INNOVATION

TRADITION

# SUCCESS MEANS BALANCE.
# INTERIM REPORT JANUARY–MARCH 2012

31 MAY 2012

STRABAG
SOCIETAS EUROPAEA

# CONTENT

# KEY FIGURES

## KEY FINANCIAL FIGURES

| € MLN. | Q1/2012 | Q1/2011 | CHANGE IN % | 2011 |
|---|---|---|---|---|
| Output volume | 2,262.54 | 2,309.25 | -2 % | 14,325.85 |
| Revenue | 2,192.65 | 2,210.04 | -1 % | 13,713.80 |
| Order backlog | 15,688.29 | 15,176.99 | 3 % | 13,354.00 |
| Employees | 70,767 | 72,363 | -2 % | 76,866 |

## KEY EARNINGS FIGURES

| € MLN. | Q1/2012 | Q1/2011 | CHANGE IN % | 2011 |
|---|---|---|---|---|
| EBITDA | -74.34 | -59.80 | -24 % | 746.33 |
| EBITDA margin % of revenue | -3.4 % | -2.7 % | | 5.4 % |
| EBIT | -164.66 | -145.38 | -13 % | 334.78 |
| EBIT margin % of revenue | -7.5 % | -6.6 % | | 2.4 % |
| Profit before taxes | -199.18 | -148.59 | -34 % | 343.33 |
| Net income | -159.14 | -116.87 | -36 % | 239.29 |
| Earnings per share | -1.44 | -1.03 | -39 % | 1.75 |
| Cash-flow from operating activities | -47.57 | -294.12 | 84 % | 501.15 |
| ROCE in % | -2.6 % | -1.8 % | | 6.3 % |
| Investments in fixed assets | 80.75 | 74.75 | 8 % | 477.15 |
| Net income after minorities | -150.55 | -117.53 | -28 % | 195.00 |
| Net income after minorities margin % of revenue | -6.9 % | -5.3 % | | 1.4 % |

## KEY BALANCE SHEET FIGURES

| € MLN. | 31.3.2012 | 31.12.2011 | CHANGE IN % |
|---|---|---|---|
| Equity | 3,059.54 | 3,149.84 | -3 % |
| Equity Ratio in % | 30.4 % | 30.3 % | |
| Net Debt | -56.16 | -267.81 | -79 % |
| Gearing Ratio in % | -1.8 % | -8.5 % | |
| Capital Employed | 5,268.58 | 5,336.45 | -1 % |
| Balance sheet total | 10,079.92 | 10,386.05 | -3 % |

EBITDA = profit for the period before net interest income, income tax expense and depreciation and amortization
EBIT = profit for the period before net interest income and income tax expense
ROCE = net income + interest on debt-interest tax shield (25 %) / (average group equity + interest-bearing debt)
Net Debt = financial liabilities less non-recourse debts + 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

**Dear shareholders, associates and friends of STRABAG SE,**

At the end of April, we had described our planning for the earnings before interest and taxes (EBIT) of over € 300 million as "more than ambitious". The few weeks since the publication of the 2011 results have confirmed that we must proceed prudently regarding our assessment of the 2012 business development. I therefore repeat, for myself and on behalf of my management board colleagues, how ambitious our plans are in light of the current situation:

As in the 2011 financial year, the lack of infrastructure investments by the public sector in Europe will continue to have a negative impact on the Transportation Infrastructures segment. A further burden will likely be the weakened demand for construction in Poland after the European Football Championship. On the other hand, we expect to see a still solid business in the German building construction and civil engineering segment as well as improved results in niche markets.

We will continue to closely observe the current economic conditions, specifically the economic growth in the individual markets, the height of public spending, and the financing environment for our clients.

Dr. Hans Peter Haselsteiner

**Dr. Hans Peter Haselsteiner**
CEO

- New record high for order backlog: € 15.7 billion
- Output volume more or less stable at € 2.3 billion
- EBIT lower than in Q1/11, burdened by raw materials business, among others
- Cash-flow from operating activities improved by 84 %
- Outlook confirmed: 2012 EBIT of over € 300 million further described as "more than ambitious"

# IMPORTANT EVENTS

## JANUARY

**Polish transportation infrastructures order of € 254 million**
The agreement to build an approx. 40 km section of the expressway S8 with a contract value of about € 254 million was signed at the beginning of January. The order further includes the construction of 18 bridges, the conversion of local and municipal roads, as well as the construction of a rest area including the technical infrastructure.

## FEBRUARY

**Bus rapid transit system in Tanzania**
In Tanzania's main city Dar es Salaam, STRABAG will build a bus rapid transit (BRT) system: an above-ground bus transport system with separate bus lanes and priority right of way. The order includes the rehabilitation and expansion of a total of three main traffic arteries with a volume of € 134 million.

**Billion-euro Pedemontana Lombarda motorway in Italy**
The order for the STRABAG consortium includes the construction of a 50 km dual carriageway motorway with two or three lanes in each direction as well as 50 km of spurs and connecting routes to the existing road network. The contract also comprises 50 cut-and-cover tunnels as well as two bored tunnels including the technical facilities, bridges and an approximately 80 km bicycle trail. Work on the € 1.7 billion (share of STRABAG around € 1.0 billion) order will begin in the course of 2012 in order to hand over the motorway in time for the Milan Universal Exposition in 2015.

## MARCH

**STRABAG SE places € 140 million bonded loan**
STRABAG SE has placed a bonded loan with European and Asian financial institutions as well as institutional investors from Germany with a volume of € 140 million to diversify its financial structure. The volume of the issue is divided among two fixed-interest and two variable tranches with terms to maturity of five and seven years.

**Extension of underground line U1 in Vienna**
STRABAG was awarded the contract for the two construction lots U1/9 – Altes Landgut and U1/10 – Troststraße forming part of the extension of underground line U1 into the south of Vienna, Austria. The order value amounts to a total of around € 90 million. Construction began in April 2012 and is scheduled for completion in May 2016.

**STRABAG Switzerland enters into strategic partnership with BH-Holding**
STRABAG reached the completion of a strategic partnership agreement with BH-Holding AG in the Swiss Canton of Zurich and Zug. According to the agreement, STRABAG will be granted the right to assume the execution of construction works for all projects acquired or developed by the subsidiary of BH-Holding, Baunova Group, and will acquire a 51 % interest in Baunova AG.

**New construction for Hamm-Lippstadt University for € 100 million**
The temporary quarters of the Hamm-Lippstadt University of Applied Sciences, Germany, which started operations in 2009 will be renovated by STRABAG's subsidiary Ed. Züblin until the year 2014. The construction works involve, besides the turnkey construction of lecture halls, laboratories, administration buildings and dining halls, all exterior facilities and the execution planning. Within the planned construction time of 20 months, a total of around 38,000 m² of gross floor area will be built at the Hamm Campus and about 21,000 m² at Lippstadt.

**Ed. Züblin awarded large transportation contract for Stuttgart 21**
The order encompasses the construction of the station concourse, of the access tunnels at the south and north ends of the station using the cut-and-cover method and of the Hauptsammler West, Cannstatter Straße and Nesenbach culverts in Stuttgart, Germany. The order has a net value of about € 320 million.

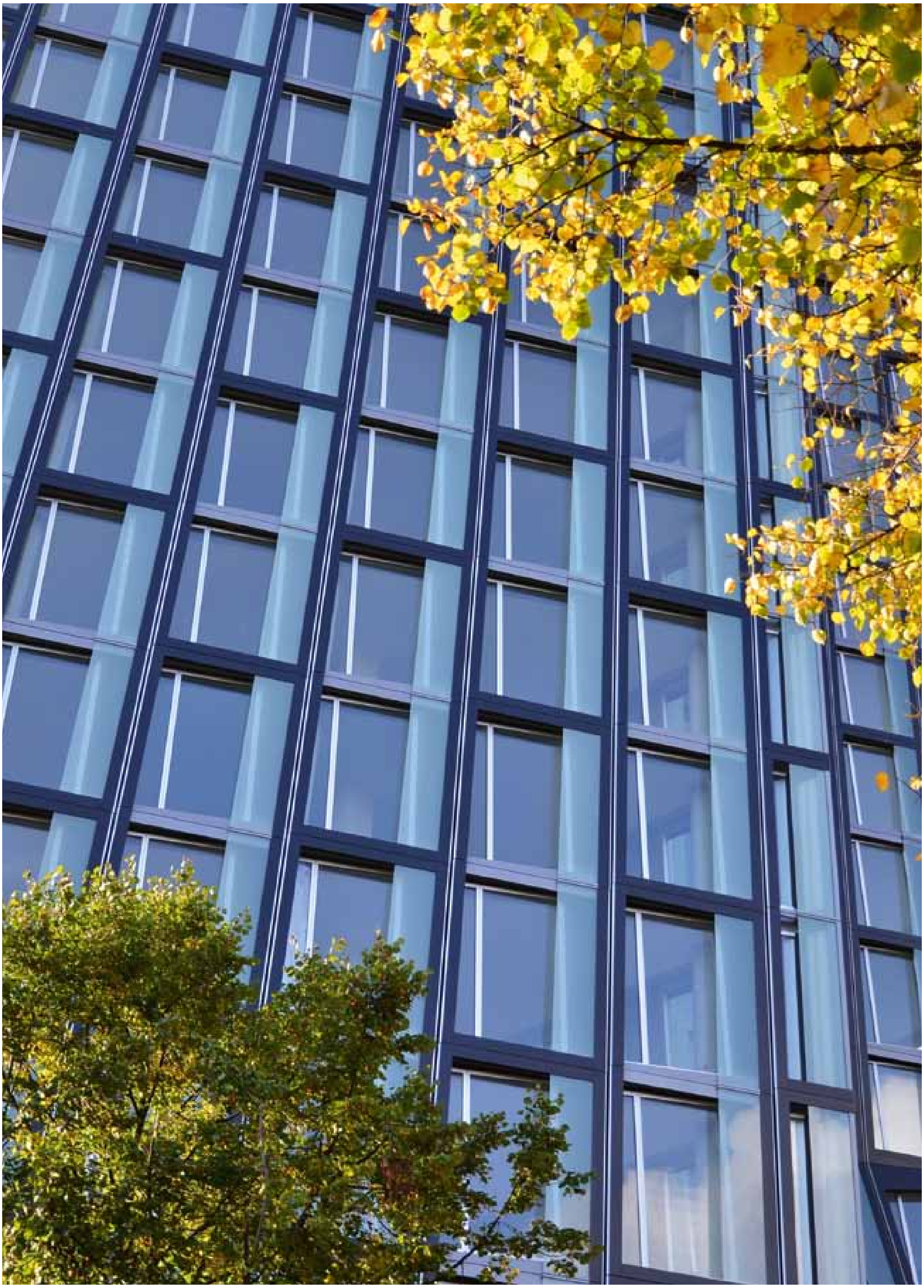
## APRIL

**Takeover of Wallsee-based BRANDNER Wasserbau**
STRABAG SE has acquired 100 % of BRANDNER Wasserbau GmbH based in Wallsee, Austria, effective retroactively to 1 January 2012. The family SME has been active in the fields of hydraulic engineering, sand and gravel mining, and hydrography for more than 200 years. With the acquisition of the hydraulic engineering firms Möbius and Ludwig Voss in the past few years, STRABAG has become the hydraulic engineering market leader in Germany. The acquisition of BRANDNER now allows the group to also work this business field in Austria using its own equipment and personnel.

# MAY

**STRABAG SE issues € 100 million corporate bond**

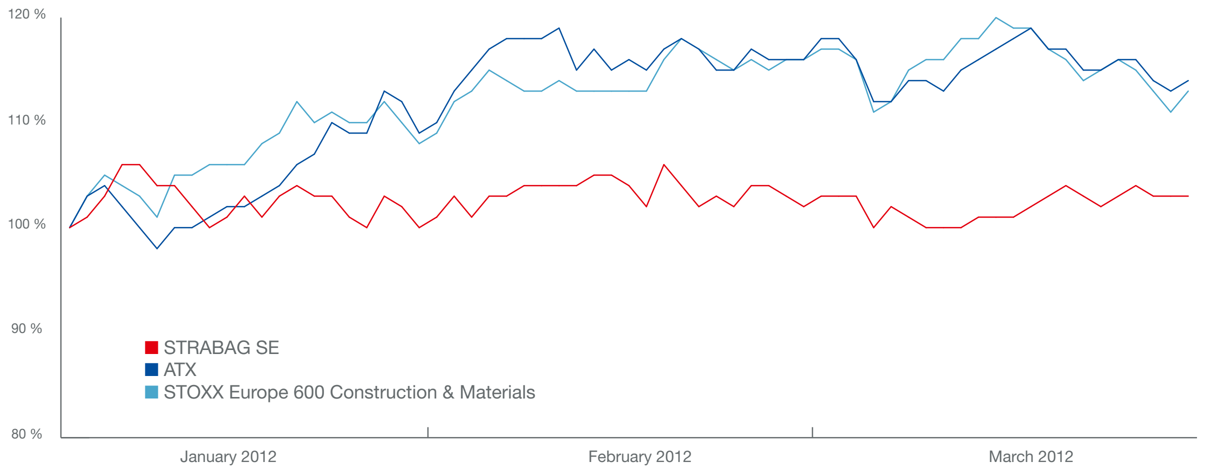
STRABAG SE issued a € 100 million corporate bond. The fixed-interest bond has a term to maturity of seven years and a coupon of 4.25 % p.a. With a face value of € 1,000.00, the bond is targeted not only at institutional investors but above all at private investors in Austria. The issue price has been set at 101.45. The international ratings agency Standard & Poor's (S&P) set an investment grade with a rating of BBB- for the STRABAG 2012 bond.



DANCING TOWERS, HAMBURG, GERMANY

# SHARE

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




Shares of STRABAG SE registered light growth of 2 % in the first quarter of 2012 and closed at € 22.85 on 31 March 2012. The shares reached their year-to-date high at € 23.50 on 17 February 2012; the lowest value was € 22.00 on 12 January 2012. The buy-back programme of own shares that was started in July 2011 and continued into 2012 boosted the share price on the one hand, but, on the other hand, also reduced the free float so that shares of STRABAG SE fluctuated within just a narrow range.

The total number of shares bought back by the end of March 2012 amounted to 9,214,770 at a cost of around € 195 million. According to the authorisation of the Annual General Meeting of 10 June 2011, the management board may acquire own shares in accordance with Section 65 Paragraph 1 No. 8 of the Austrian Stock Corporation Act (AktG), on the stock market or over the counter, to the extent of up to 10 % of the share capital of the company until no later than 10 July 2012. The purchase price per STRABAG SE share was set at no more than € 27.115 – the carrying value per share at the end of 2010.

The cumulative trade volume of STRABAG shares on the Vienna Stock Exchange was significantly below the year-on-year comparison figure, amounting to € 75 million in the first three months of 2012. The average trade volume per day was also lower at 51,606 shares. The weight in the Austrian benchmark index ATX was 1.6 %.

The first quarter 2012 was the most successful first quarter for the international stock markets in recent years. The ATX, Austria's index of leading shares, ended the first three months with a plus of 11 %. This development was topped by Japan's Nikkei Index, which closed on 31 March 2012 up 19 % over the beginning of the year. Positive developments could also be seen with the Dow Jones STOXX Europe 600 Construction & Materials, which measures the performance of construction sector shares, as well as New York's Dow Jones Industrials. They rose by 10 % and 8 %, respectively, in the first quarter. The Euro Stoxx 50 registered growth of 7 %.

Shares of STRABAG are currently under observation by analysts from ten international banks. The analysts calculated an average share price target of € 22.26. Detailed analyses and recommendations are available on the STRABAG SE website at www.strabag.com / Investor Relations / Share / Research & Analysts

**STRABAG SE SHARE**

| | | |
|---|---|---|
| Market capitalisation on 31 March 2012 | € million | 2,394 |
| Closing price on 31 March 2012 | € | 22.85 |
| Year's maximum on 17 February 2012 | € | 23.50 |
| Year's minimum on 12 January 2012 | € | 22.00 |
| Performance three months 2012 | % | 2 |
| Outstanding bearer shares on 31 March 2012 (absolute) | shares | 104,785,227 |
| Outstanding bearer shares three months 2012 (weighted) | shares | 104,907,596 |
| Weight in ATX on 31 March 2012 | % | 1.6 |
| Volume traded three months 2012 | € million[1] | 75 |
| Average trade volume per day | shares[1] | 51,606 |
| % of total volume traded on Vienna Stock Exchange | % | 1.6 |

1) double count

# MANAGEMENT REPORT JANUARY-MARCH 2012

## OUTPUT VOLUME AND REVENUE

The STRABAG Group's output volume in the first quarter of 2012 fell slightly by 2 % to € 2,262.54 million. The largest reduction was registered in Poland due to the end of the construction boom in that country. The expansion in Scandinavia, in comparison, is beginning to bear fruit. The output volume also was up in Romania and in the RANC region (Russia and the neighbouring countries).

The consolidated group revenue in the first three months of the financial year amounted to € 2,192.65 million, nearly stable relative to the previous year (-1 %). This brings the ratio of revenue to output volume to 97 %.

## ORDER BACKLOG

The order backlog reached a new record high of € 15,688.29 million at the end of the first quarter 2012. While the high order backlog of the previous year from the large infrastructure projects in Poland was continuously worked off and transformed into output, STRABAG was awarded at least two new large projects at the beginning of 2012: the Pedemontana Lombarda project to build a bypass around the city of Milan, Italy, added about € 1 billion to the STRABAG order books, and in Germany a STRABAG subsidiary was awarded the tender for a part of the works on the municipal Stuttgart 21 railway station.

## 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 two quarters of the year typically have a negative effect on results, which is then over-compensated 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) fell from € -59.80 million to € -74.34 million in the first quarter of 2012. This development was influenced in part by a stronger loss of associates resulting from the inclusion of an equity investment in a cement company in Central and Eastern Europe. The depreciation and amortisation rose by 6 % to € 90.33 million. The earnings before interest and taxes (EBIT) was down 13 % to € -164.66 million.

At € -34.52 million, the interest income was significantly more negative than in the previous year's first quarter (€ -3.21 million) as this figure contained currency exchange rate differences in the amount of € -31.4 million compared to exchange rate gains of € 3.2 million in the first quarter of 2011. This led to a profit before tax of € -199.18 million after € -148.59 million the year before. Accordingly, the income tax was in positive territory with € 40.04 million and thus provided some relief. Below the line, this left a 36 % higher negative – this is usual in the first quarter – profit after tax of € -159.14 million. The minority-interest shareholders helped bear a loss of € 8.58 million, resulting in a net income after minorities of € -150.55 million.

Due to the ongoing share buyback programme, the number of weighted outstanding shares was down from 114,000,000 to 104,907,599. The result per share thus amounted to € -1.44 after € -1.03 in the first quarter of the previous year.

## FINANCIAL POSITION AND CASH-FLOWS

The balance sheet total reached € 10,079.92 million, 3 % lower than at the end of 2011. The lower total results from the typical first-quarter effect of reduced current trade receivables; in this case, a particular influence was the completion of a motorway project in Denmark.

The equity ratio showed little change, settling at 30.4 % after 30.3 % on 31 December 2011. The net cash position fell from € 267.81 million to € 56.16 million in response to seasonal losses and capital expenditures.

The cash-flow from earnings stood at € -131.26 million, 68 % deeper in negative territory than in the same quarter last year. Thanks to the strong reduction of trade receivables, in particular involving the aforementioned large-scale project in Denmark, the cash-flow from operating activities improved by 84 % to € -47.57 million.

Investments in property, plant and equipment and in intangible assets as well as enterprise acquisitions were at about the same level as in the previous year, leading to only a slight change in the cash-flow from investing activities from € -119.74 million in the first quarter of 2011 to € -107.31 million in 2012. The cash-flow from financing activities also showed no major changes: as the bank borrowings were reduced more or less by the same amount as the raising of a bonded loan, the cash-flow here stood at € 19.81 million after € 28.42 million in the first quarter the year before.

# CAPITAL EXPENDITURES

In addition to the necessary maintenance expenditures, which have so far accounted for about 30 % of the total investments in property, plant and equipment, STRABAG invested in equipment for waterway construction in Germany in the first three months of 2012. Another focus was on increasing the level of self-sufficiency with construction materials in Central Europe as well as on maintenance investments for the country-wide business in Germany. The expenditures include € 80.75 million for the purchase of property, plant and equipment and intangible assets, € 23.71 million for enterprise acquisitions and € 9.10 million for the purchase of financial assets.

# EMPLOYEES

Along with the output volume, the number of employees also fell by 2 % to 70,767 employees. The trends were extremely varied due to the quite different framework conditions in the construction sector in the individual regions.

# 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, and investment risks.

The risks are explained in more detail in the 2011 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 recognizable which constitute a threat to its continued existence.

# OUTLOOK

As in the 2011 financial year, the lack of infrastructure investments by the public sector in Europe will continue to have a negative impact on Transportation Infrastructures. A burden will likely be the weakened demand for construction in Poland after the European Football Championship. On the other hand, STRABAG expects to see continued solid business in the German building construction and civil engineering segment as well as improved results in niche markets.

Given the current economic conditions – the economic growth in the individual markets, the height of public spending, and the financing environment for our clients – STRABAG SE continues to see its EBIT forecast for the 2012 financial year of over € 300 million as “more than ambitious”.

# SEGMENT REPORT

## BUILDING CONSTRUCTION & CIVIL ENGINEERING

| € MLN. | Q1/2012 | Q1/2011 | CHANGE IN % | 2011 |
|---|---|---|---|---|
| Output volume | 1,015.62 | 983.78 | 3 % | 5,142.16 |
| Revenue | 985.49 | 926.58 | 6 % | 4,968.21 |
| Order backlog | 6,318.61 | 6,400.50 | -1 % | 5,800.06 |
| EBIT | -11.93 | -9.75 | -22 % | 179.09 |
| EBIT margin as a % of revenue | -1.2 % | -1.1 % | | 3.6 % |
| Employees | 19,400 | 19,682 | -1 % | 20,276 |

The slight increase in **output volume** that is expected for the year 2012 in the Building Construction & Civil Engineering segment could already be seen in the first quarter, with STRABAG registering a plus of 3 % to € 1,015.62 million. Noteworthy is the quite distinct development by region: while higher output was registered in Germany, the RANC region (Russia and neighbouring countries) and Romania, it was down in Austria, Hungary and the Czech Republic.

The **revenue** for the first three months of the year increased by 6 % to € 985.49 million. The negative **earnings before interest and taxes (EBIT)** rose slightly from € -9.75 million to € -11.93 million.

With a minus of 1 % (€ 6,318.61 million), the **order backlog** was practically at last year's level. The segment showed its strength in Germany, and several new large projects contributed to backlog growth. STRABAG subsidiary Ed. Züblin, for example, was able to win the tender for the station building and further infrastructure related to the Stuttgart 21 rail project. The company was also selected to build new buildings for the Hamm-Lippstadt University of Applied Sciences. The existing orders largely guarantee the output for the full year 2012 in Germany.

The clear growth of the order backlog in the Americas region is due to a mining project in Chile. The STRABAG Group is currently bidding for further large projects in countries like Russia and Austria as well as for tenders in the field of environmental technology in Eastern Europe.

The number of **employees** developed analogously to the order backlog, remaining nearly unchanged with a minus of 1 % (19,400 employees). Worth mentioning here is a strong increase in Germany with a simultaneous reduction in Austria.

In Austria, STRABAG sights possibilities for large orders in the Building Construction & Civil Engineering segment mainly in the Greater Vienna area. In the past months, the group has secured the civil engineering works for two lots related to the extension of Vienna's U1 underground line. In comparison, no more than stability with a tense price situation can be observed in the rest of the country.

In the core market of Switzerland, STRABAG concluded a strategic partnership with BH-Holding AG in the cantons of Zurich and Zug. The agreement gives the group the possibility to assume the execution of construction works for projects acquired or developed by BH-Holding's construction subsidiary. Strategic partnerships in Switzerland are especially important now given the very tough competition there.

Central and Eastern Europe is marked by investment restraint on the part of the private sector, declining investments from public-sector clients and market restructuring in the wake of company insolvencies. An exception are the markets of the Czech Republic and Slovakia, where a slight improvement of the climate is possible.

# TRANSPORTATION INFRASTRUCTURES

| € MLN. | Q1/2012 | Q1/2011 | CHANGE IN % | 2011 |
|---|---|---|---|---|
| Output volume | 706.72 | 749.07 | -6 % | 6,701.20 |
| Revenue | 637.07 | 715.10 | -11 % | 6,211.24 |
| Order backlog | 4,957.78 | 5,255.28 | -6 % | 3,943.47 |
| EBIT | -196.66 | -158.08 | -24 % | 60.52 |
| EBIT margin as a % of revenue | -30.9 % | -22.1 % | | 1.0 % |
| Employees | 28,230 | 28,251 | 0 % | 31,609 |

The Transportation Infrastructures segment reported an **output volume** of € 706.72 million in the first quarter of 2012, a 6 % drop relative to the same period the previous year. This is mostly due to the restrained investment activity on the part of the public sector in Germany as well as the expected end of the construction boom in Poland. The expansion in Scandinavia, in comparison, had the effect of growing the output volume. In principle, however, the first quarter is not a significant indicator for the segment, as there is little activity in Transportation Infrastructures during the winter months.

The **revenue** – like the output volume – was lower on the year, falling by 11 % to € 637.07 million. The **earnings before interest and taxes (EBIT)** was – as expected – significantly more negative with € -196.66 million after € -158.08 million in the first quarter of the previous year.

The average number of **employees** remained more or less the same at 28,230 workers compared to 28,251 in the first quarter of the year before. This stability is the result of various increases and reductions in the many individual markets.

At € 4,957.78 million, the **order backlog** was – like the output volume – 6 % below the level of the previous year. Here, too, the afore-mentioned development in Poland could be observed, although in January the company signed the contract to build a section of the S8 expressway. Two further trends characterised the Transportation Infrastructures segment: on the one hand, the lack of infrastructure investments in the Czech Republic had a negative impact on the order backlog; on the other hand, the Pedemontana Lombarda, a large-scale project involving the motorway bypass of Milan in Italy, partly filled the order books in the Transportation Infrastructures segment in addition to those of the Special Divisions & Concessions segment. The project will not have a significant impact on the output until the year 2013, however.

The construction sector continues to find itself in crisis in Hungary, competitive pressure is on the rise in Poland and prices remain very low in Serbia. At the same time, STRABAG expects a slight relief in the Czech Republic and in Slovakia, as the first quarter of 2012 again saw an increase in the number of road construction tenders – albeit at low prices. The company expects to see impulses in the niche field of railway construction as well, with growth of the tender volume in Germany, Poland and Turkey. STRABAG is also preparing several bids in another niche, namely that of waterway construction. The acquisition of BRANDNER Wasserbau of Wallsee, Austria, effective 1 January 2012, allows the group to work this business field in Austria using its own equipment and personnel.

In the classic field of transportation infrastructures in Austria, the price and competitive situation, however, will become increasingly exacerbated due to the public sector's budgetary bottlenecks. In the home market of Germany, the price level will likely remain extremely tense. This makes it difficult to pass on the continually rising bitumen prices – the petroleum product is necessary in the asphalt production process – to the client.

Regarding the construction materials of concrete and cement, which are produced by STRABAG or at associated companies and partially sold on to third parties, there also is no improvement of the framework conditions in sight: sales volume and prices are stagnating, while input prices are on the rise.

# SPECIAL DIVISIONS & CONCESSIONS

| € MLN. | Q1/2012 | Q1/2011 | CHANGE IN % | 2011 |
|---|---|---|---|---|
| Output volume | 505.84 | 542.57 | -7 % | 2,315.28 |
| Revenue | 560.83 | 560.40 | 0 % | 2,500.22 |
| Order backlog | 4,400.85 | 3,507.78 | 25 % | 3,597.34 |
| EBIT | 31.87 | 19.30 | 65 % | 108.70 |
| EBIT margin as a % of revenue | 5.7 % | 3.4 % | | 4.4 % |
| Employees | 17,357 | 18,948 | -8 % | 19,342 |

The **output volume** in the Special Divisions & Concessions segment fell by 7 % to € 505.84 million in the first quarter of 2012, but this is due to the low basis for comparison and the generally high volatility of the business.

The **revenue**, on the other hand, remained unchanged at € 560.83 million. The **earnings before interest and taxes** (EBIT), however, increased by 65 % to € 31.87 million – another expression of the volatile business in tunnelling and in the international area.

The number of **employees** outside of Europe sank in response to a number of construction projects coming to an end, resulting, among other things, in an 8 % reduction of the workforce in the Special Divisions & Concessions segment to an average of 17,357 employees.

The **order backlog**, on the other hand, grew by one quarter to € 4,400.85 million. The completion of a segment of the A2 motorway in Poland led to a reduction of the order backlog, and the segment of the M51 between Kliplev and Sønderborg in Denmark was completed and handed over on schedule, but STRABAG was able to add a new large order in Italy to the books. The project volume of € 1.7 billion – STRABAG's share amounts to about € 1.0 billion – for the Milan bypass includes the construction of a 50 km section of dual-carriage motorway with two to three lanes in each direction plus 50 km of spurs and connecting routes to the existing road network. The works also include 50 cut-and-cover tunnels as well as two bored tunnels including technical facilities, bridges and an approx. 80 km bicycle trail.

STRABAG also secured several orders **internationally**, including one to build a bus rapid transit system in Tanzania. Specific markets which – regardless of the type of service – are currently being worked more intensely outside of Europe are the United Arab Emirates, Qatar, Oman and Saudi Arabia. Because of the low price level in these regions as a result of the high degree of competition, STRABAG is increasingly offering specialty construction services such as pipe jacking (a special form of tunnelling) or services in the field of liquefied natural gas (LNG).

In the **PPP Infrastructure business**, which generally faces a satisfactory market for concession projects in Europe, competition is on the rise. For this reason, STRABAG is exploring other markets besides the core markets in Europe, such as Canada, Turkey, India and Chile. These countries also are of interest for **tunnelling projects** despite the high costs involved in bid processing. Several projects will be tendered in Austria and Switzerland in the short to medium term, but the prices in the home markets are in part at a ruinously low level.

By contrast, the activities of the **PPP Building Construction** business are concentrated on the home market of Germany. This market should continue to grow in the medium term. In Germany, there currently are around 120 projects in preparation or in the tendering phase. On the one hand, this form of financing widens the public sector's scope of action; on the other hand, the consequences of the financial crisis – significantly higher interest premiums and liquidity costs with a trend to shorter financing terms – are having an inhibitory effect. The efficiency advantages of having an integrated solutions approach, i.e. through the observation of the life-cycle costs, are offsetting the disadvantages in the current market environment. As a result, a positive mood can be observed in the field of real estate development among companies – together with such private clients, STRABAG is currently developing several building construction projects in Germany such as the Milaneo shopping centre in Stuttgart.

# CONSOLIDATED INTERIM FINANCIAL STATEMENTS STRABAG SE, VILLACH, AS OF 31 MARCH 2012

# CONSOLIDATED INCOME STATEMENT FOR 1.1. – 31.3.2012

| | 1.1.-31.3.2012 T€ | 1.1.-31.3.2011 T€ |
|---|---|---|
| Revenue | 2,192,652 | 2,210,035 |
| Changes in inventories | 33,950 | 32,301 |
| Own work capitalized | 3,826 | 13,546 |
| Other operating income | 56,966 | 52,701 |
| Raw materials, consumables and services used | -1,495,697 | -1,548,005 |
| Employee benefits expenses | -674,532 | -645,532 |
| Other operating expenses | -186,011 | -173,181 |
| Share of profit or loss of associates | -8,702 | -303 |
| Net investment income | 3,210 | -1,366 |
| **EBITDA** | **-74,338** | **-59,804** |
| Depreciation and amortisation expense | -90,325 | -85,579 |
| **EBIT** | **-164,663** | **-145,383** |
| Interest and similar income | 16,895 | 18,111 |
| Interest expense and similar charges | -51,413 | -21,320 |
| **Net interest income** | **-34,518** | **-3,209** |
| **Profit before tax** | **-199,181** | **-148,592** |
| Income tax expense | 40,044 | 31,722 |
| **Net income** | **-159,137** | **-116,870** |
| Attributable to: non-controlling interests | -8,584 | 659 |
| Attributable to: equity holders of the parent | -150,553 | -117,529 |
| **Earnings per share (€)** | **-1.44** | **-1.03** |

# STATEMENT OF COMPREHENSIVE INCOME FOR 1.1. – 31.3.2012

| | 1.1.-31.3.2012 T€ | 1.1.-31.3.2011 T€ |
|---|---|---|
| **Net income** | **-159,137** | **-116,870** |
| Differences arising from currency translation | 53,953 | 16,968 |
| Change in hedging reserves including interest rate swaps | -3,295 | 14,077 |
| Other income from associates | 3,449 | -449 |
| Deferred taxes on neutral change in equity | 637 | -2,727 |
| **Other income** | **54,744** | **27,869** |
| **Total comprehensive income** | **-104,393** | **-89,001** |
| Attributable to: non-controlling interests | -7,323 | 476 |
| Attributable to: equity holders of the parent company | -97,070 | -89,477 |

# CONSOLIDATED BALANCE SHEET AS OF 31.3.2012

| ASSETS | 31.3.2012 T€ | 31.12.2011 T€ |
|---|---|---|
| **Non-current assets** | | |
| Intangible assets | 543,933 | 536,510 |
| Property, plant and equipment | 2,145,312 | 2,154,238 |
| Investment property | 51,586 | 53,278 |
| Investments in associates | 396,409 | 402,279 |
| Other financial assets | 257,611 | 249,062 |
| Receivables from concession arrangements | 826,637 | 839,332 |
| Trade receivables | 100,112 | 74,082 |
| Non-financial assets | 4,412 | 3,833 |
| Other financial assets | 46,300 | 48,017 |
| Deferred taxes | 196,286 | 173,724 |
| | **4,568,598** | **4,534,355** |
| **Current assets** | | |
| Inventories | 1,016,905 | 818,390 |
| Receivables from concession arrangements | 21,483 | 160,743 |
| Trade receivables | 2,223,915 | 2,629,738 |
| Non-financial assets | 142,336 | 117,844 |
| Other financial assets | 515,409 | 424,747 |
| Cash and cash equivalents | 1,591,274 | 1,700,237 |
| | **5,511,322** | **5,851,699** |
| | **10,079,920** | **10,386,054** |

| EQUITY AND LIABILITIES | 31.3.2012 T€ | 31.12.2011 T€ |
|---|---|---|
| **Group equity** | | |
| Share capital | 114,000 | 114,000 |
| Capital reserves | 2,311,384 | 2,311,384 |
| Retained earnings | 406,189 | 513,360 |
| Non-controlling interests | 227,971 | 211,098 |
| | **3,059,544** | **3,149,842** |
| **Non-current liabilities** | | |
| Provisions | 925,796 | 923,976 |
| Financial liabilities[1)] | 1,368,364 | 1,298,653 |
| Trade payables | 54,756 | 60,424 |
| Non-financial liabilities | 1,393 | 1,481 |
| Other financial liabilities | 22,154 | 25,919 |
| Deferred taxes | 29,212 | 48,401 |
| | **2,401,675** | **2,358,854** |
| **Current liabilities** | | |
| Provisions | 768,197 | 790,976 |
| Financial liabilities[2)] | 395,318 | 433,304 |
| Trade payables | 2,769,395 | 2,910,153 |
| Non-financial liabilities | 276,581 | 360,656 |
| Other financial liabilities | 409,210 | 382,269 |
| | **4,618,701** | **4,877,358** |
| | **10,079,920** | **10,386,054** |

1) Thereof T€ 630,311 concerning non-recourse liabilities from concession arrangements (31 December 2011 T€ 630,311)
2) Thereof T€ 43,616 concerning non-recourse liabilities from concession arrangements (31 December 2011 T€ 123,867)

# CONSOLIDATED CASH-FLOW STATEMENT FOR 1.1.–31.3.2012

| | 1.1.-31.3.2012 T€ | 1.1.-31.3.2011 T€ |
|---|---|---|
| Net income | -159,137 | -116,870 |
| Deferred taxes | -60,816 | -41,087 |
| Non-cash effective results from associates | 9,319 | 1,768 |
| Depreciations/write ups | 90,425 | 90,209 |
| Changes in long term provisions | 1,943 | -4,441 |
| Gains/losses on disposal of non-current assets | -12,990 | -7,626 |
| **Cash-flow from profits** | **-131,256** | **-78,047** |
| Change in items: | | |
| Inventories | -92,205 | -88,672 |
| Trade receivables, construction contracts and consortia | 564,593 | 251,867 |
| Receivables from subsidiaries and receivables from participation companies | -25,680 | -16,863 |
| Other assets | 74 | -30,774 |
| Trade payables, construction contracts and consortia | -187,387 | -245,487 |
| Liabilities from subsidiaries and liabilities from participation companies | -36,282 | 20,976 |
| Other liabilities | -95,160 | -89,399 |
| Current provisions | -44,265 | -17,720 |
| **Cash-flow from operating activities** | **-47,568** | **-294,119** |
| Purchase of financial assets | -9,097 | -10,817 |
| Purchase of property, plant, equipment and intangible assets | -80,750 | -74,750 |
| Gains/losses on disposal of non-current assets | 12,990 | 7,626 |
| Disposals of non-current assets (carrying value) | 24,971 | 22,252 |
| Change in other cash clearing receivables | -31,716 | -41 |
| Change in scope of consolidation | -23,711 | -64,006 |
| **Cash-flow from investing activities** | **-107,313** | **-119,736** |
| Change in bank borrowings | -107,934 | 37,681 |
| Change in bonded loan | 140,000 | 0 |
| Change in liabilities from finance leases | -1,522 | -3,791 |
| Change in other cash clearing liabilities | 136 | -799 |
| Change due to acquisitions of non-controlling interests | -12 | -2,510 |
| Acquisition of own shares | -10,089 | 0 |
| Distribution and withdrawals from partnership | -768 | -2,157 |
| **Cash-flow from financing activities** | **19,811** | **28,424** |
| Cash-flow from operating activities | -47,568 | -294,119 |
| Cash-flow from investing activities | -107,313 | -119,736 |
| Cash-flow from financing activities | 19,811 | 28,424 |
| **Net change in cash and cash equivalents** | **-135,070** | **-385,431** |
| Cash and cash equivalents at the beginning of the period | 1,700,237 | 1,952,452 |
| Change in cash and cash equivalents due to currency translation | 26,107 | -5,518 |
| **Cash and cash equivalents at the end of the period** | **1,591,274** | **1,561,503** |
| Interest paid | 8,350 | 8,413 |
| Interest received | 14,750 | 14,505 |
| Taxes paid | 68,182 | 45,271 |

# STATEMENT OF CHANGES IN EQUITY FOR 1.1. – 31.3.2012

| | SHARE CAPITAL T€ | CAPITAL RESERVES T€ | RETAINED EARNINGS T€ | HEDGING RESERVE T€ | FOREIGN CURRENCY RESERVE T€ | GROUP EQUITY T€ | NON-CON-TROLLING INTERESTS T€ | TOTAL EQUITY T€ |
|---|---|---|---|---|---|---|---|---|
| **Balance as of 1.1.2012** | **114,000** | **2,311,384** | **656,913** | **-97,816** | **-45,737** | **2,938,744** | **211,098** | **3,149,842** |
| Net income | 0 | 0 | -150,553 | 0 | 0 | -150,553 | -8,584 | -159,137 |
| Differences arising from currency translation | 0 | 0 | 0 | 0 | 57,794 | 57,794 | 1,363 | 59,157 |
| Change in hedging reserves | 0 | 0 | 0 | 1,680 | 0 | 1,680 | 39 | 1,719 |
| Change of interest rate swap | 0 | 0 | 0 | -6,617 | 0 | -6,617 | -152 | -6,769 |
| Deferred taxes on neutral change in equity | 0 | 0 | 0 | 626 | 0 | 626 | 11 | 637 |
| **Total comprehensive income** | **0** | **0** | **-150,553** | **-4,311** | **57,794** | **-97,070** | **-7,323** | **-104,393** |
| Transactions concerning non-controlling interests | 0 | 0 | -12 | 0 | 0 | -12 | 24,964 | 24,952 |
| Own shares | 0 | 0 | -10,089 | 0 | 0 | -10,089 | 0 | -10,089 |
| Distribution of dividends | 0 | 0 | 0 | 0 | 0 | 0 | -768 | -768 |
| **Balance as of 31.3.2012** | **114,000** | **2,311,384** | **496,259** | **-102,127** | **12,057** | **2,831,573** | **227,971** | **3,059,544** |

# STATEMENT OF CHANGES IN EQUITY FOR 1.1. – 31.3.2011

| | SHARE CAPITAL T€ | CAPITAL RESERVES T€ | RETAINED EARNINGS T€ | HEDGING RESERVE T€ | FOREIGN CURRENCY RESERVE T€ | GROUP EQUITY T€ | NON-CON-TROLLING INTERESTS T€ | TOTAL EQUITY T€ |
|---|---|---|---|---|---|---|---|---|
| **Balance as of 1.1.2011** | **114,000** | **2,311,384** | **724,317** | **-73,296** | **14,705** | **3,091,110** | **141,328** | **3,232,438** |
| Net income | 0 | 0 | -117,529 | 0 | 0 | -117,529 | 659 | -116,870 |
| Differences arising from currency translation | 0 | 0 | 0 | 0 | 17,393 | 17,393 | -425 | 16,968 |
| Change in hedging reserves | 0 | 0 | 0 | 861 | 0 | 861 | 11 | 872 |
| Change of interest rate swap | 0 | 0 | 0 | 12,465 | 0 | 12,465 | 291 | 12,756 |
| Deferred taxes on neutral change in equity | 0 | 0 | 0 | -2,667 | 0 | -2,667 | -60 | -2,727 |
| **Total comprehensive income** | **0** | **0** | **-117,529** | **10,659** | **17,393** | **-89,477** | **476** | **-89,001** |
| Transactions concerning non-controlling interests | 0 | 0 | -4,203 | 0 | 0 | -4,203 | 18,520 | 14,317 |
| Distribution of dividends | 0 | 0 | 0 | 0 | 0 | 0 | -2,157 | -2,157 |
| **Balance as of 31.3.2011** | **114,000** | **2,311,384** | **602,585** | **-62,637** | **32,098** | **2,997,430** | **158,167** | **3,155,597** |

# NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS STRABAG SE, VILLACH, AS OF 31 MARCH 2012

# BASIC PRINCIPLES

The consolidated interim financial statements of STRABAG SE, based in Villach, Austria, with reporting date 31 March 2012 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 2011.

The consolidated financial statements of the Group as at and for the year ended 31 December 2011 are available at www.strabag.com.

# CHANGES IN ACCOUNTING POLICIES

The following amended or new accounting standard is effective for annual periods beginning on or after 1 January 2012:

| | 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) |
|---|---|---|
| IFRS 7 Disclosures in the notes to the financial statements regarding the transfer of financial instruments | 1.7.2011 | 1.7.2011 |

The first-time application of the IFRS mentioned had secondary consequences on the interim consolidated financial statements for the period ending 31 March 2012.

# 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 2011.

Information regarding the accounting and valuation methods can be found in the annual financial statements with reporting date 31 December 2011.

# ESTIMATES

The establishment of the interim report requires estimations and assumptions to be made which may influence the application of the accounting and valuation methods as well as the figures for the assets, liabilities, expenses and income. The actual results could deviate from these estimates.

# SCOPE OF CONSOLIDATION

The consolidated interim financial statements as of 31 March 2012 include STRABAG SE as well as all major domestic and foreign subsidiaries where STRABAG SE either directly or indirectly holds a majority of the voting rights. Major associated companies are reported in the balance sheet using the equity method.

The number of consolidated companies changed in the 1-3/2012 period as follows:

| | CONSOLIDATION | EQUITY METHOD |
|---|---|---|
| **Situation as of 31.12.2011** | **308** | **21** |
| First-time inclusions in the reporting period | 12 | 0 |
| Exclusions in the reporting period | 0 | 0 |
| **Situation as of 31.3.2012** | **320** | **21** |

# ADDITIONS TO SCOPE OF CONSOLIDATION

The following companies formed part of the scope of consolidation for the first time on the reporting date:

| COMPANY | DIRECT STAKE % | DATE OF ACQUISITION OR FOUNDATION |
|---|---|---|
| **Consolidation:** | | |
| Atlas Tower GmbH & Co. KG, Cologne | 100.00 | 1.1.2012[1)] |
| Baunova AG, Dällikon | 100.00 | 21.3.2012 |
| Northern Energy GAIA I. GmbH, Aurich | 100.00 | 10.1.2012 |
| Northern Energy GAIA II. GmbH, Aurich | 100.00 | 10.1.2012 |
| Northern Energy GAIA III. GmbH, Aurich | 100.00 | 10.1.2012 |
| Northern Energy GAIA IV. GmbH, Aurich | 100.00 | 10.1.2012 |
| Northern Energy GAIA V. GmbH, Aurich | 100.00 | 10.1.2012 |
| Northern Energy Seastorm I. GmbH, Aurich | 100.00 | 10.1.2012 |
| Northern Energy Seastorm II. GmbH, Aurich | 100.00 | 10.1.2012 |
| Northern Energy SeaWind III. GmbH, Aurich | 100.00 | 10.1.2012 |
| Northern Energy SeaWind IV GmbH, Aurich | 100.00 | 10.1.2012 |
| Zweite Nordsee-Offshore-Holding GmbH, Pressbaum | 51.00 | 10.1.2012 |

Effective 21 March 2012, STRABAG acquired 51 % of the Swiss construction company Baunova AG, Dällikon. The company has about 100 employees and generates annual revenues of approximately CHF 60 million. The acquisition serves to further expand the market presence in the building construction segment in Switzerland. Due to a put option by the minority shareholders, the company has already been 100 % fully consolidated and a liability was recognised in the amount of the estimated assignment price.

STRABAG acquired 51 % of Zweite Nordsee-Offshore-Holding GmbH, Pressbaum, effective 10 January 2012. The holding company holds several project companies which develop, build and operate offshore wind turbines in the North Sea. With the acquisition, STRABAG expands its existing competence as a wind turbine builder.

The purchase price is preliminarily allocated to assets and liabilities as follows:

| | ACQUISITIONS T€ |
|---|---|
| **Acquired assets and liabilities** | |
| Goodwill | 719 |
| Other non-current assets | 881 |
| Current assets | 110,352 |
| Increase in non controlling interest | -24,964 |
| Non-current liabilities | -25,644 |
| Current liabilities | -34,639 |
| **Purchase price** | **26,705** |
| Less non-cash-effective purchase price component | -100 |
| Acquired cash and cash equivalents | -2,894 |
| **Net cash outflow from the acquisition** | **23,711** |

Assuming a fictitious initial consolidation on 1 January 2012 for all acquisitions in the reporting period, the consolidated revenue would amount to T€ 2,195,098.

# 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 2012 as were used for the consolidated annual financial statements with reporting date 31 December 2011. Details regarding the methods of consolidation and principles of currency translation are available in the 2011 annual report.

1) Due to its increased business volume, the company was included in the scope of consolidation of the group for the first time effective 1 January 2012. The foundation/acquisition of the company occurred before 1 January 2012.

# NOTES ON THE ITEMS IN 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):

| | 1.1.-31.3.2012 T€ | 1.1.-31.3.2011 T€ |
|---|---:|---:|
| Interest income | 17,533 | 18,497 |
| Interest expense | -9,257 | -9,280 |
| **Total** | **8,276** | **9,217** |

# 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 1-3/2012, a total goodwill from capital consolidation on the basis of the preliminary purchase price allocations in the amount of T€ 719 was capitalized and no impairments were made.

## PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

In 1-3/2012, tangible and intangible assets in the amount of T€ 80,750 (1-3/2011 T€ 74,750) were acquired.

In the same period, tangible and intangible assets with a book value of T€ 24,388 were sold (1-3/2011 T€ 3,338).

## PURCHASE OBLIGATIONS

On the reporting date, there were € 164.1 million (31 March 2011 € 179.8 million) 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 Koncessizios Autopalya Zrt., Budapest (AKA).

In the concession agreement with the Hungarian state, AKA committed to develop, plan, finance and 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 contract 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€ -34,383 (31 December 2011 T€ -27,217) 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€ 673,927 (31 December 2011 T€ 673,927), classified either as a current or non-current liability depending on the term. The resulting interest expense is recognised in "Other operating income".

The STRABAG consortium KMG - Kliplev Motorway Group was awarded the tender for Denmark's first PPP project. The consortium will plan and build 26 km of the E51 motorway from Kliplev to Sønderborg as well as 18 km of side roads and seven interchanges and will operate the road over a period of 26 years from completion. The motorway was completed in March 2012 and was transferred to the state. The operation will then be paid for by regular payments from the state. The interim financing of the construction works included non-recourse financing in the amount of T€ 80,251 as of 31 December 2011.

## EQUITY

The fully paid-in share capital amounts to € 114,000,000 and is split 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:

| | 31.3.2012 T€ | 31.3.2011 T€ |
|---|---|---|
| Guarantees without financial guarantees | 1,988 | 1,988 |

Furthermore, there is a derived credit risk arising from the financial guarantee contracts (guarantees issued) of T€ 32,313 (31 December 2011 T€ 45,541).

## 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 at STRABAG is based on the dedicated management board functions Building Construction & Civil Engineering, Transportation Infrastructures and Special Divisions & Concessions, which represent the group's operating 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.–31.3.2012

| | BUILDING CONSTRUCTION & CIVIL ENGINEERING 1.1.-31.3.2012 T€ | TRANSPORTATION INFRASTRUCTURES 1.1.-31.3.2012 T€ | SPECIAL DIVISIONS & CONCESSIONS 1.1.-31.3.2012 T€ | OTHER 1.1.-31.3.2012 T€ | RECONCILIATION TO IFRS FINANCIAL STATEMENTS 1.1.-31.3.2012 T€ | TOTAL 1.1.-31.3.2012 T€ |
|---|---|---|---|---|---|---|
| **Output Volume** | **1,015,621** | **706,717** | **505,837** | **34,361** | | **2,262,536** |
| **Revenue** | **985,493** | **637,075** | **560,827** | **9,257** | **0** | **2,192,652** |
| Inter-segment revenue | 52,595 | 19,055 | 0 | 154,641 | | |
| **EBIT** | **-11,927** | **-196,660** | **31,869** | **165** | **11,890** | **-164,663** |
| Interest and similar income | 0 | 0 | 0 | 16,895 | 0 | 16,895 |
| Interest expense and similar charges | 0 | 0 | 0 | -51,413 | 0 | -51,413 |
| **Profit before tax** | **-11,927** | **-196,660** | **31,869** | **-34,353** | **11,890** | **-199,181** |

# SEGMENT REPORTING FOR 1.1.–31.3.2011

| | BUILDING CONSTRUCTION & CIVIL ENGINEERING 1.1.-31.3.2011 T€ | TRANSPORTATION INFRASTRUCTURES 1.1.-31.3.2011 T€ | SPECIAL DIVISIONS & CONCESSIONS 1.1.-31.3.2011 T€ | OTHER 1.1.-31.3.2011 T€ | RECONCILIATION TO IFRS FINANCIAL STATEMENTS 1.1.-31.3.2011 T€ | TOTAL 1.1.-31.3.2011 T€ |
|---|---|---|---|---|---|---|
| **Output Volume** | **983,780** | **749,065** | **542,574** | **33,828** | | **2,309,247** |
| **Revenue** | **926,584** | **715,102** | **560,396** | **7,953** | **0** | **2,210,035** |
| Inter-segment revenue | 43,743 | 21,888 | 0 | 155,715 | | |
| **EBIT** | **-9,748** | **-158,084** | **19,299** | **4** | **3,146** | **-145,383** |
| Interest and similar income | 0 | 0 | 0 | 18,111 | 0 | 18,111 |
| Interest expense and similar charges | 0 | 0 | 0 | -21,320 | 0 | -21,320 |
| **Profit before tax** | **-9,748** | **-158,084** | **19,299** | **-3,205** | **3,146** | **-148,592** |

# RECONCILIATION OF THE SUM OF THE SEGMENT EARNINGS TO PROFIT BEFORE TAX 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 respectively 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 100 % with EBIT respectively profit before tax in the consolidated financial statements in terms of the investment result.

Other minor differences result from the other consolidation entries.

Reconciliation of the internal reporting to IFRS Financial Statements is allocated as follows:

| | 1.1.-31.3.2012 T€ | 1.1.-31.3.2011 T€ |
|---|---|---|
| Investment income | 14,265 | 2,016 |
| Other consolidations | -2,375 | 1,130 |
| **Total** | **11,890** | **3,146** |

# NOTES ON RELATED PARTIES

Notes on related parties may be found in the 2011 consolidated financial statements. Since 31 December 2011, there have been no significant changes in this area. Arm`s-length business relations exist in transactions with related parties.

# EVENTS AFTER THE REPORTING DATE

In May 2012, STRABAG SE issued another corporate bond with a volume of € 100 million. The fixed-interest bond has a term to maturity of 7 years and a coupon of 4.25 %.

# 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 2012 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 2012

**Management Board**

Dr. Hans Peter Haselsteiner
Chairman of the Management Board
Responsibilities for Central Staff Units,
BMTI 01, BRVZ 02, TPA 04, BLT 05 Central Division and
Technical Responsibilities for Building Construction & Civil Engineering
of Russia and Neighbouring Countries

Ing. Fritz Oberlerchner
Vice Chairman
Technical Responsibilities for Transportation Infrastructures

Dr. Thomas Birtel
Commercial Responsibilities for
Building Construction & Civil Engineering

Dr. Peter Krammer
Technical Responsibilities for Building Construction & Civil Engineering (excluding
Russia and Neighbouring Countries)

Mag. Hannes Truntschnig
Commercial Responsibilities for Transportation Infrastructures
and Special Divisions & Concessions

DI Siegfried Wanker
Technical Responsibilities for Special Divisions
& Concessions

# FINANCIAL CALENDAR

| | |
|---|---|
| **Interim Report January–March 2012** | **31 May 2012** |
| Publication | 7:30 am |
| Investor and analyst telephone conference | 2:00 pm |
| | |
| Notice of Annual General Meeting | 18 May 2012 |
| Shareholding confirmation record date | 5 June 2012 |
| **Annual General Meeting 2012** | **15 June 2012** |
| Beginning | 10:00 am |
| Location: Austria Center Vienna, 1220 Vienna | |
| Ex-dividend date | 22 June 2012 |
| Payment date for dividend | 25 June 2012 |
| | |
| **Half-year report 2012** | **31 August 2012** |
| Publication | 7:30 am |
| Investor and analyst telephone conference | 2:00 pm |
| | |
| **Interim Report January–September 2012** | **30 November 2012** |
| Publication | 7:30 am |
| Investor and analyst telephone conference | 2:00 pm |

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

# CORPORATE BONDS

| MATURITY | COUPON | VOLUME | ISIN | STOCK EXCHANGE |
|---|---|---|---|---|
| 2007–2012 | 5.75 % | € 75 Mio. | AT0000A05HY9 | Vienna |
| 2008–2013 | 5.75 % | € 75 Mio. | AT0000A09H96 | Vienna |
| 2010–2015 | 4.25 % | € 100 Mio. | AT0000A0DRJ9 | Vienna |
| 2011–2018 | 4.75 % | € 175 Mio. | AT0000A0PHV9 | Vienna |
| 2012–2019 | 4.25 % | € 100 Mio. | AT0000A0V7D8 | Vienna |

# CORPORATE CREDIT RATING

| | | |
|---|---|---|
| Standard & Poors | 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.