WHAT HAS BEEN.

Interim Report
January–March 2016
31 May 2016

STRABAG
SOCIETAS EUROPAEA

Content

KEY FIGURES

KEY FINANCIAL FIGURES

	3M/2016	3M/2015	Δ %	2015
Output volume (€ mln.)	2,256.93	2,468.34	-9	14,289.76
Revenue (€ mln.)	2,124.01	2,283.96	-7	13,123.48
Order backlog (€ mln.)	13,976.62	15,128.02	-8	13,134.58
Employees	68,808	71,176	-3	73,315
Cash flow from operating activities (€ mln.)	-513.56	-184.67	-178	1,240.35
Investments in fixed assets (€ mln.)	71.59	66.41	8	395.75

KEY EARNINGS FIGURES

	3M/2016	3M/2015	Δ %	2015
EBITDA (€ mln.)	-57.71	-66.09	13	816.10
EBITDA margin (% of revenue)	-2.7	-2.9		6.2
EBIT (€ mln.)	-145.40	-159.32	9	341.04
EBIT margin (% of revenue)	-6.8	-7.0		2.6
EBT (€ mln.)	-154.29	-151.62	-2	316.62
Net income (€ mln.)	-130.13	-127.45	-2	182.49
Net income after minorities (€ mln.)	-116.99	-116.47	0	156.29
Net income after minorities margin (% of revenue)	-5.5	-5.1		1.2
Earnings per share (€)	-1.14	-1.14	0	1.52
ROCE (%)	-2.1	-2.0		4.1

KEY BALANCE SHEET FIGURES

	31.3.2016	31.12.2015	Δ %
Equity (€ mln.)	3,184.67	3,320.63	-4
Equity ratio (%)	32.2	31.0	
Net debt (€ mln.)	-535.89	-1,094.48	51
Gearing ratio (%)	-16.8	-33.0	
Capital employed (€ mln.)	5,229.90	5,448.01	-4
Balance sheet total (€ mln.)	9,901.55	10,728.87	-8

EBITDA = earnings before net interest income, income tax expense and depreciation and amortisation
EBIT = earnings before net interest income and income tax expense
EBT = earnings before income tax expense
ROCE = (net income + interest on debt - interest tax shield (25 %))/(average group equity + interest-bearing debt)
Net debt = financial liabilities - non-recourse debt + provisions for severance and pension obligations - cash and cash equivalents
Gearing ratio = net debt/group equity
Capital employed = group equity + interest-bearing debt

CEO'S REVIEW

- Output volume at € 2.3 billion, 9 % below last year's very high level
- EBIT grows again (+9 %); nevertheless, first quarter seasonally negative as usual
- Order backlog of approx. € 14 billion, a decline of 8 %
- Outlook 2016: stable output volume, target of 3 % EBIT margin confirmed

Dear shareholders, associates and friends of STRABAG SE,

Following an especially mild winter last year, which resulted in an unusually high output volume on 31 March 2015, the first quarter of this year saw a weather-related decline in output in comparison. As always, the construction industry cannot see this as an indication for the full year.

We currently expect to generate a more or less unchanged output volume over the course of this financial year. While Germany has announced a considerable increase of its infrastructure investments, the lack of procurement and planning capacities means that we still cannot expect any significant growth in 2016. On the earnings side, we see ourselves confirmed in our plans to reach an EBIT margin of 3 % on revenue by the end of the year.

Yours,

Thomas Birtel

Thomas Birtel
CEO of STRABAG SE

IMPORTANT EVENTS

JANUARY

STRABAG building hydroelectric power plant in Bosnia-Herzegovina

A consortium consisting of STRABAG and Croatian industrial company Končar has been awarded the contract to build the Vranduk power plant on the river Bosna on behalf of energy supply company JP Elektroprivreda BiH. STRABAG AG, with a share of 63.4 %, is leading the consortium. The 20 MW hydropower plant will be completed for € 57 million within a period of 46 months. The contract includes the planning of the power station, the construction, supply and installation of all plant and equipment, as well as testing and commissioning.

Art-Invest hires Ed. Züblin AG to build “Alter Wall” shopping boulevard in Hamburg

Property development and investment company Art-Invest Real Estate has commissioned Ed. Züblin AG as main contractor to realise the project “Alter Wall Hamburg”. “Alter Wall Hamburg” is an approximately 150 m long shopping boulevard with 18,000 m² of offices and 12,000 m² of retail space. The building construction set to begin in the spring of 2016. The full range of construction works, with a contract value of about € 80 million, is scheduled to be completed in the summer of 2018.

Refinancing of € 2.4 billion in loans before maturity

STRABAG SE has taken advantage of the favourable financing environment and recent credit enhancement to refinance two loans totalling € 2.4 billion before their original maturity. The conditions and terms to maturity of the € 2.0 billion syndicated surety loan and the € 0.4 billion syndicated cash credit line have been redefined. The new five-year terms to maturity – i.e. until 2021 – with two options to extend by one year each will further allow STRABAG SE to secure its comfortable financing position for the long term.

FEBRUARY

STRABAG awarded road construction contracts in Poland totalling € 108 million

STRABAG, via its Polish subsidiaries, has been awarded two contracts totalling PLN 484 million (approx. € 108 million) from Poland’s General Directorate for National Roads and Highways (GDDKiA). As part of the overall works on the S17 between Warsaw and Garwolin, STRABAG will design and build a 15.2 km long section from the Lubelska junction near Warsaw to Kołbiel, including four junctions, for PLN 301 million. The second contract, with a value of PLN 183 million, comprises the design and construction of an 8.7 km long bypass road near Kołbiel.

Additional infrastructure contract in Poland: expanding S8 for € 57 million

The General Directorate for National Roads and Highways (GDDKiA) has commissioned STRABAG to design and build the S8 expressway between Radziejowice and Przeszkoda for € 57 million. The 9.9 km concrete roadway is scheduled for completion within 31 months. In addition to the dual carriageway roadway, the works also comprise the Żabia Wola junction as well as several civil engineering structures, among them a bridge over Pisia Tuczna, pedestrian overpasses and three rest areas. Noise barriers and wildlife crossings will also be built along the section.

MARCH

Züblin to build section of “Stockholm Bypass” with contract value of about € 76 million

Züblin Scandinavia AB, a Swedish subsidiary of Ed. Züblin AG, has been awarded the contract by the Swedish transport authority Trafikverket to build a section of the Stockholm motorway bypass. The project comprises the construction of an approximately 950 m long section of motorway including interchange for a total of about € 76 million. The works being carried out by Züblin in the district of Akalla north of Stockholm include large sheeting and shoring measures for excavation works, an approximately 120 m long concrete tunnel built using cut-and-cover, an approximately 480 m long trough for the tunnel approach and a roundabout.

STRABAG wins further € 108 million contract section for A1 motorway in Poland

After the Woźniki–Pyrzowice section of the A1 motorway in Poland STRABAG has now also been awarded the contract to build the section between the Zawodzie Junction and Woźniki Junction. The 16.7 km long route is to be opened to traffic in the second half of 2019. The contract has a value of € 108 million. Besides the concrete roadway, STRABAG will also build the Woźniki Junction as well as bridges and several adjoining local roads.

Union Investment commissions Züblin to expand “RiemArcaden” in Munich

Union Investment, which holds the property in its “UniImmo: Deutschland” open real estate fund, has commissioned Ed. Züblin AG to expand the mixed-use neighbourhood in eastern Munich. The value of the new contract amounts to about € 46 million. The works comprise the turnkey construction of a building with about 20,400 m² of hotel and retail space as well as the retrofit of parts of an existing underground car park. Construction should be completed by the summer of 2018.

STRABAG subsidiary Züblin building new trivago headquarters for approx. € 81 million

The subsidiary of STRABAG SE has been hired as general contractor to build the new corporate headquarters of trivago GmbH in the Medienhafen business area of Dusseldorf. The entire project, including construction design, has a total contract value of about € 81 million. Work has already begun and is scheduled for completion in mid-2018.

STRABAG building first IKEA store in Serbia

STRABAG SE was commissioned as main contractor to build the first IKEA store in Serbia. The store will be located in Bubanj Potok in the Serbian capital Belgrade. The value of IKEA’s investment is estimated at € 70 million. Construction works will be completed in mid-2017. The store will offer more than 30,000 m² of retail space.

STRABAG to build Contract Section South of Berlin–Dresden rail line for Deutsche Bahn

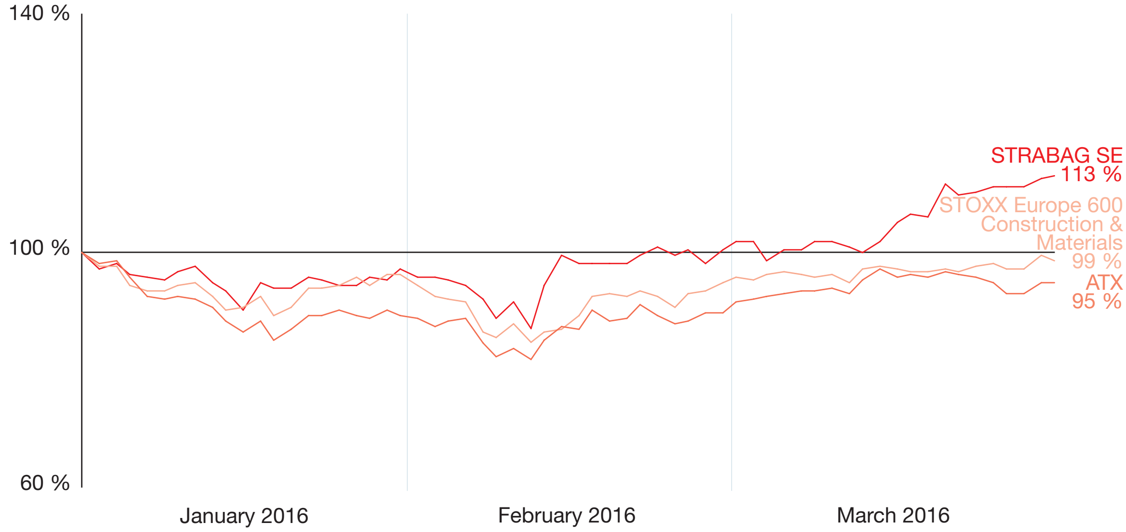
Two German subsidiaries of STRABAG SE have been awarded Contract Section South by Deutsche Bahn AG to upgrade 30 km of the Berlin–Dresden railway line. The consortium of STRABAG Rail GmbH, Berlin, and STRABAG AG, Cologne, will perform track works and build new overpasses. Construction is scheduled for completion by the end of 2018. The contract has a value of about € 66 million. STRABAG Rail GmbH will lay new tracks on the Berlin–Dresden rail line along a length of 27 km between Hohenleipisch and Walddrehna and perform maintenance works on the existing tracks along a length of 26 km. At the same time, STRABAG Rail will build seven railway overpasses and STRABAG AG eight road overpasses.

STRABAG planning sale of hydraulic engineering business to Boskalis

STRABAG SE has reached an agreement signed on 31 March 2016 with Netherlands-based Royal Boskalis Westminster N.V. on the sale of the hydraulic engineering business. As part of an asset deal with a purchase price of € 70 million, Hamburg-based STRABAG Wasserbau GmbH, the leader in the German dredging sector, transferred its equipment, staff and a series of recently signed maintenance contracts to the buyer. The transaction took place on 1 April 2016.

SHARE

DEVELOPMENT OF THE STRABAG SE SHARE PRICE AND OF THE BENCHMARK INDEXES



The STRABAG SE share exhibited continuous upward development in the first quarter for an overall plus of 13 %. The closing price on 31 March 2016 stood at € 26.57 – this corresponds to the year-to-date high. In contrast to the STRABAG SE share, the performance of the Austrian benchmark index ATX was not as positive; it closed down at -5 %.

The international stock markets showed a quite varied performance in the first quarter. Both the industry index STOXX Europe 600 Construction & Materials as well as New York's Dow Jones Industrial, after a low in February, closed the quarter at nearly the same level as at the start of the year. Japan's Nikkei 225, on the other hand, closed with a minus of 12 %.

STRABAG's shares are currently under observation by nine international banks. The analysts calculated an average share price target of € 25.60. Detailed analyses and recommendations are available on the STRABAG SE website: www.strabag.com > Investor Relations > Share > Equity Research

STRABAG SE SHARE

	3M/2016
Market capitalisation on 31 March 2016 (€ million)	2,726.08
Closing price on 31 March 2016 (€)	26.57
Year's maximum on 31 March 2016 (€)	26.57
Year's minimum on 11 February 2016 (€)	20.52
Performance three months 2016 (%)	13
Outstanding bearer shares on 31 March 2016 (absolute) (shares)	102,599,997
Outstanding bearer shares three months 2016 (weighted) (shares)	102,599,997
Weight in WBI on 31 March 2016 (%)	3.68
Volume traded three months 2016 (€ million)[1]	39.16
Average trade volume per day (shares)[1]	27,264
% of total volume traded on Vienna Stock Exchange (%)	0.25

1) double count

MANAGEMENT REPORT JANUARY–MARCH 2016

Output volume and revenue

STRABAG SE generated an output volume of € 2,256.93 million in the first quarter of the 2016 financial year – a decline of 9 %. On the basis of a very high level in the comparison period of the previous year, the output volume fell back in Germany (-5 %) and Poland (-29 %), where the unfavourable weather conditions had a negative impact on the first quarter results. The consolidated group revenue, like the output volume, was also down, falling by 7 % to € 2,124.01 million. The ratio of revenue to output volume amounted to 94 %, compared to 93 % in the first three months of the previous year.

Order backlog

The order backlog also decreased on the year, coming to rest at € 13,976.62 million on 31 March 2016 – an 8 % decline versus the first quarter of 2015. While the segment North + West registered an improved order backlog – especially in Poland, thanks to several road construction contracts –, this figure was on the decline in the other two segments.

Financial performance

The limited capacity for construction in winter results in significant seasonal effects on the development of earnings and other financial figures of STRABAG SE. The first half of the year typically has a negative effect on results, which is then overcompensated by results in the second half of the year. As a result of the seasonal effects, a quarterly comparison makes little sense.

The earnings before interest, taxes, depreciation and amortisation (EBITDA) improved in the first quarter of 2016 by 13 % to € -57.71 million, in part due to the lower burden from large-scale projects and from south-east European markets. The depreciation and amortisation was reduced by 6 % especially through the agreed sale of the hydraulic engineering business. The earnings before interest and taxes (EBIT) amounted to € -145.40 million, 9 % less deep in negative territory. The net interest income stood at € -8.89 million, after a positive net interest income of € 7.70 million in the comparison period of the previous year. This can be explained by the significant positive exchange rate differences, especially regarding the Swiss franc, in the amount of € 14.66 million in the first quarter of 2015, while the first quarter of 2016 registered negative exchange rate effects of € -2.73 million. Below the line, this resulted in nearly unchanged earnings before taxes (EBT) of € -154.29 million. Accordingly, the income tax was again in positive territory with € 24.16 million and thus provided relief. This left a net income of € -130.13 million (-2 %). The third-party share of the earnings amounted to € 13.14 million (participation of third-party shareholders in loss), an increase of € 2.15 million versus the same quarter last year. The acquisition of the minority shareholdings of Ed. Züblin AG was finalised in April 2016 and so has no influence on the interim results from 31 March 2016. Overall, the net income after minorities reached a level of € -116.99 million. In light of 102,600,000 outstanding shares, this corresponds to earnings per share of € -1.14 as in the first quarter of the previous year.

Financial position and cash flows

The balance sheet total fell by € 827.32 million versus 31 December 2015 to € 9,901.55 million. Conspicuous was the decrease of the trade payables, due in part to the decline of the above-average level of advances as at 31 December 2015 and the corresponding decrease in cash and cash equivalents. As usual, the typical winter losses also led to a seasonally influenced slightly lower equity. The equity ratio, however, grew as a result of the lower balance sheet sum to 32.2 % after 31.0 % at the end of 2015. The net cash position stood at € 535.89 million; it therefore decreased, as is seasonally usual, in comparison to year's end. The cash flow from operating activities, at € -513.56 million, was significantly deeper in negative territory than in the first quarter of the previous year. This was due to the significantly higher increase of the working capital. The working capital as at 31 December 2015 was extraordinarily low. Due to a higher level of investments and lower asset sales, the cash flow from investing activities fell to € -51.98 million, a decrease by € -19.16 million versus the first quarter last year. The cash flow from financing activities stood at € -78.62 million, due to the repayment of a project financing; in the previous year, a bond issue had made for a positive cash flow from financing activities.

Capital expenditures

A large portion of the necessary maintenance expenditures, of course, is invested in the core markets of Germany and Austria. In 2016, the cyclically necessary renewal of the vehicle fleet will leave an impact in the facility management business. But the overall need also increased on the year in the high-performing markets of Poland, Hungary and the Czech Republic. The capital expenditures included € 71.59 million for the purchase of property, plant and equipment and intangible assets as well as € 0.80 million for the purchase of financial assets.

Employees

The number of employees fell by 3 % to 68,808. This reduction took place almost entirely among blue-collar staff, especially in the human-resource-intensive regions of the Middle East and Africa. In Poland, employee levels were up thanks to the positive order backlog, while staff numbers remained more or less unchanged in the home markets of Germany and Austria.

Major transactions and risks

During the first three months of the financial year, there were no transactions with related parties which significantly influenced the financial situation or the business result nor were there any changes to transactions with related parties which were presented in the annual financial statements and which significantly influenced the financial situation or business result of the first three months of the current financial year.

In the course of its entrepreneurial activities, the STRABAG Group is exposed to a number of risks, which can be identified and assessed using an active risk management system and dealt with by applying an appropriate risk policy. Among the most important risks are external risks such as cyclical fluctuations in the construction industry, operating risks in the selection and execution of projects, as well as financial, organisational, personnel, legal, political and investment risks.

The risks are explained in more detail in the 2015 management report. A review of the current risk situation revealed that in the reporting period there existed no risks which threatened the existence of the company and that for the future no risks are recognisable which constitute a threat to its continued existence.

Outlook

The Management Board of STRABAG SE expects the output volume for the 2016 financial year to remain unchanged at best. Organic growth at about the level of inflation is expected for the years to come. The Management Board confirms the target of achieving a lasting EBIT margin (EBIT/revenue) of 3 % starting in 2016, as the efforts to further improve the risk management and to lower costs have already had a positive impact on earnings.

The earnings expectations are based on the assumption of solid demand in the German building construction and civil engineering market. At the same time, the company is hoping for the first additional investments by the public sector in transportation infrastructures in this home market. Very positive contributions to the earnings continue to be expected especially from Poland, the property and facility management entities, the real estate and the infrastructure development business.

The international business, by contrast, is weaker as the low oil price has led to a considerable decline in demand in the group's traditional non-European markets. The price pressure is expected to remain strong in the countries of Central and Eastern Europe, although, for example, work is continuing successfully in Slovakia on several larger infrastructure projects. The hydraulic engineering activities were sold by contract signed on 31 March 2016, with effectiveness 1 April 2016. The group has retained the waterway construction business, however. In April 2016, a share purchase agreement was concluded with the minority shareholders of Ed. Züblin AG, Stuttgart, for 42.74 % of the shares in that company. The group so increased its stake from 57.26 % to 94.90 %. The remaining shares were acquired by a core shareholder of STRABAG SE. The transaction will result in a lower net income attributable to non-controlling interests, which will lead to a higher earnings per share.

The cash flow from investing activities, without considering acquisitions, will likely reach around € 400 million in 2016 after an estimated € 320 million in 2015.

SEGMENT REPORT

North + West

€ mln.	3M/2016	3M/2015	Δ %	Δ absolute
Output volume	991.93	1,111.43	-11	-119.50
Revenue	964.58	1,033.25	-7	-68.67
Order backlog	6,208.74	5,927.78	5	280.96
EBIT	-79.67	-86.71	8	7.04
EBIT margin (% of revenue)	-8.3	-8.4		
Employees	21,347	21,820	-2	-473

The **output volume** of the segment North + West reached nearly € 1.0 billion in the first quarter of the 2016 financial year, 11 % below the high level of the year before. Declines were registered, among other places, in the two largest markets of the segment, Germany and Poland. This development can be explained by the unfavourable weather conditions during the first three months of the year in Poland as well as the comparatively very high output volume in 2015. The greatest growth in output was generated in Denmark with a plus of 28 %.

The **revenue** also was down, falling back by 7 % to € 964.58 million. The **earnings before interest and taxes** (EBIT), at € -79.67 million, was 8 % less deep in negative territory – a development that can be put down to the lower burdens form large-scale projects. The low underutilisation of capacities in the German timber construction business, on the other hand, is putting a damper on the segment earnings.

The **order backlog**, on the other hand, increased by 5 % over the comparison figure from 31 March 2015 to € 6,208.74 million. Contributions to this growth came mainly from new orders in Poland (+26 %) and Benelux (+13 %). In Germany, the order backlog also increased on the year with a plus of 4 %. The most important new projects acquired in the first quarter of 2016 include the construction of a section of the “Stockholm Bypass”, with a contract value of € 76 million; the construction of the trivago headquarters in Dusseldorf, worth € 81 million in the building construction and civil engineering segment; and a railway construction project on the Berlin–Dresden line, Contract Section South, between Hohenleipisch and Walddrehna, for € 66 million. New contracts in Poland include large road construction projects such as a section of the S 17 between Lubelska and Kołbiel, the S 18 from Radziejowice to Przeszkoda, and the A1 motorway between Zawodzie Junction and Woźniki Junction.

The number of **employees** in the segment fell by 2 % on the year to 21,347. This overall low decrease is due exclusively to the decline of blue-collar staff in nearly all markets in the segment. Employee levels in Poland, on the other hand, were up in response to the positive order backlog.

A word on the segment **outlook**: In the 2016 financial year, the output volume in the segment North + West is expected to reach the same high level of € 6.4 billion as the year before – an assumption that to a large degree is already covered by existing contracts. The **German building construction and civil engineering** business should continue to contribute extremely positively to both output volume and earnings. The prices for subcontractor services and for construction materials, however, exhibited an upward trend for the first time since the revitalisation of the building construction activity in the country. Bids are currently being calculated for large projects in building construction and civil engineering, with a bid total of about € 2.2 billion. In **transportation infrastructures**, STRABAG expects an overall positive outlook for the coming years. In the spring of 2016, the German government had announced substantially increased investments in transport infrastructures. Investments totalling around € 265 billion are planned for more efficient transport networks until 2030. The number of projects up for tender will grow only slowly over the course of 2016, however, as the public sector has enormously reduced its procurement and planning capacities in the past few years.

The **Polish construction sector** has been undergoing a significant recovery since the year 2014. The volume of public-sector tenders in 2016 will likely reach about € 4.1 billion this year, comparable to last year’s level. As tenders for these projects are only slowly getting underway, STRABAG expects the first tenders to be awarded at a low price level. Thanks to the good order backlog, however, the output volume for 2016 has already been secured through existing contracts.

In **Scandinavia**, the countries of Sweden and Denmark continue to make the most significant contributions to the output volume. Here, both the overall economic environment and the market for tunnel and infrastructure projects continue to be stable. New tenders for large infrastructure projects are expected especially in the regions around Stockholm and Copenhagen in the near future, although stronger competitive pressure is expected as well. The economic environment for building construction in Sweden continues to exhibit growth potential, albeit at only stable margins. Due in part to the refugee situation, growth is expected especially in the field of residential construction. In the greater Copenhagen area, the market for offices and shopping centres is developing very positively. As these projects are usually cooperatively operated project developments, STRABAG has been able to use its teamconcept contract model to attain a positive market acceptance and good possibilities to acquire large projects.

South + East

€ mln.	3M/2016	3M/2015	Δ %	Δ absolute
Output volume	610.70	637.82	-4	-27.12
Revenue	574.72	592.06	-3	-17.34
Order backlog	3,672.98	4,332.00	-15	-659.02
EBIT	-43.94	-57.49	24	13.55
EBIT margin (% of revenue)	-7.6	-9.7		
Employees	15,886	16,313	-3	-427

The **output volume** in the segment South + East fell off slightly by 4 % to € 610.70 million. Most of this decline is accounted for by Hungary and Slovenia. However, the output volume in the RANC region (Russia and Neighbouring Countries), which had already been at a low level, also declined still further. Positive growth was observed especially in the Czech Republic and Slovakia.

The **revenue**, € 574.72 million, was at about the same level as last year. The **earnings before interest and taxes** (EBIT), meanwhile, gained a remarkable 24 % to € -43.94 million, due to – among other things – lower burdens from southeast European markets.

The **order backlog** declined substantially in comparison to the previous year, with a minus of 15 % to € 3,672.98 million. Positive contributions to the order backlog came primarily from Austria, Switzerland and Serbia, where STRABAG has been commissioned to build the country's first IKEA store. All other markets, above all Hungary, the RANC region – here due to a cancelled order and reduced order levels in industrial construction – and Slovakia exhibited a downward trend.

The segment registered a decline in the number of **employees** to 15,886 (-3 %) in the first quarter of the year. This development mirrored the reduction in output volume and was therefore most pronounced in Hungary and the RANC region.

A word on the segment **outlook**: The development of the order backlog confirms the more conservative planning for the year 2016. Overall, the output volume is expected to decline slightly to € 4.4 billion. While it was possible to raise the order backlog in **Austria**, the largest market in the segment, the price pressure is growing in the very steady building construction sector in the greater Vienna area. Due to the lack of public investments in this area, an improvement of the market for transportation infrastructures is still not in sight despite the great need for renovation work on lower tier roads.

Hungary reported an unusually high output volume in the previous year. Due to the restraint being shown by the public sector, however, there is currently no indication that this level will also be attainable in the ongoing financial year.

Large infrastructure projects with EU co-financing are currently up for tender in **Slovakia**, e.g. in the field of waste water. The high volume of tenders, however, is leading to an increased scarcity of and higher prices for subcontractor services. In the **Czech Republic**, on the other hand, there has been an increase in private investments, which is benefiting the market for office real estate and commercial space in particular. The competition in the construction sector, however, is estimating the bidding prices near the limit of profitability.

The **Swiss** construction market registered another increase in tendering activity in the first quarter of 2016, especially in the form of large infrastructure projects, a fact that is also reflected in the higher order backlog. The price level is very low, however, and no additional large projects are expected for the rest of the year.

Neither private nor public appreciable investments are currently in sight in Romania and Bulgaria, and the situation is not very lively in **South-East Europe** in general. In the field of environmental technology, however, it was possible to successfully acquire projects in the region.

The prevailing scenario in **Russia** in 2015 – the more restrictive granting of loans for private investment projects as a result of the sanctions as well as the state budget cuts in response to the oil price decline – is continuing in 2016. The low market demand will continue to affect the price level for construction services. Sanctions against Turkish companies doing business in Russia are being partially circumvented. The margin expectations for new projects are at an all-time low and the contracts are increasingly lump sum contracts.

International + Special Divisions

€ mln.	3M/2016	3M/2015	Δ %	Δ absolute
Output volume	623.64	683.49	-9	-59.85
Revenue	578.91	653.73	-11	-74.82
Order backlog	4,090.52	4,856.50	-16	-765.98
EBIT	-24.95	-19.69	-27	-5.26
EBIT margin (% of revenue)	-4.3	-3.0		
Employees	25,768	27,294	-6	-1,526

The **output volume** of the segment International + Special Divisions shrank by 9 % to € 623.64 million in the first quarter of 2016. The decline was especially strong in Italy, with negative growth also reported from Africa and the Americas.

The **revenue** paints a similar picture, falling back by 11 % to € 578.91 million. The **earnings before interest and taxes** (EBIT) fell from € -19.69 million at the end of the first quarter of 2015 to € -24.95 million this year.

The **order backlog** was down in a year-on-year comparison as well, dropping to € 4,090.52 million (-16 %). Here, too, the greatest declines were registered in Italy and the Americas, where large projects are continuously being completed. As a result of the falling oil price, restraint can be observed in the tendering activity in the Middle East.

Influenced by the lower output volume, the number of **employees** in this segment fell considerably during the period under report in the human-resource-intensive regions of the Middle East and Africa. At the end of the quarter, the total number of employees stood at 25,768, a minus of 6 % in comparison to the previous year.

A word on the segment **outlook**: It should be possible to generate a stable output volume of € 3.3 billion in the segment in the entire 2016 financial year. In the **property and facility services business**, for example, Vodafone was won as a new client. The telecommunications company commissioned STRABAG Property and Facility Services GmbH to handle the technical and infrastructure facility management of all of its properties in Germany.

The **tunnelling** market in Austria, Germany, Italy and Switzerland remains hotly contested. For this reason, STRABAG is focusing increasingly on bids in Northern Europe and in non-European markets. The situation is similar for the **concession business**, i.e. public-private partnerships: As the market in Western Europe remains thin, and the political environment and competition are proving to be very challenging in Eastern Europe, selected markets outside of Europe, e.g. in the Americas, are being kept under observation.

The **specialty field** of pipe jacking is expected to benefit from the growing demand for urban infrastructure especially in the metropolitan areas of South-East Asia. In Singapore STRABAG has been working on the expansion of the sewer network using this technique. The field of test track construction, thanks to a good market position, also permits the company to issue a positive outlook for 2016.

The **real estate development** business is continuing to contribute very positively to both output volume and earnings. An uninterrupted positive trend could be observed on the German real estate market in the first quarter. In the project development business, STRABAG is active not only in Germany, but also in Poland and, as of last year, in Romania.

The **construction materials business** is being driven by the stabilisation of the construction economy in several Eastern European markets. The price levels remain difficult in the core markets, with large projects scarce in Austria in particular. In 2016, the company merged its services in the field of intelligent **Infrastructure solutions** in a subsidiary, STRABAG Infrastructure & Safety Solutions GmbH. Increased investments are expected in tunnel and transport technology in both Austria and Germany.

Consolidated interim financial statements STRABAG SE, Villach, as at 31 March 2016

Consolidated income statement for 1.1.–31.3.2016

T€	1.1.–31.3.2016	1.1.–31.3.2015
Revenue	2,124,015	2,283,959
Changes in inventories	23,158	-29,471
Own work capitalised	1,588	1,937
Other operating income	51,297	53,961
Construction materials, consumables and services used	-1,437,182	-1,529,450
Employee benefits expenses	-695,728	-705,395
Other operating expenses	-140,436	-145,767
Share of profit or loss of equity-accounted investments	12,852	4,497
Net income from investments	2,727	-360
EBITDA	**-57,709**	**-66,089**
Depreciation and amortisation expense	-87,686	-93,235
EBIT	**-145,395**	**-159,324**
Interest and similar income	13,943	29,697
Interest expense and similar charges	-22,837	-21,998
Net interest income	**-8,894**	**7,699**
EBT	**-154,289**	**-151,625**
Income tax expense	24,158	24,173
Net income	**-130,131**	**-127,452**
Attributable to: non-controlling interests	-13,138	-10,984
Attributable to: equity holders of the parent company	-116,993	-116,468
Earnings per share (€)	**-1.14**	**-1.14**

Statement of total comprehensive income for 1.1.–31.3.2016

T€	1.1.–31.3.2016	1.1.–31.3.2015
Net income	**-130,131**	**-127,452**
Differences arising from currency translation	2,277	37,613
Change in hedging reserves including interest rate swaps	-13,295	-8,447
Recycling of hedging reserves including interest rate swaps	5,586	7,168
Deferred taxes on neutral change in equity	1,552	87
Other income from associates	-1,033	3,549
Total of items which are later recognised ("recycled") in the income statement	**-4,913**	**39,970**
Other income from associates	125	0
Total of items which are not later recognised ("recycled") in the income statement	**125**	**0**
Other income	**-4,788**	**39,970**
Total comprehensive income	**-134,919**	**-87,482**
Attributable to: non-controlling interests	-13,463	-8,964
Attributable to: equity holders of the parent company	-121,456	-78,518

Consolidated balance sheet as at 31 March 2016

T€	31.3.2016	31.12.2015
Intangible assets	509,349	510,801
Property, plant and equipment	1,863,455	1,881,520
Investment property	13,232	13,817
Equity-accounted investments	369,526	373,419
Other financial assets	197,280	201,905
Receivables from concession arrangements	694,711	710,248
Trade receivables	72,908	75,089
Income tax receivables	4,129	3,572
Other financial assets	223,727	221,773
Deferred taxes	333,704	291,928
Non-current assets	**4,282,021**	**4,284,072**
Inventories	843,194	801,701
Receivables from concession arrangements	29,399	28,829
Trade receivables	2,065,032	2,317,882
Non-financial assets	97,085	67,579
Income tax receivables	58,562	52,115
Other financial assets	364,668	374,360
Cash and cash equivalents	2,091,590	2,732,330
Assets held for sale	70,000	70,000
Current assets	**5,619,530**	**6,444,796**
Assets	**9,901,551**	**10,728,868**
Share capital	114,000	114,000
Capital reserves	2,311,384	2,311,384
Retained earnings and other reserves	491,192	613,647
Non-controlling interests	268,097	281,604
Total equity	**3,184,673**	**3,320,635**
Provisions	1,085,808	1,093,379
Financial liabilities[1)]	1,280,197	1,293,753
Trade payables	80,910	78,370
Non-financial liabilities	900	900
Other financial liabilities	14,072	16,780
Deferred taxes	38,900	36,064
Non-current liabilities	**2,500,787**	**2,519,246**
Provisions	771,880	774,051
Financial liabilities[2)]	223,673	285,994
Trade payables	2,494,662	2,915,939
Non-financial liabilities	265,815	383,753
Income tax liabilities	126,487	187,611
Other financial liabilities	333,574	341,639
Current liabilities	**4,216,091**	**4,888,987**
Equity and liabilities	**9,901,551**	**10,728,868**

1) Thereof T€ 439,377 concerning non-recourse liabilities from concession arrangements (31 December 2015: T€ 439,377)
2) Thereof T€ 50,153 concerning non-recourse liabilities from concession arrangements (31 December 2015: T€ 50,153)

Consolidated cash flow statement for 1.1.–31.3.2016

T€	1.1.–31.3.2016	1.1.–31.3.2015
Net income	-130,131	-127,452
Deferred taxes	-37,542	-34,457
Non-cash effective results from consolidation	0	122
Non-cash effective results from equity-accounted investments	1,967	6,411
Depreciations/write ups	89,649	93,246
Change in long-term provisions	-7,652	-2,313
Gains/losses on disposal of non-current assets	-11,874	-13,404
Cash flow from earnings	*-95,583*	*-77,847*
Change in inventories	-40,099	-36,025
Change in trade receivables, construction contracts and consortia	260,414	122,962
Change in receivables from subsidiaries and receivables from participation companies	4,237	-2,933
Change in other assets	-32,184	-40,407
Change in trade payables, construction contracts and consortia	-418,305	-8,950
Change in liabilities from subsidiaries and liabilities from participation companies	-12,523	-8,959
Change in other liabilities	-176,458	-119,421
Change in current provisions	-3,058	-13,085
Cash flow from operating activities	**-513,559**	**-184,665**
Purchase of financial assets	-804	-501
Purchase of property, plant, equipment and intangible assets	-71,589	-66,411
Gains/losses on disposal of non-current assets	11,874	13,404
Disposals of non-current assets (carrying value)	8,207	12,040
Change in other financing receivables	331	4,042
Change in scope of consolidation	0	4,606
Cash flow from investing activities	**-51,981**	**-32,820**
Change in bank borrowings	-75,347	7,233
Issue of bonds	0	200,000
Repayment of payables relating to finance lease	-178	-192
Change in other financing liabilities	-3,066	-351
Change in non-controlling interests due to acquisition	-25	-78
Distribution of dividends	0	-2,404
Cash flow from financing activities	**-78,616**	**204,208**
Net change in cash and cash equivalents	**-644,156**	**-13,277**
Cash and cash equivalents at the beginning of the period	2,726,646	1,906,038
Change in cash and cash equivalents due to currency translation	3,416	23,671
Change in restricted cash and cash equivalents	639	-386
Cash and cash equivalents at the end of the period	**2,086,545**	**1,916,046**

Statement of changes in equity for 1.1.–31.3.2016

T€	Share capital	Capital reserves	Retained earnings	Hedging reserves	Foreign currency reserves	Group equity	Non-controlling interests	Total equity
Balance as at 1.1.2016	**114,000**	**2,311,384**	**777,329**	**-97,465**	**-66,217**	**3,039,031**	**281,604**	**3,320,635**
Net income	0	0	-116,993	0	0	-116,993	-13,138	-130,131
Differences arising from currency translation	0	0	0	0	2,466	2,466	-189	2,277
Change in hedging reserves	0	0	0	0	0	0	0	0
Changes in equity-accounted investments	0	0	122	-619	-391	-888	-20	-908
Neutral change of interest rate swaps	0	0	0	-7,566	0	-7,566	-143	-7,709
Deferred taxes on neutral change in equity	0	0	0	1,525	0	1,525	27	1,552
Total comprehensive income	**0**	**0**	**-116,871**	**-6,660**	**2,075**	**-121,456**	**-13,463**	**-134,919**
Transactions concerning non-controlling interests	0	0	-4	0	0	-4	-21	-25
Changes in equity-accounted investments	0	0	-995	0	0	-995	-23	-1,018
Balance as at 31.3.2016	**114,000**	**2,311,384**	**659,459**	**-104,125**	**-64,142**	**2,916,576**	**268,097**	**3,184,673**

Statement of changes in equity for 1.1.–31.3.2015

T€	Share capital	Capital reserves	Retained earnings	Hedging reserves	Foreign currency reserves	Group equity	Non-controlling interests	Total equity
Balance as at 1.1.2015	**114,000**	**2,311,384**	**659,165**	**-112,259**	**-87,578**	**2,884,712**	**259,588**	**3,144,300**
Net income	0	0	-116,468	0	0	-116,468	-10,984	-127,452
Differences arising from currency translation	0	0	0	0	35,613	35,613	2,000	37,613
Change in hedging reserves	0	0	0	573	0	573	14	587
Changes in equity-accounted investments	0	0	0	-53	3,521	3,468	81	3,549
Neutral change of interest rate swaps	0	0	0	-1,778	0	-1,778	-88	-1,866
Deferred taxes on neutral change in equity	0	0	0	74	0	74	13	87
Total comprehensive income	**0**	**0**	**-116,468**	**-1,184**	**39,134**	**-78,518**	**-8,964**	**-87,482**
Transactions concerning non-controlling interests	0	0	17	0	0	17	-95	-78
Distribution of dividends	0	0	0	0	0	0	-2,404	-2,404
Balance as at 31.3.2015	**114,000**	**2,311,384**	**542,714**	**-113,443**	**-48,444**	**2,806,211**	**248,125**	**3,054,336**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Basic principles

The consolidated interim financial statements of STRABAG SE, based in Villach, Austria, with reporting date 31 March 2016, were drawn up under application of IAS 34 in accordance with the International Financial Reporting Standards (IFRS) – issued by the International Accounting Standards Board (IASB) in London and recognised by the European Union – including the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) valid on the reporting date. Applied were exclusively those IASB standards and interpretations adopted by the European Commission before the reporting deadline and published in the Official Journal of the European Union.

In accordance with IAS 34, the consolidated interim financial statements do not contain all the information and details required of annual financial statements. The interim statements should therefore be read in conjunction with the annual financial statements of STRABAG SE, Villach, with reporting date 31 December 2015.

The consolidated financial statements of the Group as at and for the year ended 31 December 2015 are available at www.strabag.com.

Changes in accounting policies

The following amended or new accounting standards are effective for annual periods beginning on or after 1 January 2016.

	Application for financial years which begin on or after (according to IASB)	**Application for financial years which begin on or after (according to EU endorsement)**
Amendments to IAS 19 Defined Benefit Plans: Employee Contributions	1.7.2014	1.2.2015
Annual Improvements to IFRS 2010–2012	1.7.2014	1.2.2015
Amendments to IFRS 11 Joint Arrangements: Accounting for the acquisition of an interest in a joint operation	1.1.2016	1.1.2016
Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets: Acceptable methods of depreciation and amortisation	1.1.2016	1.1.2016
Amendments to IAS 16 Property, Plant and Equipment and IAS 41: Bearer Plants	1.1.2016	1.1.2016
Amendments to IAS 27 Separate Financial Statements: Equity method in separate financial statements	1.1.2016	1.1.2016
Amendments to IAS 1 Presentation of Financial Statements	1.1.2016	1.1.2016
Annual Improvements to IFRS 2012–2014	1.1.2016	1.1.2016

The first-time adoption of the aforementioned standards had only minor impact on the interim consolidated financial statements as at 31 March 2016.

Accounting and valuation methods

With exception of the above mentioned changes in the accounting and valuation methods the accounting and valuation are fundamentally based on the same accounting principles and valuation methods underlying the consolidated annual financial statements with reporting date 31 December 2015.

Information regarding the accounting and valuation methods can be found in the annual financial statements with reporting date 31 December 2015.

Estimates

Estimates and assumptions which refer to the amount and recognition of the assets and liabilities accounted, the income and expenditure as well as the statement of contingent liabilities are necessary for the preparation of the consolidated financial statement according to IFRS. The actual results could deviate from these estimates.

Scope of consolidation

The consolidated interim financial statements as at 31 March 2016 include STRABAG SE as well as all major domestic and foreign subsidiaries where STRABAG SE either directly or indirectly has control. Associated companies and joint ventures are reported in the balance sheet using the equity method (equity-accounted investments).

The number of consolidated companies has not changed in the first three months of 2016.

	Consolidation	**Equity method**
Situation as at 31.12.2015 = Situation as at 31.3.2016	**257**	**23**

Methods of consolidation and currency translation

The same methods of consolidation and principles of currency translation were applied in drawing up the consolidated interim financial statements with reporting date 31 March 2016 as were used for the consolidated annual financial statements with reporting date 31 December 2015. Details regarding the methods of consolidation and principles of currency translation are available in the 2015 annual report.

Notes on the items of the consolidated income statement

SEASONALITY

Due to snow, ice and other adverse weather conditions, revenue is usually lower in the winter months than in the summer. As the largest part of the costs involves fixed costs, noteworthy losses are posted in the first quarter every year. Starting with the second quarter, these losses are compensated for by rising contribution margins. The break-even point is usually not yet reached before the end of the second quarter. The largest portion of the earnings is expected in the third and fourth quarters. Seasonal fluctuations in the transportation infrastructures business are greater than they are in building construction & civil engineering.

The above-described, annually repeating business trend allows a year-on-year comparison of output volume, revenue and results of the respective quarters.

OTHER OPERATING INCOME

Interest income from concession contracts which is included in other operating income is represented as follows (also see notes on receivables from concession arrangements):

T€	1.1.–31.3.2016	1.1.–31.3.2015
Interest income	15,926	16,325
Interest expense	-6,756	-7,312
Net interest income	**9,170**	**9,013**

SHARE OF PROFIT OR LOSS OF EQUITY-ACCOUNTED INVESTMENTS

T€	1.1.–31.3.2016	1.1.–31.3.2015
Income from equity-accounted investments	4,245	4,878
Expenses arising from equity-accounted investments	-6,190	-9,401
Profit from construction consortia	27,544	20,582
Losses from construction consortia	-12,747	-11,562
Share of profit or loss equity-accounted investments	**12,852**	**4,497**

Notes on the items in the consolidated balance sheet

GOODWILL

Goodwill assets are subjected to an annual impairment test in accordance with IAS 36. The impairment test is carried out in the last two months of the financial year.

In 1–3/2016, no goodwill from capital consolidation was capitalised and no impairments were made.

INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

In 1–3/2016, tangible and intangible assets in the amount of T€ 71,589 (1–3/2015: T€ 66,411) were acquired.
In the same period, tangible and intangible assets with a book value of T€ 4,784 (1–3/2015: T€ 6,642) were sold.

PURCHASE OBLIGATIONS

On the reporting date, there were T€ 92,314 (31 March 2016: T€ 86,134) in contractual commitments for the acquisition of property, plant and equipment which were not considered in the financial statement.

RECEIVABLES FROM CONCESSION ARRANGEMENTS

STRABAG has a 100 % interest in the Hungarian M5 Motorway Concession Company, AKA Alföld Koncesszios Autopalya Zrt., Budapest (AKA).

In the concession agreement with the Hungarian state, AKA committed to develop, plan, finance and to build and operate the M5 motorway. The motorway itself is the property of the state; all vehicles and equipment necessary for motorway operation are to be transferred to the state free of charge following the end of the concession period.

In exchange, AKA will regularly receive an availability fee, independent of transit volume, from the Hungarian state for making the motorway available to the public. AKA bears the operator's risk of motorway closure and non-compliance of contractually agreed roadway criteria.

The route totals 156.5 km and was built in three phases. The concession period runs until 2031. A one-time extension for up to 17.5 years is possible.

All services provided under this concession arrangement are accounted for under the separate balance sheet item receivables from concession arrangements. The receivables are carried at the present value of the payment to be made by the state. The annual accumulation amount is recognised in other operating income.

A part of the availability fee consists of interest adjustment payments of the Hungarian state. As a result, the state bears the interest risk from the financing of AKA. These interest adjustment payments represent an embedded hedging transaction which is measured separately in accordance with IAS 39.11. Presentation is made as a cash flow hedge; as a result, changes in the fair value of the interest rate swap are recognised directly in equity.

The market value of the interest rate swap in the amount of T€ -61,360 (31 December 2015: T€ -53,392) is also recognised as long-term receivables from concession arrangements.
Recognisable receivables from concession arrangements are offset by non-recourse financing in the amount of T€ 489,530 (31 December 2015: T€ 489,530), classified either as a current or non-current liability depending on the term. The resulting interest expense is recognised in "Other operating income".

EQUITY

The fully paid in share capital amounts to € 114,000,000 and is divided into 113,999,997 no-par bearer shares and three registered shares.

The changes in equity are shown in the statement of changes in equity.

CONTINGENT LIABILITIES

The company has accepted the following guarantees:

T€	**31.3.2016**	**31.12.2015**
Guarantees without financial guarantees	155	155

Furthermore, there is a derived credit risk arising from the financial guarantee contracts (guarantees issued) of T€ 37,045 (31 December 2015: T€ 34,125).

Other notes

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

The representation of the cash flow statement was made according to the indirect method and separated into the cash flows classified by operating, investing and financing activities. The cash and cash equivalents include exclusively cash on hand, bank deposits and short-term securities. Any effects of changes in consolidation were eliminated and represented in the cash flow from investing activities.

The **cash and cash equivalents** are composed as follows:

T€	31.3.2016	31.3.2015
Securities	3,317	3,099
Cash on hand	3,322	4,912
Bank deposits	2,084,951	1,926,402
Restricted cash abroad	-4,979	-7,751
Pledge of cash and cash equivalents	-66	-10,616
Cash and cash equivalents	**2,086,545**	**1,916,046**

The **cash flow from operating activities** in the reporting year contains the following items:

T€	1.1.–31.3.2016	1.1.–31.3.2015
Interest paid	11,753	13,301
Interest received	7,500	11,429
Taxes paid	90,587	22,533

SEGMENT REPORTING

The rules of IFRS 8 Operating Segments apply to the segment reporting. IFRS 8 prescribes defining the segments and reporting the earnings on the basis of the internal reporting (Management Approach).

Internal reporting is based on the dedicated Management Board areas North + West, South + East and International + Special Divisions, which represent also the segments. In addition, there are the central business units and central staff units, which handle services in the areas of accounting, group financing, technical development, machine management, quality management, logistics, legal affairs, contract management etc. These services are included in the segment Other.

The settlement between the single segments is made at arm's length prices.

Segment reporting for 1.1.–31.3.2016

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	Group
Output Volume	**991,933**	**610,696**	**623,639**	**30,664**		**2,256,932**
Revenue	**964,581**	**574,724**	**578,914**	**5,796**	**0**	**2,124,015**
Inter-segment revenue	26,261	6,536	16,693	134,806		
EBIT	**-79,670**	**-43,941**	**-24,953**	**-411**	**3,580**	**-145,395**
Interest and similar income	0	0	0	13,943	0	13,943
Interest expense and similar charges	0	0	0	-22,837	0	-22,837
EBT	**-79,670**	**-43,941**	**-24,953**	**-9,305**	**3,580**	**-154,289**

Segment reporting for 1.1.–31.3.2015

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS financial statements	Group
Output Volume	**1,111,427**	**637,820**	**683,488**	**35,600**		**2,468,335**
Revenue	**1,033,255**	**592,057**	**653,725**	**4,922**	**0**	**2,283,959**
Inter-segment revenue	22,338	7,601	21,176	146,974		
EBIT	**-86,705**	**-57,492**	**-19,695**	**-270**	**4,838**	**-159,324**
Interest and similar income	0	0	0	29,697	0	29,697
Interest expense and similar charges	0	0	0	-21,998	0	-21,998
EBT	**-86,705**	**-57,492**	**-19,695**	**7,429**	**4,838**	**-151,625**

Reconciliation of the sum of the segment earnings to EBT according to IFRS financial statements

Income and expense in the internal reporting are shown essentially in accordance with IFRS. An exception is income taxes, including those applicable to deferred tax, which are not considered in the internal reporting.

The basis for the internal reporting is formed by all subsidiaries. In the IFRS financial statements, earnings from companies which were not fully consolidated or reported using the equity method are recognised in conformity with dividends, transfer of earnings and/or depreciation and amortisation. For this reason, the internal reporting does not conform with EBIT in regards to EBT in the consolidated financial statements in terms of the investment result.

Other minor differences result from entries in other consolidation.

Reconciliation of the internal reporting to IFRS financial statements is allocated as follows:

T€	1.1.–31.3.2016	1.1.–31.3.2015
Net income from investments	5,079	4,650
Other consolidations	-1,499	188
Total	**3,580**	**4,838**

FINANCIAL INSTRUMENTS

With exception of the financial liabilities the book value of the financial instruments corresponds to the fair value. The fair value of the financial liabilities amounts to T€ -1,546,960 on 31 March 2016 (31 December 2015: T€ -1,619,725) compared to the recognised book value of T€ -1,503,870 (31 December 2015: T€ -1,579,747).

The **fair values as at 31 March 2016** for financial instruments were measured as follows:

T€	Level 1	Level 2	Total
Assets			
Securities	28,904		28,904
Cash and cash equivalents (securities)	3,317		3,317
Derivatives held for hedging purposes		-60,256	-60,256
Total	**32,221**	**-60,256**	**-28,035**
Liabilities			
Derivatives held for hedging purposes		-4,527	-4,527
Total		**-4,527**	**-4,527**

The **fair values as at 31 December 2015** for financial instruments were measured as follows:

T€	Level 1	Level 2	Total
Assets			
Securities	29,100		29,100
Cash and cash equivalents (securities)	3,231		3,231
Derivatives held for hedging purposes		-52,189	-52,189
Total	**32,331**	**-52,189**	**-19,858**
Liabilities			
Derivatives held for hedging purposes		-2,426	-2,426
Total		**-2,426**	**-2,426**

NOTES ON RELATED PARTIES

Notes on related parties may be found in the 2015 consolidated financial statements. Since 31 December 2015, there have been no significant changes in this area. Arm's-length business relations exist in transactions with related parties.

EVENTS AFTER THE BALANCE SHEET DATE

In April 2016, a share purchase agreement was concluded with the minority shareholders of Stuttgart-based Ed. Züblin AG covering 42.74 % of the holdings in the company. The STRABAG Group thus increased its stake in Züblin from 57.26 % to 94.90 %. The remaining shares were acquired by a core shareholder of STRABAG SE.

The buyers agreed a fixed strike price totalling € 210.3 million. The agreement also includes a provision for a variable purchase price portion of up to € 114.0 million, to be determined depending on the respective net income after minorities of Ed. Züblin AG in the years 2015 to 2019.

This will have the following consequences on the consolidated financial statements for the year ending 31 December 2016: As STRABAG already exercised control, no goodwill arises from the acquisition of the minority shares; instead, the equity is reduced by the amount of the purchase price with no recognition in profit or loss. The minority interest no longer applies effective with the acquisition date.

AUDIT WAIVER

The present interim financial statements for STRABAG SE were neither audited nor subjected to an audit review.

STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the condensed interim financial statements as of 31 March 2016 give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the of important events that have occurred during the first three months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining nine months of the financial year and of the major related party transactions to be disclosed.

Villach, 31 May 2016

Management Board

Dr. Thomas Birtel
CEO
Responsibility Central Divisions and Central Staff Divisions (except BRVZ)
as well as Division 3L RANC[1)]

Mag. Christian Harder
CFO
Responsibility Central Division BRVZ

Dipl.-Ing. Dr. Peter Krammer
Responsibility Segment North + West

Mag. Hannes Truntschnig
Responsibility Segment
International + Special Divisions

Dipl.-Ing. Siegfried Wanker
Responsibility Segment South + East
(except Division 3L RANC)

1) RANC = Russia and Neighbouring Countries

FINANCIAL CALENDAR

Interim Report January–March 2016	**31 May 2016**
Publication	7:30 a.m.
Investor and analyst conference call	2:00 p.m.
Notice of Annual General Meeting	13 May 2016
Shareholding confirmation record date	31 May 2016
Annual General Meeting 2016	**10 June 2016**
Start: 10:00 a.m.	
Location: Austria Center Vienna, 1220 Vienna	
Ex-dividend date	17 June 2016
Record date	20 June 2016
Payment date for dividend	21 June 2015
Semi-annual Report 2016	**31 August 2016**
Publication	7:30 a.m.
Investor and analyst conference call	2:00 p.m.
Interim Report January–September 2016	**30 November 2016**
Publication	7:30 a.m.
Investor and analyst conference call	2:00 p.m.

All times are CET/CEST. Please find the current roadshow schedule on the website www.strabag.com > Investor Relations > Company Calendar.

Corporate bonds

Maturity	Coupon %	Volume € mln.	ISIN	Stock exchange
2011–2018	4.75	175	AT0000A0PHV9	Vienna
2012–2019	4.25	100	AT0000A0V7D8	Vienna
2013–2020	3.00	200	AT0000A109Z8	Vienna
2015–2022	1.625	200	AT0000A1C741	Vienna

Corporate credit rating

Standard & Poor’s	BBB	Outlook stable

Codes

Bloomberg:	**STR AV**
Reuters:	**STR.VI**
Vienna stock exchange:	**STR**
ISIN:	**AT000000STR1**

For further questions, please contact our Investor Relations department:

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This Interim Report is also available in German. In case of discrepancy the German version prevails.