(0.5%)	(1.3%)
Reported EBITDA		
Benelux	(6.2)	(4.1)
Germany & Eastern Europe	(9.9)	(25.5)
UK & Ireland	2.8	7.2
Nordic	3.5	3.1
Spain	(2.2)	(1.1)
ICT	3.5	7.3
Traffic & Infra	0.9	(2.3)
Marine	1.4	-
Group management	(9.6)	(11.7)
Reported EBITDA	(15.8)	(27.1)

Unaudited figures

* Restated (based on continuing operations and aligned with divisional structure).

Operating segments (continuing operations)

(continued)

	Order intake		Order book	Employees
	Q1 2014	Q1 2013	31 Mar 2014	(FTE) 31 Mar 2014
<i>in € million, unless otherwise indicated</i>				
Benelux	184.4	138.8	951.9	4,089
Germany & Eastern Europe	187.7	200.0	1,560.8	4,730
UK & Ireland	157.2	185.8	557.7	3,353
Nordic	237.4	251.9	851.5	5,330
Spain	16.4	18.3	186.0	1,532
ICT	126.2	147.4	200.8	2,419
Traffic & Infra	78.6	103.6	455.1	2,096
Marine	148.5	135.2	900.2	2,439
Group management	0.3	-	-	87
Total	1,136.7	1,181.0	5,664.0	26,075

Unaudited figures

6. Net finance result

<i>in € million</i>	First quarter 2014	2013*	Full year 2013
Interest income	0.1	3.5	1.4
Interest expense on financial liabilities measured at amortised cost	(23.8)	(13.1)	(67.5)
Net change in fair value of cash flow hedges transferred from equity	(0.2)	(0.5)	(1.4)
Net interest expense	(23.9)	(10.1)	(67.5)
Interest income on plan assets	0.6	0.6	2.6
Interest cost on defined benefit obligation	(2.3)	(2.4)	(9.5)
Net employee benefits financing component	(1.7)	(1.8)	(6.9)
Change in fair value of contingent consideration	-	0.2	14.3
Other finance income	0.3	(1.8)	1.9
Net currency exchange loss	(1.4)	(2.1)	(4.4)
Other finance expenses	(18.4)	(5.4)	(42.4)
Other	(19.5)	(9.1)	(30.6)
Net finance result	(45.1)	(21.0)	(105.0)

Unaudited figures

* Restated (based on continuing operations).

The interest expense on financial liabilities measured at amortised costs in the first quarter of 2014 includes both the cash and non-cash interest charges as part of the waiver and amendment agreement as agreed on 15 June 2013.

Other finance expenses of 18.4 million euro include an amount of 13.3 million euro for refinancing costs.

7. Gross debt, net interest-bearing debt and outstanding guarantees

in € million

	31 Mar 2014	31 Dec 2013	31 Mar 2013
Syndicated bank loans	588.6	534.0	-
Senior notes (USPP)	320.6	320.6	-
Other bank loans	23.7	23.8	2.7
Finance lease obligations	17.3	17.1	18.5
Contingent considerations	-	-	17.9
Derivatives at fair value	12.5	6.5	1.4
Paid in Kind reserve	7.8	5.3	-
Non-current loans and borrowings	970.5	907.3	40.5
Bank overdrafts	251.4	106.2	134.1
Current loans and borrowings	50.4	39.7	1,208.6
Gross debt	1,272.3	1,053.2	1,383.2
Contingent considerations	-	-	(17.9)
Derivatives at fair value	(12.5)	(6.5)	(1.4)
Paid in Kind reserve	(7.8)	(5.3)	-
Cash & cash equivalents	(357.3)	(296.4)	(143.2)
Net interest-bearing debt	894.7	745.0	1,220.7
Outstanding guarantees	800.7	874.2	938.5

Unaudited figures

The contingent considerations are related to acquisitions as announced in 2012 or earlier years.

Paid In Kind reserve is the cumulative non-cash interest charges of 1.00% as part of the waiver and amendment agreement as agreed with main financiers on 15 June 2013. In Q2 2014, the new Medium Term Solution as announced on 18 March 2014, will become effective which include amended non-cash interest charges of 3.75% for the cash facilities, 2.00% for the senior notes and 1.25-1.50% for the outstanding guarantees.

8. Operational cash flow statement

in € million

Q1 2014

Operational EBITDA	(5.9)
Change in working capital excluding legacy items	(83.3)
Net capex outflow	(5.9)
Adjustments for non-cash items	(2.9)
Operating cash flow	(98.0)
Refinancing costs	(14.5)
Cash out restructuring	(20.6)
Other	0.2
Non-operation items (cash effect)	(34.9)
Cash tax	(5.2)
Free cash flow	(138.1)
Interest paid/received	(11.6)
Free cash flow after interest	(149.7)
Net interest-bearing debt at 31 December 2013	745.0
Net interest-bearing debt at 31 March 2014	894.7
Movement net interest-bearing debt	(149.7)

Unaudited figures

The operating cash flow was 98.0 million euro negative mainly as a result of an operational EBITDA loss of 5.9 million euro and the seasonal cash outflow on operational working capital (excluding legacy items) of 83.3 million euro.

The free cash flow after interest amounted to 149.7 million euro negative as a result of the negative operating cash flow as well as amongst others refinancing costs of 14.5 million euro, 20.6 million euro cash out of restructuring expenses and net cash interest of 11.6 million euro.

The negative free cash flow after interest concluded in an increase of net interest-bearing debt by 149.7 million euro to 894.7 million euro.

9. Financial glossary

Adjusted earnings per share

Adjusted net result divided by the weighted average number of ordinary shares outstanding during the period.

Adjusted net result

Net result for shareholders before amortisation and impairment on intangible assets.

Basic earnings per share

Net result for shareholders divided by the weighted average number of ordinary shares outstanding during the period.

Capital employed

Non-current assets plus working capital plus assets held for sale.

Capital expenditure (Capex)

Sum of expenditure on property, plant, and equipment, and other intangible assets (e.g. software and technology). Part of cash flow from investing activities.

Cash conversion

Operating cash flow divided by EBITA.

Diluted earnings per share

Net result for shareholders divided by the weighted average number of ordinary shares outstanding during the period, diluted. Ordinary shares with dilutive potential arise from share-based payment arrangements.

EBIT

See operating result.

EBITA

EBITA is operating result plus amortisation and impairment on intangible assets.

EBITDA

EBITDA is EBITA plus depreciation on property, plant and equipment.

EBITDA margin

EBITDA as a percentage of total revenue.

EBITDA growth

Growth of EBITDA over a period with respect to the previous comparable period (including the impact of organic growth, acquisitions and divestments of operations, discontinued operations and, where applicable, currency effects).

Interest coverage

Calculated as the ratio between operational EBIT and net interest result (including net change in fair value of cash flow hedges transferred from equity). In the loan documentation, this ratio will be included as covenant from 31 December 2016 onwards.

Leverage ratio

Net interest-bearing debt plus restricted cash divided by operational EBITDA. In the loan documentation, this ratio will be included as covenant from 31 December 2016 onwards.

Net interest-bearing debt

Sum of loans, borrowings and bank overdrafts minus derivatives at fair value, payment in kind reserve, contingent considerations (deferred acquisition payments) and cash and cash equivalents.

Net interest result

Interest received or receivable from third parties (interest income) less interest paid or due to third parties (interest expense).

Net result

Result for the period

Net result for shareholders

Result for the period attributable to the holders of ordinary shares of Royal Imtech N.V.

Non-operational items

Non-operational items relate to expenses arising that, given their size or nature, are clearly distinct from the ordinary activities of Imtech, such as restructuring costs, acquisition expenses, some refinancing costs, write offs legacy items, and results from divestments of operations.

Operating result

Result from operating activities.

Operating cash flow

Operational EBITDA plus or minus operational movements in working capital minus capex and plus or minus changes to operational provisions and accruals.

Operational EBIT

EBIT adjusted for non-operational items in EBIT.

Operational EBITDA

EBITDA adjusted for non-operational items in EBITDA.

Operational EBITDA margin

Operational EBITDA as a percentage of total revenue.

Solvency

Total equity as a percentage of the balance sheet total (total non-current assets plus total current assets).

Working capital

Current assets, excluding cash and cash equivalents and assets held for sale, less current liabilities, excluding bank overdrafts, loans and borrowings, provisions and liabilities held for sale.