REVERSE THINKING

Interim Report
January–September 2017
30 November 2017

STRABAG
SOCIETAS EUROPAEA

KEY FIGURES

KEY FINANCIAL FIGURES

	Q3/2017	Q3/2016	Δ %	9M/2017	9M/2016	Δ %	2016
Output volume (€ mln.)	4,128.67	3,883.74	6	10,383.06	9,561.06	9	13,491.03
Revenue (€ mln.)	3,705.59	3,626.31	2	9,357.28	8,938.46	5	12,400.46
Order backlog (€ mln.)				16,038.27	14,990.68	7	14,815.79
Employees				72,579	71,329	2	71,839

KEY EARNINGS FIGURES

	Q3/2017	Q3/2016	Δ %	9M/2017	9M/2016	Δ %	2016
EBITDA (€ mln.)	297.20	293.63	1	448.43	450.39	0	855.18
EBITDA margin (% of revenue)	8.0	8.1		4.8	5.0		6.9
EBIT (€ mln.)	203.15	196.68	3	170.56	175.90	-3	424.91
EBIT adjusted (€ mln.)	*203.15*	*196.68*	*3*	*170.56*	*148.09*[1]	*15*	*397.10*[1]
EBIT margin (% of revenue)	5.5	5.4		1.8	2.0		3.4
EBIT margin adjusted (% of revenue)	*5.5*	*5.4*		*1.8*	*1.7*[1]		*3.2*[1]
EBT (€ mln.)	196.48	189.09	4	127.37	162.60	-22	421.13
Net income (€ mln.)	139.96	137.87	2	78.24	104.90	-25	282.00
Net income after minorities (€ mln.)	134.19	129.34	4	73.79	104.34	-29	277.65
Net income after minorities margin (% of revenue)	3.6	3.6		0.8	1.2		2.2
Earnings per share (€)	1.31	1.26	4	0.72	1.02	-29	2.71
Cash flow from operating activities (€ mln.)	115.54	53.35	117	-84.97	-569.94	85	264.17
ROCE (%)	3.0	2.9		2.3	2.9		6.4
Investment in fixed assets (€ mln.)	116.40	94.45	23	335.56	285.98	17	412.46

KEY BALANCE SHEET FIGURES

	30.9.2017	31.12.2016	Δ %
Equity (€ mln.)	3,267.43	3,264.59	0
Equity ratio (%)	30.8	31.5	
Net debt (€ mln.)	-14.62	-449.06	97
Gearing ratio (%)	-0.4	-13.8	
Capital employed (€ mln.)	5,146.45	5,258.17	-2
Balance sheet total (€ mln.)	10,606.17	10,378.41	2

EBITDA = earnings before interest, taxes, depreciation and amortisation
EBIT = earnings before interest and taxes
EBT = earnings before taxes
ROCE = (net income + interest on debt - interest tax shield (25 %))/(average group equity + interest-bearing debt)
Net debt = financial liabilities less 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

1) EBIT adjusted for a non-operating profit in the amount of € 27.81 million

CEO'S REVIEW

Dear shareholders, associates and friends of STRABAG SE,

That we are today confirming our expectations for the full year 2017 is not a matter of course. STRABAG is involved in some 12,000 construction projects every year, including many large-scale and megaprojects. In carrying out our work, several risks can arise simultaneously; at the same time, however, it is also possible to regularly turn opportunities into earnings.

All in all, this makes our business model robust enough to allow us to maintain our earnings forecast. And so it is that, after nine months in 2017, we can report operating earnings that are nearly unchanged in comparison to the same period last year – despite the fact that a one-off effect in 2016 from the sale of a shareholding related to the acquisition of the minority interest in subsidiary Ed. Züblin AG in the amount of € 27.81 million, which was disclosed at that time, had resulted in an upwards distortion of the earnings figures.

I am therefore very pleased to be able to confirm – and, in the case of our output volume, to raise – our forecast for the 2017 full year: The output volume should rise to € 14.5 billion (previous forecast: at least € 14.0 billion) and the EBIT margin should reach at least 3 %.

Certain risks are inherent to the construction business. We try to control these risks using a group-wide risk management system and realistic planning. Thank you for supporting this approach. Thank you also in the name of my fellow board members and all group employees for your trust in us!

Yours,

Thomas Birtel

Thomas Birtel
CEO of STRABAG SE

- Output volume 9M/2017 up by 9 %
- Order backlog again at high level: € 16.0 billion (+7 %)
- Despite positive, non-operating, non-recurring item in the previous year, EBITDA after nine months stable
- Negative exchange rate differences, however, result in significantly lower net income after minorities
- Outlook 2017: expected output volume raised to € 14.5 billion (previously: ≥ € 14.0 billion), EBIT margin forecast remains at ≥ 3 %

ECONOMIC DEVELOPMENT JANUARY–SEPTEMBER 2017

Output volume and revenue

STRABAG SE generated an output volume of € 10.4 billion in the first nine months of 2017 – an increase of 9 %. This upwards trend is being driven especially by the German transportation infrastructures business and by a number of mid-sized building construction and civil engineering projects in Austria. Business growth can also be observed in the group's core markets of Central and Eastern Europe. The consolidated group revenue grew slightly less strongly than the output, gaining 5 % to € 9,357.28 million. The ratio of revenue to output volume amounted to just 90 % compared to 93 % in the first nine months of the previous year.

Order backlog

The order backlog, at € 16.0 billion, again reached a very high level (+7 % versus 30 September 2016). Contributing to this development once more were numerous new large orders from the public sector and the industry in the group's largest markets, namely in Germany, Austria, Poland, Hungary and Slovakia. The group had generated about 75 % of its output volume in these countries in the 2016 financial year.

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) remained stable at € 448.43 million after € 450.39 million. It should be noted that, in the second quarter of the previous year, the results had included earnings in the amount of € 27.81 million from the sale of a minority shareholding related to the acquisition of the minority interest in subsidiary Ed. Züblin AG that cannot be assigned to the operating business. Adjusted for this effect, the EBITDA in the nine-month period increased by 6 % from € 422.59 million to € 448.43 million. Worth mentioning, besides a number of effects from numerous different projects, are the renewed negative effect on earnings from a large project in Chile and the recognition of a receivable from a concession project in Poland.

The depreciation and amortisation were up slightly, so that the earnings before interest and taxes (EBIT) came to rest at € 170.56 million for a minus of 3 % compared to the same period of the previous year. Adjusted for the positive one-off effect in the previous year, however, this represents a plus of 15 %. In the third quarter, the EBIT grew by 3 % to € 203.15 million.

The net interest income, meanwhile, fell from € -13.30 million to € -43.19 million. This is due to negative internal exchange rate differences of € -27.33 million after positive exchange rate differences of € 3.74 million in the comparison period of the previous year. As a result, the earnings before taxes (EBT), at € 127.37 million, were 22 % below the previous year's level. The income tax level fell by 15 %, leaving a net income of € 78.24 million (-25 %). The third-party share amounted to € 4.45 million; in the previous year's comparison period – until April, there had still been minority shareholdings in Stuttgart-based subsidiary Ed. Züblin AG – this figure amounted to € 0.56 million. These effects resulted in a net income after minorities of € 73.79 million. With 102,600,000 outstanding shares, this corresponds to earnings per share of € 0.72 after € 1.02 in the first nine months of the previous year.

Financial position and cash flows

With € 10.6 billion, the balance sheet total changed only little versus 31 December 2016. This figure was influenced by the recategorization of the term of the financial liabilities from non-current to current, in part because of the maturity of a bond, and an increase of the trade payables. The equity ratio remained high at 30.8 % compared to 31.5 % at the end of 2016 (30 September 2016: 30.0 %). The net cash position stood at € 14.62 million, decreasing – as is seasonally usual – versus the year-end figure, but turning from the net debt position that had existed at the end of the comparison period last year.

The cash flow from operating activities, at € -84.97 million, was significantly less deep in negative territory than in the first half of the previous year, when it had still amounted to € -569.94 million. This was due above all to the increase in trade payables, which in the first half of 2016 had been reduced due to an unusually high level of advance payments on 1 January 2016. Moreover, the nine-month period last year had been burdened with unusually high income tax payments. The cash flow from investing activities remained nearly unchanged at € -241.67 million. The higher level of investments in property, plant and equipment was balanced out by an inflow of funds from changes to the scope of consolidation following the sale of a project development. The cash flow from financing activities stood at € -198.85 million after € -422.37 million in the previous year, when the figure had been strongly influenced by the acquisition of the shares of Ed. Züblin AG.

Outlook

The 2017 financial year promises a positive development of the output volume. The Management Board of STRABAG SE expects an increase to € 14.5 billion (+7 %). Growth should be seen in all three operating segments – North + West, South + East and International + Special Divisions. STRABAG expects the EBIT margin to reach a level of at least 3 %. The cash flow from investing activities should reach around € 450 million.

Events after the balance sheet date

In October 2017, after long and intense negotiations, Deutsche Telekom decided to end its existing contract for facility management services with STRABAG Property and Facility Services GmbH, Germany (STRABAG PFS) by 30 June 2019. With the loss of a key client that had contributed annual average revenue of about € 550 million, STRABAG PFS must undergo a fundamental reorganisation.

SEGMENT REPORT

North + West

€ mln.	Q3/2017	Q3/2016	Δ %	Δ absolute	9M/2017	9M/2016	Δ %	Δ absolute
Output volume	2,030.98	1,829.17	11	201.81	4,813.81	4,387.26	10	426.55
Revenue	1,909.44	1,751.15	9	158.29	4,516.97	4,167.90	8	349.07
Order backlog					7,697.49	7,083.37	9	614.12
EBIT	88.14	64.44	37	23.70	25.46	-8.40	n. m.	33.86
EBIT margin (% of revenue)	4.6	3.7			0.6	-0.2		
EBT	88.14	64.44	37	23.70	25.46	-8.40	n. m.	33.86
Employees					23,146	21,959	5	1,187

The **output volume** of the North + West segment reached € 4,813.81 million in the first nine months of 2017, a plus of 10 % compared to the high level of the previous year. This development reflects the market-related growth in transportation infrastructures in Germany, the largest market in this segment.

The **revenue** increased by 8 % to € 4,516.97 million. Thanks in part to improved project earnings in Germany and Denmark, the **earnings before interest and taxes** (EBIT) moved from € -8.40 million into positive territory with € 25.46 million.

The **order backlog** was also influenced by the figures from Germany, as well as from Poland, growing by 9 % versus 30 September 2016 to € 7,697.49 million. The most important new projects acquired to date in 2017 include the construction of a production facility for an automobile manufacturer as well as a new factory for a provider of electronic components, both in Germany. In Poland, STRABAG was hired to modernise a 20 km section of railway between Cracow and Rudzice, to expand the metropolitan rail line serving Cracow's suburbs and to build Cracow's tallest high-rise tower. The situation in Northern Europe was mixed: In Denmark, the order backlog fell back due to the completion of a building construction project in Copenhagen that the group had been working on for the past few years. In Benelux, on the other hand, this figure grew thanks to a contract to build two high-rise towers in Amsterdam.

The average number of **employees** in the segment increased by 5 % year on year to 23,146. This increase of the total employee numbers is mainly due to the growth among both blue-collar and white-collar personnel in Germany and of white-collar staff in Poland. In Denmark, the completion of the aforementioned large project brought with it a reduction of employee numbers.

A word on the segment **outlook**: The output volume in the North + West segment in the 2017 financial year is expected to grow in a year-on-year comparison – an assumption that is already covered by existing contracts.

The **German building construction and civil engineering business** continues to contribute positively to both output volume and earnings in the segment. By binding subcontractors and suppliers at an early stage, attempts are being made to counter the capacity bottleneck in the face of the good employment situation and the upwards price trend, e.g. for reinforcing steel.

The upwards trend in the **German transportation infrastructures business** is also expected to continue in the medium term. In the spring of 2016, the German government had announced substantially increased investments in transportation infrastructures. Investments totalling around € 265 billion are planned for more efficient transport networks until 2030. Due to the higher number of tenders in the region-wide business, the number of tender participants is on the decline so that prices overall are moderately on the rise. Because of the scarcer capacities, however, a more considerable price increase can be seen in some regions. Qualified staff also remains a limiting factor for further noteworthy growth. The large projects business is currently not able to benefit from the good tender situation. Despite the growing project volume, however, the competitive pressure remains very high.

The Federal Transport Infrastructure Plan foresees investments totalling about € 109 billion for the federal rail infrastructure until 2030. But large projects in **Germany's railway construction** also remain hotly contested – albeit by a relatively low number of bidders. A growing market is not expected until 2018.

The improved demand in transportation infrastructures has led to a scarcity of **construction materials**, but thanks to the group's own asphalt production activities this has expressed itself in a significant growth of the production volumes and a corresponding development in the construction materials business. However, this positive trend is being slowed by the considerably higher prices for bitumen – a material in asphalt production – and the intense competition.

The tender volumes in the **Polish construction sector** have grown considerably so far in 2017. At the same time, the Polish government added new routes to its 2014–2023 transportation infrastructures programme and so adjusted the volume upwards. However, considerable price increases must now be expected for subcontractor services and construction materials. A far better situation can be seen in railway construction, where STRABAG has already been able to land several noteworthy new contracts this year. Activity from public-sector clients in the Polish building construction and civil engineering business remains strong. STRABAG also continues to closely watch the development in the energy sector. Overall, an output plus in the low double-digit percent can be expected in Poland in 2017.

In **Benelux** and **Scandinavia**, the upwards trend of the markets remains unbroken. In the years to come, the Danish construction industry will be especially interesting for German construction companies. Investments totalling more than € 60 billion are planned in Denmark by the year 2023, including projects such as bridges, roads, railways and the revitalisation of urban industrial areas.

South + East

€ mln.	Q3/2017	Q3/2016	Δ %	Δ absolute	9M/2017	9M/2016	Δ %	Δ absolute
Output volume	1,233.30	1,186.67	4	46.63	3,043.66	2,886.03	5	157.63
Revenue	1,038.95	1,133.64	-8	-94.69	2,768.53	2,778.07	0	-9.54
Order backlog					4,237.88	3,547.79	19	690.09
EBIT	101.29	108.68	-7	-7.39	139.02	116.01	20	23.01
EBIT margin (% of revenue)	9.7	9.6			5.0	4.2		
EBT	101.29	108.68	-7	-7.39	139.02	116.01	20	23.01
Employees					17,644	17,628	0	16

The South + East segment generated an **output volume** of € 3,043.66 million in the first nine months of the 2017 financial year, 5 % more than in the same period of the preceding year. Driving this growth were markets like Austria, Hungary and Slovakia. In other markets, for example in Romania, the output volume was down in a year-on-year comparison.

The **revenue** remained stable at € 2,768.53 million. The **earnings before interest and taxes** (EBIT) continued to improve from € 116.01 million to € 139.02 million thanks to developments in several countries such as Hungary and Russia.

The **order backlog** is also showing very positive development. The figure of € 4,237.88 million represents a plus of 19 % versus 30 September 2016. This growth was driven mainly by large orders in the group's core markets. In Austria, the order books are being filled, among other things, by numerous building construction contracts in Vienna. In Hungary, STRABAG is working on new road and rail orders, is building an art storage facility, has been chosen to renovate Budapest's historic Eiffel Hall and is modernising the metro system in the capital. In Slovakia, the group is handling the site development of the Nitra Industrial Park. In Russia, STRABAG landed its first substantial order in a long time, specifically a luxury apartment complex in Moscow with a contract value in the mid-double-digit million euros. And in Croatia, STRABAG has been awarded the contract to expand the Dubrovnik Airport.

At first glance, the number of **employees** remained more or less unchanged at 17,644. Viewed in detail, however, there were significant movements at the country level: staff was up in Croatia and Austria, but fell in Switzerland and in the Czech Republic.

A word on the segment **outlook**: In the 2017 financial year, STRABAG expects to be able to grow its output in the South + East segment and to keep the margins at an attractive level. In its home market of **Austria**, the building construction market in the greater Vienna area continues to exhibit dynamic growth. In contrast, the transportation infrastructures and civil engineering business is characterised by fierce competition.

The situation in **Slovakia** had so far been characterised by large, EU-cofinanced infrastructure projects, with a focus on the automobile industry and sports infrastructure. In the **Czech Republic**, meanwhile, projects had mostly involved private clients in building construction and industrial facilities. Both countries are now showing a disproportionate increase in prices for subcontractor services and a clear scarcity of qualified personnel as well as often unjustifiable pricing by the competition. As only few large projects of any noteworthy size, especially in transportation infrastructures, are likely to be tendered in the foreseeable future, a decline of the output volume and a worsening of the economic environment are to be expected in Slovakia and the Czech Republic.

In view of the number of public tenders in **Hungary**, STRABAG registers a promising economic framework in this country. However, the prices for subcontractor services are rising here too. The medium-term planning is therefore more conservative. The market volume in **Switzerland** is stagnating at a high level. Despite several announced tenders in infrastructure construction, the price situation remains tense. Still, business is developing according to plan. With the Tamina Bridge in the canton of St. Gallen, STRABAG this year completed a technically challenging and very successful project.

The market in **South East Europe** remains a hotly contested one. Numerous international competitors are vying in prolonged tendering procedures for only few projects with at times unacceptable contractual conditions, with the result that edge-out competition dominates the situation. This is true in both building construction and civil engineering as well as in transportation infrastructures.

In **Russia**, loans to industry are still only hesitatingly being granted and the interest rates remain high. However, several private residential construction projects came onto the market. With its many years of experience in the construction of residential property, mainly in the luxury segment in large Russian cities, STRABAG should be able to benefit from this development.

International + Special Divisions

€ mln.	Q3/2017	Q3/2016	Δ %	Δ absolute	9M/2017	9M/2016	Δ %	Δ absolute
Output volume	829.28	836.68	-1	-7.40	2,418.54	2,195.68	10	222.86
Revenue	749.60	735.50	2	14.10	2,051.30	1,973.35	4	77.95
Order backlog					4,099.25	4,354.64	-6	-255.39
EBIT	30.98	45.95	-33	-14.97	24.48	53.08	-54	-28.60
EBIT margin (% of revenue)	4.1	6.2			1.2	2.7		
EBT	30.98	45.95	-33	-14.97	24.48	53.08	-54	-28.60
Employees					25,815	25,942	0	-127

In the first nine months of the 2017 financial year, the **output volume** in the segment International + Special Divisions increased by 10 % to € 2,418.54 million. This development was driven especially by large projects in the core markets of Austria, Germany and the Americas.

The **revenue** grew less strongly compared to the output volume, gaining 4 % to € 2,051.30 million. In the comparison period of the previous year, the sale of real estate project developments had resulted in unusually high revenue with a higher-than-average contribution to the **earnings before interest and taxes** (EBIT). This figure has now fallen back from € 53.08 million to € 24.48 million. In the period under review, the write-up of a receivable from a concession project in Poland was contrasted by a further negative effect on earnings from a large project in Chile.

The **order backlog** fell back by 6 % versus 30 September 2016 to € 4,099.25 million. In Austria, orders grew from a contract related to the Brenner Base Tunnel and from the tunnelling works for the GKI power plant being carried out in a consortium. A negative effect came especially from the reduction of the order volume in the first quarter of 2017 at an Italian transportation infrastructures project. In the third quarter, it was announced that STRABAG, as a member of a consortium, was being awarded the contract for the main civil engineering works for lots S1 and S2 of the new HS2 high-speed railway link in the United Kingdom. The construction volume is estimated at about GBP 2 billion. For now, however, only the volume for the preparatory phase, a double-digit million-euro amount, was registered in the order backlog. New orders are also coming in from outside of Europe, where projects include the construction of the Thiba Dam in Kenya, Africa’s highest bridge (223 m) over the river Mtentu in South Africa, and another approx. 12 km of tunnel for the waste water system in Singapore.

The **number of employees** stagnated at about 25,815. Larger changes, however, were seen in the individual markets. The decline by nearly 900 persons in the Middle East was not entirely compensated by increases in the Americas, in Africa and in Asia; staff was also increased in Austria.

A word on the segment **outlook**: In the 2017 financial year, it should be possible to generate a slightly higher output volume in the segment International + Special Divisions.

The **real estate development** business continues to show unchanged positive development. The economic framework is expected to remain positive in the medium term. Close observation of interest rates and property prices is necessary, however. While the demand for commercial and residential properties remains undiminished, the property prices in Germany's cities show a considerable upward momentum that will make it increasingly challenging to initiate new project developments profitably in the long term. Overheating in large German cities is possible at least locally. STRABAG has therefore been expanding its activities in real estate development to include other countries and other market segments. Besides Germany, the company is also active in project developments in Austria, Poland and Romania. In Austria, Vienna-based STRABAG Real Estate GmbH (formerly: Raiffeisen evolution project development GmbH) and Mischek Bauträger Service GmbH are specialists in the development of high-quality sustainable residential real estate in all parts of the country. The portfolio includes subsidised, affordable and privately financed residential construction as well as related uses such as student housing and commercial project developments. Since the third quarter 2017, STRABAG has also offered development services for property owners who entrust the company with the value-optimised development of their real estate assets.

The **property and facility services** business had so far made quite positive contributions to the earnings. However, by 30 June 2019 at the latest, STRABAG Property and Facility Services (STRABAG PFS) will end the management of real estate, technical facilities, data centres and cellular towers of Deutsche Telekom AG (DTAG). The corresponding service agreement is expiring after a period of ten years. STRABAG PFS's offer to continue to manage the DTAG properties until 2028 was not accepted. With the loss of a key client that had contributed annual average revenue of about € 550 million, the company must undergo a fundamental reorganisation. STRABAG will now intensify its sales activities in the property and facility services business. Already in the second quarter 2017, Telefónica Germany entrusted STRABAG PFS with the technical and infrastructure facility management of all its administration buildings and shops in several German states. In the fourth quarter, STRABAG PFS landed another facility management contract, this time with Jungheinrich AG. Moreover, the STRABAG Group is continuously expanding its activities with innovative new services in this business field. One example is the start of a development partnership between STRABAG Property & Facility Services GmbH and Microsoft. Additionally, the company in the first quarter of 2017 acquired 75 % of an industrial cleaning start-up, based in Salzburg, Austria, a specialist in the environmentally friendly cleaning of machinery and industrial facilities with compressed air.

Demand is currently high for the group's **intelligent infrastructure solutions**. STRABAG Infrastructure & Safety Solutions GmbH is playing an important role in the modernisation of Austria's tunnels. As in the construction business, however, there also is a lack of qualified personnel and an intense competition in this field. An increased number of tenders are expected in the future, especially in Northern Europe.

The increasingly scarce human resources, as well as the extremely low price level, are making it more difficult to do business profitably in **tunnelling**, especially in Austria. On the other hand, the tunnelling business is expected to show renewed growth from large infrastructure programmes in the UK and in Canada.

The public-private partnership business, at STRABAG organised within the **infrastructure development** unit, has a project pipeline in Northern Europe but stagnating markets especially in South East Europe. For this reason, the company is focusing on selected markets outside of Europe – even if this involves considerable bid-related costs.

In the **non-European markets**, STRABAG is focused on offering those services that require a high degree of technological expertise. This includes not only specialities such as toll technology, test track construction or pipe jacking, but also know-how-based projects in tunnelling, dam construction or transportation infrastructures. Internationally, the company is active especially in the Middle East, in selected markets in Africa, and in South America. The business in the Middle East, which is driven by the price of oil, appears to have passed its low point. As in Africa, however, competition is expected to remain as intense as before. STRABAG therefore continues to focus selectively on those projects in which it can apply its technological know-how.

The development of the **construction materials** business is strongly tied to the construction economy of the individual countries. Thanks to the high tendering activity in transportation infrastructures, the situation with regard to concrete and stone/gravel is especially positive in Eastern Europe. High demand has led to a higher level of production, but competitive pressure has been keeping prices stable.

Others

€ mln.	Q3/2017	Q3/2016	Δ %	Δ absolute	9M/2017	9M/2016	Δ %	Δ absolute
Output volume	35.11	31.22	12	3.89	107.05	92.09	16	14.96
Revenue	7.60	6.02	26	1.58	20.48	19.14	7	1.34
Order backlog					3.65	4.88	-25	-1.23
EBIT	0.56	0.30	87	0.26	0.52	0.47	11	0.05
EBIT margin (% of revenue)	7.4	5.0			2.5	2.5		
EBT	-6.11	-7.29	16	1.18	-42.67	-12.83	-233	-29.84
Employees					5,974	5,800	3	174

Reconciliation of the EBT of the segments to the group's EBT according to IFRS financial statements is allocated as follows:

€ mln.	1.1.–30.9.2017	1.1.–30.9.2016
EBT segments	**146.29**	**147.86**
Net income from investments	-10.36	-11.39
Non-operating profit from the sale of investments	0.00	27.81
Other consolidations	-8.56	-1.68
EBT IFRS financial statements	**127.37**	**162.60**

CONSOLIDATED INTERIM FINANCIAL STATEMENTS STRABAG SE, VILLACH, AS AT 30 SEPTEMBER 2017

Consolidated income statement for 1.1.–30.9.2017

T€	1.7.–30.9.2017	1.7.–30.9.2016	1.1.–30.9.2017	1.1.–30.9.2016
Revenue	3,705,590	3,626,308	9,357,275	8,938,457
Changes in inventories	74,144	32,754	148,008	47,348
Own work capitalised	9,103	542	9,765	3,423
Other operating income	86,127	32,431	195,034	133,036
Construction materials, consumables and services used	-2,543,200	-2,429,374	-6,349,483	-5,881,496
Employee benefits expenses	-879,868	-847,301	-2,497,938	-2,387,938
Other operating expenses	-196,536	-175,261	-509,917	-505,291
Share of profit or loss of equity-accounted investments	23,216	42,190	59,799	74,327
Net income from investments	18,617	11,347	35,881	28,530
EBITDA	**297,193**	**293,636**	**448,424**	**450,396**
Depreciation and amortisation expense	-94,042	-96,957	-277,866	-274,493
EBIT	**203,151**	**196,679**	**170,558**	**175,903**
Interest and similar income	5,703	10,770	30,000	44,427
Interest expense and similar charges	-12,371	-18,363	-73,185	-57,735
Net interest income	**-6,668**	**-7,593**	**-43,185**	**-13,308**
EBT	**196,483**	**189,086**	**127,373**	**162,595**
Income tax expense	-56,517	-51,218	-49,130	-57,697
Net income	**139,966**	**137,868**	**78,243**	**104,898**
Attributable to: non-controlling interests	5,781	8,521	4,455	555
Attributable to: equity holders of the parent company	134,185	129,347	73,788	104,343
Earnings per share (€)	**1.31**	**1.26**	**0.72**	**1.02**

Statement of total comprehensive income for 1.1.–30.9.2017

T€	1.7.–30.9.2017	1.7.–30.9.2016	1.1.–30.9.2017	1.1.–30.9.2016
Net income	**139,966**	**137,868**	**78,243**	**104,898**
Differences arising from currency translation	-3,514	12,995	11,899	5,204
Recycling of differences arising from currency translation	11	0	55	0
Change in hedging reserves including interest rate swaps	-3,167	-5,665	-915	-20,040
Recycling of hedging reserves including interest rate swaps	4,977	5,326	15,141	16,513
Deferred taxes on neutral change in equity	-421	59	-1,752	786
Other income from equity-accounted investments	132	1,973	1,023	689
Total of items which are later recognised (“recycled”) in the income statement	*-1,982*	*14,688*	*25,451*	*3,152*
Change in actuarial gains or losses	0	0	0	-50.172
Deferred taxes on neutral change in equity	0	1	0	14.419
Other income from equity-accounted investments	0	4	143	133
Total of items which are not later recognised (“recycled”) in the income statement	*0*	*5*	*143*	*-35,620*
Other income	**-1,982**	**14,693**	**25,594**	**-32,468**
Total comprehensive income	**137,984**	**152,561**	**103,837**	**72,430**
Attributable to: non-controlling interests	5,731	8,932	5,637	-854
Attributable to: equity holders of the parent company	132,253	143,629	98,200	73,284

Consolidated balance sheet as at 30 September 2017

T€	30.9.2017	31.12.2016
Intangible assets	496,863	496,402
Property, plant and equipment	1,942,744	1,927,739
Investment property	7,355	7,916
Equity-accounted investments	351,825	347,605
Other investments	184,888	166,731
Receivables from concession arrangements	664,815	683,486
Other financial assets	300,968	254,220
Deferred taxes	242,505	245,827
Non-current assets	**4,191,963**	**4,129,926**
Inventories	1,324,424	1,182,805
Receivables from concession arrangements	33,069	31,180
Trade receivables	3,054,342	2,444,400
Non-financial assets	93,441	87,654
Income tax receivables	79,953	112,804
Other financial assets	349,564	386,376
Cash and cash equivalents	1,479,418	2,003,261
Current assets	**6,414,211**	**6,248,480**
Assets	**10,606,174**	**10,378,406**
Share capital	110,000	110,000
Capital reserves	2,315,384	2,315,384
Retained earnings and other reserves	761,383	760,654
Non-controlling interests	80,666	78,551
Total equity	**3,267,433**	**3,264,589**
Provisions	1,077,865	1,111,727
Financial liabilities[1]	913,391	1,223,527
Other financial liabilities	67,689	63,750
Deferred taxes	21,305	21,390
Non-current liabilities	**2,080,250**	**2,420,394**
Provisions	741,694	810,362
Financial liabilities[2]	414,522	202,549
Trade payables	3,219,578	2,818,000
Non-financial liabilities	413,388	367,977
Income tax liabilities	103,161	103,501
Other financial liabilities	366,148	391,034
Current liabilities	**5,258,491**	**4,693,423**
Equity and liabilities	**10,606,174**	**10,378,406**

1) Thereof T€ 363,805 concerning non-recourse liabilities from concession arrangements (31 December 2016: T€ 389,781)
2) Thereof T€ 50,414 concerning non-recourse liabilities from concession arrangements (31 December 2016: T€ 49,596)

Consolidated cash flow statement for 1.1.–30.9.2017

T€	1.1.–30.9.2017	1.1.–30.9.2016
Net income	78,243	104,898
Deferred taxes	2,003	3,040
Non-cash effective results from consolidation	-1,024	-4
Non-cash effective results from equity-accounted investments	12,040	34,894
Depreciations/write ups	279,136	274,777
Change in long-term provisions	-36,717	-27,908
Gains/losses on disposal of non-current assets	-26,437	-39,840
Cash flow from earnings	*307,244*	*349,857*
Change in inventories	-166,363	-64,731
Change in trade receivables, construction contracts and consortia	-581,909	-571,875
Change in receivables from subsidiaries and receivables from participation companies	22,440	-41,188
Change in other assets	-18,092	-74,354
Change in trade payables, construction contracts and consortia	382,424	-37,675
Change in liabilities from subsidiaries and liabilities from participation companies	16,064	3,795
Change in other liabilities	22,489	-114,959
Change in current provisions	-69,262	-18,809
Cash flow from operating activities	**-84,965**	**-569,939**
Purchase of financial assets	-39,835	-31,586
Purchase of property, plant, equipment and intangible assets	-335,562	-285,983
Inflows from asset disposals	69,572	136,383
Change in other financing receivables	46,216	11,146
Change in scope of consolidation	17,937	-72,799
Cash flow from investing activities	**-241,672**	**-242,839**
Issue of bank borrowings	78,378	40,558
Repayment of bank borrowings	-67,495	-176,990
Change in bonded loan	-108,500	0
Repayment of payables relating to finance lease	-275	-4,943
Repayment of other financing liabilities	34	-2,105
Change in non-controlling interests due to acquisition	-443	-208,907
Distribution of dividends	-100,550	-69,983
Cash flow from financing activities	**-198,851**	**-422,370**
Net change in cash and cash equivalents	**-525,488**	**-1,235,148**
Cash and cash equivalents at the beginning of the period	1,997,574	2,726,646
Change in cash and cash equivalents due to currency translation	1,645	4,703
Change in restricted cash and cash equivalents	629	1,825
Cash and cash equivalents at the end of the period	**1,474,360**	**1,498,026**

Statement of changes in equity for 1.1.–30.9.2017

T€	Share capital	Capital reserves	Retained earnings	Hedging reserves	Foreign currency reserves	Group equity	Non-controlling interests	Total equity
Balance as at 1.1.2017	**110,000**	**2,315,384**	**920,899**	**-97,737**	**-62,508**	**3,186,038**	**78,551**	**3,264,589**
Net income	0	0	73,788	0	0	73,788	4,455	78,243
Differences arising from currency translation	0	0	0	0	11,027	11,027	927	11,954
Changes in equity-accounted investments	0	0	140	-88	1,088	1,140	26	1,166
Neutral change of interest rate swaps	0	0	0	13,974	0	13,974	252	14,226
Deferred taxes on neutral change in equity	0	0	0	-1,729	0	-1,729	-23	-1,752
Total comprehensive income	**0**	**0**	**73,928**	**12,157**	**12,115**	**98,200**	**5,637**	**103,837**
Transactions concerning non-controlling interests	0	0	125	0	-126	-1	-442	-443
Distribution of dividends[1)]	0	0	-97,470	0	0	-97,470	-3,080	-100,550
Balance as at 30.9.2017	**110,000**	**2,315,384**	**897,482**	**-85,580**	**-50,519**	**3,186,767**	**80,666**	**3,267,433**

Statement of changes in equity for 1.1.–30.9.2016

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	104,343	0	0	104,343	555	104,898
Differences arising from currency translation	0	0	0	0	5,431	5,431	-227	5,204
Change in hedging reserves	0	0	0	-70	0	-70	0	-70
Changes in equity-accounted investments	0	0	130	-85	758	803	19	822
Change of actuarial gains and losses	0	0	-48,519	0	0	-48,519	-1,653	-50,172
Neutral change of interest rate swaps	0	0	0	-3,421	0	-3,421	-36	-3,457
Deferred taxes on neutral change in equity	0	0	13,938	779	0	14,717	488	15,205
Total comprehensive income	**0**	**0**	**69,892**	**-2,797**	**6,189**	**73,284**	**-854**	**72,430**
Transactions concerning non-controlling interests	0	0	-45,807	0	-1,831	-47,638	-204,359	-251,997
Own shares[2)]	-4,000	-79,160	83,160	0	0	0	0	0
Changes in equity-accounted investments	0	0	-995	0	0	-995	-23	-1,018
Distribution of dividends[3)]	0	0	-66,690	0	0	-66,690	-3,293	-69,983
Balance as at 30.9.2016	**110,000**	**2,232,224**	**816,889**	**-100,262**	**-61,859**	**2,996,992**	**73,075**	**3,070,067**

1) The total dividend payment of T€ 97,470 corresponds per share of € 0.95 based on 102,600,000 shares.
2) Withdrawal of own shares per resolution by the 12th Annual General Meeting on 10 June 2016 and approval by the Supervisory Board of STRABAG SE on 15 July 2016.
3) The total dividend payment of T€ 66,690 corresponds per share of € 0.65 based on 102,600,000 shares.

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.