SEMI-ANNUAL STATEMENT 2007

STRABAG SOCIETAS EUROPAEA

Dr. Hans Peter Haselsteiner
Chairman of the Management Board

Dear shareholders, associates and friends of STRABAG SE

This year marks the first time we are publishing an interim report on the first six months in order to inform you of the developments at STRABAG at the half-year point. Currently, we find ourselves in the middle of a dynamic growth cycle which in our estimation will last for some years in Central and Eastern Europe and especially in Russia.

The important thing now is to optimally use this upswing to our advantage. Our aim is to become market leader in every single country in Central and Eastern Europe. The small but steady steps made every day towards achieving this goal have already paid off in the form of a recognisable increase of our construction output. We expect to also see growth of the full-year results in comparison with last year's figures.

- **Sustainable growth: Output volume increased by approximately 10 % in the first half of 2007**
- **Order Backlog +15 %, for the first time above € 10 billion**
- **Outlook: Considerable increase of output volume and results expected for FY 2007**

IMPORTANT EVENTS

- Per January 2007, STRABAG acquired Dresden-based Linde KCA-Umweltanlagen GmbH from the Linde Group. With this acquisition, STRABAG accelerates the expansion of its environmental technology business.

- In January, STRABAG, through its subsidiary company DYWIDAG International GmbH as head of the international consortium International Metro Civil Contractors, was awarded the contract for lot BC 18 of the expansion of the Delhi Metro, India. The contract has a volume of about € 83 million.

- In March, STRABAG was awarded the contract for the Erstfeld construction lot, a portion of the NEAT-Neue Eisenbahn-Alpentransversale project (NRLA-New Rail Link through the Alps). Work on NRLA, a Swiss project to build a flat transalpine rail link by the year 2016, includes the construction of the world's longest tunnel, the Gotthard Base Tunnel. Together with the Amsteg lot, currently under construction by STRABAG, the volume of work on NRLA totals over € 700 million.

- In April, Deutsche Bank and STRABAG set up a joint venture to develop and finance a wide range of large-scale real estate and infrastructure projects in Russia and the CIS states. Both companies hold a 49 % stake in the joint venture. The remainder of 2 % is held by the local management.

- In April 2007 the monopolies commission approved the takeover of Poland's fourth-largest road construction firm, NCC Poland, by STRABAG. In 2006, NCC Poland employed 900 people and reported revenue of approximately € 110 million. The acquired units will do business under the name Polski Asfalt.

- At the end of April, STRABAG SE announced the entry of a third strategic core shareholder, Rasperia Trading Ltd., one of Oleg Deripaska`s holding companies, which acquired 30 % of STRABAG SE's share capital. To this end, the share capital of STRABAG SE was increased by € 25 million shares from € 70 to € 95 million. The original shareholders also sold a small amount of their stake to Rasperia. As a result of the capital increase, € 1.05 billion poured into STRABAG SE. The transaction was closed and the capital increase carried out in the middle of August.

- At the end of April 2007, Opernplatz Property Holdings GmbH & Co. KG hired STRABAG subsidiary Ed. Züblin AG to build a turnkey 44-floor high-rise building opposite the Alte Oper, the former opera house, in Frankfurt am Main. The contract for the construction of the 170 m high Opernturm has a volume of € 230 million.

- In May, the STRABAG Group sold a real estate portfolio of six office and retail properties with a total area of around 78,300 m² to SEB Immobilien-Investment GmbH. The transaction volume was € 224 million.

- In June, STRABAG SE issued a five-year € 75-million corporate bond. The proceeds from the issue were used to pay back a € 50-million-bond issued in 2002 as well as for general operational purposes.

- In July, the German federal state of Baden-Württemberg awarded the STRABAG Group the contract for a PPP pilot project titled ‘Behördenzentrum Kurfürstenanlage Heidelberg’. Within the frame work of a PPP model, the state of Baden-Württemberg transferred an estate located in Heidelberg to Züblin. The state of Baden-Wuerttemberg is committed to rent the emerging building for 15 years. The total investment volume amounts to around € 100 million.

- In July, STRABAG acquired a 75 % stake in the Croatian road construction firm Cestar d.o.o. based in Slavonski Brod. The company has 100 employees and an annual revenue of € 10 million in 2006.

- In August, STRABAG’s Slovakian subsidiary Zipp was awarded the contract to lead the construction of the EUROVEA International Trade Centre in Bratislava. The project has a total volume of approximately € 230 million. STRABAG`s share is 65 %.

KEY FIGURES

Key Financial Figures

in T€	1.1.-30.6.2007	1.1.-30.6.2006	Change to previous year in %	2006
Output Volume	4,463,302	4,064,787	9.80	9,430,621
Revenue	4,046,735	3,412,292	18.59	10,385,111
Order Backlog	10,638,869	9,246,421	15.06	8,505,614
Net income	-32,430	-31,732	-2.20	224,004
Employees	56,808	50,123	13.34	52,971

Key Earnings Figures

EBITDA1)	102,454	80,662	27,02	573,032
EBITDA margin as % of revenue	2.53	2.36	7.10	6.08
Earnings before taxes	-49,453	-43,847	-12.79	287,203
Net income	-32,430	-31,732	-2.20	224,004
Cash-flow from operating activities	-248,339	-189,788	-30,85	446,351
ROCE2)	-0.1	-0.1	0.00	13,2
Investment in fixed assets	235,205	145,782	61.34	347,020

Key Balance Sheet Figures

in T€	30.6.2007	31.12.2006	Change to previous year in %
Equity	924,026	1,035,894	-10.80
Equity Ratio in %	16.07	18.58	-13.51
Net Debt3)	1,309,922	675,415	93,94
Capital Employed4)	2,565,298	2,297,574	11.65
Total	5,750,257	5,575,826	3.13

1) EBITDA = profit for the period before other financial result, income tax expense, depreciation and amortization
2) ROCE = profit for the period + interest on debt-interest tax shield (25 %) / (average group equity + interest-bearing debt)
3) Net Debt = financial liabilities + provisions for severance and pension obligations – cash and cash equivalents
4) Capital Employed = group equity + interest-bearing debt

MANAGEMENT REPORT

Construction output and Revenue

STRABAG SE successfully continued its growth trajectory in the first six months of 2007. The group's **construction output** saw nearly double-digit growth compared to the first six months of 2006, gaining 9.8 % from € 4,064.8 million to € 4,463,3 million. The positive growth rates in the core markets of Germany (+3.4 %) and Austria (+6.0 %) were exceeded by the rates in CEE (+12.9 %). Above all, Russia, Poland and Slovakia reported significant growth in construction volume in absolute terms. Only Hungary saw a noteworthy decline in construction output over the first six months of 2006 (down by € -63,6 million), largely due to the completion of several major infrastructure projects of the road construction segment. The consolidated **group revenue** in the fist six months stood at € 4,046.7 million up from € 3,412.3 million in the same period last year. This increase of 18.6 % is mainly due to first-time consolidations in the Building Construction & Civil Engineering and the Road Construction segments.

Order Backlog and Projects

The **order backlog** as of 30 June 2007 was just as positive, gaining 15.1 % year on year to reach € 10,638.9 million. Growth of orders in the Building Construction & Civil Engineering and the Tunnelling & Services segments reached a double-digit percentage amount, while orders in Road Construction fell slightly due to the completion of several major projects. Highlights of ongoing projects include the planning and construction of the Quadrilatero d. Marche highway and road project in Italy, the Niagara Tunnel power plant project in Canada, the construction of the Hotel Moskva in Moscow, and lot 151 of the Gotthard Basis Tunnel railway project in Switzerland.

Earnings, Financial Position and Net Worth

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 overcompensated by results in the second half of the year. Furthermore, project invoicing occurs more often during the second six months. As a result of these seasonal effects, quarterly comparisons make little sense. Due to the higher business volume, there was a more pronounced effect of seasonality on the earnings development. For this reason, both the **EBIT,** which was down at € 21.6 million (-9.3 %), as well as the **net profit after minorities** (down to € -17.0 million) were more negative than they had been in the first six months of the previous year.

The **balance sheet total** compared to 31.12.2006 rose by 3.1 % to € 5,750.3 million. Net debt was up 94 % to € 1,309.9 million. Equity decreased by 10.8 % especially due to the distribution of dividends in April 2007 as well as the loss of the first half year; the equity ratio fell accordingly from 18.58 % to 16.07 %.

The **cash-flow** exhibits the same seasonality as the earnings. Both the cash flow from operating activities (€ -248.3 million) as well as the cash flow from investment activities (€ -298.9 million) declined compared to the same period last year. The cash flow from financing activities rose to € 290.9 million.

In June, STRABAG SE issued a five-year € 75-million corporate bond with a coupon of 5.75 %. The proceeds from the issue were used to pay back a € 50-million bond issued in 2002 as well as for general operational purposes.

Investments

In addition to the necessary replacement investments, investments made in the first six months of 2007 under the STRABAG corporate strategy included spending on the expansion and consolidation of the group's raw materials base (e.g. six asphalt mixing plants in Romania, the Czech Republic and Poland). In Libya, a single-digit euro million amount was spent on an asphalt mixing plant and the necessary asphalt construction equipment as part of the Ajdabiya-Al Marj road construction project. Further noteworthy investments were made in the Ruhengeri-Gisenyi road construction project in Rwanda, the Saadiyat Bridge project in Abu Dhabi, various road projects in Oman, and several building construction and civil engineering projects in Equatorial Guinea, Benin and Algeria. A number of smaller investments were made in the core markets. In Hungary, preparations for the construction of the first STRABAG cement works are going as planned. Construction is scheduled to begin in autumn of 2007.

Employees

As a result of the rising construction activity the group's average **level of employment** in the first six months rose to 56,808 employees. This corresponds to an increase of about 13 % compared to the first six months of 2006. STRABAG reported the strongest growth in employee levels in Central and Eastern Europe and in the Middle East.

Major transactions and risks

There were no major transactions with affiliated companies in the first six months of 2007.

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 2006 management report.

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

Outlook

In the second half of 2007, STRABAG SE aims at continuing the dynamic growth path and profitable growth strategy of the past years. The focus of growth is concentrated in Central and Eastern Europe, and STRABAG SE sees above-average opportunities in Russia, with a focus on projects in Moscow, St. Petersburg, Yekaterinburg and, in the medium term, in Sochi, the site of the 2014 Winter Olympics. Studies are currently being conducted to determine which construction projects in the region around Sochi to place bids for. No effect on construction volume or results for the full year 2007 is expected in this regard. If business goes as planned, STRABAG currently expects to report significant growth in construction output for the full year 2007. Furthermore, the profit (adjusted for special items resulting from the sale of the stake in DEUTAG KG in 2006) is forecast to surpass last year's levels.

SEGMENT REPORT

Building Construction and Civil Engineering

in T€	1.1.-30.6.2007	1.1.-30.6.2006	Change to previous year in %	2006
Output Volume	2,458,116	2,088,655	17.7	4,898,764
Revenue	2,212,047	1,746,457	26.7	4,257,243
EBIT	-6,049	-12,871	53.0	53,392
EBIT margin as a % of revenue	-0.3	-0.7		1.3
Employees	24,402	21,388	14.1	22,525

The Building Construction & Civil Engineering segment posted a construction volume of € 2,458.1 in the first six months of 2007, which corresponds to around 55 % of STRABAG's total construction output and represents an 17.7 % increase over the same period last year. The development of the construction output in the segment was particularly positive in Austria (+10.6%, € +49.7 million), Benelux (+51.0%, € +42.3 million), the Middle East (+64.3%, € +42.5 million) and in Switzerland (+68.5%, € +37.2 million). The number of employees active in the segment increased above all in Austria, Russia and Poland. The negative contribution of EBIT to the Group`s EBIT was reduced to € -6.0 million.

In order to bolster its environmental technology business, STRABAG acquired Dresden-based Linde KCA-Umweltanlagen GmbH and added the company to its Building Construction & Civil Engineering segment in January 2007. The segment also saw the awarding of an important project, with the STRABAG group chosen to build a 44-floor turnkey high-rise building opposite the Alte Oper, the former opera house, in Frankfurt am Main.

Road Construction

in T€	1.1.-30.6.2007	1.1.-30.6.2006	Change to previous year in %	2006
Output Volume	1,675,618	1,606,899	4.3	4,646,303
Revenue	1,599,336	1,405,011	13.8	4,216,820
EBIT	-19,915	-17,829	-11.7	220,408
EBIT margin as a % of revenue	-1.2	-1.3		5.2
Employees	26,181	23,227	12.7	25,047

The Road Construction segment contributed € 1,675.6 or 38 % to the overall construction output in the first six months of the year. This corresponds to an increase of 4.3 % over the first six months of 2006. In the core markets of Austria (+6.1 %, € +17.7 million) and the Czech Republic as well as in Poland (+18.7 %, € +20.2 million), construction output in the Road Construction segment rose the strongest in absolute terms. In Hungary, by comparison, STRABAG reported a decline in construction output due to the completion of a number of major infrastructure projects. The development in Poland and the Czech Republic is expected to be more positive considering the higher order backlog in those countries. A significant plus in the number of employees was reported in Germany, Poland, Africa and the Middle East.

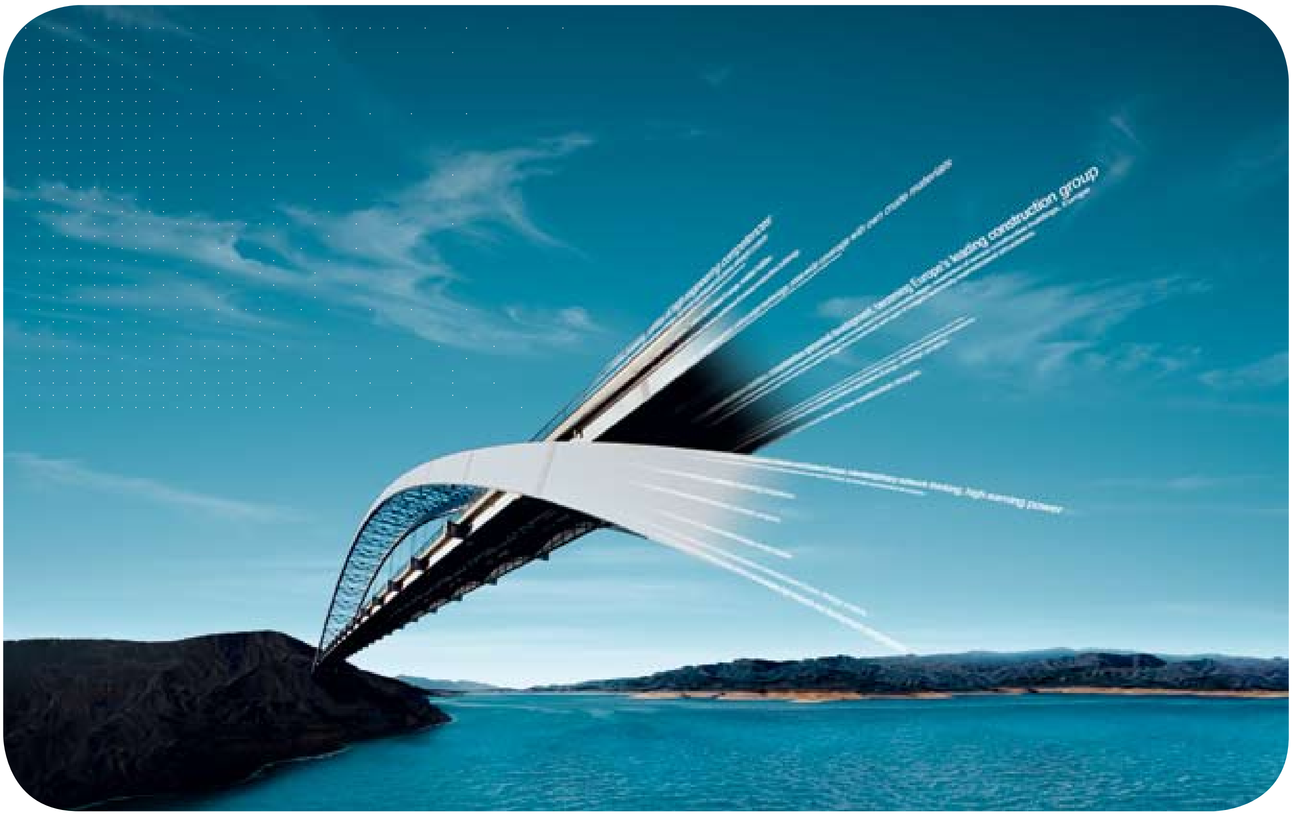
The Road Construction segment was marked by two important acquisitions in the first six months of 2007. In April, STRABAG acquired Poland's fourth-largest road construction firm, NCC Poland, for € 110 million. In addition, the acquisition of BBS-Gruppe and its quarries in the German state of Sachsen will provide STRABAG with an additional 100 million metric tons of raw material (approval by Germany's Federal Cartel Office in June 2007). STRABAG is currently on the look-out for further acquisition opportunities in the fields of road construction, raw materials and asphalt.

Tunnelling and Services

in T€	1.1.-30.6.2007	1.1.-30.6.2006	Change to previous year in %	2006
Output Volume	270,059	299,041	-9.7	693,218
Revenue	204,713	231,694	-11.6	935,213
EBIT	1,567	8,569	-81.7	68,096
EBIT margin as a % of revenue	0.8	3.7		7.3
Employees	1,753	1,701	3.1	1,538

Construction output in the Tunnelling & Services segment fell by 9.7 % to € 270.1 million. As a result, the segment's contribution to the group's overall construction output stands at 6 %. Construction volume in the segment fell largely due to the completion of several major projects, above all in Switzerland (-49.1 %, € -38.6 million), Austria (-18.6 %, € -13.1 million) and Hungary (-76.5 %, € -20.1 million). This led to lower levels of employment in Switzerland in particular while the number of employees in the segment as a whole was up slightly. The EBIT of the Tunnelling & Services segment after an extraordinary positive result in Q1-2/2006 was down 81.7 % at € 1.6 million.

In the period under review, STRABAG, through its subsidiary company DYWIDAG International GmbH, was awarded the contract for lot BC 18 of the expansion of the Delhi Metro. The contract has a volume of about € 83 million. A second major transaction involves the Erstfeld construction lot, a portion of the NEAT-Neue Eisenbahn-Alpentransversale project (NRLA-New Rail Link through the Alps) in Switzerland. Together with the Amsteg lot, currently under construction by STRABAG, the volume of work on NRLA totals over € 700 million. Additionally, STRABAG was chosen as preferred bidder in the Nairobi Bypass project.



CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 JUNE 2007

CONSOLIDATED INCOME STATEMENT 1.1.-30.6.2007

	1.1.-30.6.2007 T€	**1.1.-30.6.2006** T€
Revenue	4,046,735	3,412,292
Changes in inventories	-54,913	5,415
Own work capitalized	25,015	6,687
Other operating income	102,884	110,421
Raw materials, consumables and services used	-2,857,958	-2.440,403
Employee benefits expense	-914,438	-785,169
Depreciation and amortization expense	-124,079	-100,451
Other operating expenses	-262,378	-228,586
Earnings before financial result and tax	**-39,132**	**-19,794**
Share of profit or loss of associates	9,852	-4,285
Net investment income	7,655	4,290
Other financial result	-27,828	-24,058
Financial result	**-10,321**	**-24,053**
Profit before tax	**-49,453**	**-43,847**
Income tax expense	17,023	12,115
Profit for the period	**-32,430**	**-31,732**
Attributable to: Minority interest	-15,434	-23,273
Attributable to: Equity holders of the parent	-16,996	-8,459
Earnings per share (in €)[1]	– 0.24	– 1.25

1) The earnings per share shown for Q1-2/2006 are not comparable to Q1-2/2007 due to the change of the head of group from FIMAG Finanz Industrie Management AG to STRABAG SE.

CONSOLIDATED BALANCE SHEET 30.6.2007

Assets	**30.6.2007** T€	**31.12.2006** T€
Non-current assets		
Intangible assets	172,869	79,612
Property, plant and equipment	1,291,928	1,130,089
Investment property	153,758	155,208
Investments in associates	104,908	75,494
Other financial assets	224,769	318,290
Trade receivables	45,371	30,573
Other receivables and other assets	27,638	20,182
Deferred taxes	118,219	92,871
	2,139,460	**1,902,319**
Current assets		
Inventories	458,114	456,365
Trade receivables	2,434,916	2,315,342
Other receivables and other assets	386,418	315,535
Cash and cash equivalents	331,349	586,265
	3,610,797	**3,673,507**
	5,750,257	**5,575,826**

Equity and Liabilities	**30.6.2007** T€	**31.12.2006** T€
Group equity		
Share capital	70,000	70,000
Capital reserves	448,047	448,047
Retained earnings	240,327	339,970
Minority interests	165,652	177,877
	924,026	**1,035,894**
Non-current liabilities		
Provisions	609,941	630,303
Financial liabilities	516,801	484,536
Trade payables	21,495	13,392
Other liabilities	6,499	9,015
Deferred taxes	0	6,056
	1,154,736	**1,143,302**
Current liabilities		
Provisions	386,134	401,650
Financial liabilities	783,724	434,997
Trade payables	2,042,656	2,047,589
Other liabilities	458,981	512,394
	3,671,495	**3,396,630**
	5,750,257	**5,575,826**

CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 JUNE 2007

CONSOLIDATED CASH-FLOW STATEMENT 1.1.-30.6.2007

	1.1.-30.6.2007 T€	1.1.-30.6.2006 T€
Profit for the period	-32,430	-31,732
Deferred taxes	-32,934	-19,895
Non-cash effective results from associates	-5,385	4,951
Depreciations / write ups	124,302	95,765
Changes in long term provisions	-28,583	-21,064
Gains/losses on disposal of non-current assets	-13,556	-9,069
Cash-flow from profits	**11,414**	**18,956**
Change in items:		
–Inventories	17,448	33,214
–Trade receivables, construction contracts and consortia	-110,220	-100,295
–Receivables from subsidiaries and receivables from participation companies	-4,651	-12,422
–Other assets	29,704	-41,201
–Trade payables, construction contracts and consortia	-52,382	-91,584
–Liabilities from subsidiaries and liabilities from participation companies	-5,750	-6,943
–Other liabilities	-113,526	-17,508
–Current provisions	-31,876	27,995
Cash-flow from operating activities	**-248,339**	**-189,788**
Purchase of financial assets	-22,282	-7,109
Purchase of property, plant, equipment and intangible assets	-235,205	-145,782
Gains/losses on disposal of non-current assets	13,556	9,069
Disposals of non-current assets (carrying value)	102,774	35,548
Change in other cash pooling receivables	-38,362	-6,793
Change in scope of consolidation	-119,398	12,292
Cash-flow from investing activities	**-298,917**	**-102,775**
Change in bank borrowings	341,661	87,742
Change in bonds	25,000	75,000
Change in liabilities from finance leases	10,476	649
Change in other cash pooling liabilities	-5,486	-26,894
Acquisition of minority interest	1,630	-3,201
Distribution and withdrawals from partnership	-82,422	-1,850
Cash-flow from financing activities	**290,859**	**131,446**
Cash-flow from operating activities	-248,339	-189,788
Cash-flow from investing activities	-298,917	-102,775
Cash-flow from financing activities	290,859	131,446
Net change in cash and cash equivalents	**-256,397**	**-161,117**
Cash and cash equivalents at the beginning of the year	586,265	555,857
Change in cash and cash equivalents due to currency translation	1,481	-2,717
Cash and cash equivalents at the end of the period	**331,349**	**392,023**
Interest paid	42,189	35,390
Interest received	17,710	16,570
Taxes paid	20.085	18,369

STATEMENT OF CHANGES IN EQUITY

	Share Capital T€	Capital Reserves T€	Retained Rarnings T€	Minority Interests T€	Total T€
Balance at 1.1.2006	**53,938**	**163,800**	**278,785**	**408,947**	**905,470**
Differences arising from currency translation	0	0	-6,144	-10,780	-16,924
Profit for the period	0	0	-8,459	-23,273	-31,732
Change in hedging reserves	0	0	-2,827	-1,933	-4,760
Change in minority interest resulting from capital consolidation	0	0	0	-3,201	-3,201
Distribution of dividends	0	0	0	-1,850	-1,850
Balance at 30.06.2006	**53,938**	**163,800**	**261,355**	**367,910**	**847,003**
Balance at 1.1.2007	**70,000**	**448,047**	**339,970**	**177,877**	**1,035,894**
Differences arising from currency translation	0	0	-5,209	-1,164	-6,373
Profit for the period	0	0	-16,996	-15,434	-32,430
Change in hedging reserves	0	0	-584	-132	-716
Deferred taxes on neutral change in equity	0	0	146	33	179
Change in minority interest resulting from capital consolidation	0	0	0	9,894	9,894
Distribution of dividends	0	0	-77,000	-5,422	-82,422
Balance at 30.06.2007	**70,000**	**448,047**	**240,327**	**165,652**	**924,026**

STATEMENT OF RECOGNIZED INCOME AND EXPENSE

	1.1.-30.6.2007 T€	**1.1.-30.6.2006** T€
Differences arising from currency translation	-6,373	-16,924
Change in hedging reserves	-716	-4,760
Deferred taxes on changes recognized directly in equity	179	0
Net income recognized directly in equity	**-6,910**	**-21,684**
Profit for the period	-32,430	-31,732
Total of recognized income and expense for the period	**-39,340**	**-53,416**
Attributable to: Minority interest	-16,697	-35,986
Attributable to: Equity holders of the parent	-22,643	-17,430

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 JUNE 2007 OF STRABAG SE

Basic Principles

The consolidated interim financial statements of STRABAG SE, based in Villach, Austria, with reporting date 30 June 2007 was 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 recognized 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 2006.

The consolidated financial statements of the group as of and for the year ended 31st December 2006 are available at www.strabag.com.

Comparison Figures

With the merger agreement of 3 July 2006, the former corporate holding company FIMAG Finanz Industrie Management AG was merged as transferring company into STRABAG SE within the context of universal succession.

STRABAG SE thus became the new group parent company.

The Q1-2/2006 figures presented in the income statement represent those of the FIMAG Finanz Industrie Management AG consolidated interim financial statements with reporting date 30 June 2006.

With exception of the composition of the profit for the period concerning minority interest and earnings per share, the financial figures can be directly compared to the previous year's figures.

Accounting and Valuation Methods

All accounting and valuation, as well as all notes and details, are fundamentally based on the same accounting principles and valuation methods underlying the consolidated annual financial statements with reporting date 31 December 2006.

Information regarding the accounting and valuation methods can be found in the annual financial statements with reporting date 31 December 2006.

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 30 June 2007 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 Q1-2/2007 accounting year as follows:

	consolidation	equity method
Situation on 31.12.2006	241	12
First-time inclusions in year under report	11	2
Mergers in year under report	– 1	0
Exclusions in year under report	– 1	0
Situation on 30.06.2007	**250**	**14**

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

Company	**Currency**	**Nominal Capital**	**Stake %**	**Date of Acquisition/ Foundation**
Consolidation:				
„Crnagoraput“ AD, Podgorica	T€	13,435	50.99	01.01.2007 1)
Asfalt Slaski sp. z o.o., Gliwice	TPLN	600	51.00	13.04.2007
BBS Baustoffbetriebe Sachsen GmbH, Hartmannsdorf	T€	15,339	100.00	18.06.2007
Diabaswerk Saalfelden Gesellschaft mbH, Saalfelden	T€	363	100.00	02.05.2007
Fahrleitungsbau GmbH, Essen	T€	1,550	100.00	16.04.2007
Leszczynskie-Przedsiebiorstwo Robot Drogowo-Mostowych sp. z o.o., Leszno	TPLN	9,365	57.29	13.04.2007
WMB Drogbud sp. z o.o., Czestochowa	TPLN	10,638	51.00	13.04.2007
Polski Asfalt sp. z o.o., Wroclaw	TPLN	60,000	100.00	13.04.2007
Polski Asfalt Szczecin sp. z o.o., Stargard Szczecinski	TPLN	7,120	100.00	13.04.2007
Polskie Kruszywa sp. z o.o., Wroclaw	TPLN	920	100.00	13.04.2007
Strabag Umweltanlagen GmbH, Dresden	T€	26	100.00	01.01.2007
at equity method				
AKA Alföld Koncesszios Autopalya Zrt., Budapest	THUF	24,000,000	25.12	01.01.2007 1)
Directroute (Limerick) Construction Limited, Fermoy	T€	0	40.00	01.01.2007 1)

1) Due to their increased business volume, these companies were included in the group's scope of consolidation for the first time on 1 January 2007. The companies were established or acquired before 1 January 2007.

In the first six months of 2007, cartel authorities approved the takeover of the direct and indirect Polish subsidiaries of Swedish construction group NCC. The group owns a number of asphalt mixing facilities and quarries. The acquired units will do business under the name Polski Asfalt.

Due to price adjustment clauses in the share purchase agreement the definitive settlement of the purchase price has not taken place yet. In future periods adjustments of the purchase price and of the acquired assets and liabilities are possible.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 JUNE 2007 OF STRABAG SE

The purchase price is preliminarily to be apportioned between the assets and liabilities as follows:

	Polski Asfalt-Group T€
Acquired assets and liabilities:	
Goodwill	65,369
Other non-current assets	42,561
Current assets	48,676
Increase in minority interest in equity	-4,729
Non-current liabilities	-552
Current liabilities	-45,299
Purchase price	**106,026**
Acquired cash and cash equivalents	-8,633
Net cash outflow from the acquisition	**97,393**

Effective 1 January 2007, Linde-KCA-Dresden GmbH spun out its Environmental Plants business unit into a separate company and transferred the company to STRABAG SE as Strabag Umweltanlagen GmbH. With the acquisition, STRABAG SE bolsters its environmental technology business with valuable know-how in process engineering and plant construction.

The purchase price is to be apportioned between the assets and liabilities as follows:

	Strabag Umweltanlagen T€
Acquired assets and liabilities:	
Goodwill	5,683
Other non-current assets	1,398
Current assets	34,918
Non-current liabilities	-661
Current liabilities	-40,266
Purchase price	**1,072**
Acquired cash and cash equivalents	-1,476
Net cash inflow from the acquisition	**-404**

STRABAG SE in Q1-2/2007 also acquired the Essen, Germany-based Fahrleitungsbau GmbH. The company's business activities cover the entire value-added chain for the construction of railroad overhead lines.

The purchase price is to be apportioned between the assets and liabilities as follows:

	Fahrleitungsbau GmbH T€
Acquired assets and liabilities:	
Goodwill	11,693
Other non-current assets	1,521
Current assets	15,613
Non-current liabilities	-4,899
Current liabilities	-8,932
Purchase price	**14,996**
Acquired cash and cash equivalents	-1,671
Net cash outflow from the acquisition	**13,325**

The purchase prices as well as the acquired assets and liabilities of the remaining initial consolidation can be broken down as follows:

	Others T€
Acquired assets and liabilities:	
Goodwill	10,222
Other non-current assets	26,747
Current assets	18,291
Increase in minority interest in equity	-3,535
Non-current liabilities	-14,188
Current liabilities	-19,886
Purchase price	**17,651**
Acquired cash and cash equivalents	-143
Non-cash effective purchase price	-8,400
Net cash outflow from the acquisition	**9,108**

Assuming a fictitious initial consolidation on 1 January 2007 for all acquisitions in the Q1-2/2007 reporting period, the consolidated revenue would amount to T€ 4,066,237 and consolidated profit would have decreased by a total of T€ -5,705.

All companies which were consolidated for the first time in Q1-2/2007 contributed T€ 63,787 to revenue and T€ -1,875 to profit.

A negative goodwill of T€ 4 in the account balance results from the first-time application of the equity method of the newly acquired companies.

As of 30 June 2007, the following companies were no longer included in the **scope of consolidation**:

Consolidation:	
GVD Versicherungsvermittlungen - Dienstleistungen GmbH, Köln	reduction of business activity
PREFABRIKAT, spol. s.r.o., Vel'ké Leváre	merger with ZIPP BRATISLAVA spol. s.r.o., Bratislava

Mergers into STRABAG SE

With the merger agreement of 27 February 2007, KIHOG Kärntner Industrieholding Gesellschaft m.b.H., based in Spittal an der Drau, and HSKG Verwaltungs- und Beteiligungs GmbH, also based in Spittal an der Drau, were merged, without winding-up, as transferring companies into STRABAG SE within the context of universal succession. The effects of the merger on the annual accounts and the consolidated financial statements of STRABAG SE are of subordinate importance.

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 30 June 2007 as were used for the consolidated annual financial statements with reporting date 31 December 2006. Details regarding the methods of consolidation and principles of currency translation are available in the 2006 annual report.

In the first six months of 2007, T€ 92,967 in goodwill arising from capital consolidation were recognized as asset.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 JUNE 2007 OF STRABAG SE

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. Effective 30 June 2007, there was no indication that goodwill amortization was necessary.

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 a large 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 at the end of the second quarter. It should be noted that seasonal fluctuations in the Road Construction 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 for the first six months of the year.

By comparison, the absolute figures at the half-year point are typically negative and could, therefore, lead to a false estimation of the true situation. Just as much, relative changes in result at the end of June have only a limited informative value, as the base for calculation is lower and relatively high changes – which do not allow any real conclusions to be made regarding the expected full-year results – are plausible.

NOTES ON THE ITEMS IN THE CONSOLIDATED BALANCE SHEET

Property, Plant and Equipment and Intangible Assets

In Q1-2/2007, tangible and intangible assets in the amount of T€ 235,205 (Q1-2/2006 T€ 145,782) were acquired. This amount does not contain assets acquired as the result of corporate mergers.

In the same period, tangible and intangible assets in the amount of a book value of T€ 17,225 were sold (Q1-2/2006 T€ 11,824).

Extraordinary impairment on property, plant and equipment in the amount of T€ 155 (Q1-2/2006: T€ 166) were made.

Equity

The Annual General Meeting of 20 April 2007 voted to pay out a dividend of € 77 million. Because of a simultaneous payback of non operational loans made by the company there was no liquidity outflow from the company (see also Notes on Related Parties).

The Annual General Meeting of 20 April 2007 also voted to increase the company's share capital from € 70,000,000 by € 25,000,000 to € 95,000,000 through the issue of no-par bearer shares. The previous shareholders expressly abstained from exercising their option on the new shares during the capital increase.

Of the new no-par shares, € 25,000,000 worth are being issued at a pro-rata value in the registered share capital of € 1 per share, and € 1,025,000,000 worth are being issued at a pro-rata value of € 41 per share, in the form of a premium, for a total of € 1,050,000,000.

The new shares are acquired in full by RASPERIA TRADING LIMITED, which is based in Limassol, Cyprus, and owned by Russian businessman Oleg Deripaska.

The deposit of the subscribed capital and the entry of the capital increase into the commercial register took place in August 2007 (see Events after Reporting Date).

The changes in equity are reflected in the Statement of Changes in Equity.

Contingent Liabilities

The company has accepted the following guarantees:

	30.6.2007 T€	31.12.2006 T€
Guarantees without financial guarantees	22,926	37,007

Furthermore, there is a derived credit risk arising from the financial guarantee contracts (guarantees issued) of T€ 26,569 (31 December 2006 T€ 30,700).

Segment Reporting

The segment reporting is based on the three operating segments Building Construction & Civil Engineering, Road Construction and Tunnelling & Services. Expenses and income were attributed to the individual segments only as far as they could be attributed directly or by applying an allocation according to the principle of causation to the respective segment. Items not attributed in this way are shown under Miscellaneous. This segment primarily includes group management, commercial administration, IT and machine management and quality assurance. The settlement between the single segments is made at arm's-length prices.

Segment Information for 1.1.-30.6.2007

	Building Construction and Civil Engineering 1.1.-30.6.2007 T€	Road Construction 1.1.-30.6.2007 T€	Tunnelling and Services 1.1.-30.6.2007 T€	Miscellaneous and Consolidation 1.1.-30.6.2007 T€	Total 1.1.-30.6.2007 T€
Output Volume	2,458,116	1,675,618	270,059	59,509	4,463,302
Revenue	2,212,047	1,599,336	204,713	30,639	4,046,735
EBIT	**-6,049**	**-19,915**	**1,567**	**2,772**	**-21,625**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF 30 JUNE 2007 OF STRABAG SE

Segment Information for 1.1.-30.6.2006

	Building Construction and Civil Engineering 1.1.-30.6.2006 T€	Road Construction 1.1.-30.6.2006 T€	Tunnelling and Services 1.1.-30.6.2006 T€	Miscellaneous and Consolidation 1.1.-30.6.2006 T€	Total 1.1.-30.6.2006 T€
Output Volume	2,088,655	1,606,899	299,041	70,192	4,064,787
Revenue	1,746,457	1,405,011	231,694	29,130	3,412,292
EBIT	**-12,871**	**-17,829**	**8,569**	**2,342**	**-19,789**

The EBIT can be broken down as follows:

	1.1.-30.6.2007 T€	1.1.-30.6.2006 T€
Earnings before financial result and tax	-39,132	-19,794
Share of profit or loss of associates	9,852	-4,285
Net investment income	7,655	4,290
EBIT	**-21,625**	**-19,789**

The income and expenses from investments, as well as from associated companies, concern business-induced investments which form an important component of the group's operating activity.

Financial Instruments

In June 2007, STRABAG SE issued a further bond of € 75 million with a term of five years and an annual coupon of 5.75 %. The first corporate bond, which was issued in 2002 with a volume of € 50 million, was redeemed in June 2007.

Notes on Related Parties

As of the balance sheet date of 31 December 2006, there were non-operational loans vis-à-vis subsidiaries of ATLAS Immobilien & Development Privatstiftung and ARION Immobilien & Development Privatstiftung in the amount of € 77 million outstanding. This amount was paid back to STRABAG SE ahead of schedule in Q1-2/2007.

The employee benefits expenses and other operating expenses include the total salaries of the members of the board with T€ 1,603 (Q1-2/2006: T€ 1,101).

Events after Reporting Date

Following the occurrence of the condition precedent (mostly the cartel approval), the capital increase subscribed by RASPERIA HOLDING LIMITED, Limassol, Cyprus, was paid in and entered into the commercial register on 21 August 2007.

On 25 May 2007 Germany's parliament, the Bundestag, approved the Unternehmenssteuerreformgesetz 2008 ('2008 Business Tax Reform Act'). The legislation provides among other things for a reduction of the corporation tax from 25 % to 15 %. The approval of the Bundesrat (the representation of the 16 Federal States of Germany at the federal level) and the publication of the law took place in July 2007. The changed tax rate for the calculation of the deferred taxes of German businesses was therefore not taken into consideration for the drawing-up of the present interim report.

Audit Waiver

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

STATEMENT BY THE BOARD OF MANAGEMENT

The Board of Management of STRABAG SE declares that the group's consolidated interim financial statements with reporting date 30 June 2007, drawn up in accordance with the International Financial Reporting Standards (IFRS), represent, to the best of its knowledge and as accurately as possible, the assets, finances and profits of all the group companies within the scope of consolidation.

The interim management report also conveys as accurately as possible the assets, finances and profits with regard to the most important events during the first six months of the financial year as well as their effect on the interim financial statemens and it describes the important risks and uncertainties which may occur in the remaining six months of the year.

Vienna, 31 August 2007

Management Board

Dr. Hans Peter Haselsteiner
Chairman

Prof. Dr. Ing. e.h. Manfred Nußbaumer
Vice-Chairman

Ing. Fritz Oberlerchner
Vice-Chairman

Dr. Thomas Birtel
Member of Board

Dipl.-Ing. Nematollah Farrokhnia
Member of Board

Dipl.-Ing. Roland Jurecka
Member of Board

Mag. Wolfgang Merkinger
Member of Board

Mag. Hannes Truntschnig
Member of Board

CORPORATE BONDS

Maturity	Coupon	Volume	ISIN Number
2003 - 2008	5,25 %	50 Mio. €	AT0000341615
2004 - 2009	5,50 %	50 Mio. €	AT0000342332
2005 - 2010	4,25 %	75 Mio. €	AT0000492723
2006 - 2011	5,25 %	75 Mio. €	AT0000A013U3
2007 - 2012	5,75 %	75 Mio. €	AT0000A05HY9

CORPORATE CREDIT RATING

Standard & Poors	**BB+**	**Positive Outlook**

For further questions please refer to our Investor Relations department

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This annual report is also available in German.