INTERIM REPORT JANUARY–MARCH 2008

30 May 2008

STRABAG
SOCIETAS EUROPAEA

KEY FIGURES

Key Financial Figures

	Q1/08 T€	Q1/07 T€	Change in %	2007 T€
Output Volume	1,922,568	1,717,690	11.93	10,746,223
Revenue	1,762,715	1,475,346	19.48	9,878,600
Order Backlog	12,581,535	10,013,674	25.64	10,742,287
Profit for the period	-109,846	-104,738	-4.88	207,614
Employees	63,377	51,976	21.94	61,125

Key Earnings Figures

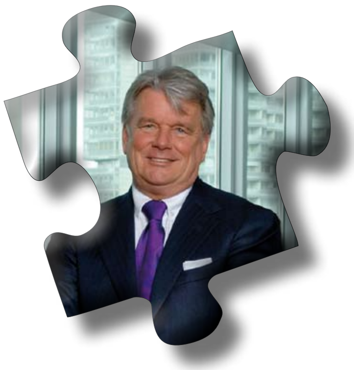
	Q1/08 T€	Q1/07 T€	Change in %	2007 T€
EBITDA	-62,296	-61,124	-1.92	595,899
EBITDA margin as % of revenue	-3.53	-4.14	14.70	6.03
EBIT	-138,217	-120,822	-14.40	312,428
EBIT margin as % of revenue	-7.84	-8.19	4.25	3.16
Earnings before taxes	-136,207	-132,974	-2.43	276,256
Profit for the period	-109,846	-104,738	-4.88	207,614
Cash-flow from operating activities	-241,639	-234,429	-3.08	493,989
ROCE in %	-2.30	-3.90	41.03	8.47
Investment in fixed assets	155,710	82,991	87.62	543,842

Key Balance Sheet Figures

	Q1/08 in T€	2007 in T€	Change in %
Equity	2,994,449	3,096,454	-3.29
Equity Ratio in %	41.66	40.00	4.15
Net Debt	-524,040	-926,972	43.47
Gearing Ratio	-0.18	-0.30	40.00
Capital Employed	4,041,793	4,135,257	-2.26
Total	7,187,290	7,740,814	-7.15

EBITDA = profit for the period before net interest income, income tax expense, 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 + provisions for severance and pension obligations – cash and cash equivalents
Gearing Ratio = Net Debt/Group Equity
Capital Employed = group equity + interest-bearing debt

FOREWORD



Dr. Hans Peter Haselsteiner
Chairman

Dear shareholders, associates
and friends of STRABAG SE

Since October 2007, STRABAG SE has had its shares listed in the Prime Market Segment of the Vienna Stock Exchange and has been a member of the ATX. We now plan to use the proceeds from the IPO in order to continue our profitable growth. For this reason, I am especially pleased to be able to report of a successful first quarter 2008.

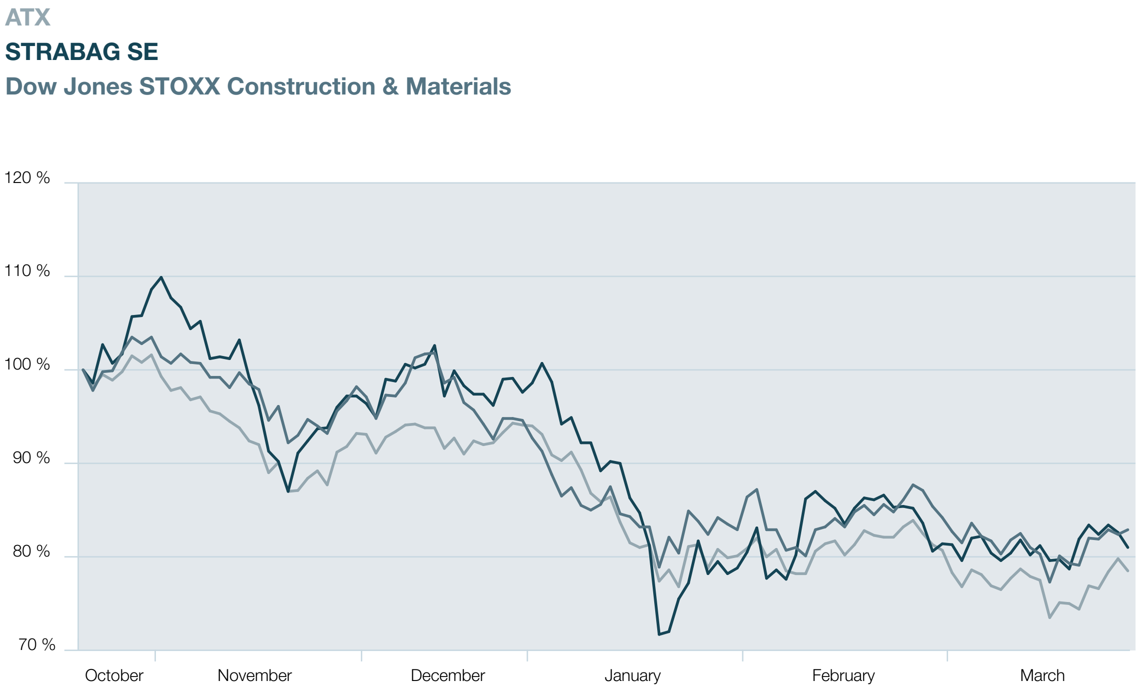
At € 12.6 billion, the volume of backlog orders grew by about 26 % year on year and is now 17 % above the levels at the end of the 2007 financial year. Nearly € 2 billion of the orders backlog can be accounted for by our most dynamic growth market, Russia. This orders situation allows us to look positively into the future. The construction output in the first quarter was up 12 % to € 1,922.6 million. As is usual in the construction industry, the earnings figures in the first six months of the year are negative, and the profit zone is first reached during the third quarter. At STRABAG, this is especially true for two reasons. Firstly, we generate over 90 % of our revenue in Europe, where the winter severely limits the possibilities for working at the same time that fix costs continue to accrue. Secondly, nearly half of our construction output is in the field of road construction – an area with a winter break from December to April.

Considering the excellent orders situation, we continue to expect the construction output volume to grow by about 15 % in the 2008 financial year. We also forecast rising margins.

We are also pleased that as of 30 May 2008 STRABAG SE forms part of the MSCI Europe Index. The selection for the index strengthens our position in the big league of important European listed companies.

- **Record orders backlog of € 12.6 billion – growth of 17 % over the end of 2007 – Russia’s share € 2 billion**
- **Construction output volume +12 % to € 1,922.6 million in the first quarter 2008**
- **Forecast unchanged: construction output volume to grow by 15 % in 2008 – growth of EBIT margin by 50 basis points expected**

SHARE



The shares of STRABAG SE were unable to avoid the negative trend on the international stock markets and ended the first quarter 2008 with a minus of 17.1 %, closing at € 40.41. The financial crisis resulting from the situation on the US mortgage market continued to have a negative effect on investor confidence, so that New York's Dow Jones Index fell by 7.6 %, the Euro Stoxx 50 by about 17.5 % and Japan's Nikkei 225 by 18.2 % over the closing levels of the previous year. The performance of the ATX mirrored that of the international stock markets and the Austrian index fell by about 16.6 % in the first quarter 2008. The Dow Jones STOXX Construction & Materials, which measures the performance of construction sector shares, fell by 12.4 %.

On 29 May 2008 the STRABAG SE share price was at € 49.05 or 4.4 % above the IPO offer price of € 47.

Shares of STRABAG SE are currently under observation by analysts from six international banks. Their analyses and recommendations are available at the STRABAG SE website at www.strabag.com / Investor Relations / Share / Research & Analysts.

STRABAG SE Share

Market Capitalization on 31.3.2008	€ mln.	4,607
Closing price on 31.3.2008	€	40.41
Year's maximum on 3.1.2008	€	50.23
Year's minimum 21.1.2008	€	35.8
Performance Q1/08	%	-17.1
Outstanding shares (absolute)	Number	113,999,997
Outstanding shares (weighted) in Q1/08	Number	113,999,997
Weight in ATX	%	2.1
Volume traded Q1/08	€ mln.*	855.7
Average trade volume per day	shares*	335,700
% of total volume traded on Vienna Stock Exchange	%	1.9

* double count

IMPORTANT EVENTS

- In January 2008, STRABAG and Siemens signed a Memorandum of Understanding (MoU) to jointly bid for selected large-scale projects to be completed in preparation of the 22nd Winter Olympics in Sochi. The projects include a railway project, a cement factory (to be built as part of the joint venture with BaselCement), the extension of Sochi's Adler Airport, the construction of power plants and a port facility.

- A consortium led by STRABAG won the tender for the construction of the S8 expressway in Poland between Konotopa and Prymasa Tysiąclecia. The order has a total volume of about € 490 million, with the share of Polish subsidiary STRABAG Sp.z o.o. amounting to 27 %.

- In January 2008, STRABAG and the Russian real estate developer OTKRYTIE-Nedvizhimost (OTKRYTIE The Real Estate Company) signed an agreement to form a strategic partnership in Russia under which OTKRYTIE-Nedvizhimost will commission STRABAG as general contractor for the construction of commercial real estate objects in Russia. STRABAG is already at work for OTKRYTIE-Nedvizhimost, building an office and hotel complex in Moscow's Paveletskaya business district with a total area of 110,000 m² and a project volume of about US$ 400 million (€ 275 million).
  In addition, STRABAG also signed a general contractor agreement with Europe's largest developer, PIK, to build a residential high-rise in Moscow's Kuntsevo district. Party to the agreement with STRABAG is the ZAO Monetchik, which is 100 % owned by PIK. The € 80 million contract involves the building of three residential towers with 332 apartments and a total useable floor space of 70,000 m². As a result of these deals, the volume of STRABAG's orders in Russia in January 2008 amounted to € 2 billion.

- On 7 February 2008, Haselsteiner Familien-Privatstiftung acquired a further 100,100 shares of STRABAG SE, bringing the Haselsteiner Group's stake in the share capital to 25.09 %.

- In February 2008, STRABAG acquired 100 % of the Czech construction firm JHP spol s.r.o., a specialist in bridge-building. JHP generated revenues of about CZK 750 million (€ 26.5 million) in 2006 and employed 280 people. The company possesses extensive experience and references in the construction of large-width bridges – expertise which STRABAG a.s. previously had to purchase from subcontractors. The anti-trust authorities have already approved the deal. The company is expected to be consolidated in the second quarter 2008.

- In February 2008, STRABAG SE acquired a majority stake of 51 % of Trema Engineering 2 sh p.k., Albania's third-largest construction company, thus expanding its presence in the Balkan region. Trema employed 230 people at the time of acquisition and generated revenues of about € 19 million in the financial year 2006.

- In February 2008, STRABAG SE acquired 100 % of Bologna-based construction firm Adanti SpA. STRABAG is planning to position Adanti SpA as one of the leading construction companies on the Italian market in the medium term. The company is active in all segments in Italy. Adanti SpA generated revenues of € 160 million in 2007 and employed 120 white-collar and 250 blue-collar workers at the time of acquisition. The company will be consolidated in the second quarter 2008.

- In March 2008, STRABAG SE acquired 85 % of F. Kirchhoff AG, the market leader in transportation infrastructures in the German state of Baden-Württemberg. In 2007, the company employed 1,600 employees and generated revenues of about € 350 million. With the acquisition, STRABAG taps a regional market in which it had to date not been widely represented. The acquisition forms part of the strategic goal to further expand the Group's raw materials basis.

- In early April 2008, STRABAG acquired 85 % of the Swedish construction company ODEN Anläggningsentreprenad AB, Stockholm. The company is considered a specialist for infrastructure projects in Sweden and is largely active in the fields of road construction and tunnelling. In 2007, ODEN generated revenues of € 121 million and employed about 400 people. ODEN will be fully consolidated in the second quarter 2008.

- Also in April, STRABAG SE acquired 80 % of KIRCHNER Holding GmbH, one of Germany's leading construction SMEs. In 2007, the company employed 1,500 people and generated a construction output volume of € 373 million. KIRCHNER is mainly active in the areas of infrastructure construction and environmental technology. The company also has an important international presence – particularly in the transportation infrastructures segment in Poland – and has proprietary access to resources and raw materials.

- At the end of April, STRABAG AG was awarded the tender for its first project in Sochi. Under the contract, STRABAG will plan and finish construction of a terminal at Sochi's Adler International Airport about 40 kilometres from Sochi. The total volume of the order amounts to about € 62 million. The project is being carried out as part of a 50:50 consortium led by STRABAG. Work began on 25 April and completion is scheduled for spring of 2009.

- In May, STRABAG SE acquired 100 % of the Swiss StraBAG Group, which consists of the construction firms StraBAG Strassenbau und Beton AG, Witta Bau AG und Frey + Götschi AG. STRABAG SE wants to use the acquisition to strengthen its market position in the infrastructure construction segment in the Zurich region and build up a nationwide presence in this market in Switzerland. In 2007, the group employed 168 people and generated overall revenues of about € 28 million. The newly acquired company will be fully consolidated from the second quarter 2008.

- After buying out minority shareholders, STRABAG SE has since May held a substantial package of shares in EFKON AG just below a majority holding. EFKON AG is a leading company in electronic payment systems in the field of transportation and in intelligent traffic control systems. EFKON, based in Graz, Austria, is a globally active company with 700 employees in 17 countries. In 2007, EFKON generated revenues of about € 70 million. The investment in EFKON allows STRABAG to position itself as a one-stop provider of state-of-the-art infrastructure facilities and toll systems.

- On 7 May 2008, STRABAG SE decided to submit to shareholders of Cologne-based STRABAG AG a "voluntary public offer to acquire securities", offering € 260 a share for the shareholders' no-par bearer shares in STRABAG AG. The conditions of the offer are explained in the prospectus, which is available at the STRABAG SE website at www.strabag.com. Directly and indirectly, STRABAG SE currently holds approx. 66.60 % of the shares of STRABAG AG, Cologne.

Bituminisation entry cavern system, Dachstein, Upper Austria, Austria

MANAGEMENT REPORT JANUARY–MARCH 2008

Construction output and Revenue

STRABAG SE was able to grow its construction output in the first quarter 2008 by 12 % over the first quarter of the previous year to € 1,922.6 million. The construction output was up in Central and Eastern Europe (€ +86 million), in the core markets Germany (€ +57 million) and Austria (€ +26 million) and in the Middle East (€ +36 million) and down in Americas (€ -25 million) and Croatia (€ -19 million).

Consolidated group revenue in the first three months of the 2008 financial year amounted to € 1,762.7 million, compared to € 1,475.3 million in the same period last year (+19 %).

Order Backlog

The order backlog at 31 March 2008 showed a plus of 26 % compared to the first quarter 2007 and an increase of 17 % over the balance sheet date from the 2007 financial year. The record volume of € 12,581.5 million was due to significant increases in all segments. The segment Building Construction & Civil Engineering accounts for 56 %, Transportation Infrastructures for 26 % and Special Divisions & Concessions for 18 % of the group's order backlog.

Financial Position, Financial Performance and Cash-flows

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 negative results, which is then overcompensated by results in the second half of the year. As a result of these seasonal effects, a quarterly comparison (to Q4 2007) makes little sense. Higher business volume also results in a more pronounced effect of seasonality on the earnings development, a situation which is revealed in the results of the first quarter 2008 as well.

As a result of the increased construction output compared to the first three months of the previous year, the EBIT (profit for the period before net interest income and income tax expense) stood at € -138.2 million, 14 % more deeply in negative territory. At € -62.3 million, the EBITDA (profit for the period before net interest income, income tax expense, depreciation and amortization) also stood below last year's value of € -61.1 million. The profit for the period and the profit for the period after minorities stood at € -109.8 million and € -81.2 million, respectively. The earnings per share was € -0.71.

The balance sheet total fell from € 7,740.8 million on 31 December 2007 to € 7,187.3 million, mostly due to the decline of current trade payables and current trade receivables. The equity ratio grew from 40.00 % to 41.66 %. In the medium term, STRABAG is aiming at an equity ratio between 20 % and 25 %. The net-cash position fell from € 927.0 million to € 524.0 million.

At € -241.6 million, the cash-flow from operating activities stood slightly below the previous year's levels of € -234.4 million. The cash-flow from investing activities was up from € -78.1 million to € -155.0 million as a result of the STRABAG group's acquisition activity and due to equipment investments. Due to the relative lack of bank borrowings compared to the previous year, the cash-flow from financing activities fell from the positive, € 87.3 million in the first three months of the 2007 financial year, to the negative territory of € -4.3 million.

Investments

In addition to the necessary replacement investments, investments made in the first three months of the 2008 financial year under the STRABAG corporate strategy included the establishment of the Railway Structures and Specialty Foundation Engineering business fields as well as the extension of the raw materials basis. Furthermore, a double digit million euro amount was invested in equipment for the expansion of capacities in Russia.
In the area of resources and raw materials, STRABAG is pursuing a strategy of setting up its own distribution centres for the transport of building materials from these centres to the mixing facilities. Between 10 % and 15 % of the transports are to be handled using proprietary capacities, as – in STRABAG's view – the potential improvements to the disposition could result in savings of 10 % of the group's transport costs from 2011. For this reason, some € 1.5 million were spent on the procurement of locomotives, freight cars and infrastructure facilities in the field of transport in the first quarter 2008. € 81 million have been set aside for similar investments over the next three years, of which about € 10 million are to be invested in 2008.

Employees

As a result of the higher construction activity and the effected acquisitions over the first quarter of the previous year, the workforce grew by 22 % to 63,377 persons. 890 new employees joined the group in Russia alone.

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 are 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 2007 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

STRABAG continues to expect construction output and revenues in 2008 to grow by 15 % over the 2007 financial year. With the expansion into higher-margin countries and segments, higher margins should be possible in the EBIT and profit for the period.
The order backlog of € 12.6 billion at 31 March 2008 covers more than 100 % of the planned construction output for 2008. STRABAG thus sees itself in a good position to grow its market shares in the Eastern European markets and to further consolidate its position as a market leader in Germany, Austria and Hungary. STRABAG expects the investment level – including spending for acquisitions – to amount to between 7 % and 8 % of the revenue of the 2008 financial year. Depreciation and amortization are expected to amount to 2.8 % to 3.3 % of the revenue. The tax ratio is expected to remain stable at about 25 %. Due to the Group's strong expansion and related investments, STRABAG does not expect to report positive free cash-flow values until 2010.

SEGMENT REPORT

BUILDING CONSTRUCTION & CIVIL ENGINEERING

	Q1/08	Q1/07	Change	2007
	T€	T€	in %	T€
Output Volume	1,122,777	1,089,248	3.1	5,417,841
Revenue	1,029,993	932,403	10.5	4,815,571
Order Backlog	7,084,923	5,749,841	23.2	6,261,855
EBIT	-30,084	-24,787	-21.4	76,565
EBIT margin as a % of revenue	-2.9	-2.7		1.6
Employees	27,769	22,786	21.9	26,322

The Building Construction & Civil Engineering Segment generated a construction output volume of € 1,122.8 million in the first quarter 2008, which corresponds to 58 % of the overall output volume of the STRABAG Group. This represents approximately a 3 % plus over the same period of the previous year. The development reflects the Group's strategy of focusing its growth efforts on Central and Eastern Europe: the construction output in STRABAG's largest single market, Germany, fell by about 5 %, while output in Russia and Slovakia grew by 50 % and 37 %, respectively.

The situation of the orders backlog paints a similar picture. The backlog of orders in progress in Russia at the end of the quarter stood at € 1,939.5 million – 121 % higher than in the first quarter of 2007 – while the backlog in Germany was down 11 % to € 1,646.9 million. The CEE region already accounts for 47 % of the orders backlog in the Building Construction & Civil Engineering Segment (€ 7,084.9 million, +23 %), compared to 32 % at the same time in the previous year.

In Russia, the Group was able to land another large-scale building project during the first quarter 2008. STRABAG was chosen to build a residential building in Moscow (Nagatinskij Proezd); construction is scheduled for the period from March 2008 to August 2010. The project volume (approx. € 269 million) is already included in the orders backlog. In Poland, STRABAG was awarded a € 91.7 million tender to build a shopping centre in the city of Częstochowa. STRABAG's share of the project is 88.5 %. The shopping centre is scheduled for completion in October 2010. Furthermore, STRABAG has been hired to build an additional part of the Z-Tower commercial complex in Riga, Latvia. The volume of the order for STRABAG amounts to € 126.5 million.

In the first quarter 2008, revenues in the Building Construction & Civil Engineering Segment were up 10 % to € 1,030.0 million. The EBIT, and with it the margin, stayed in the negative territory – as is usual in this quarter.

The dynamic growth of orders in Russia and the positive development in both public and private-sector construction in Germany make for a positive outlook and it is expected that last year's improvement of the margins in the Building Construction & Civil Engineering Segment will be continued in the 2008 financial year.

The average workforce level was up 22 % to 27,769, due not least to acquisitions and the growth in Russia. The extension of capacities in Russia currently has priority over the expansion of the Building Construction & Civil Engineering Segment in other countries.

STRABAG SE enacted several changes in the organisational structure in the first quarter 2008. The two sub-divisions comprising the business field Specialty Foundation Engineering (Ground Engineering) have moved from the Building Construction & Civil Engineering Segment to the Special Divisions & Concessions Segment.* Also, a special Sochi sub-division was established within the Building Construction & Civil Engineering Segment. This new sub-division won its first order in the second quarter 2008: the rehabilitation of the terminal building at Adler Airport near Sochi, Russia, worth € 31 million.

* Details can be found in the Special Divisions & Concessions Segment report.

TRANSPORTATION INFRASTRUCTURES

	Q1/08	Q1/07	Change	2007
	T€	T€	in %	T€
Output Volume	590,901	463,519	27.5	4,616,841
Revenue	579,122	438,308	32.1	4,455,142
Order Backlog	3,236,069	2,436,648	32.8	2,081,015
EBIT	-90,241	-81,162	-11.2	185,646
EBIT margin as a % of revenue	-15.6	-18.5		4.2
Employees	27,690	23,073	20.0	28,352

The revenues in the Transportation Infrastructures Segment in the first quarter 2008 grew by 32 % to € 579.1 million.

The construction output of the Transportation Infrastructures Segment in the first quarter 2008 amounted to about € 590.9 million. This corresponds to a plus of 27 % over the same period of the previous year. This development is largely due to growth in Germany (€ +62 million) and Poland (€ +22 million). In response to the higher output, the workforce in the Transportation Infrastructures Segment was raised by 20 % to 27,690, with a plus of 1,132 employees in Germany and 1,216 in Poland compared to the first quarter 2007.

The growth of the orders backlog – up 33 % to € 3,236.1 million – was influenced also by the markets in Germany and Poland as well as by acquisitions: The STRABAG subsidiary Josef Möbius Bau was awarded the construction of the Jade Weser Port, Germany. The net volume of the order for Möbius of € 162 million has formed part of the STRABAG Group's orders backlog since January 2008. Also in the first quarter 2008, a STRABAG-led consortium was awarded the tender to build the S8 expressway in Poland between Konotopa and Prymasa Tysiąclecia. The order has a total volume of about € 490 million, with the share of Polish subsidiary STRABAG Sp.z o.o. amounting to 27 %.

In Poland, the STRABAG Group is currently involved in the bidding for several road construction projects. The company expects to see a significant increase in the Transportation Infrastructures business in Poland. This assumption is supported by the volume of the orders backlog in the country, which at € 498 million is 71 % above the volume at the end of the 2007 financial year (31 December 2007). In the first quarter 2008, the STRABAG Group acquired an 85 % stake in Swedish construction firm ODEN Anläggningsentreprenad AB, Stockholm. This investment is to be consolidated in the second quarter 2008 in the STRABAG Group. Following the consolidation of ODEN, the entire Scandinavian region is expected to gain in importance for the STRABAG Group's Transportation Infrastructures Segment. Nevertheless, the Group's focus will remain on growth in Central and Eastern Europe. The orders backlog in the CEE region already accounts for 46 % of the volume of orders in the entire segment.

In the first quarter 2008, STRABAG acquired the German road construction firm F. Kirchhoff AG (revenues of € 350 million in 2007). The company has not been consolidated yet due to the still expected approval of the antitrust authority. As a result, Kirchhoff does not affect the present financial results.

STRABAG expects the margins in the Transportation Infrastructures Segment in the 2008 financial year to remain at about the levels from 2007. The construction output is expected to rise in line with the Group average.

SEGMENT REPORT

SPECIAL DIVISIONS & CONCESSIONS

	Q1/08	Q1/07	Change	2007
	T€	T€	in %	T€
Output Volume	163,282	133,360	22.4	582,077
Revenue	147,275	98,042	50.2	584,961
Order Backlog	2,212,272	1,787,059	23.8	2.347,814
EBIT	-15,608	-12,674	-23.1	48,455
EBIT margin as a % of revenue	-10.6	-12.9		8.3
Employees	2,932	1,711	71.4	1,824

The segment Tunnelling & Services was renamed Special Divisions & Concessions on 28 May 2008.

The construction output of the Special Divisions & Concessions Segment grew by 22 % to € 163.3 million. This segment includes not only construction work but also constructed-related services not represented in the construction output; as a result, the revenue grew more significantly, gaining 50 % to € 147.3 million.

The orders backlog reached € 2,212.3 million, a plus of 23 % over the first quarter of 2007. The increase was thanks largely to the acquisition of Phase III of the M6 motorway project in Hungary, which more than made up for the decline in Switzerland (€ -92 million). New orders for the STRABAG Group in the first quarter 2008 included the construction of the Söderström Tunnel in Stockholm, Sweden. The project has a volume of about € 71 million and a scheduled construction time from March 2008 to September 2012.
In the area of PPPs, a STRABAG subsidiary will handle the planning, financing, construction and technical operation for a period of 20 years of the Berufsakademie Heidenheim (Heidenheim University of Cooperative Education). As the tender for the € 32 million project was not awarded until May 2008, the volume of the order is not yet reflected in the orders backlog for the first quarter 2008.

In February, STRABAG SE signed the agreements covering the 100 % acquisition of Adanti, a Bologna, Italy-based construction firm, which generated revenue of € 160 million in 2007. The financial results as well as the company´s order backlog have not been included in the Group results yet, as consolidation is going to take place in the second quarter after approval of the antitrust authority.

In May, STRABAG SE acquired a substantial package of shares in EFKON AG just below a majority holding. The transaction is pending approval by the competent cartel authorities. EFKON is a leading company in electronic payment systems in the field of transportation and in intelligent traffic control systems. In the 2007 financial year, the Graz-based company generated revenues of about € 70 million. The investment in EFKON allows STRABAG to also provide toll systems when bidding for motorway projects under a PPP model in the field of infrastructure construction.

In the first quarter, the Specialty Foundation Engineering Business Field was moved from the Building Construction & Civil Engineering Segment to the Special Divisions & Concessions Segment. The business field contributed a output volume of about € 48 million to the Special Divisions & Concessions Segment in the first quarter. In the 2007 financial year, the business field's output volume stood at € 202 million, which are still included in the Building Construction & Civil Engineering Segment data in the 2007 comparison figures. STRABAG expects the business field's earnings contributions in 2008 to remain negative due to restructuring. The margin, however, should move towards the average margin of the Special Divisions & Concessions Segment in the medium term. This is expected to somewhat balance out the traditionally volatile course of business in the segment, as orders in Specialty Foundation Engineering, unlike is the case in the rest of the segment, usually involve small projects of rather short duration.

The acquisition of new projects and the transfer onto the segment of the Specialty Foundation Engineering Business Field led to an increase in the workforce in the segment to 2,932 persons.

The Tunnelling Business Unit is currently preparing to bid for projects in Switzerland, Austria, Italy, Ireland, Belgium and Sweden, among other places. The management expects that the generally low price level in tunnelling in the core markets can be balanced out by the higher margins in STRABAG's newer markets such as Scandinavia. STRABAG's Infrastructure Development Business Unit is preparing a bid for Phase II of the M6 motorway in Hungary and for the construction of the A1 motorway in Poland with a total volume of over € 3 billion. STRABAG sees great opportunities in this area, as several other tenders have already been announced. In PPP Real Estate, the STRABAG Group is currently pre-qualified for construction projects worth about € 350 million, while bids for a further € 327 million are outstanding. Particularly in Germany, STRABAG sees a positive situation in terms of demand.

Staten Tunnel Randstad, Rotterdam, Netherlands

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2008

CONSOLIDATED INCOME STATEMENT FOR 1.1.-31.3.2008

	1.1.-31.3.2008 T€	1.1.-31.3.2007 T€
Revenue	1,762,715	1,475,346
Changes in inventories	-12,227	37,215
Own work capitalized	12,927	11,582
Other operating income	45,128	49,194
Raw materials, consumables and services used	-1,281,088	-1,131,710
Employee benefits expense	-465,655	-404,650
Other operating expenses	-126,062	-99,407
Share of profit or loss of associates	-2,036	-687
Net investment income	4,002	1,993
EBITDA	**-62,296**	**-61,124**
Depreciation and amortization expense	-75,921	-59,698
EBIT	**-138,217**	**-120,822**
Interest and similar income	23,104	8,457
Interest expense and similar charges	-21,094	-20,609
Net interest	**2,010**	**-12,152**
Profit before tax	**-136,207**	**-132,974**
Income tax expense	26,361	28,236
Profit for the period	**-109,846**	**-104,738**
Attributable to: Minority interest	-28,606	-21,990
Attributable to: Equity holders of the parent	-81,240	-82,748
Earnings per share (in €)	-0.71	-1.18

STATEMENT OF RECOGNIZED INCOME AND EXPENSE FOR 1.1.-31.3.2008

	1.1.-31.3.2008 T€	1.1.-31.3.2007 T€
Differences arising from currency translation	13,346	-1,839
Change in hedging reserves	-1,909	-6,244
Deferred taxes on neutral change in equity	477	1,567
Net income recognized directly in equity	**11,914**	**-6,516**
Profit for the period	-109,846	-104,738
Total of recognized income and expense for the period	**-97,932**	**-111,254**
Attributable to: Minority interest	-70,699	-88,377
Attributable to: Equity holders of the parent	-27,233	-22,877

Limerick Bypass, Ireland

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2008

CONSOLIDATED BALANCE SHEET AS AT 31.3.2008

Assets	31.3.2008 T€	31.12.2007 T€
Non-current assets		
Intangible assets	249,559	239,852
Property, plant and equipment	1,633,594	1,543,569
Investment property	147,086	149,407
Investments in associates	137,963	139,260
Other financial assets	232,503	223,567
Trade receivables	37,979	40,062
Other receivables and other assets	38,554	40,599
Deferred taxes	108,122	93,528
	2,585,360	**2,469,844**
Current assets		
Inventories	489,706	477,443
Trade receivables	2,109,239	2,448,074
Other receivables and other assets	431,601	379,678
Cash and cash equivalents	1,571,384	1,965,775
	4,601,930	**5,270,970**
	7,187,290	**7,740,814**

Equity and Liabilities	31.3.2008 T€	31.12.2007 T€
Group equity		
Share capital	114,000	114,000
Capital reserves	2,311,384	2,311,384
Retained earnings	374,421	445,120
Minority interests	194,644	225,950
	2,994,449	**3,096,454**
Non-current liabilities		
Provisions	620,568	625,863
Financial liabilities	485,516	484,772
Trade payables	31,008	30,556
Other liabilities	5,389	6,075
Deferred taxes	2,438	21,100
	1,144,919	**1,168,366**
Current liabilities		
Provisions	418,402	448,109
Financial liabilities	208,572	199,320
Trade payables	1,969,849	2,275,687
Other liabilities	451,099	552,878
	3,047,922	**3,475,994**
	7,187,290	**7,740,814**

CONSOLIDATED CASH-FLOW STATEMENT FOR 1.1.-31.3.2008

	1.1.-31.3.2008 T€	1.1.-31.3.2007 T€
Profit for the period	-109,846	-104,738
Deferred taxes	-32,745	-36,954
Non-cash effective results from associates	2,036	3,486
Depreciations/write ups	75,980	59,706
Changes in long term provisions	-5,296	-7,400
Gains/losses on disposal of non-current assets	-6,919	-5,848
Cash-flow from profits	**-76,790**	**-91,748**
Change in items:		
Inventories	-12,085	-46,968
Trade receivables, construction contracts and consortia	349,312	408,887
Receivables from subsidiaries and receivables from participation companies	-10,272	-15,300
Other assets	-22,696	-19,487
Trade payables, construction contracts and consortia	-311,258	-345,394
Liabilities from subsidiaries and liabilities from participation companies	-6,476	4,800
Other liabilities	-121,669	-98,741
Current provisions	-29,705	-30,478
Cash-flow from operating activities	**-241,639**	**-234,429**
Purchase of financial assets	-11,032	-7,113
Purchase of property, plant, equipment and intangible assets	-155,710	-82,991
Gains/losses on disposal of non-current assets	6,919	5,848
Disposals of non-current assets (carrying value)	17,868	10,198
Change in other cash pooling receivables	2,749	-4,006
Change in scope of consolidation	-15,793	0
Cash-flow from investing activities	**-154,999**	**-78,064**
Change in bank borrowings	904	93,725
Change in liabilities from finance leases	-1,419	-463
Change in other cash pooling liabilities	249	-2,992
Distribution and withdrawals from partnership	-4,073	-2,972
Cash-flow from financing activities	**-4,339**	**87,298**
Cash-flow from operating activities	**-241,639**	**-234,429**
Cash-flow from investing activities	**-154,999**	**-78,064**
Cash-flow from financing activities	**-4,339**	**87,298**
Net change in cash and cash equivalents	**-400,977**	**-225,195**
Cash and cash equivalents at the beginning of the year	1,965,775	586,265
Change in cash and cash equivalents due to currency translation	6,586	-809
Cash and cash equivalents at the end of the period	**1,571,384**	**360,261**
Interest paid	11,509	9,957
Interest received	21,146	10,722
Taxes paid	7,196	10,089

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS STRABAG SE, VILLACH AS OF 31.3.2008

Basic Principles

The consolidated interim financial statements of STRABAG SE, based in Villach, Austria, with reporting date 31 March 2008 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 2007.

The consolidated financial statements of the Group as at and for the year ended 31 December 2007 are available at www.strabag.com.

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 2007.

Information regarding the accounting and valuation methods can be found in the annual financial statements with reporting date 31 December 2007.

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 2008 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 Q1/2008 accounting period as follows:

	Consolidation	equity method
Situation on 31.12.2007	278	14
First time inclusion in the period under report	3	0
Mergers in the period under report	0	0
Exclusions in the period under report	0	0
Situation on 31.3.2008	**281**	**14**

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/ Foundation**
Consolidation:		
Montmontaža Hidroinzenjering d.o.o., Split	100.00	14.2.2008
M.A. d.o.o., Split	100.00	14.2.2008
Pomgrad Inženjering d.o.o., Split	100.00	14.2.2008

In February 2008, the Croatian competition authority approved the acquisition of Pomgrad Inženjering d.o.o., Split. Pomgrad Inženjering d.o.o. is a specialist in the construction of ports and port facilities and the acquisition allows STRABAG to strengthen its know-how in this field.

The consolidation of companies included for the first time took place at the date of acquisition or the nearest reporting date provided that this had no significant implications to an inclusion at the date of acquisition.

In the Q1/2008 period, negative goodwill amounting to T€ 8 occurred. This amount is reported under other operating income.

Assuming a fictitious first-time consolidation on 1 January 2008 for all acquisitions in the Q1/2008 period, the consolidated revenue would amount to T€ 1,775,217 and consolidated profit would have decreased by a total of T€ 0.

All companies which were consolidated for the first time in Q1/2008 contributed T€ 12,502 to revenue and T€ 0 to profit.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS STRABAG SE, VILLACH AS OF 31.3.2008

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

In the Q1/2008 period, T€ 9,041 in goodwill arising from capital consolidation were recognized as asset.

Goodwill

Goodwill assets are subject 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 31 March 2008, there was no indication that goodwill impairment was necessary.

Nordkettenbahn, Hungerburgbahn, Innsbruck, Austria

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 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 of the respective quarters.

NOTES ON THE ITEMS IN THE CONSOLIDATED BALANCE SHEET

Property, Plant and Equipment and Intangible Assets

In Q1/2008, tangible and intangible assets in the amount of T€ 155,710 (Q1/2007 T€ 82,991) were acquired.

In the same period, tangible and intangible assets in the amount of a book value of T€ 15,596 were sold (Q1/2007 T€ 9,469).

Extraordinary impairment on property, plant and equipment in the amount of T€ 0 (Q1/2007 T€ 23) were made. Impairment on goodwill amounts to T€ 0 (Q1/2007 T€ 0)

Purchase Obligations

On the reporting date, there were € 136 million in contractual commitments for the acquisition of property, plant and equipment which were not considered in the financial statement.

Equity

The fully paid share capital amounts € 114,000,000 and is divided into 114,000,000 no-par bearer shares.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS STRABAG SE, VILLACH AS OF 31.3.2008

The changes in equity are shown as follows:

	Share Capital	Capital Reserves	Retained Earnings	Foreign currency reserve	Minority Interest	Total
	T€	T€	T€	T€	T€	T€
Balance at 1.1.2007	**70,000**	**448,047**	**333,745**	**6,225**	**177,877**	**1,035,894**
Differences arising from currency translation	0	0	0	-1,232	-607	-1,839
Profit for the period	0	0	-82,748	0	-21,990	-104,738
Change in hedging reserves	0	0	-5,868	0	-376	-6,244
Deffered taxes on neutral change in equity	0	0	1,471	0	96	1,567
Distribution of dividends	0	0	0	0	-2,972	-2,972
Balance at 31.3.2007	**70,000**	**448,047**	**246,600**	**4,993**	**152,028**	**921,668**

Balance at 1.1.2008	**114,000**	**2,311,384**	**430,206**	**14,914**	**225,950**	**3,096,454**
Differences arising from currency translation	0	0	0	11,803	1,543	13,346
Profit for the period	0	0	-81,240	0	-28,606	-109,846
Change in hedging reserves	0	0	-1,682	0	-227	-1,909
Deffered taxes on neutral change in equity	0	0	420	0	57	477
Distribution of dividends	0	0	0	0	-4,073	-4,073
Balance at 31.3.2008	**114,000**	**2,311,384**	**347,704**	**26,717**	**194,644**	**2,994,449**

Contingent Liabilities

The company has accepted the following guarantees:

	31.3.2008	31.12.2007
	T€	T€
Guarantees without financial guarantees	12,776	14,029

Furthermore, there is a derived credit risk arising from the financial guarantee contracts (guarantees issued) of T€ 27,434 (31 December 2007 T€ 34,955).

SEGMENT REPORTING

The segment reporting is based on the three operating segments Building Construction & Civil Engineering, Transportation Infrastructures and Special Divisions & Concessions. 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 Reporting for 1.1.-31.3.2008

	Building Construction & Civil Engineering 1.1.-31.3.2008 T€	Transportation Infrastructures 1.1.-31.3.2008 T€	Special Divisions & Concessions 1.1.-31.3.2008 T€	Miscellaneous and Consolidation 1.1.-31.3.2008 T€	Total 1.1.-31.3.2008 T€
Output Volume	1,122,777	590,901	163,282	45,608	1,922,568
Revenue	1,029,993	579,122	147,275	6,325	1,762,715
EBIT	**-30,084**	**-90,241**	**-15,608**	**-2,284**	**-138,217**

Segment Reporting for 1.1.-31.3.2007

	Building Construction & Civil Engineering 1.1.-31.3.2007 T€	Transportation Infrastructures 1.1.-31.3.2007 T€	Special Divisions & Concessions 1.1.-31.3.2007 T€	Miscellaneous and Consolidation 1.1.-31.3.2007 T€	Total 1.1.-31.3.2007 T€
Output Volume	1,089,248	463,519	133,360	31,563	1,717,690
Revenue	932,403	438,308	98,042	6,593	1,475,346
EBIT	**-24,787**	**-81,162**	**-12,674**	**-2,199**	**-120,822**

Notes on Related Parties

Notes on related parties may be found in the 2007 consolidated financial statements. Since 31 December 2007, there have been no significant changes in this area. Arm's-length business relations exist in transactions with related parties.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS STRABAG SE, VILLACH AS OF 31.3.2008

Events after Reporting Date

In early April 2008, STRABAG acquired 85 % of Swedish construction company ODEN Anläggningsentreprenad AB, Stockholm. The company is considered a specialist for infrastructure projects in Sweden and is largely active in the fields of road construction and tunnelling. In 2007, ODEN generated revenues of € 121 million and employed about 400 people.

In April 2008, STRABAG acquired 80 % of Kirchner Holding GmbH, one of Germany's leading construction SMEs. In 2007, the company employed approx. 1,500 people and generated a construction output volume of € 373 million. Kirchner is mainly active in the areas of infrastructure construction and environmental technology.

In May 2008 STRABAG SE acquired the Swiss StraBAG group. The main business activity of the group is in the areas of road construction, civil engineering and underground construction as well as paving and surfacing. In 2007, the group employed 168 people and generated overall revenues of € 28 million.

In May 2008 the management board decided to acquire the remaining shares of the M5 highway license company in Hungary, AKA Alföld Koncesszios Autopalya Zrt., Budapest. The Group´s share amounted to 25.12 % so far. The concession length is until 2031.

Audit Waiver

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

Crosspoint Pisek, Czech Republic

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 31 March 2008, 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 January–March 2008 also conveys as accurately as possible the assets, finances and profits with regard to the most important events during the first quarter 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 months of the year.

Vienna, 30 May 2008

Management Board

Dr. Hans Peter Haselsteiner

Ing. Fritz Oberlerchner

Dr. Thomas Birtel

Dipl.-Ing. Nematollah Farrokhnia

Dipl.-Ing. Roland Jurecka

Mag. Wolfgang Merkinger

Mag. Hannes Truntschnig

FINANCIAL CALENDAR

Interim Report January–March 2008	**Fri., 30.05.2008**
Publication	07.30 am (CET)
Analyst Telephone Conference	02.00 pm (CET)
Notice of Annual General Meeting	**Thur., 29.05.2008**
Deposit deadline for shares	**Mon., 16.06.2008**
Annual General Meeting 2008	**Fri., 20.06.2008**
Austria Center Vienna, Bruno-Kreisky-Platz 1, 1220 Vienna	10.00 am (CET)
Ex-dividend date	**Fri., 27.06.2008**
Payment date for dividend	**Mon., 30.06.2008**
Semi-Annual Report 2008	**Fri., 29.08.2008**
Publication	07.30 am (CET)
Analyst Telephone Conference	02.00 pm (CET)
Interim Report January–September 2008	**Fri., 28.11.2008**
Publication	07.30 am (CET)
Analyst Telephone Conference	02.00 pm (CET)

CORPORATE BONDS

Maturity	Coupon	Volume	ISIN	Stock exchange
2003 - 2008	5.25 %	€ 50 million	AT0000341615	Wien
2004 - 2009	5.50 %	€ 50 million	AT0000342332	Wien
2005 - 2010	4.25 %	€ 75 million	AT0000492723	Wien
2006 - 2011	5.25 %	€ 75 million	AT0000A013U3	Wien
2007 - 2012	5.75 %	€ 75 million	AT0000A05HY9	Wien

CORPORATE CREDIT RATING

Standard & Poors	BBB-	Outlook stable

CODES

Bloomberg:	**STR AV**
Reuters:	**STRV.VI**
Vienna Stock Exchange:	**STR**
ISIN:	**AT000000STR1**

Have you already had a look at our STRABAG SE website www.strabag.com? Get STRABAG SE share price info daily: Investor Relations/Share/Reminder

www.strabag.com

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This interim report is also available in German.
In case of discrepancy, the German version prevails.

STRABAG
SOCIETAS EUROPAEA