

Imtech Trading Update Q3 2012: addressing imbalance in result development, further growth order book

- **Reorganisation in Benelux, Spain and Marine: redundancy for around 900 employees**
- **Healthy growth and good financial performances in all other Imtech countries and divisions**
- **One-time provision in 2012: in total around 50 million euro**
- **Excluding the one-time provision further EBITA growth 2012 is expected compared to 2011, on balance decrease in EBITA 2012, Imtech continues to be ample profitable**
- **Impairment of goodwill on Spanish assets: around 20 million euro**
- **Order book in Q3 2012 up to 6.4 billion euro (Q3 2011: 5.7 billion euro), prelude to further growth 2013**

Gouda, The Netherlands – Royal Imtech N.V. (IM-AE, technical services provision in and outside Europe) announces a one-time provision of in total around 50 million euro. This is related to redundancies involving around 900 employees in the Benelux, Spain and the Marine division. This will address the imbalanced result development due to, on the one hand, healthy growth and good financial performances in Germany & Eastern Europe, the UK & Ireland, Nordic, Turkey, ICT and Traffic, and, on the other hand, structurally disappointing results from the Benelux and Spain as well as a temporary relapse in the Marine division. Excluding this one-time provision further EBITA growth is expected in 2012 compared to 2011. On balance, the expected EBITA 2012 will decrease. Imtech continues to be ample profitable. Also, given the state of the Spanish economy, Imtech has decided to record a goodwill impairment at the Spanish assets of around 20 million euro. Imtech is, and will remain, financially healthy and will maintain its long-term strategic growth plan 2015 of achieving revenue of 8 billion euro with an operational EBITA margin between 6% and 7%. Despite a decrease in the Benelux and Spain the Q3 2012 order book rose to 6.4 billion euro (Q3 2011: 5.7 billion euro), an indication for further growth in 2013.

René van der Bruggen, CEO Imtech: 'Over the last few decades we have succeeded in developing Imtech into a technical services provider that is not only one of the largest in Europe but that also has fast-growing activities outside of Europe. It is a known fact that since 2010 our result development has been increasingly imbalanced. On balance our overall EBITA growth has been robust, but the Benelux and Spain have not contributed sufficiently towards to this EBITA growth, despite remedial measures that have been implemented. Also, a further worsening of these markets is expected in 2013. In relation to well performing activities in all our other countries and our European and partly global activities in ICT and Traffic, this is unacceptable. Our Marine division has been experiencing the consequences of a temporary relatively low order intake in preceding years, making a limited reorganisation necessary. The Marine order book is, however, recovering, which means this division is well positioned for the future. To address the imbalanced result development we will take a one-time provision of in total around 50 million euro. Unfortunately the reorganisation will result in the loss of 900 jobs in the Benelux, Spain and the Marine division. Excluding this one-time provision further EBITA growth is expected in 2012 compared to 2011. On balance, the expected EBITA 2012 will decrease. Imtech continues to be ample profitable. Also, given the state of the Spanish economy, we have decided to record a goodwill impairment at the Spanish activities of around 20 million euro. As far as 2013 and the subsequent years are concerned we are well positioned for further growth, in all Imtech clusters and divisions. Our financial position is, and will remain, strong. Our long-term strategic growth plan 2015 remains unchanged. And, despite a decrease in the Benelux and Spain, the Q3 2012 order book has risen to 6.4 billion euro (Q3 2011: 5.7 billion euro) – an indication for continuity and further growth.'

Imbalanced result development

The Q3 2012 order book shows growth, both organic and through acquisitions. Healthy growth of the order book is particularly clear in Germany & Eastern Europe, the UK & Ireland, Turkey and Nordic. The order book also developed well in the European ICT market and the global marine market. The position in the European traffic market has remained stable. The activities outside Europe are, slowly but surely, increasing still further. In all these countries and divisions the EBITA is rising. In the Benelux and Spain, however, the markets are structurally challenging. Since 2010 obtaining of profitable orders here has been under extreme pressure and this has led to low levels of production, underutilisation and a too low EBITA contribution. This despite (strategic) reorientations, cost reductions and efficiency measures implemented since the first half of 2010. On top of this the buildings markets in the Netherlands, Belgium and Spain are expected to worsen yet again in 2013. In 2012 Marine experienced the consequences of a temporary relatively low order intake in the preceding years.

Reorganisation in the Benelux, Spain and Marine

The objective of the reorganisation is to achieve a healthy business-economic situation in the Benelux, Spain and Marine. The majority of the around 900 redundancies will be in the Benelux, and in particular in the Building Services business units. The planned setting up of a 'flex pool' for around 200 employees of the Building Services business unit in the Netherlands will be cancelled and these employees will be part of the total reorganisation. A number of jobs will also be lost in the Infra division in the Netherlands. As a result of these measures, and because the Benelux business units active in the industrial market, in the field of industrial export and in Luxembourg are developing well, in 2013 the Benelux will show an upwards trend. There will also be job losses in Spain and the Marine division. Some of these reorganisations already took place during the first three quarters of 2012. Agreements regarding various social plans will be discussed with the involved works councils and trade unions.

Growth in other parts of organization

Imtech is developing well in Germany & Eastern Europe, the UK & Ireland, Turkey, Nordic and the European ICT and Traffic markets. The outlook in the marine division is positive.

In Germany, where Imtech is the technology partner for energy efficiency, the order book is showing healthy growth. One important new contract is a 10-year worldwide collaboration with Airbus for innovative, sustainable technology for drying the paint on Airbus aircrafts. Imtech also strong market positions in the care & cure, R&D buildings, data centres and stadium markets, the automotive industry and education sector. In the airport market Imtech is the technology partner for the extension of airports in Frankfurt and Berlin. In Austria a position is being built up slowly but surely. In Eastern Europe, and especially in Poland, Imtech is performing well. The Germany & Eastern Europe cluster is responsible for over 30% of Imtech's total activities.

During the past 18 months Imtech has acquired three companies in the UK with specialisms that include maintenance, energy, IT and telemetry. These strategic additions, together with organic growth in the existing portfolio, have made robust growth possible despite competitive market conditions. Examples are the airport, water, waste-to-energy and maintenance markets. In Ireland investments in wind energy and the pharmaceutical industry are increasing – a situation from which Imtech is benefiting. At the same time the export of specific E&I solutions (electrical services & instrumentation) from Ireland to, for example, Kazakhstan and the Middle East, is showing robust growth.

With the acquisition of AE Arma-Elektropanç, a top-3 player in the Turkish technical services provision market, new and opportunity-rich markets have been entered. Projects are on-going not only in Turkey but also in emerging markets such as the Middle East, Russia and former Soviet republics. AE Arma-Elektropanç is developing well under the wings of financially strong Imtech. New orders are the Shahdag Hotels project (a large winter/summer resort) in Azerbaijan and a large education project in Abu Dhabi.

In Nordic (Sweden, Norway and Finland) Imtech stands out from the competition. Clustering the services of the Imtech companies NVS (mechanical services), NEA (electrical services) and Sydtotal (energy technology) - as of mid-2013 jointly Imtech Nordic - enables multidisciplinary technical services to be offered. This is leading to further growth. Imtech is the technology partner for the new Karolinska Hospital in Stockholm which, when completed, will be one of the largest hospitals in Europe. The large-scale research projects in Lund - ESS, European Spallation Source (a high-tech particle accelerator) and the MaxLab IV - are on-going. One new project is Elin's Esplanade, a large shopping centre in Skaraborg. Small regional acquisitions have strengthened Imtech's position.

In the European ICT market Imtech is an outperformer with good results across a broad front. Imtech's focus on fields such as integrated ICT solutions in markets such as business intelligence (strategic and tactical use of data), managed services (business-critical IT applications), software for public financial services provision and collaboration (cooperation in social networks through IT) has led to growth. Very good results have been achieved in the Netherlands, Germany, Switzerland and South East Asia. Good performances have also been achieved in Belgium, the UK and Austria. In Germany ground-breaking software has been developed for a big German insurance company.

Large projects in the European urban traffic management market are on-going in London, Dublin and Copenhagen. Imtech's position has been maintained in the Netherlands and the UK. One new order involves digital route information on roads in the Dutch province of Utrecht. Growth has been achieved in Sweden and Finland, partly due to an acquisition. Imtech is also active in Russia, Lithuania, Romania, Poland and Croatia. Good progress has been made with the export of traffic technology outside Europe.

In the global marine market the focus on life-cycle management combined with a low total cost of ownership for customers (total cost during the entire exploitation period of technical infrastructure on board) has contributed towards growth. The strategic emphasis has been put, successfully, partly on service, management and maintenance with intensive collaboration with ship operators and owners. The global service network now includes nearly 100 offices. Despite a temporary dip in productivity in 2012 due to a relatively low order intake in the preceding years, Imtech Marine is well positioned. The Q3 2012 order book showed healthy growth, especially in Turkey and Canada.

Increasing activities outside Europe

Imtech's activities outside Europe increase further. Export from the Netherlands, Germany and Ireland is increasing and Imtech is also achieving robust growth in Turkey and various emerging markets. In Russia Imtech is increasingly active on a project basis. In the traffic market activities outside Europe are expanding and the extensive marine activities outside of Europe are showing healthy growth.

A healthy financial position

Imtech's financial position is stable and remains within the margins of covenants agreed with lenders.

Continuation of the 2015 growth strategy

Imtech's long-term strategic growth plan remains unchanged. This growth plan foresees revenue of 8 billion in 2015 with an operational EBITA margin of between 6% and 7%. This growth will be divided more or less equally between organic growth and growth through acquisitions. Imtech has sufficient financial means at its disposal to finance this growth.

More information**Media:**

Pieter Koenders
Director Group Communications
T: +31 182 543 528
E: pieter.koenders@imtech.com
www.imtech.com

Analysts & investors:

Jeroen Leenaers
Manager Investor Relations
T: +31 182 543 504
E: jeroen.leenaers@imtech.com
www.imtech.com

Mark Salomons

Company Secretary
T: +31 182 543 514
E: mark.salomons@imtech.com
www.imtech.com

Imtech profile

Royal Imtech N.V. is a European technical services provider in the fields of electrical solutions, ICT (information and communication technology) and mechanical solutions. With 29,000 employees, Imtech achieves annual revenue of more than 5.1 billion euro. Imtech holds strong positions in the buildings and industry markets in the Netherlands, Belgium, Luxembourg, Germany, Austria, Eastern Europe, Sweden, Norway, Finland, the UK, Ireland, Turkey and Spain, the European markets of ICT and Traffic as well as in the global marine market. In total Imtech serves 23,000 customers. Imtech offers added value with 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, where Imtech is included in the Midkap Index. Imtech shares are also included in the Dow Jones STOXX 600 index.