

Trading update Imtech Q3 2010: further growth of order book, maintaining EBITA growth outlook

Gouda – Imtech (technical services provider in Europe) experienced further growth in its order book in the third quarter of 2010, compared to the corresponding period last year. Imtech maintains its full-year outlook for 2010 and expects a further increase in EBITA through organic growth and acquisitions. Since Imtech has nearly attained its long-term targets in the prevailing 2008 - 2012 strategic plan, it will present a strategy update for 2011 - 2015 on 2 November 2010.

René van der Bruggen, CEO Imtech: 'Imtech's order book has showed positive development in the third quarter of 2010. Even though market conditions in general have not improved, Imtech has distinguished itself with an increase in its order book, especially in the German, Nordic and Eastern European markets, as well as European markets for ICT and Traffic. To date, there were seven acquisitions in 2010 resulting in annual total revenue of approximately 270 million euro. This will contribute to the continued growth of the company in the coming years. Imtech's acquisition policy distinguishes itself by focusing on high-performance acquisition candidates. When these are integrated into the Imtech portfolio, they will exhibit additional growth while at the same time ensuring substantial autonomous growth of existing activities. Imtech fully maintains its full-year outlook for a further EBITA increase in 2010. On 2 November, the company will present its long-term objectives for 2015.'

Benelux

The industry and building markets in the Benelux find themselves in challenging circumstances. At the moment, there is no sign of market recovery across a broad front. Particularly, in the more peripheral regions technology investments are on a low level. There is intensive competition from local players and technical services providers from other parts of Europe are becoming increasingly active in the Benelux. Imtech reacts on these circumstances with cost reductions, the achieving of optimum production efficiency and operational excellence. The market focus is on maintenance, green technology (buildings, industry, data centres etc.), sustainable power plants, bio-energy, the care & cure and education market segments. Progress has been signalled in these areas, for example in the care & cure market and through substantial long-term orders for sustainable power plants in the province of Limburg. Imtech also acts as a technology partner at Amsterdam Airport Schiphol to create a sustainable airport. Imtech has successfully capitalised on growing demand in the technical infrastructure market, particularly in the area of innovative solutions for high-voltage networks and smart grids. Activities in the markets of (light) rail, public lighting, tunnels and airports have also been successful. On balance, it can be said that the order book in the Benelux is under pressure.

Germany and Eastern Europe

Imtech's performance in Germany remains excellent as Germany's investment climate and export position improve. A strong market position and a high-tech technology portfolio enable strong gains in the order book. Progress in the energy market has been particularly exceptional. This involves activities such as 'green' buildings, bio-energy, decentralised power plants, energy contracting and energy efficiency. Imtech has also exhibited growth in markets such as data centres, pharmaceuticals, airports, education, care & cure and the automotive industry. Using Germany as a stepping-stone, Imtech is slowly but surely gaining ground in Austria as well. The performance in Eastern Europe is good. In Poland, Imtech is acting as technology partner for all stadiums for the 2012 European Football Championship and is additionally involved in a large number of other technology projects. Imtech's performance in Romania has also been satisfactory, despite complicated market circumstances.

UK and Spain

In the UK (including Ireland) and Spain, the economic climate remains uncertain. Still, Imtech's strong position in these regions has allowed it to maintain stability in its activities. Specific technologies and project management expertise in the British waste water industry combined with sustainable technology make it possible to offer total solutions in this market. For example, Imtech is able to provide solutions for dealing with waste water problems in the Thames River. The economic situation in Ireland is still weak. For this reason, Imtech has focused on exporting specific technology in the area of electrical and instrumentation (E&I) solutions. This approach is successful. In Spain, Imtech enjoys prominence due to its strong position in the oil and gas market, specifically in the field of maintenance. Unique expertise of its customers' processes, along with petrochemical refining technology, enables Imtech to meet the challenges of a difficult economic climate. Imtech has also managed to attain success in the maintenance segment of the buildings market. In the care & cure market, Imtech has developed into a valuable technology partner. To further speed up this process, a medical equipment specialist was acquired.

Nordic

With the acquisition of NEA, Imtech has substantially strengthened its position in the top-3 in Nordic (Sweden, Norway and Finland). NEA is the second largest electrical services provider in Sweden and this company has proved to be a good fit with NVS (the current Imtech Nordic). NEA specialises in electrical services while NVS specialises in mechanical services. Combining both companies enables Imtech – in line with its strategy – to offer total technical solutions to its customers. This leads to significant potential for growth and provides the foundation for a structurally sound position in this region. Additionally, three smaller technical companies were acquired, including a company which is the most 'greenest' technical services provider of Norway. The economic situation in Sweden and Norway is healthy and this is reflected in an increasing demand for technological solutions. The result is an increase in the average size of projects and a growing order book with new orders for among others in research centres, educational and cares institutions as well as orders in the food & feed industry. The demand for high-tech energy solutions is growing.

ICT, Traffic & Marine

In total, the development of the European and global order book for ICT, Traffic & Marine is satisfactory. ICT and Traffic show further growth, while Marine is developing somewhat more slowly.

Imtech is seeing a clear recovery in the ICT market, especially in Germany, Switzerland and Austria. These countries possess a good investment climate for ICT solutions with high added value. The order book shows positive development in these countries. Imtech specialises in providing total ICT solutions (software, hardware and IT services) in markets such as the automotive industry, banking, data centres and energy. However, it also offers specific software solutions for financial services and high-tech logistics software. To further strengthen its position in this area, a SAP consultancy specialist in Austria was acquired. Imtech has also seen growth in its order book in Belgium. There have been small advances in the Dutch market where Imtech has had success by focusing on the government market, the development of new ways of working, and high-tech ICT for smart grid energy networks. In the UK, Imtech is hampered by the current poor market conditions.

In the European traffic market (technical mobility solutions), Imtech has demonstrated continuous growth in its order book primarily in the Netherlands and the UK. Some examples of this include segments of (dynamic) road traffic signalling and traffic enforcement, high-tech traffic centres and communication systems on motorways. Advances have also been made in the Nordic traffic market. Slowly but surely, Imtech is developing into a significant player in this region. For example, Imtech is currently responsible for upgrading the traffic technology on two projected tracks of Stockholm's ring. To strengthen its position in this market, Imtech has acquired a Finnish traffic control specialist. From its European home base, the global technology export for high-tech traffic solutions is slowly expanding.

The marine activities related to service, maintenance and management are hampered by decreased shipping due to the global recession. As a result, the market for container and freight ships continues to lag behind. The cruise ship market remains at the same level while there has been a slight decrease in the market for luxury yachts, with the exception of the top segment. There is an increase in the market for specialised ships for oil and gas extraction and expectations are that in the short term, Imtech will obtain significant orders in this sector. The market for naval vessels shows positive developments. Imtech is involved in a large number of technology upgrade projects for various navies and is providing high-tech heating, ventilation and air conditioning (HVAC) technology on Royal Navy aircraft carriers. There is an increasing demand for 'green' technology. Imtech's prominence here comes through being able to offer numerous sustainable solutions ranging from sustainable electric propulsion and innovative on-board energy storage, to complete energy efficient system integration and zero-emission ships. The economic climate for the marine sector in China and Singapore is improving as this region develops into an important hub in the global shipping industry. The order book in this region is expanding. Turkey is also developing into a significant centre for marine activity, resulting in an increased demand for sophisticated maritime technology. This region offers new opportunities for Imtech and to take advantage of these developments, Imtech has acquired a Turkish maritime services provider.

Strong financial position

Imtech's financial position is strong, in part due to the issue of new shares in June 2010. The company remains well within the agreed ratios with its banks.

Maintaining outlook 2010, strategy update 2011 - 2015

According to its current views Imtech expects a further increase in EBITA in 2010 through organic growth and acquisitions. The targets of the prevailing 2008 - 2012 strategic plan - a revenue of 5 billion euro in 2012 (2009: around 4.3 billion euro) while maintaining an operational EBITA margin of 6% (2009: 5.8%) - have nearly been attained. Imtech will therefore present its 2011 - 2015 strategy update on 2 November 2010.

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Financial agenda

- 2 November 2010: 2011-2015 strategy update
- 15 February 2011: 2010 annual accounts

More information

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Imtech profile

Imtech N.V. is a European technical services provider in the fields of electrical engineering, ICT and mechanical engineering. This combination of services makes it possible to offer total technological solutions. With approximately 25,000 employees, Imtech achieves an annual revenue of around 4.5 billion euro. Imtech holds strong positions in the buildings and industry markets in the Benelux, Germany, Eastern Europe, the Nordic region, the UK, Ireland and Spain, as well as on the European markets of ICT and traffic, and in the global marine market. Imtech has a client base of around 21,000 customers. Imtech offers added value in the form of integrated and multidisciplinary total solutions that lead to better business processes and more efficiency for its clients and their customers. Imtech offers a wide range of solutions that contribute towards a sustainable society, for example 'green' technology and technical solutions in the markets of energy, the environment, water and mobility. Imtech shares are listed on the Euronext Stock Exchange Amsterdam, where Imtech is included in the Midkap Index. Imtech shares are also included in the Dow Jones STOXX 600 index.