INNOVATION

TRADITION

SUCCESS MEANS BALANCE.
ANNUAL REPORT 2011

STRABAG
SOCIETAS EUROPAEA

THE STRABAG GROUP

As one of Europe's leading construction groups, and with approximately 76,900 employees, we generated an output volume of € 14.3 billion in the 2011 financial year. From our core markets of Austria and Germany, we are present via our numerous subsidiaries in all countries of Eastern and South-East Europe, in selected markets in Western Europe and in individual cases on other continents. We offer our services under several brands, including STRABAG, Heilit+Woerner, Möbius and Züblin. The services span all areas of the construction industry and cover the entire construction value chain.

BUILDING CONSTRUCTION & CIVIL ENGINEERING

	2011 € MLN.	CHANGE 2010–2011 %	2010 € MLN.	CHANGE 2009–2010 %	2009 € MLN.
Output Volume	5,142	20 %	4,279	-3 %	4,427
Revenue	4,968	25 %	3,976	-2 %	4,059
Order backlog	5,800	2 %	5,660	1 %	5,602
EBIT	179	16 %	154	24 %	124
EBIT margin % of revenue	3.6 %		3.9 %		3.1 %
Employees	20,276	11 %	18,253	-7 %	19,562

TRANSPORTATION INFRASTRUCTURES

	2011 € MLN.	CHANGE 2010–2011 %	2010 € MLN.	CHANGE 2009–2010 %	2009[1] € MLN.
Output Volume	6,701	12 %	5,990	5 %	5,709
Revenue	6,211	6 %	5,837	4 %	5,606
Order backlog	3,943	-19 %	4,892	10 %	4,463
EBIT	61	-66 %	179	25 %	143
EBIT margin % of revenue	1.0 %		3.1 %		2.6 %
Employees	31,609	2 %	30,866	3 %	29,920

SPECIAL DIVISIONS & CONCESSIONS

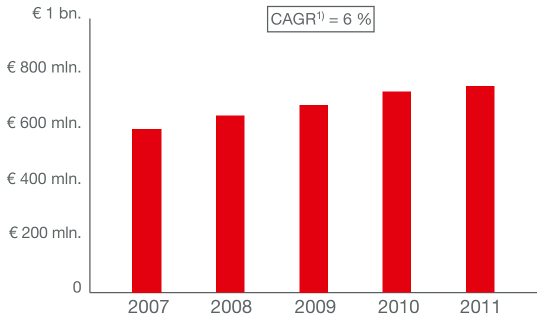
	2011 € MLN.	CHANGE 2010–2011 %	2010 € MLN.	CHANGE 2009–2010 %	2009[1] € MLN.
Output Volume	2,315	-1 %	2,338	-14 %	2,716
Revenue	2,500	-1 %	2,527	-11 %	2,850
Order backlog	3,597	-14 %	4,162	7 %	3,880
EBIT	109	n.m.	-11	n.m.	34
EBIT margin % of revenue	4.4 %		-0.4 %		1.2 %
Employees	19,342	1 %	19,060	-8 %	20,678

1) Presentation in accordance with the Annual Report 2010. Changes in segment structure starting from 2011 are not considered.

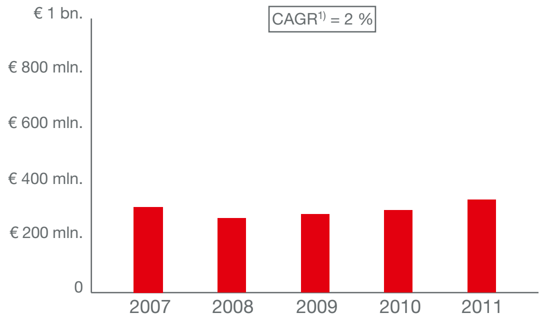
KEY FIGURES

DEVELOPMENT OF THE MOST IMPORTANT KEY FIGURES

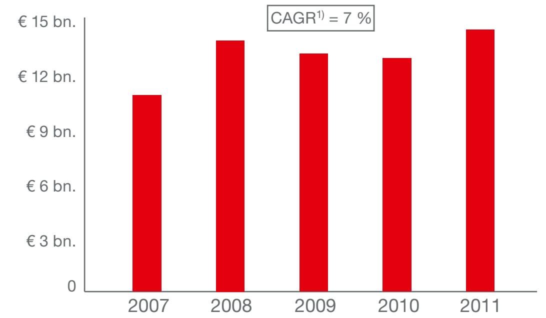
EBITDA DEVELOPMENT 2007–2011



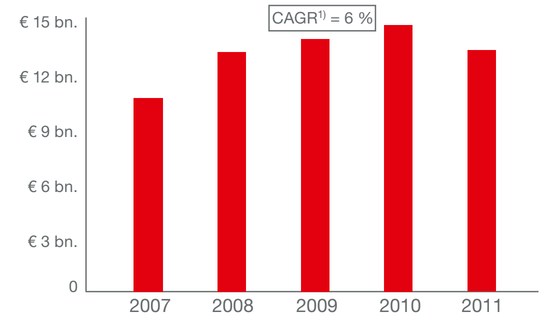
EBIT DEVELOPMENT 2007–2011



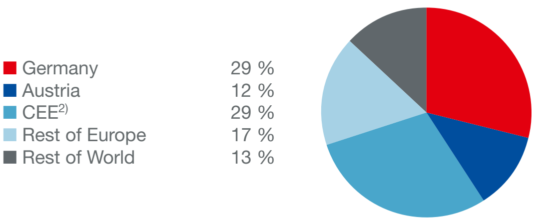
OUTPUT VOLUME DEVELOPMENT 2007–2011



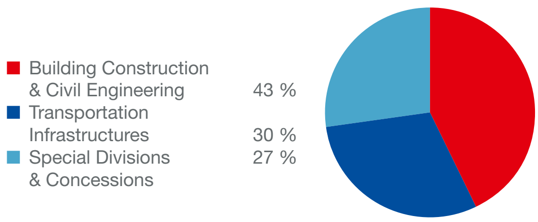
ORDER BACKLOG DEVELOPMENT 2007–2011



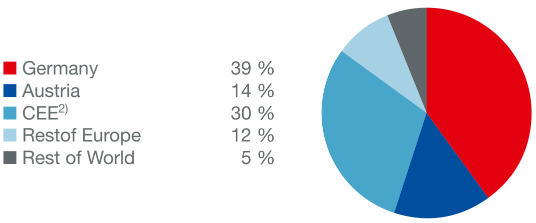
ORDER BACKLOG BY REGION



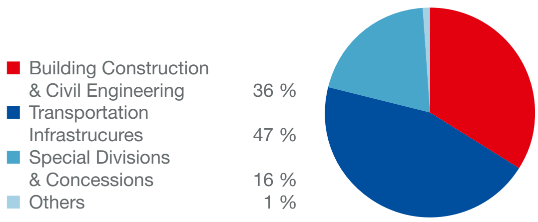
ORDER BACKLOG BY SEGMENT



OUTPUT VOLUME BY REGION



OUTPUT VOLUME BY SEGMENT



1) CAGR = Compound annual growth rate
2) Central and Eastern Europe comprises the following countries: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia and neighbouring countries, Serbia, Slovakia, Slovenia

KEY FIGURES 2007–2011

KEY FINANCIAL FIGURES

€ MLN.	2007	2008	2009	2010	2011
Output volume	10,746.22	13,742.50	13,021.01	12,777.00	14,325.85
Revenue	9,878.60	12,277.80	12,551.93	12,381.54	13,713.80
Order backlog	10,742.29	13,253.80	13,967.57	14,738.74	13,354.00
Employees	61,125	73,008	75,548	73,600	76,866

KEY EARNINGS FIGURES

€ MLN.	2007	2008	2009	2010	2011
EBITDA	595.90	674.73	684.25	734.69	746.33
EBITDA margin % of revenue	6.0 %	5.3 %	5.5 %	5.9 %	5.4 %
EBIT	312.43	269.87	282.85	298.95	334.78
EBIT margin % of revenue	3.2 %	2.2 %	2.3 %	2.4 %	2.4 %
Profit before taxes	276.26	229.26	262.96	279.27	343.33
Net income	207.61	166.36	184.61	188.38	239.29
Earnings per share	2.05	1.38	1.42	1.53	1.75
Dividend per share	0.55	0.55	0.50	0.55	0.60
Cash-flow from operating activities	493.99	689.86	1,115.10	690.42	501.15
ROCE in %	8.5 %	5.3 %	5.7 %	5.4 %	6.3 %
Investment in fixes assets	543.84	876.80	508.73	553.84	477.15

KEY BALANCE SHEET FIGURES

€ MLN.	2007	2008	2009	2010	2011
Equity	3,096.45	2,978.98	3,099.06	3,232.44	3,149.84
Equity Ratio %	40.0 %	30.5 %	32.2 %	31.1 %	30.3 %
Net Debt	-926.97	-109.66	-596.23	-669.04	-267.81
Gearing Ratio %	-29.9 %	-3.7 %	-19.2 %	-20.7 %	-8.5 %
Capital Employed	4,135.26	5,158.85	5,042.87	5,235.74	5,336.45
Total	7,740.81	9,765.21	9,613.59	10,382.16	10,386.05

EBITDA = profit for the period before net interest income, income tax expense and depreciation and amortization
EBIT = profit for the period before net interest income and income tax expense
ROCE = net income + interest on debt-interest tax shield (25 %) / (average group equity + interest-bearing debt)
Net Debt = financial liabilities less non-recourse debts + provisions for severance and pension obligations – cash and cash equivalents
Gearing Ratio = Net Debt/Group Equity
Capital Employed = group equity + interest-bearing debt

CONTENT

Hans Peter Haselsteiner
CEO

CEO'S REVIEW

Dear fellow shareholders,

At another place in this report on the 2011 financial year (page 97), my management board colleague Thomas Birtel quotes the economist John Maynard Keynes with the words: "The future is uncertain." These words sum up the current market environment: the debt crisis in Europe, the volatile financial markets, the declining public-sector investments with simultaneously higher demand for building construction from private and commercial clients – all this makes it nearly impossible to plan with acceptable accuracy.

Thankfully, our strategy at STRABAG was developed with just such conditions in mind. Our group is diversified in terms of regions and segments and possesses a solid financial structure. Our flexible structure allows us to adapt our capacities quickly so we can continue to do business successfully. If, for example, demand weakens in the public sector in Europe, we can boost our activities in the field of project development or in our international business.

STRONG RESULTS, AS EXPECTED

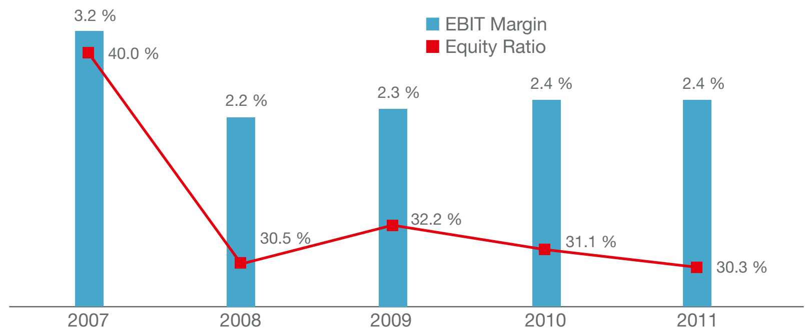
This allowed us to increase our output volume in the past financial year by around 12 % to € 14.3 billion. With a forecast of € 14.0 billion, we managed a precise landing – possible only because of the high degree of aggregation of the group data. The growth is due to the strong demand in the German building construction and civil engineering segment, the booming Polish construction sector – above all in the field of transportation infrastructures – and the expansion in northern Europe. Additionally, we acquired two construction SMEs in Switzerland in the first quarter of 2011.

The order backlog stands at € 13.4 billion, 9 % below the level at the end of 2010, but still at a satisfactorily high level. The decline is mostly due to the development in Poland, as the preparations for the 2012 European Football Championship had triggered large infrastructure investments from the public sector. As market leader, STRABAG was awarded several of the resulting contracts and worked these off in the 2011 financial year. Also, we are no longer reporting the projects in Libya in the order books due to the political situation in the country since the beginning of 2011. In the first quarter of 2012, the order backlog increased further thanks to the award of several new large projects – for example in Italy and in non-European markets.

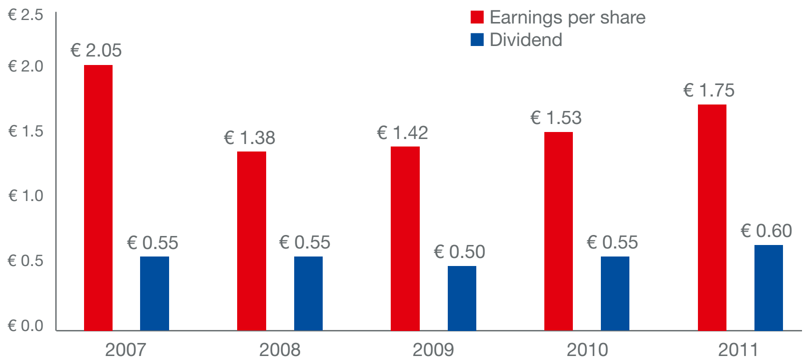
The earnings before interest, taxes depreciation and amortisation grew by 2 % to € 746.33 million, the earnings before interest and taxes (EBIT) by 12 % to € 334.78 million. The EBIT margin remained constant relative to the year before at 2.4 %. The earnings before taxes registered an above-average plus of 23 %, the net income one of 27 %. Despite the significantly higher minority interest, we closed the 2011 financial year with growth of the net income after minorities of 12 % to € 194.99 million. Due to the lower number of weighted outstanding shares resulting from the buyback of own shares, the earnings per share grew by 14 % to € 1.75.

In summary, the business results of 2011 yield the following picture: the strategy of diversification stabilised STRABAG's business and resulted in a satisfactory result for 2011. The further development of the group, however, remains dependent on factors that are beyond our control and whose limited predictability involves enormous uncertainty for our planning. Flexibility thus remains the order of the day.

EBIT MARGIN AND EQUITY RATIO



EARNINGS PER SHARE AND DIVIDEND



STRABAG AS ONE OF JUST TWO COMPANIES IN THE ATX THAT WERE IN THE PLUS

2011 was marked by extremely weak share price development on nearly all international stock markets. The Vienna Stock Exchange had to accept a 35 % setback on its ATX index. Contributing substantially to this development was the high weight of banking shares in the Austrian blue-chip index as well as Austria's close economic ties with the countries of Central and Eastern Europe. These countries for the most part demonstrated robust development and were hardly affected by the debt crisis, but, inexplicably, international investors and analysts paid them little notice nevertheless.

The downward movement of the ATX and the construction sector index STOXX Europe 600 Construction & Materials picked up momentum in the middle of 2011. At the same time, shares of STRABAG SE were preparing for a recovery. The STOXX Europe 600 Construction & Materials closed the year down 20 %, while STRABAG SE shares traded up 8 % at year's end at a price of € 22.11, making it one of just two companies in the ATX to finish the year in positive territory. The development of the company's share price counter to that of the overall market can be explained in part by the boost from the share buyback programme. We launched the programme on 14 July 2011. By the end of 2011, we had bought back 7.7 % of the share capital.

The reasons for this share buyback are plain to see: the share price of STRABAG SE is not a measure for the value of the company as long as it does not approach the book value – which on 31 December 2011 stood at € 26.37 per share. This means that we can buy own shares – which we intend to use as transaction currency during enterprise acquisitions – at a relatively affordable price.

Besides the higher share price, shareholders also benefit from the dividend, which is to be paid out annually as 30 % to 50 % of the net income after minorities. At the next Annual General Meeting on 15 June 2012, my management board colleagues and I will propose a dividend of € 0.60 per share. This corresponds to a dividend payout ratio of about 34 %. Based on the price of STRABAG SE shares at the end of December 2011, this results in a dividend yield of 2.7 %.

THE MOST IMPORTANT FACTS FOR OUR SHAREHOLDERS

■ Share price of STRABAG SE at end of 2011:	€ 22.11
■ Dividend per share:	€ 0.60
■ Earnings per share:	€ 1.75
■ Dividend yield:	2.7 %
■ Ex-dividend day:	22 June 2012
■ Dividend payment date:	25 June 2012
■ Next Annual General Meeting:	15 June 2012

BALANCE, FLEXIBILITY AND SUSTAINABILITY ARE ESSENTIAL QUALITIES

The results of the 2011 financial year again show that our strategy of diversification in the construction industry was the right choice. We will therefore continue to focus on expanding our activities in niche business fields, such as railway construction, waterway construction and offshore wind energy activities, as well as extending the value chain in the direction of construction-related services. This leaves our group flexible and well-balanced – two qualities which I consider to be of essence in the current market environment. You will find out what we mean when you leaf through this report titled “Success lies in balance”.

Doing business sustainably has become indispensable in recent years – and this is just as true in the construction and real estate industries. Our clients no longer want just sustainable buildings; they are also demanding a transparent presentation of the value chain. They want to see how the steps leading up to the final product impact the environment. In the Netherlands, for example, sustainability and its consistent implementation through structured Corporate Social Responsibility (CSR) Management have become competitive factors.

We want to take part in these developments – after all, we do business in a traditionally resource-intensive industry in which nearly all activities have a visible impact on the environment. For this reason, we are also increasing our voluntary efforts. We are critically reviewing our processes by searching for ways to more strongly consider social and environmental aspects without neglecting our economic responsibility.

With an extensive CSR agenda, we want to extend our efforts beyond the legal requirements. These efforts fall in line with the internationally valid CSR standards, the implementation of which at STRABAG is being managed and monitored by a CSR manager appointed in the spring of 2011.

But our efforts will only be effective when these go beyond the organisation and find expression in our business fields. An essential requirement is the technical competence. Planning, building, managing, operating and certifying real estate sustainably has become the standard. The competence that is asked for today goes far beyond that. It forms the basis for new business fields, such as our activities in the field of renewable energy. We have already achieved many ambitious milestones, with numerous innovations in offshore wind energy and storage technologies, as well as in the more traditional business fields such as asphalt and concrete production, motorway construction and road maintenance.

Our path was already rewarded in the year under report. Based on the group's first comprehensive CO_2 reporting, STRABAG was accepted for a listing in the Carbon Disclosure Leadership Index for Germany and Austria. Several of our operating units in the Netherlands and the Benelux countries were awarded CO_2 certification by the Dutch foundation SKAO (Stichting Klimaatvriendelijk Aanbesteden en Ondernemen).

This integrated report shows that we consider CSR to be a subject that is inherent and inseparably linked to doing business. Our integrated approach is also reflected in the organisation of the content according to CSR topics.

MORE INFORMATION ABOUT THE INTEGRATED REPORT ON PAGE 8

At this point I – and I assume I may speak for us all – would like to thank our 76,866 employees, the average in 2011, for their commitment to your, and my, company. I would especially like to welcome our new colleagues in Switzerland, Germany and Sweden who have joined STRABAG in the wake of our enterprise acquisitions.

Your

Hans Peter Haselsteiner
CEO of STRABAG SE
Vienna, 27 April 2012

STRABAG AT A GLANCE

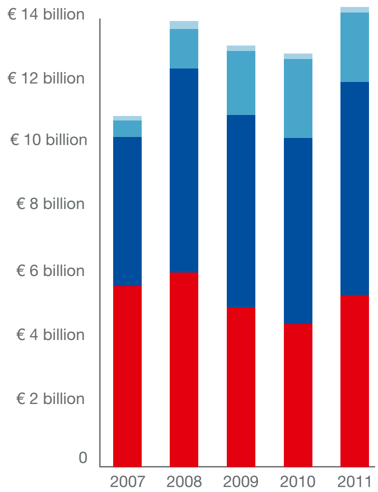
STRABAG SE is one of Europe's leading construction groups. With some 76,900 employees, we generated a construction output volume of € 14.3 billion in the 2011 financial year. From our core markets of Austria and Germany, we are present via our numerous subsidiaries in the countries of Eastern and South-East Europe, in selected markets in Western Europe and in individual cases on other continents. We generated more than 80 % of our output volume in markets in which we hold one of the top three market positions, amongst others Germany, Austria, Hungary, the Czech Republic, Slovakia, Poland, Romania and Switzerland. We offer our services under several brands, including STRABAG, Heilit+Woerner, Möbius and Züblin. The services span all areas of the construction industry and cover the entire construction value chain. Our vision is to become Europe's leading construction service provider. To reach this goal, we strive to be the best bidder – i.e. to deliver quality at the best price.

OUTPUT VOLUME 2007–2011

Output Volume 2011

Building Construction & Civil Engineering	€ 5.1 billion
Transportation Infrastructures	€ 6.7 billion
Special Divisions & Concessions	€ 2.3 billion
Other	€ 0.2 billion

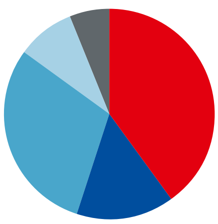
€ 14.3 billion



Over the years, STRABAG SE has grown strongly through acquisitions and organic growth, ascending to the top league of European construction companies. The financial and economic crisis of the past few years may have dampened this development somewhat, but the economic stimulus plans by the public sector, as well as the company´s broad and strongly diversified positioning (millipede principle), have helped to ensure that no major setbacks occurred.

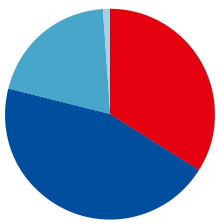
STRABAG generated an output volume of € 14.3 billion in the 2011 financial year after registering a slight decline – for the first time in many years – in the previous two years. The company had expected an increase from € 12.8 billion to € 14.0 billion in 2011 and thus slightly surpassed its own forecast with an actual plus of 12 %. The growth is due to the strong demand in the German building construction and civil engineering segment, the booming Polish construction sector, above all in the field of transportation infrastructures, and the expansion in northern Europe. Additionally, STRABAG acquired two construction SMEs in Switzerland in the first quarter of 2011, which had a positive effect on the development of the output volume.

Output volume by region



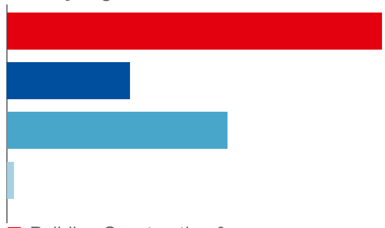
Germany	39 %
Austria	14 %
CEE[1]	30 %
Rest of Europe	12 %
Rest of World	5 %

Output volume by segment



Building Construction & Civil Engineering	36 %
Transportation Infrastructures	47 %
Special Divisions & Concessions	16 %
Other	1 %

EBIT by segment



Building Construction & Civil Engineering	€ 179 million
Transportation Infrastructures	€ 61 million
Special Divisions & Concessions	€ 109 million
Other	€ 1 million

1) Central and Eastern Europe comprises the following countries: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia, Serbia, Slovakia, Slovenia.

We deliver our services in three segments:

BUILDING CONSTRUCTION & CIVIL ENGINEERING

Building construction comprises the construction of commercial and industrial properties, office and administration buildings, residential real estate and the production of prefabricated elements. Medium-sized and large-scale projects – predominantly from private clients – form the core of the business activities. In the field of civil engineering, STRABAG is engaged in the construction of complex infrastructure projects, in the strongly growing business field of power plant construction, in large-scale bridge building as well as in environmental technology.

Revenue 2011:	€ 4,968.21 million
EBIT 2011:	€ 179.09 million
EBIT margin 2011:	3.6 %

TRANSPORTATION INFRASTRUCTURES

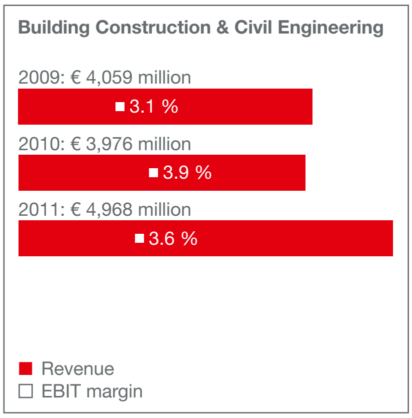
The Transportation Infrastructures segment covers asphalt and concrete road construction as well as any remaining construction activities associated with road construction, such as earth-moving, canalisation, railway construction, waterway construction, dyking, paving, the construction of sport and recreational facilities, safety and protective structures and small-scale bridge projects. In the last few years, railway construction and hydraulic engineering were added as important fields of expertise. The Transportation Infrastructures segment also includes the production of construction materials such as asphalt, concrete and aggregates to supply the group and external clients.

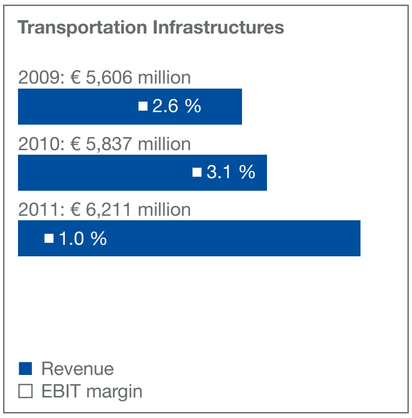
Revenue 2011:	€ 6,211.24 million
EBIT 2011:	€ 60.52 million
EBIT margin 2011:	1.0 %

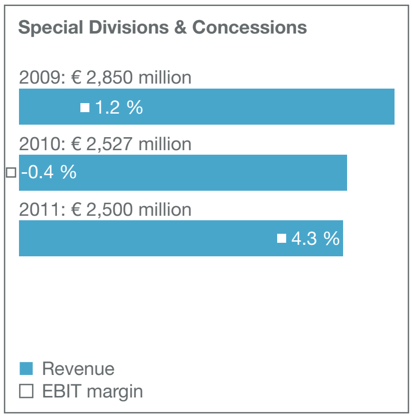
SPECIAL DIVISIONS & CONCESSIONS

The Special Divisions & Concessions segment includes, on the one hand, the field of tunnelling, where we possess leading know-how that allows us to operate at some of the world's largest construction sites. The concessions business on the other hand represents a further important area of business, with global project development activities in Transportation Infrastructures in particular. The real estate business, which stretches from project development and planning to construction and operation and also includes the property and facility services business, completes the wide range of services of the segment and of the group. Additionally, most of our services in non-European markets are also bundled in the Special Divisions & Concessions segment.

Revenue 2011:	€ 2,500.22 million
EBIT 2011:	€ 108.70 million
EBIT margin 2011:	4.3 %







REALIGNMENT OF CORPORATE SOCIAL RESPONSIBILITY WITHIN THE GROUP

OUR UNDERSTANDING OF CSR: ENSURING THE LONG-TERM EXISTENCE OF STRABAG

CHAPTER "STRATEGY" ON PAGE 14

THE STRABAG GROUP PRINCIPLES CAN BE FOUND ON OUR WEBSITE AT WWW.STRABAG.COM > STRABAG SE > STRATEGY

At STRABAG, we define sustainability as the balance between reaching business objectives while respecting social and environmental aspects at the same time. This is important for us because our strategy is geared toward the long-term and we prefer a solid balance sheet and capital structure to short-term results. Business growth and a satisfactory profit therefore are not the goal in itself, but are rather just a means to ensure the continued existence of our company sustainably, i.e. for the long-term.

For this reason, the members of the management board as well as all management employees officially commit, in the name of the company, to sustainable action: "In light of our responsibility toward humankind, society and the environment, we conduct our business sustainably – with an eye on future generations – and take the group principles into account when making business decisions."

CSR STRATEGY: SIX FIELDS OF ACTION AND ONE INTEGRATED VIEW

Under the concept of "Corporate Social Responsibility" (CSR), we include all measures designed to ensure sustainable action. CSR is becoming increasingly important, and our clients are asking for more and more detailed information on the matter. STRABAG coordinates its CSR activities centrally in order to respond coherently and as detailed as possible to inquiries from non-governmental organisations (NGOs) – such as the Carbon Disclosure Project (CDP) or Human Rights Watch – and, increasingly, to questions in the bidding process from our clients. Just a few years ago, the focus had still been on the product itself; today, our clients are increasingly asking about the effects along the entire value chain.

We believe that we have the responsibility to respond to these new needs for information and to pursue the resulting goals with great commitment. For this reason, we launched an extensive realignment of CSR management within the group in the first half of 2011. The foundation for STRABAG's CSR implementation strategy is an agenda consisting of six separate fields of action. Conceived as a platform – offering a forum for the commitment that has been made to date while also opening itself up to new tasks – the thematic areas, illustrated as pieces of a puzzle, represent the scope of CSR while highlighting our integrated approach through the interlinked nature of the individual topics. Ecological, economical and social responsibility are the three classic pillars of sustainability. The three additional fields of "Mission and Vision", "Values and Compliance" and "Employees and Workplace" underscore the special nature of the group's activities in the construction sector.

THE INTEGRATED SUSTAINABILITY AGENDA OF THE STRABAG GROUP

The CSR agenda includes ecological as well as ethical and social aspects:

MISSION AND VISION
describes the continuous further development of our strategic alignment and of the subject of CSR/sustainability within the group. The members of the management board, as well as all other management employees and all company staff, commit to sustainable action in accordance with the group principles.

ECONOMIC RESPONSIBILITY
is necessary to maintain and strengthen an economically solid foundation. Due to our responsibility to our shareholders, customers, employees, suppliers, subcontractors and to the company, our long-term business success is the primary entrepreneurial objective of the STRABAG Group.

ECOLOGICAL RESPONSIBILITY
is the forum for all environmentally related activities. These include measures for a detailed inventory of environmental impact and energy consumption within the group as well as mitigation measures and the development of innovative products and services for future markets such as renewable energy.

CORPORATE CITIZENSHIP
refers to both social as well as cultural projects. We are both a part of and a service provider to society. Our activities significally shape and define the built environment. Because the group can only be successful in a functioning society, we help to create values with and for society.

EMPLOYEES AND WORKPLACE
form the foundation of top-quality work capable of satisfying all stakeholders. For this reason, we endeavour to create an attractive and safe working environment for our employees. The high level of commitment and competence of our employees allows the group to look back on a positive business development.

VALUES AND COMPLIANCE
means setting and keeping certain standards. The group places great value on an ethically irreproachable behaviour of its employees and suppliers. The codes of conduct are defined within the STRABAG Code of Ethics, which is binding to every employee.

IMPLEMENTING THE AGENDA

The value chain in the construction industry is highly complex, multifaceted and geographically diverse. Nevertheless, we can present some initial noteworthy successes within the reporting period, such as the first preparation of a comprehensive carbon footprint for the STRABAG Group – and the resulting inclusion in the Carbon Disclosure Leadership Index 2011 – as well as the redesign of the CSR section of the group website.

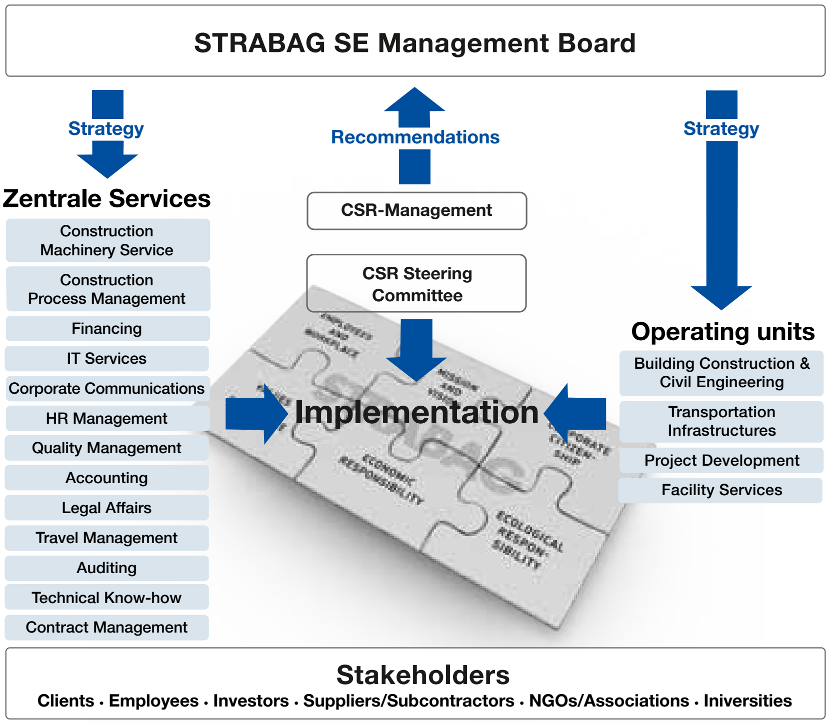
STRABAG MAKES IT INTO THE 2011 CARBON DISCLOSURE LEADERSHIP INDEX

In October 2011, the Carbon Disclosure Project (CDP) accepted STRABAG for its first listing in the Carbon Disclosure Leadership Index 2011. This ranks us among the top-30-companies in Austria and Germany with the most points calculated according to the criteria of completeness of their disclosures about their CO_2 emissions.

Norbert Pralle, CSR manager of the STRABAG Group was satisfied in the light of this success: “CSR was officially established within the group only a few months earlier, and after just a short time it is clear that we are taking the matter seriously. The next step is to define targets for our energy use and our CO_2 emissions.”

NORBERT PRALLE

Due to the complexity of CSR, successful group-wide implementation requires close cooperation between the operating units and the central service companies. Information and measures from environmental management in particular must be coordinated with internal accounting, auditing, human resource management, contract, construction process, construction machinery and vehicle management as well as corporate communications, and a corresponding structure must be established.



The CSR management, the central hub for the CSR activities in the entire group, reports directly to the STRABAG SE management board. Together with the CSR steering committee, whose members include representatives from the central service companies and from the operating units, the CSR agenda is being steered and gradually implemented in line with the management board's strategic objectives within the group. Special group task forces meet at regular intervals to discuss current topics relevant to CSR and to work out implementation strategies for the group.

ON OUR WAY TO AN INTEGRATED REPORT

Sustainable action therefore consists of a number of different pieces of a puzzle which only in their proper combination yield an ecologically and economically logical whole for our future. This is to be reflected in our reporting as well:

Step by step, we will transform our annual report into an integrated report which, starting with the economic development of the group, will increasingly consider matters of sustainable development as well. In this annual report, the thematic areas represented as puzzle pieces illustrate this comprehensive approach. Placed next to the relevant text, they provide a quick overview.

Contact us:
STRABAG SE
Corporate Social Responsibility

Norbert Pralle
CSR Manager of the STRABAG Group
@ csr@strabag.com

LAUNCH OF THE CSR WEBSITE AT THE BEGINNING OF 2012

In order to communicate our CSR activities to all our stakeholders, we decided in 2011 to present these on our website. In order to show to the public the value of CSR within the group, we created a separate CSR website as part of the corporate site www.strabag.com which can also be accessed directly at csr.strabag.com.

The CSR website went online in February 2012 – fed in part with previously unpublished content. User comfort is important for us, so we are also planning to make parts of the CSR website available for download as pdf documents. We are currently working on a function to allow the user to call up individualised STRABAG CSR reports in pdf form. This will allow us to stop wasting paper resources on printed sustainability reports and will facilitate an always up-to-date online reporting.

QUARRY, GAADEN, AUSTRIA

WE ARE BUILDING THE FUTURE.

STRATEGY

OUR STRATEGIC OBJECTIVE:

"To achieve and maintain market leadership in all defined markets and areas of business through cost leadership, employee quality, employee motivation and innovative strength."

STRATEGY

- OUR VISION: EUROPE'S LEADING CONSTRUCTION SERVICE PROVIDER
- ECONOMIC GROWTH AND PUBLIC SPENDING INFLUENCE OUR BUSINESS
- FOUR STRATEGIC PRIORITIES: EXPANDING GEOGRAPHICALLY, INVESTING IN PUBLIC-PRIVATE PARTNERSHIPS, INTENSIFYING THE ACTIVITIES IN NICHE MARKETS AND EXTENDING THE VALUE CHAIN

Successful companies do not constantly reinvent themselves. But they are structured in such a way that they can react flexibly to and remain in balance in a new business context. Flexibility therefore does not mean setting new strategic priorities every year and turning everything on its head. Instead, the path to success leads over small adaptations along a long journey building on the company's strengths.

As in previous years, we see our core task in helping to shape Europe's built environment and so improve the quality of life of its inhabitants. This is aptly summarised in our guiding principle: "Building Europe". We motivate ourselves with the vision of becoming "Europe's leading construction service provider". To reach this objective, we continue to pursue the following four strategic priorities in accordance with our group principles:

- Expanding geographically
- Investing in public-private partnerships
- Intensifying the activities in niche markets
- Extending the value chain

All this makes STRABAG one of the few companies to offer services along the entire value chain in construction – from design to planning, from construction to property and facility services, from operation all the way to demolition. That puts us in a position to build cost- and resource-effectively. We keep this in mind when planning our future and distributing our resources – such as financial means or employee capacities – within the company.

READ ABOUT OUR GROUP PRINCIPLES AT: WWW.STRABAG.COM > STRABAG SE > STRATEGY

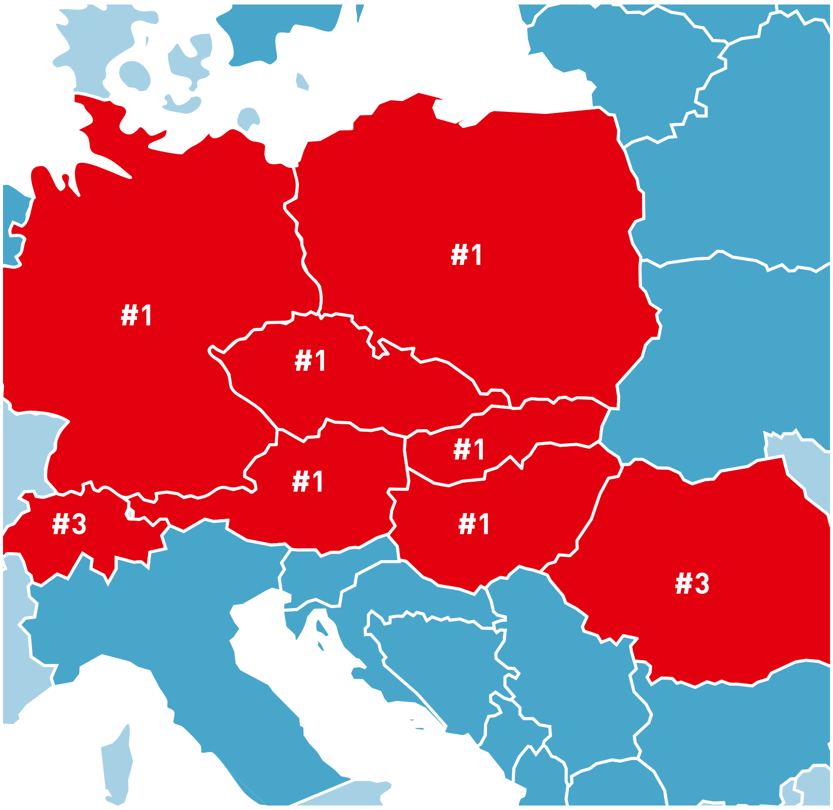
RELEVANT FACTORS FOR OUR BUSINESS

Several factors influence our business. These include certain business realities, such as the risk management system, the quality of our employees and the organisational structure, as well as external influences such as economic growth (GDP), demographic trends, the level of public infrastructure spending and the financing environment for our clients. The factors determine the context within which we want to at least maintain our market positions and pursue our strategic priorities. Additionally, the factors which influence a business also yield a sector's factors for success. In the construction sector, we have indentified the following.

MORE ON THE BUSINESS CONTEXT IN THE VARIOUS MARKETS IN THE COUNTRY REPORT ON PAGE 76

SUCCESS FACTORS IN THE CONSTRUCTION SECTOR

FAR-REACHING COUNTRY NETWORK



MARKET POSITIONS

- #1 in Austria, Germany, Poland, Czech Republic, Slovakia and Hungary
- #3 in Romania, Switzerland

MORE ON THE EXPANSION STRATEGY ON PAGE 20.

Firmly established in our home markets of Austria and Germany – which account for 53 % of our output – we see ourselves as a European company which generates 30 % of its business in Eastern Europe and 12 % in other European countries. This affords us a unique position compared to the competition and assures us market leadership in the construction sector in Central and Eastern Europe.

We consider a leading market position in the majority of our markets to be a critical factor for success. Last year, we set ourselves the goal of maintaining or expanding these strong market positions. We are still number one in Austria, Germany, Poland, Hungary and Slovakia. In Romania, a small yet – in the medium-term – promising market, we slid from second to third place. On the other hand, we succeeded in regaining the market leadership in the Czech Republic. In Switzerland, the acquisition of two construction SMEs moved us up into third place in 2011. As a result, we generated more than 80 % of our output volume in 2011 in those countries in which we hold a market position among the top three construction firms – after 74 % the year before.

Why is it important for us to achieve a strong market position in many countries? Firstly, the broad geographical positioning allows us to spread the country risk. Secondly, construction companies need a critical mass and sufficient capital resources in the individual markets in order to successfully bid for and pre-finance large-scale projects. And finally, the existing country network helps us in our expansion: we can move large equipment and machinery to those markets where it is needed at any given time. We pass on know-how and technologies to the local management so that they are of use in different regions.

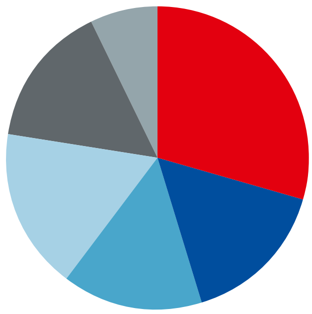
STABLE SHAREHOLDER STRUCTURE

MORE ON THE SHAREHOLDER STRUCTURE ON PAGE 64
AND ON CORPORATE GOVERNANCE ON PAGE 36

STRABAG is a publicly listed, but owner-managed company. Hans Peter Haselsteiner, the CEO of STRABAG SE, and his family hold a 29.5 % interest. Raiffeisen Group and UNIQA Group have been core shareholders since 1998, Basic Element's Rasperia Trading, which is controlled by Russian industrialist Oleg Deripaska, since 2007. This stable shareholder structure combines the best of both worlds: the years-long cooperation of the man-agement and the investors in the boards allows STRABAG to implement strategic decisions quickly. At the same time, the stock market listing assures the highest-possible level of transparency in the field of finance and corporate governance.

Shareholder Structure on 31 December 2011

Haselsteiner Family	29.5 %
Raiffeisen Group	15.5 %
UNIQA Group	15.0 %
Rasperia Trading	17.0 %
Free float	15.3 %
Own shares	7.7 %



77 %
with core shareholders

OPERATIONAL STRUCTURE WITH CENTRAL UNITS

Under the roof of the parent company STRABAG SE, a number of legally independent subsidiaries are active in their respective national markets. The top level of organisation is the segment, each of which is headed by two management board members, one with technical and another with commercial responsibilities. There is discussion to change the structure of this organisation to a geography-based system.

The management board of STRABAG SE exercises the coordinated management of the group, is responsible for maintaining its financial balance, and determines its strategic goals. During the execution of these tasks, the management board is supported by central staff divisions, central divisions (service companies) and the divisions.

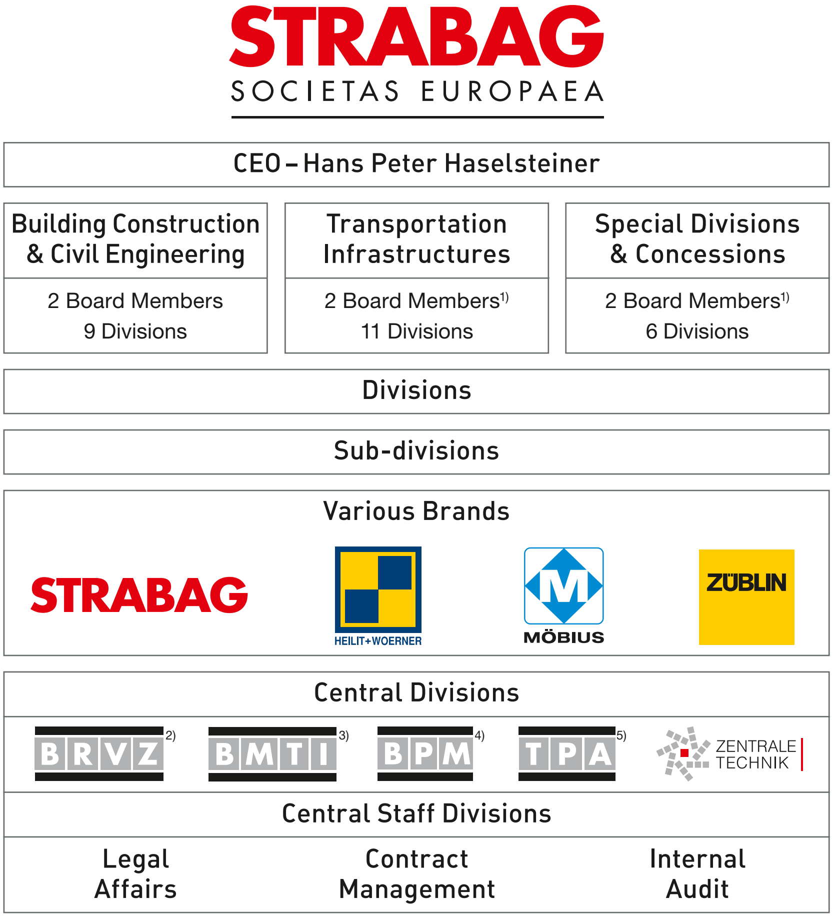
The division managers coordinate and steer their sub-divisions and report directly to the management board member responsible for their division. They manage their business independently and on their own responsibility within the framework of the group's business policy, i.e. it is their responsibility to reach the objectives laid out in the strategic and operative planning and to realise the specified individual measures.

The operating business is managed by the sub-divisions, which in turn are organised into individual business units. They are responsible for the greatest possible success in their regional markets and are, as a rule, managed, coordinated and controlled by the division manager.

The central divisions are one of the main ingredients for the group's success. They handle group-internal services in the areas of accounting, treasury, controlling, risk management, human resource management and development, technical development, equipment management, quality management, process management and logistics. The central service companies support the operating units so that these can concentrate on the core business and deliver their services to the clients in an efficient manner. The uniformity of the organisation creates economies of scale and results in standardised controlling and reporting. The central staff divisions are responsible for legal matters, contract management and internal audit and report directly to the CEO.

ECONOMIES OF SCALE THROUGH CENTRAL SERVICES

In order to maintain an overview of the entire group, we have developed a management information system that helps us to ensure that the same standards apply in all regions where STRABAG is active. Clear criteria for the assessment of new projects, a standardised process for the submission of bids and control systems serve as filters to avoid loss-bringing projects.



1) One board member serves as commercial head for Transportation Infrastructures as well as for Special Divisions & Concessions.
2) BRVZ Bau- Rechen- und Verwaltungszentrum
3) BMTI Baumaschinentechnik International
4) BPM Bau Prozess Management
5) TPA Gesellschaft für Qualitätssicherung und Innovation
Last updated: 1.1.2012

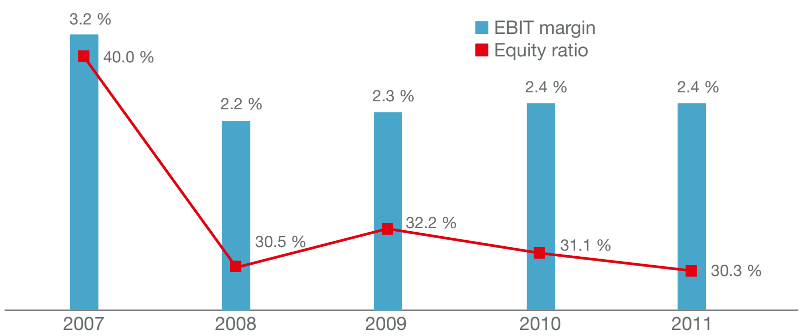
A STRONG FINANCIAL BASIS

"An indispensable prerequisite for successful growth is sufficient capital and a solid balance sheet. Only then is it possible to be flexible and to react quickly to market opportunities. A healthy, sustainable structure is reflected not only in revenue, but also in results: growth is one thing – but returns must always be the other side of the coin."
Hans Peter Haselsteiner

Healthy capital resources are an obligation. This is the only way in which construction companies can participate in concession projects, as they must in part co-finance these with their own equity. A ready-to-use budget also makes it possible to conduct meaningful acquisitions easier and more quickly. We see the equity ratio as a suitable figure with which to measure STRABAG's financial stability and strength. In the medium-term, we will be satisfied with an equity ratio (shareholder equity/total assets) between 20 % and 25 %. At the end of December 2011, the group's equity ratio stood at 30.3 %.

EQUITY RATIO 30.3 %

KEY PERFORMANCE INDICATOR: EBIT MARGIN AND EQUITY RATIO



The financial strength of our company is also evaluated independently: the ratings agency Standard & Poor's (S&P) gave STRABAG SE an investment-grade rating of BBB- with stable outlook. The latest analysis was published in December 2011.

In addition to the equity ratio, we place special importance on the attainable margins. Given the macroeconomic development, the significant overcapacities in the European construction industry and the accompanying drop-off in prices, we consider EBIT margins of 2 % to be extremely ambitious. All the more reason to be proud of the EBIT margin of 2.4 % achieved in 2011.

We are continuing to focus on cost efficiency, disciplined employment of capital, and strict risk management. In the financial area, our risk management applies to several points:

LIQUIDITY MANAGEMENT

STRABAG's liquidity management is oriented towards short-, medium- and long-term objectives:

- In the short-term, all daily payment obligations must be covered on time and in their entirety.
- In the medium-term, liquidity levels must be sufficient to ensure that no transactions or projects become impossible due to a lack of sufficient financial means or payment guarantees or that they cannot be executed at the desired pace.
- In the long-term, there should be sufficient financial means available to be able to pursue the strategic development targets.

RECEIVABLES MANAGEMENT

We maintain constant contact with our key accounts to avoid payment default or the violation of settlement terms on the part of our clients. In certain markets, we insist on advances or only enter into so-called "cost-plus-fee" contracts in which the client pays a previously agreed margin on the costs of the project and settlement is made in short intervals.

CONTRACT MANAGEMENT

Contract design is handled by a separate department: Our contract management employees advise those with operating responsibilities on matters including cost escalation clauses or formulations of the contract text. Moreover, projects of a certain size must be declared as making economic sense by a number of different price committees.

DENSE RAW MATERIALS NETWORK

The access to resources offers us a significant competitive advantage, as the approval for new production facilities is granted only to a limited extent in those regions in which such facilities already exist. Our supply of resources from within the group also helps us to reduce our dependency on external suppliers, allowing us to better plan our raw materials access.

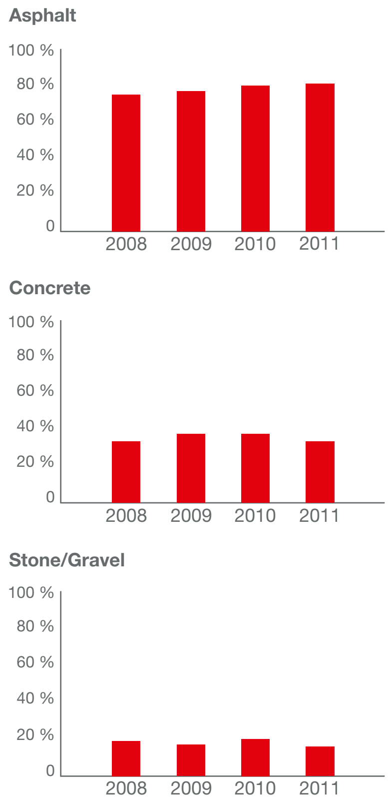
We already possess an extensive resource network that is especially dense in our home markets and several of our growth markets. In the previous year, we had set ourselves the objective of further profiting from our own resource access and optimising our raw materials portfolio. The key performance indicator with which we measure this success is the “coverage of raw material needs using own resources”.

With 332 active asphalt mixing facilities[1] (2010: 328), we covered 83 % of our group asphalt need last year, compared to 82 % the year before. In this area, we have achieved an optimal degree of self-sufficiency. With concrete and stone/gravel, the group’s supply from proprietary production was down given the higher group output in northern European countries in which it does not have its own production sites and gravel pits. With concrete, proprietary coverage fell from 38 % to 34 %, while the number of active concrete mixing facilities grew from 169 to 177. With stone/gravel, it fell from 20 % the previous year to 16 % in 2011. The number of active production sites in this area was up, however, from 181 to 187.

ASPHALT

We produced 18.0 million tonnes of asphalt in the past financial year, compared to 16.0 million tonnes in 2010. Most of the asphalt was produced in Germany, Austria, Poland and the Czech Republic. About 63 % (2010: 65 %) of the asphalt produced was sold within the group – almost entirely to the Transportation Infrastructures segment – at the usual market rate; the rest was sold to third parties. The price situation on the markets is currently burdening our asphalt producers within the group: while the input material of bitumen, in response to the rising oil prices, is making production more expensive, the retail price for asphalt is at an extremely low level due to the low demand.

KEY PERFORMANCE INDICATOR: COVERAGE OF RAW MATERIAL NEEDS USING OWN RESOURCES



OUR OBJECTIVE:

With the exception of asphalt, where our coverage is already quite high, our aim for 2012 is to cover more of our raw material needs with own resources.

For us, increasing our independence from raw materials suppliers is a priority. In comparison, raising the revenues from raw materials sales to third parties is not an objective per se. Revenues in this area reached about € 560 million in the past financial year (year before: € 460 million), however.

CONCRETE

The production of concrete in the year 2011 amounted to 4.6 million m^3, compared to 4.1 million m^3 in 2010. More than half took place in Poland, Germany and Hungary. 41 % of the production was sold within the group (2010: 44 %).

STONE/GRAVEL

The STRABAG Group produced around 33.4 million tonnes of stone and gravel in 2011, considerably more than in the previous financial year (30.8 million tonnes). 31 % of these resources were used by group companies (2010: 33 %)[2].

CEMENT

We started operations of our first proprietary cement factory in Hungary in September 2011. In the third quarter, we brought these cement activities into Lafarge Cement CE Holding GmbH, our joint venture with construction material manufacturer Lafarge. We hold 30 % of the joint venture, so that it is reported in the consolidated financial statements using the equity method.

In addition to the Hungarian location, the company also owns production sites in Mannersdorf (A), Retznei (A), Cižkovice (CZ) und Trbovlje (SI). The total annual production capacity is to reach 4.8 million tonnes of cement in the coming years.

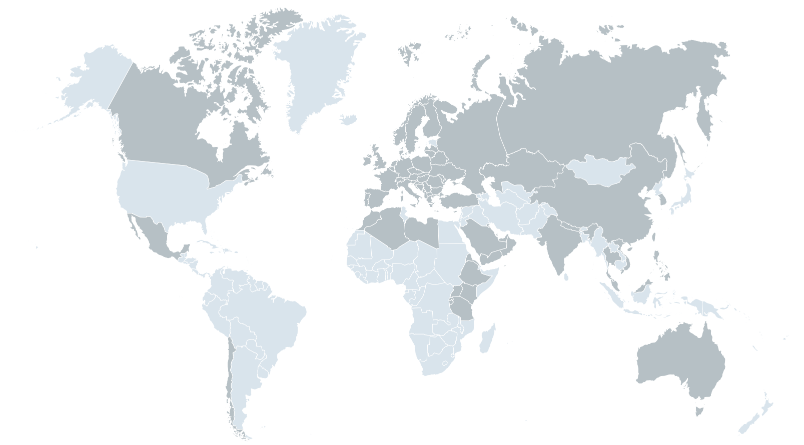
1) Includes facilities from joint ventures and associates
2) The relatively high percentage of third-party sales and purchases is explained by the fact that the desired resource type and quality were not available in the region where they were needed or that the projects at times lie outside of the supply radius of the production facilities. This highlights the importance of area-wide access to raw materials in a given geographic area.

By joining their activities on the Austrian, Czech, Slovak, Slovenian and Hungarian markets, Lafarge and STRABAG expect significant synergies in terms of investment and cost: *"We are securing exactly the amount of cement we need in a year, namely 1.5 million tonnes, in just those countries in which we need it. It also allows us to achieve economies of scale in procurement and administration and to profit from the know-how of the global cement market leader,"* our CEO Hans Peter Haselsteiner said in explanation of the strategy.

OUR FOUR STRATEGIC PRIORITIES

EXPANDING GEOGRAPHICALLY

STRABAG – A GLOBALLY ACTIVE, YET EUROPEAN CONSTRUCTION COMPANY



Countries in which the STRABAG Group has a presence

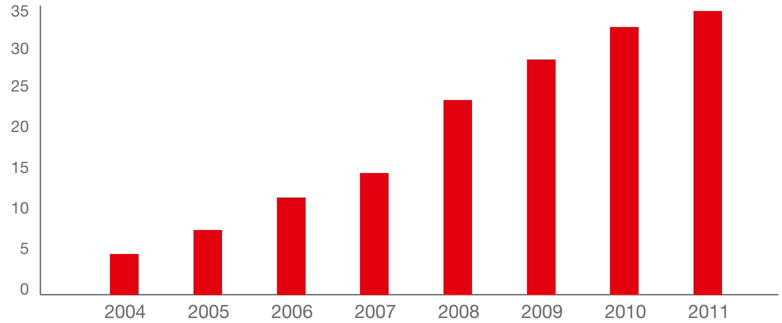
Broad geographic positioning is very important to us. This allows us to seize opportunities in a variety of markets quickly and use large equipment in different regions. We also diversify our risk by not focusing our growth on just one country.

We began to focus on geographic diversification at an early stage – and this strategy has paid off in the past few years. Germany, a market which had not been given a lot of hope ten years ago, is now proving to be a stable earnings provider. And in Poland, demand in the Transportation Infrastructures segment reached its peak in 2011, helping to compensate the weak business in Hungary, the Czech Republic and the Adriatic region. Especially in economically difficult times, it is important not to depend on just a few specific markets.

We are also active in projects outside of Europe in which a high degree of technological know-how is required – in India, Canada and the Middle East, for example. Despite the international scope of our activities, however, we see ourselves as a European construction company. Europe is where we have our roots and where our core countries lie. We are mainly active on international, i.e. non-European, markets as part of the direct export business.

INVESTING IN PUBLIC-PRIVATE PARTNERSHIPS

KEY PERFORMANCE INDICATOR:
NUMBER OF PUBLIC-PRIVATE PARTNERSHIP PROJECTS



We have worked successfully with operator models for more than two decades. In the areas of building construction and infrastructure, the portfolio comprises 35 projects with an adjusted total investment volume of almost € 9.51 billion (2010: € 8.94 billion). In the 2011 financial year, we were awarded four new projects with an investment volume of € 632.10 million; two building construction projects were sold during the reporting period. Capital appropriations of € 42.40 million in the form of equity capital and shareholder loans from group funds were made available for these projects. In total, we invested a proportionate share of equity in the amount of € 381.93 million in concession projects at the end of 2011 and had committed a further € 58.82 million for a total of € 440.75 million.

INFRASTRUCTURE SECTOR

We are confident that the two large-scale projects currently under construction, the 60 km section of the Malsch-Offenburg motorway (A5) in Germany and the 26 km M51 motorway section from Kliplev to Sønderborg in Denmark, will be completed and opened for use on time. Following preparatory work in the area of planning and approval, construction could begin in the summer of 2011 on the A15 motorway project in Holland that was acquired at the end of 2010.

The 106 km A2 Segment II motorway project in Poland from Nowy Tomyśl (west of Poznań) to Świecko (near the German border) was officially opened to traffic on 30 November 2011 in the presence of high representatives from Polish politics. Tolling along the section is to begin within the next six months.

Trial operation of our environmental technology project, a sewage sludge incineration plant with heat recovery in the Austrian state of Styria, began in December 2011.

We are especially pleased to have been awarded the contract for the € 566.00 million BAB A8 motorway project in Germany in April 2011 and to have reached the financial close in May 2011. Together with a consortium partner, we will hold 50 % each of the equity in the specially created concession company PANSUEVIA. With shareholder loans, this corresponds to a total financial engagement of € 38.30 million. The project comprises the rehabilitation and enlargement of a 58 km motorway with on- and off-ramps between Ulm and Augsburg, with around 41 km of motorway upgraded from 2x2 lanes to 2x3 lanes. We are realising the construction and operation together with the consortium partner in equal parts. 13 % of the financing has been arranged through state subsidies as start-up financing, while the remaining privately financed portion will be recovered through the proportionate proceeds from the nationwide truck toll over a 30-year period of operation following a construction time of four years.

In the field of renewable energy, following approval by the cartel authorities we took a majority interest (51 %) in a total of 14 wind farms at various stages in the approval process in the German North Sea. This could allow us to develop, build and operate a total of 836 wind turbines. Together with our partner Northern Energy GmbH, we are gradually making the offshore farms market-feasible. This creates value for our group in the field of foundational structures.

In the field of photovoltaics, we still see sufficiently attractive conditions in Italy, where we were awarded a licence to build and operate a 13 MW facility in the town of Le Vergini near Rome.

Our subsidiary A-Way GmbH, a specialist in the operation and maintenance of transportation infrastructures, bid for operation-only tenders in Ukraine, Albania and Qatar. With its existing operating companies in Poland and Hungary, A-Way has a positive future ahead of it.

PPP PORTFOLIO

PROJECT	COUNTRY	TOTAL VOLUME IN € MLN.	PROPORTIONATE SHARE OF EQUITY IN € MLN.	PROPORTIONATE SHARE OF COMMITTED EQUITY € MLN.	DEBT (NON-RECOURSE) STRABAG'S SHARE € MLN.	DEBT (RECOURSE) STRABAG'S SHARE € MLN.	STRABAG'S SHARE IN %	STATUS	CONCESSION	HARDTOLL[1]	AVAILABILITY FEE[2]	OTHER[3]	CONSOLIDATION METHOD[4]
Infrastructure													
A2 motorway section II	Poland	1,543.0	15.0	15.0	136.9	0.0	10.0	in progress	2009–2037		x		not consolidated
M5 motorway	Hungary	1,292.0	252.0	252.0	673.9	0.0	100.0	in operation	until 2031		x		fully consolidated
Birecik power plant	Turkey	981.0	11.9	11.9	0.0	0.0	8.4	in operation	until 2016			electricity sale	not consolidated
M6 motorway	Hungary	966.0	21.1	21.1	262.6	0.0	30.0	in operation	2007–2037		x		at equity
A15 motorway	The Netherlands	883.8	0.0	13.0	146.0	0.0	24.0	in progress	2010–2035		x		not consolidated
A2 motorway section I	Poland	880.0	26.7	26.7	100.3	0.0	10.0	in operation	1997–2037	x[5]			not consolidated
BAB A5 motorway	Germany	660.0	6.2	11.7	50.0	0.0	12.5	in progress	2009–2039	x			not consolidated
Limerick motorway	Ireland	437.0	8.3	8.3	42.2	0.0	20.0	in operation	2006–2041	x			not consolidated
Zagreb motorway	Croatia	371.0	15.7	15.7	174.0	0.0	51.0	in operation	2007–2032	x			at equity
Fermoy motorway	Ireland	215.0	2.1	2.1	11.4	0.0	12.5	in operation	2004–2034	x			not consolidated
M51 Kliplev-Sønderborg motorway	Denmark	149.0	0.1	0.4	149.8	0.0	100.0	in progress	2012–2038		x		fully consolidated
Nordkettenbahn aerial tramway	Austria	51.0	2.1	2.1	3.4	1.8	51.0	in operation	2008–2038	x		ticketing	fully consolidated
Biomass recycling, Großwilfersdorf	Austria	9.8	1.7	3.3	6.8	0.0	90.0	in progress	unlimited			x	not consolidated
Marienfeld Harsewinkel bypass road	Germany	5.7	0.0	0.0	0.0	0.0	100.0	in operation	2007–2037			x	not consolidated
BAB A8 motorway	Germany	566.0	0.5	38.3	148.5	0.0	50.0	in progress	2011–2041			x[8]	at equity

PPP PORTFOLIO

PROJECT	COUNTRY	TOTAL VOLUME IN € MLN.	PROPORTIONATE SHARE OF EQUITY IN € MLN.	PROPORTIONATE SHARE OF COMMITTED EQUITY € MLN.	DEBT (NON-RECOURSE) STRABAG'S SHARE € MLN.	DEBT (RECOURSE) STRABAG'S SHARE € MLN.	STRABAG'S SHARE IN %	STATUS	CONCESSION	HARDTOLL[1]	AVAILABILITY FEE[2]	OTHER[3]	CONSOLIDATION METHOD[4]
Real Estate													
Proton therapy centre, Essen	Germany	136.0	2.0	2.0	64.6	0.0	50.0	in progress	2009–2025			service fee	not consolidated
Schools, Mülheim	Germany	52.0	0.0	0.0	0.0	52.0	100.0	in progress	2010–2035			x	fully consolidated
Gov't admin. centre, Heidelberg	Germany	44.0	0.0	0.0	30.0	14.0	100.0	in operation until 08.02.2011	no concession[6]			rental income	fully consolidated
Vocational academy, Heidenheim	Germany	32.2	0.0	0.0	0.0	0.0	100.0	in operation	no concession[7]			x	fully consolidated
Schools, Ratzeburg/Lauenburg	Germany	30.0	0.0	0.0	0.0	0.0	100.0	in operation	no concession[7]			x	fully consolidated
Schools, Monheim am Rhein	Germany	25.0	0.0	0.0	0.0	0.0	100.0	in operation	2004–2028			x	not consolidated
SeeCampus educational centre	Germany	23.6	0.0	0.2	0.0	0.0	100.0	in operation	2011–2041			x	not consolidated
Rest stop Schwechat S1	Austria	20.0	1.0	1.0	16.2	0.0	100.0	in operation	2008–2038		x	partially through rental	fully consolidated
Underground car park "bowling green"	Germany	19.0	0.0	0.0	14.7	4.0	100.0	in operation	2006–2046			leasing model	not consolidated
Schools, Kreis Düren	Germany	18.0	0.0	0.0	0.0	0.0	100.0	in operation	2007–2032			x	not consolidated
Ministry of Finance, Potsdam, Brandenburg	Germany	16.0	0.0	0.0	0.0	0.0	100.0	in operation	no concession[7]			x	fully consolidated
Sport and adventure pool, Spittal/Drau	Austria	12.3	0.0	0.0	0.0	0.0	100.0	in operation	2008–2033			n.a.	n.a.
Heinrich Böll Foundation	Germany	12.0	0.0	0.0	0.0	0.0	100.0	in operation	2008–2023			x	fully consolidated
Rest stop Potzneusiedl A6	Austria	12.0	0.9	0.9	10.2	0.0	100.0	in operation	2009–2037		x	partially through rental	fully consolidated

PPP PORTFOLIO

PROJECT	COUNTRY	TOTAL VOLUME IN € MLN.	PROPORTIONATE SHARE OF EQUITY IN € MLN.	PROPORTIONATE SHARE OF COMMITTED EQUITY € MLN.	DEBT (NON-RECOURSE) STRABAG'S SHARE € MLN.	DEBT (RECOURSE) STRABAG'S SHARE € MLN.	STRABAG'S SHARE IN %	STATUS	CONCESSION	HARDTOLL[1]	AVAILABILITY FEE[2]	OTHER[3]	CONSOLIDATION METHOD[4]
Real Estate													
Rest stop Brennerpass A13	Austria	8.3	0.4	1.0	5.8	0.0	100.0	in operation	2010–2042		x	partially through rental	fully consolidated
Conrad-von-Ense School	Germany	9.9	0.0	0.0	0.0	7.7	100.0	in operation	no concession[7]			x	not consolidated
Rest stop Wörthersee A2	Austria	9.2	9.2	9.2	0.0	0.0	100.0	in operation	2004–2032			service fee	fully consolidated
Schools, Witten	Germany	9.0	0.0	0.0	0.0	0.0	100.0	in operation	no concession[7]			x	fully consolidated
Rest stop Hornstein A3	Austria	5.5	0.9	0.9	4.6	0.0	100.0	in operation	2010–2040		x	partially through rental	not consolidated
Klinikum Ansbach	Germany	24.0	0.0	0.0	0.0	24.0	100.0	in progress	no concession[7]			x	not consolidated
Football fields and parking garage	Luxembourg	21.6	0.0	0.0	0.0	21.6	100.0	in progress	2012–2037			x	not consolidated
DIY-Market BMX Sencur	Slovenia	20.5	4.1	4.1	16.4	0.0	100.0	in progress	2012–2032			leasing model	not consolidated
Total[9]		**9,507.3**	**381.9**	**440.8**	**2,023.7**	**107.1**							

1) The fee is collected directly from the user.
2) A periodic lump-sum payment consisting of a fixed portion and a variable.
3) Service fee for operation.
4) Not consolidated means that results and/or operator's fees are accounted for in the net investment income.
5) Car=hard toll, truck=shadow toll (shadow toll: the fee is charged by the concessionaire.)
6) No concession, but acquisition through the state.
7) No concession, but fixed payments by state or city.
8) Partially subsidies, truck=hard toll
9) Total excl. sold projects

- new projects
- sold projects

BUILDING CONSTRUCTION SECTOR

In Germany, the public-private partnership (PPP) projects “SeeCampus educational centre” in Niederlausitz and “Conrad-von-Ense School”, with a combined investment volume of € 33.50 million, were opened following their completion within the stated period. Completion of the first school as part of a PPP project involving three schools currently being built in Mülheim, with an investment volume of € 52.00 million, is sighted to occur in the second quarter of 2012. All of the aforementioned projects include planning, construction and operation and were financed using the typical forfeiting model.

Construction on the Proton Therapy Centre in Essen has been completed. Limited operation with patients can begin at the latest by mid-2014.

The PPP project “Government administration centre Heidelberg”, conceived as a lease model, was completed on time in February 2011 and handed over to the tenant. The property had already been sold to an investor in 2010 with effect from 2011. Building operation and maintenance will remain with us for a period of 15 years. We also sold the “Bowling Green” underground car park in Wiesbaden. Operation of the garage began following its completion in 2006.

In August 2011, Klinikum Ansbach in Germany awarded us the contract for the rehabilitation, partial new construction and operation of the hospital’s nurses’ home with an investment volume of € 24.00 million.

In February 2011, following a Europe-wide tender process, we were awarded the contract for the planning, construction and operation of three football fields, spectator stands and a parking garage at the Parc des Sports in the town of Differdange, Luxembourg. The construction works with a value of € 21.60 million began in May 2011 and are to be completed by the summer of 2012, to be followed by the operation for 25 years.

In Austria, operation began on time of the fourth rest stop project on the A13 motorway near the Italian border and the fifth rest stop project on the A3 at Hornstein near Eisenstadt in the state of Burgenland. For both projects, minor additional services must still be concluded within budget during the first half of 2012.

At the end of December 2011, we were prequalified for tenders with an investment volume of around € 32 million at various phases from structuring to bid submission. We also submitted bids for five projects with an investment volume of some € 434 million. The projects are at various stages in processing and negotiation.

MEASUREMENT PRINCIPLES

How the individual projects are recognised in the balance sheet depends on the legal definition. An intangible asset is recognised if the concession grants the company the right to charge users a usage fee. The accounts receivable approach is used if the company has an unconditional contractual right to receive a payment (see Receivables from Concession Arrangements, item 17 in the Notes).

A large part of the existing PPP projects within the STRABAG Group are carried out by associated group companies. These are incorporated into the consolidated financial statements using the equity method. The investment in the concession company is therefore recognised with the proportional equity.

We are pleased to say that our portfolio is developing in line with the financing models underlying the projects, which form the basis for measurement according to the DCF method. This underlines the careful and conservative method of our measurement.

OUR OBJECTIVES:

For the 2011 financial year, we had planned to intensely work the European market. And with the awarding of four projects, we have succeeded in doing so. We want to continue to work Germany, Poland and the Benelux countries in 2012 and are confident of being able to further expand our market position there as part of our established market. Our hopes are boosted by the fact that many countries, in view of the austerity measures which have been announced, will take advantage of PPP models in public-sector infrastructure and building construction as a procurement alternative, further maintaining this positive trend. At the same time, however, competition is expected to be on the rise.

The following is a list of projects and countries in which we are already involved in different consortial groupings and for which we are largely prequalified:

- A11 and A24 motorways in Belgium
- A6 and A7 motorways (under “A-Modell” financing), PPP projects for civil engineering structures in Frankfurt, an offshore terminal in Bremerhaven and various educational and administrative projects in Germany
- N17/N18 motorway in Ireland
- Urban motorway and port bridge on Mauritius
- Various concession motorway projects (Orte-Mestre, Pontina) in Italy
- Cross Israel Northern Highway

We intend to become involved on a selective and opportunistic basis in new markets – such as Africa, Canada, Chile, Turkey and the Middle East – where many interesting projects are expected to be tendered and where our group has already been successfully active as an operating construction partner for many years.

INTENSIFYING THE ACTIVITIES IN NICHE MARKETS

Recent years have highlighted the importance not just of geographic, but also of product-oriented diversification in the building and construction trade. In Europe, the various economic stimulus programmes and the resulting state investments in infrastructure have allowed construction companies to optimally utilise their capacities. The effect was regionally quite different, however, affecting mostly companies which had specialised in civil engineering. In 2011, we saw a reversal of the trend: the economic stimulus programmes gave way to austerity packages; public-sector demand was waning, while private demand for building construction and civil engineering grew again.

At best, these fluctuations balance each other out. Nevertheless, the construction industry faces some very strong price pressure in some sectors. Construction companies are therefore well-advised to broadly position their range of services. For this reason, STRABAG is not only active in the fields of building construction, civil engineering, transportation infrastructures and tunnelling, but is also intensifying its activities in niche sectors such as railway construction, environmental technology and waterway construction. We offer our clients not just planning, construction and the necessary technology; they also profit from the years of experience and know-how of our employees, from the use of state-of-the-art equipment and machinery, and from STRABAG's own technologies and patents. These special technologies make us more independent of the price pressure in the construction sector.

OUR OBJECTIVES:

Last year, we committed ourselves to turning investments in specialty equipment – for example in waterway or railway construction – into profits. Due to the enormous expenditures on such equipment in recent years, coupled with the depreciation write-offs for their purchase at a time of weak demand, we were not yet able to do so in the 2011 financial year.

Because of the below-capacity use of large equipment and machinery, there is significant room for improvement of results. In order to work efficiently and to achieve an optimal use of capacities, the strategy of internationalisation is being pursued consistently in this field. The aim is to obtain authorisation for the special equipment fleet in several EU member states in 2012.

EXTENDING THE VALUE CHAIN

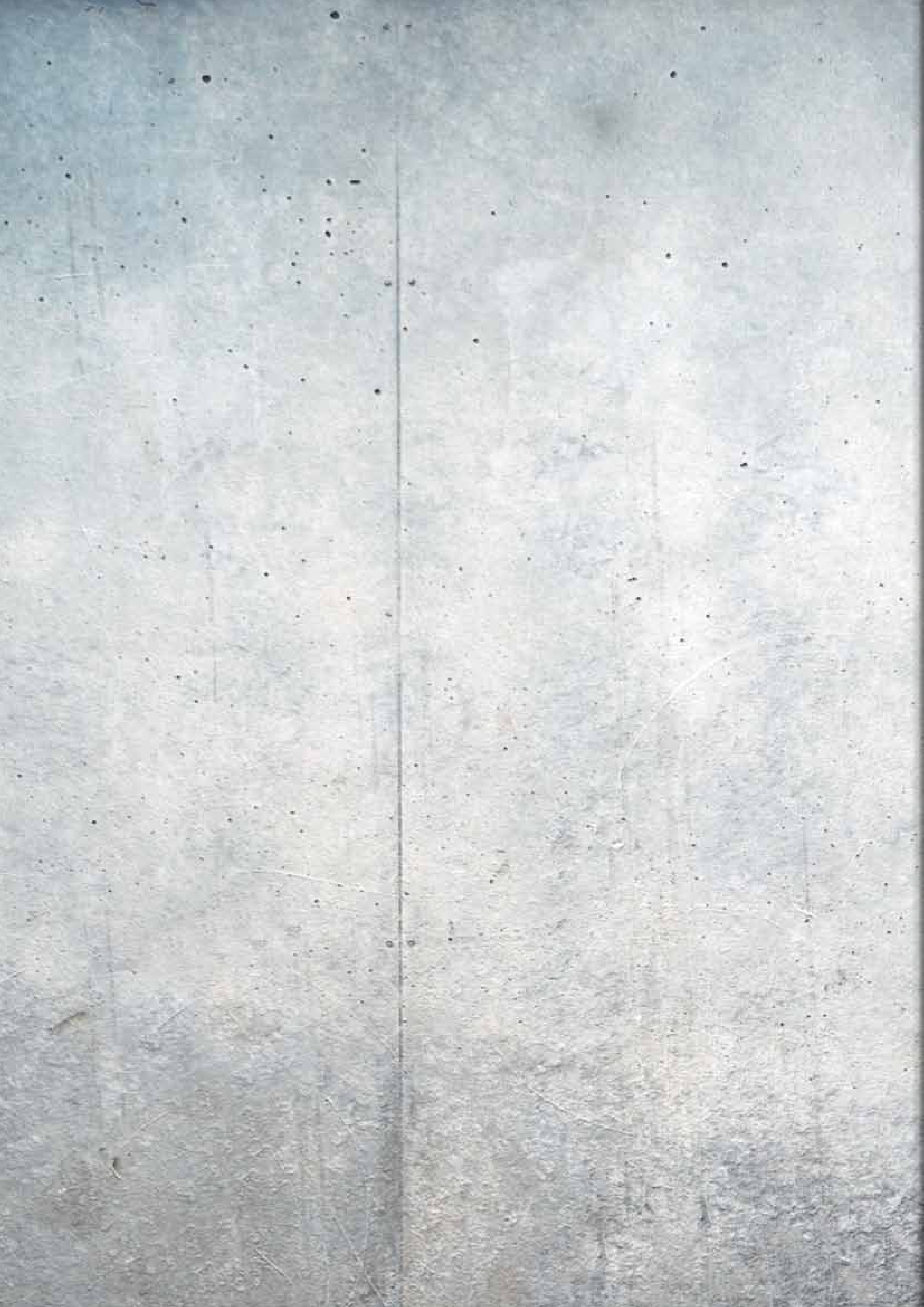
We see us as a provider of the entire range of construction services. If everything from the planning to the construction to the operation of the building comes from a single source, this reduces redundancies and simplifies the process for our clients. With this in mind, we have continually extended our value chain in the past few years, for example in the field of intelligent transport systems and electronic toll solutions or in the services business. Our subsidiary EFKON AG landed several tolling and ITS supply contracts in places such as India and South Africa in the past financial year.

INFORMATION ON LARGE CONTRACTS CAN BE FOUND AT THE BEGINNING OF THE MANAGEMENT REPORT

OUR OBJECTIVES:

A large portion of our property and facility services business is with our key account Deutsche Telekom AG. Our objective in 2011 therefore was to win new clients and projects in order to help us extend and deepen our service competence. And we succeeded – with the contract for property management services from Pramercia Real Estate Investors and the acquisition of commercial and technical facility management and letting services for German reinsurer Deutsche Rückversicherung AG and the German association of public insurance companies Verband öffentlicher Versicherer.

New contracts in the field of technical facility management have also helped us meet our objectives. We are now providing services in the area of technical and infrastructure facility management for GE Capital Real Estate and Generali Deutschland Immobilien, are responsible for the technical facility management for Versatel AG and were commissioned to provide technical, infrastructure and commercial facility management services for R+V-Versicherung.



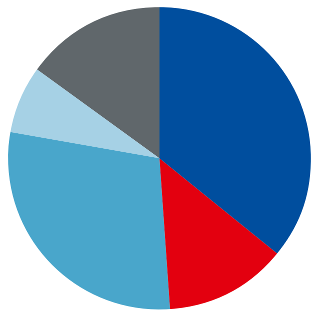
OUR FOUNDATION.
EMPLOYEES

EMPLOYEES

- NEARLY 76,900 EMPLOYEES WORLDWIDE
- RESTRUCTURING OF HUMAN RESOURCE DEVELOPMENT

EMPLOYEES BY REGION

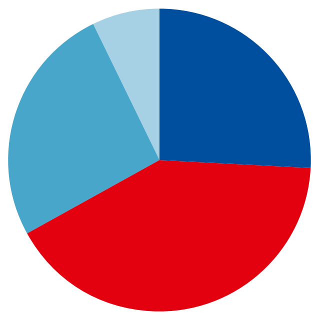
Germany	36 %
Austria	13 %
CEE[1]	29 %
Rest of Europe	7 %
Rest of World	15 %



76,866 employees

EMPLOYEES BY SEGMENT

Building Construction & Civil Engineering	26 %
Transportation Infrastructures	41 %
Special Divisions & Concessions	26 %
Other	7 %



+4 % growth

We rely on the performance and competence of our employees in order to achieve our corporate targets. We support open communication as well as personal and professional development. The quality of the cooperation between supervisors, colleagues and all employees is of great importance for the company's success. We therefore consciously promote an interaction with one another that is characterised by respect and openness.

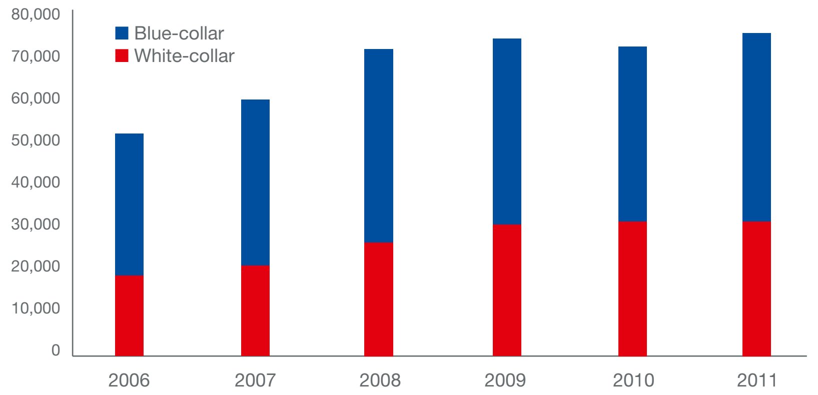
Our employee-employer relationship is based on the following basic principles:

- We respect and comply with ethical and legal standards.
- We create a working environment that is attractive for qualified employees, supports them and binds them to the company.
- We strive to have a working environment free from discrimination, harassment or reprisal.
- We practice an open-door policy which grants all employees access to the management.

The approximately 1,220 employees (2010: approx. 1,250) in the first four management levels within the group management receive a remuneration comprised of a fixed and a performance-based portion.

1) Central and Eastern Europe comprises the following countries: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia, Serbia, Slovakia, Slovenia.

NUMBER OF EMPLOYEES 2006–2011



The group is subject to seasonal fluctuations in employee numbers. For this reason, the number of employees – as is usual in the construction industry – can only be stated as an annual average. In 2011, the number of employees grew by about 4 % to an average of 76,866 (44,833 blue-collar and 32,033 white-collar). Of these, 1,093 persons (2010: 1,079) were blue-collar apprentices and 246 (2010: 248) were white-collar trainees.

Absenteeism due to illness – calculated as the ratio of sick leave days to working days – stood at 4.0 % in the group, with 4.7 % among blue-collar and 3.2 % among white-collar workers (2010: 4.6 % in the group, 5.9 % among blue-collar, 3.0 % among white-collar).

The accident rate – calculated as the ratio of accident days to working days – was 0.6 % in the group, with 1.0 % among blue-collar and 0.2 % among white-collar workers (2010: 0.6 % in the group, 0.9 % among blue-collar, 0.1 % among white-collar).

Traditionally, the construction industry overwhelmingly employs men. Nevertheless, the percentage of women employed within the group was 13 % (2010: 13 %). Within group management, the percentage of women was about 9 % in 2011 (2010: 10 %). In principle, women at STRABAG have the same opportunities of achieving a management position as men.

HUMAN RESOURCE DEVELOPMENT

The construction sector is a human-resource-intensive industry. Our workers have a significant influence on business success. At the same time, they represent a critical bottleneck factor. For this reason, we place great value on strategic human resource planning and on the constant and continuous training and further education of our employees. To do this professionally, we use modern IT, software and processes. Our applicant and training management system has already been successfully in use in Austria, Germany, Hungary, Croatia, Poland, the Czech Republic, Slovakia, Romania and Russia, with the addition of Belgium in 2011.

The development and introduction of an employee database is proceeding as planned. This database will contain information on the qualifications, know-how and level of training of group employees, thus forming a valuable foundation for further development.

TRAINEE PROGRAMME FOR YOUNG TALENTS

Talented employees are a factor for success for business development. In order to discover and support suitable young talents and more strongly tie these to the company, we have introduced a trainee programme for young skilled employees and executive staff in all countries in which we or one of our subsidiaries operate. The measures include an international trainee exchange programme to better accommodate the increasing internationalisation of the group, as well as increased cooperation with selected places of training. We regularly advertise in the relevant print and online media, take part in career fairs and hold presentations at places of training, organise company tours, offer internships and work placement, and sponsor diploma, bachelor and master theses.

CORPORATE HUMAN RESOURCE DEVELOPMENT (HRD):

In 2012, STRABAG is planning a thematic strengthening and orientation of the group's human resource development. All group human resource consultants and central HRD employees are to work even more closely together than before, thus helping to contribute to winning, qualifying and keeping our employees in all countries. A separate subdivision has been established to coordinate these human resource activities groupwide.

PERSONAL EMPLOYEE APPRAISAL INTERVIEW

At least once a year, personal appraisal interviews take place between employees at all levels and their supervisors. This confidential one-to-one interview is our central management instrument to agree employee objectives which are targeted to the employee's specific field and career. We assess the existing potential of our employees at regular intervals and provide them with extensive feedback on the behaviour profile analyses from properly trained supervisors.

GROUP ACADEMY FOR FURTHER TRAINING AND EDUCATION

Internal and external experts develop training events for the group academy that meet the needs of the employees and allow them to gain additional know-how. The target-group-oriented structured training provides up-to-date information in technology, law, business, IT, methodological and social competence, and intercultural issues. The content is conveyed in classical classroom seminars at different locations in the specific countries in which the group operates, i.e. always as "close to the customer" as possible.

INFORMATION CHANNELS FOR EMPLOYEES

Employees interested in changing their career within the group can find all currently available STRABAG job offers in the group Intranet. The Intranet also offers employees up-to-date information on important company decisions, press releases and information about the group. Another important source of information is the twice-yearly employee magazine "inform", which reports on and profiles new projects, organisational units and employees in the group. Employees are informed of significant changes within the company promptly and without delay via the "Stranet" intranet system or through employee memos.

THE VERSATILE STRABAG PROJECT MANAGER – AN INTERNAL TRAINING PROGRAMME FOR EMPLOYEES

Every year, technical and commercial employees at the STRABAG Group's Building Construction & Civil Engineering and Transportation Infrastructures segments can apply to take part in the special training programme "The versatile project manager". The 18-month training series gives employees an opportunity to engage in networking and to exchange information across different divisions, sub-divisions, business segments and even across national borders.

The aim of the course is to provide project managers with comprehensive professional and personal development for the handling of medium-sized and large projects and to support them in the process of transformation from specialists to general management employees. The entire content, the general structure of the modular course and the modalities of the performance assessment were developed jointly by experienced project managers from the STRABAG Group and the University of Applied Sciences, FH Campus Wien. Mainly internal managers serve as trainers for this project management training course. Upon successful completion, participants will receive a STRABAG certificate as well as a report card from FH Campus Wien.

APPRENTICE TRAINING IN AUSTRIA

BEST STRABAG APPRENTICES

www.lehrling.strabag.at – Since 2010, this website has provided young people looking for an apprenticeship position with information about an apprenticeship at STRABAG. In 2011, more than 1,000 young people applied for an apprenticeship position, with 104 blue-collar apprentices taken on in Austria in 2011 (2010: 118). In Germany, Switzerland and Austria together, the group took on a total of 440 blue-collar apprentices in 2011 (2010: 393).

The STRABAG apprenticeship drive goes on: 2011 saw the first official awards for the best STRABAG apprentices in Austria and their trainers. The "best-of" apprentices received a certificate and were invited on a tour of a large STRABAG construction project. STRABAG itself was honoured as well: the state of Tyrol awarded us certification as an outstanding apprenticeship firm.

NUMBER OF EMPLOYEES 2011

	BUILDING CONSTRUCTION & CIVIL ENGINEERING	TRANSPORTATION INFRASTRUCTURES	SPECIAL DIVISIONS & CONCESSIONS	OTHER	TOTAL
Germany	5,420	12,113	7,747	2,092	27,372
Austria	4,296	3,830	1,134	1,018	10,278
Poland	941	5,690	163	753	7,547
Middle East	44	70	6,431	22	6,567
Czech Republic	320	3,379	136	351	4,186
Hungary	635	1,593	289	317	2,834
The Americas	2,333	6	466	0	2,805
Russia and neighbouring countries	1,862	532	34	194	2,622
Switzerland	1,567	86	350	130	2,133
Slovakia	843	861	124	208	2,036
Africa	7	1	1,643	0	1,651
Romania	218	914	4	163	1,299
Scandinavia	137	992	58	27	1,214
Benelux	832	45	80	42	999
Croatia	336	333	47	104	820
Serbia	42	542	0	101	685
Rest of Europe	261	336	7	15	619
Asia	17	5	395	0	417
Bulgaria	109	127	1	63	300
Italy	6	24	225	26	281
Slovenia	50	130	8	13	201
Total	**20,276**	**31,609**	**19,342**	**5,639**	**76,866**

WORKS AT ALDI HEADQUARTERS, SWITZERLAND

INSIGHT PERSPECTIVE

TRANSPARENT ACTION.
CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

- COMMITTED TO THE AUSTRIAN CODE OF CORPORATE GOVERNANCE
- NOTES ON COMPOSITION AND WORKING METHODS OF THE MANAGEMENT BOARD AND OF THE SUPERVISORY BOARD AND ITS COMMITTEES INCL. REMUNERATION REPORT

COMMITMENT TO THE AUSTRIAN CODE OF CORPORATE GOVERNANCE

The Austrian Code of Corporate Governance, in line with international standards, represents a body of rules for good and responsible corporate governance and supervision on the Austrian capital market. The Code, introduced in 2002, aims to establish a responsible system of management and supervision of companies that is geared toward creating sustainable, long-term value. The Code is designed to provide a high degree of transparency for all company stakeholders. For this reason, investors and issuers appreciate and recognise the Code as an indispensable part of the Austrian system of corporate governance and of Austrian business life.

The version of the Code valid for the 2011 financial year is the January 2010 version – available at the website of the Austrian Working Group for Corporate Governance (www.corporate-governance.at). The version of the Code valid for the 2012 financial year – the January 2012 version – can also be downloaded from the website of the Austrian Working Group for Corporate Governance (www.corporate-governance.at) and from the website of STRABAG SE (www.strabag.com > Investor Relations > Corporate Governance > Code of Corporate Governance).

STRABAG SE is fully and without exception committed to the Austrian Code of Corporate Governance and its aims and sees compliance with all the rules contained within the Code as a top priority. This commitment by STRABAG SE is voluntary and aims to boost shareholder confidence and to constantly optimise the group's high internal legal, behavioural and ethical standards.

This commitment requires STRABAG SE to do more than merely comply with the prevailing laws and legislation. Voluntary self-imposed obligation means that STRABAG SE must explain non-compliance with the so-called C-rules ("comply or explain") which go beyond the legal requirements. In line with this part of the Austrian Code of Corporate Governance, STRABAG SE explains its non-compliance with C-Rules 2, 27 and 27a of the Code as follows:

MORE INFORMATION ON REGISTERED SHARES IS AVAILABLE IN THE MANAGEMENT REPORT UNDER „DISCLOSURES PURSUANT TO SECTION 243A PARA 1 UGB“

C-Rule 2 of the Code: Among the shares of STRABAG SE are two special registered shares with an associated right to nominate one member of the supervisory board each; this is advantageous for STRABAG SE because it guarantees the know-how of important stakeholders on the supervisory board.

C-Rule 27 of the Code: It is a matter of concern for STRABAG SE that remuneration of the management board members be made according to measurable criteria in a way that is transparent and easily comprehensible. The remuneration of the management board is therefore based on the scope of the work, the responsibilities and the personal performance of the individual management board member, the achievement of the corporate goal as well as on the size and the economic situation of the company. Non-financial criteria are not applied for the remuneration as these do not guarantee a transparent and easily comprehensible remuneration within the business activities of STRABAG SE.

C-Rule 27a of the Code: The previous clause in the management contracts regarding severance payments in the case of premature termination has proved its worth, so that STRABAG SE sees no reason for changes or amendments in this regard. In the case of premature termination of a management contract without material breach, the management board member's claim to the annual fixed portion remains – but not for the performance-based variable portion – for the remaining term of the contract. No severance payment is made in the case of premature termination of a management contract for a material reason for which a management board member is responsible.

STRABAG SE further endeavours to abide not only by the minimum requirements but also by all of the Code's R-rules (Recommendations).

NOTES ON THE COMPOSITION AND WORKING METHODS OF THE MANAGEMENT BOARD AND OF THE SUPERVISORY BOARD AND ITS COMMITTEES

WORKING METHODS OF THE MANAGEMENT BOARD AND OF THE SUPERVISORY BOARD

The management and supervisory boards of STRABAG SE are fully committed to the objectives of the Austrian Code of Corporate Governance as amended in January 2012 (as they have been to the January 2010 version) and see compliance with all the rules contained within the Code as a primary obligation and duty. This means that STRABAG SE is constantly working to maintain and optimise its high internal legal, behavioural and ethical standards.

In line with the rules of the Code, the management and supervisory boards of STRABAG SE work together on the basis of

- regular and extensive informing of the supervisory board by the management board as to all relevant matters concerning the development of the company's business, including the risk situation and risk management in the company and the important group entities;

- the regular exchange of information and opinions between the CEO and the chairman of the supervisory board concerning strategy, the development of the business, risk management and important business transactions, particularly acquisitions and disposals, and the immediate informing of the chairman of the supervisory board of any important information; as well as

- an open exchange of opinion and open dialogue among the members of the supervisory board as well as between the members of the supervisory board and the management board.

The management board of STRABAG SE and the individual members of the management board conduct their business in accordance with the prevailing law and legislation, the articles of association, and the management board's rules of procedure as approved by the supervisory board. The rules of procedure govern the work of the individual members of the management board as well as the allocation of duties within the board. Coordination within the management board occurs during regular meetings, which are held approximately every two weeks, but also in the form of an informal exchange of information. Matters discussed at the management meetings include the current operations and the company strategy. Also discussed are any current or outstanding measures to be implemented by the relevant management board members under the "four-eyes principle". The rules of procedure require the management board or the individual management board members to provide extensive information and reporting to the supervisory board and define an extensive catalogue of measures and legal transactions which require approval by the supervisory board.

Information regarding the supervisory board and its committees, their decision-making rights as well as a report on their activity can be found on page 40 in this report.

THE COMPOSITION OF THE MANAGEMENT BOARD

MEMBERS OF THE MANAGEMENT BOARD IN THE 2011 FINANCIAL YEAR

Dr. Hans Peter Haselsteiner
CEO
Responsibilities for Central Staff Units, Central Divisions Zentrale Technik, BRVZ, BMTI, TPA and BPM, and Technical Responsibilities for Building Construction & Civil Engineering (Group Divisions 3L RANC[1] und 3M RANC)

Hans Peter Haselsteiner was born on 1 February 1944. He received his doctorate degree from the Vienna University of Economics and Business in 1970 and began working for an auditing and tax consultancy firm in Vienna. Hans Peter Haselsteiner joined the group as supervisory board member of ILBAU AG in 1972 and has held the position of CEO of the respective group parent company since 1974. From 1994 to 1998, he served as a member of the Austrian parliament and vice chairperson of the Liberal Forum. Due to his parliamentary mandate, he was on leave from the group during this time. His term expires on 31 December 2015.

Ing. Fritz Oberlerchner
Deputy CEO
Technical Responsibilities for Transportation Infrastructures

Fritz Oberlerchner was born on 16 June 1948 and graduated from the HTL Villach polytechnic institute in 1968 as a certified engineer in building construction. He began his professional career as a construction engineer at a small building firm, joining the STRABAG Group (ASPHALTBAU Ges.m.b.H.) in 1971. In 1978, he was made authorised signatory (Prokurist) for Asphalt & Beton Bauges.m.b.H. and eleven years later became managing director of Magyar Aszfalt Kft, Budapest. Fritz Oberlerchner has been a member of the management board since 1994 and deputy CEO since 2003. From 1998 to 2002, he served as management board member of STRABAG AG, Cologne. His term ends on 31 December 2014.

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

Thomas Birtel was born on 3 June 1954. He graduated with a degree in economics from the Ruhr-University Bochum in 1978 and completed his doctorate four years later. Thomas Birtel began his career in 1983 at Klöckner & Co. The last position he held there before leaving in 1989 was division manager of the accounting department of Klöckner Industrie-Anlagen GmbH. From 1989 to 1996, he worked for Sweden's Frigoscandia Group as head of the Central European region. Thomas Birtel joined the STRABAG Group in 1996 as a member of the management board of STRABAG Hoch- & Ingenieurbau AG. In 2002, he was appointed member of the management board of STRABAG AG, Cologne, responsible for building construction, finance, accounting, controlling, risk management and procurement. Thomas Birtel has also been a member of the group management board since 2006. His term ends on 31 December 2014.

Dr. Peter Krammer
Technical Responsibilities for Building Construction & Civil Engineering (except Group Divisions 3L RANC and 3M RANC)

Peter Krammer was born on 18 January 1966. He studied civil engineering at the Technical University in Vienna, completing his studies in 1995 with a doctorate degree in engineering sciences. His professional experience has included positions at Porr Technobau AG, Swietelsky Bau GesmbH and STRABAG AG Austria. In 2005, Mr. Krammer joined the management board of STRABAG AG in charge of building construction and civil engineering in Eastern Europe and of environmental technology for the entire company. Peter Krammer became a deputy member of the management board of STRABAG SE in 2010 and has been a member of the management board since 1 January 2011. His term ends on 31 December 2014.

1) RANC = Russia and Neighbouring Countries

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

Hannes Truntschnig was born on 22 July 1956. He graduated from the Higher Technical Institute HTL Mödling specialised in electrical engineering and in 1978 completed his qualifications in electromechanical engineering before going on to study at the Karl Franzens University in Graz, eventually graduating with a degree in business administration in 1981. Hannes Truntschnig joined the STRABAG Group (ILBAU AG) in 1981. Since 1985, he has held several management positions at various group companies. In 1992, he was appointed authorised signatory for Bau Holding Aktiengesellschaft. Hannes Truntschnig has been a member of the group management board since 1995. His term ends on 31 December 2014.

DI Siegfried Wanker
Technical Responsibilities for Special Divisions & Concessions

Siegfried Wanker, born on 5 May 1968, studied civil engineering at Graz University of Technology before joining the STRABAG Group as a site manager in 1994. Between 2001 and 2004, he held various management-level positions at engineering service providers before rejoining the STRABAG Group in 2005. He served as technical division manager for Building Construction International, Corporate Development and Services, and finally for Infrastructure Project Development. Siegfried Wanker has been a member of the management board of STRABAG SE since 2011. His term ends on 31 December 2014.

MANDATES

In the 2011 financial year, the following management board members held supervisory board mandates or similar functions at companies not included in the consolidated financial statements in Austria and abroad:

NAME	NON-GROUP COMPANY	MANDATE
Dr. Hans Peter Haselsteiner	CONCORDIA Sozialprojekte P. Georg Sporschill Gemeinnützige Privatstiftung	Chairman of the Management Board
	Rail Holding AG	Vice Chairman of the Supervisory Board
	SEMPER CONSTANTIA PRIVATBANK AG	Member of the Supervisory Board
	Tiroler Festspiele Erl Betriebsges.m.b.H	Chairman of the Supervisory Board
	VinziRast Gemeinnützige Privatstiftung	Vice Chairman of the Board
Ing. Fritz Oberlerchner	Andritz AG	Member of the Supervisory Board
	Chemson Polymer-Additive AG	Member of the Supervisory Board (until 18 April 2011)
Dr. Thomas Birtel	Deutsche Bank AG, Germany	Member of the Advisory Board
	HDI-Gerling Industrie Versicherung AG, Germany	Member of the Advisory Board
	VHV Allgemeine Versicherung AG, Germany	Member of the Supervisory Board
Mag. Hannes Truntschnig	Raiffeisen evolution project development GmbH	Vice Chairman of the Advisory Board
	Syrena Immobilien Holding AG	Vice Chairman of the Supervisory Board
DI Siegfried Wanker	Syrena Immobilien Holding AG	Member of the Supervisory Board

DIRECTORS' DEALINGS

Proprietary transactions with STRABAG SE shares by members of the company's boards and related persons or companies as well as by other management-level employees with group-wide responsibilities, the so-called Directors' Dealings, were reported as required by law and continually posted on the website of STRABAG SE (www.strabag.com > Investor Relations > Corporate Governance > Directors' Dealings) as well as on the website of the Austrian Financial Market Authority (www.fma.gv.at > Companies > Issuers > Directors' Dealings (German only)).

In 2011, there were no proprietary transactions with STRABAG SE shares by any relatives from the afore-mentioned group of people. The following persons from the aforementioned group of people held shares of STRABAG SE on 31 December 2011:

PERSON SUBJECT TO DISCLOSURE OBLIGATION	BOARD MEMBER	NUMBER OF SHARES
Dr. Hans Peter Haselsteiner		70,002
Haselsteiner Familien-Privatstiftung	Dr. Hans Peter Haselsteiner	33,577,451
Ing. Fritz Oberlerchner		4,070
Maria Oberlerchner	Ing. Fritz Oberlerchner	70
Dr. Alfred Gusenbauer		70
Mag. Erwin Hameseder		210

WORKING METHODS OF THE SUPERVISORY BOARD

In the 2011 financial year, the supervisory board diligently performed the duties incumbent upon it under Austrian law, the Articles of Association, the Austrian Code of Corporate Governance as amended in January 2010, and the Rules of Procedure. A total of five regular meetings of the supervisory board and three meetings of the audit committee took place in 2011. No member of the supervisory board failed to personally take part in at least half of the meetings of the supervisory board (Rule C-58 of the ÖCGK). No contracts requiring approval by the supervisory board were concluded between the company and members of the supervisory board (Rule C-49 of the ÖCGK).

The internal audit department informed the audit committee of the audit plan and of significant events in accordance with Rule C-18 of the Austrian Code of Corporate Governance as amended in January 2010. Furthermore, the audit committee monitored the accounting processes (including the preparation of the consolidated financial statements), the work of the auditor (including the audit of the consolidated financial statements), the effectiveness of the system of internal control, the risk management system and the audit system. The independence of the auditor (group financial auditor) was reviewed and monitored in particular as regards the additional services given to the audited company.

All members of the supervisory board and its committees are independent according to the terms of the Austrian Code of Corporate Governance and were properly represented in the relevant meetings. There was no need for the presidium or for the presidium and nomination committee to meet in the period under report. Further information regarding the supervisory board, its committees and their decision-making rights can be found on the following pages.

COMPOSITION OF THE SUPERVISORY BOARD

MEMBERS OF THE SUPERVISORY BOARD IN THE 2011 FINANCIAL YEAR

Dr. Alfred Gusenbauer
Chairman of the Supervisory Board

Alfred Gusenbauer was born on 8 February 1960 and studied law, philosophy, political science and economy at the University of Vienna, completing his doctorate in 1987. In 1991, he became a member of the Austrian senate, two years later a member of parliament. From 2000 to 2008, Alfred Gusenbauer was President of the Social Democratic Party of Austria, serving as Federal Chancellor of the Republic of Austria and member of the European Council from 2007 to 2008. In addition to his current activities at Brown University and Columbia University, Alfred Gusenbauer is president of the Dr. Karl Renner Institute, the Austrian Institute for International Affairs and the Austrian-Spanish Chamber of Commerce. Alfred Gusenbauer was first voted chairman of the supervisory board of STRABAG SE on 18 June 2010. His current term ends in 2014.

Mag. Erwin Hameseder
Vice Chairman of the Supervisory Board

Erwin Hameseder was born on 28 May 1956. He received a master of law degree from the University of Vienna. From 1975 to 1987, Erwin Hameseder served as an officer in the Austrian army, where he achieved the rank of colonel in 2002 and of brigadier in 2006. In 1987, he joined the legal department of RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN reg.Gen.m.b.H. From 1988 to 1994, he was responsible for investment management, from 1991 as head of the department. He has been managing director of RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN reg. Gen.m.b.H. since 1994 and director-general of RAIFFEISENHOLDING NIEDERÖSTEREICH-WIEN reg. Gen.m.b.H (a spin-off from RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG) since 2001. In July 2007, Erwin Hameseder assumed the position of chairman of the management board of RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG. He was nominated to the current supervisory board on 17 August 2007 and has been a member of the supervisory board of STRABAG SE and its predecessor companies since 1998.

Mag. Kerstin Gelbmann
Free Float Representative

Kerstin Gelbmann was born on 30 May 1974. After completing her studies in trade and commerce in Vienna, she began her career at Auditor Wirtschaftsprüfungs- und Steuerberatungsgesellschaft mbH. Kerstin Gelbmann has been working for E.F. Grossnigg Finanzberatung und Treuhandgesellschaft m.b.H. since 2002, her last position being that of the co-managing director, as well as of Grosso Holding Gesellschaft mbH since 2007. In January 2010, she assumed the additional position of co-managing director at Austro Holding GmbH. Kerstin Gelbmann was voted into the supervisory board of STRABAG SE on 18 June 2010. Her current term ends in 2014.

Andrei Elinson

Andrei Elinson has been Deputy CEO of Russian conglomerate Basic Element since December 2009. Previously, he was Basic Element's director of corporate governance and internal control, responsible for the development and implementation of corporate governance standards. Before joining Basic Element, he was a partner at Deloitte & Touche CIS, where, starting in 1997, he was in charge of various consulting and assurance projects for Russian and international companies. Later he was appointed partner-in-charge for Forensic and Dispute practice in the CIS. From 2004, Andrei Elinson managed the internal control and risk management consulting streams at Deloitte. He graduated from the Finance Academy of the Government of the Russian Federation with a degree in accountancy and audit. He is a certified public accountant and fraud examiner in the US, a licensed Russian auditor and holds a Certificate in Company Direction from the Institute of Directors (IoD) in the UK. Andrei Elinson was first appointed to the supervisory board of STRABAG SE on 21 April 2009.

Dr. Gottfried Wanitschek

Gottfried Wanitschek was born on 14 May 1955. He studied law at the University of Vienna and at the University of Salzburg. After receiving his doctorate degree in 1979, he performed his mandatory year of court training. From 1980 to 1984, he worked at the Austrian Association of Insurance Companies. From 1984 to 1990, Gottfried Wanitschek was secretary-general of Raiffeisen Versicherung AG and managing director of various group companies. From 1991 to 1993, he was a member of the management board of Leipnik-Lundenburger Invest Beteiligungs AG. From 1993 to 1997, Gottfried Wanitschek was managing director of the KURIER group and several subsidiaries of the group. In 1997, he joined BARC Versicherungs-Holding AG, where he was a member of the management board until 1999. Since 1999, Gottfried Wanitschek has been a member of the management board of UNIQA Versicherungen AG. Gottfried Wanitschek was appointed to the current supervisory board of STRABAG SE on 18 June 2010. His term ends in 2014. He has been a member of the supervisory board of STRABAG SE and its predecessor companies since 1998.

Ing. Siegfried Wolf

Siegfried Wolf was born on 31 October 1957. He started his career with Philips in Vienna, where he trained as a tool and die-maker and continued his professional training through the stages of master craftsman up to obtaining an engineering degree. From 1981 to 1983, he worked as quality manager and assistant director of quality control at VMW (Vereinigte Metallwerke Wien). Siegfried Wolf then joined Hirtenberger AG, where he advanced from director for quality control to plant director and authorised signatory. In 1994, he joined Magna Europa AG, becoming president of the company in 1995. In 1999, he became vice chairman of the supervisory board of Magna International Inc. He held this position until 2001, when he was appointed president and CEO of Magna Steyr. In February 2002, he was appointed executive vice chairman of Magna International Inc. and remained in this position until his nomination to co-CEO in April 2005; he exercised this function until 2010. Siegfried Wolf has also been chairman of the supervisory board of GAZ Group since April 2010 and chairman of the supervisory board of Russian Machines JSC, Glavstroy Corporation LLC and Transstroy Engineering & Construction Company Ltd. since September 2010. Siegfried Wolf was first appointed to the supervisory board of STRABAG SE on 17 August 2007. His term was extended on 18 June 2010 and ends in 2014.

DI Andreas Batke

Andreas Batke was born on 4 May 1962 and joined STRABAG AG as a land surveyor on 1 April 1991. He has been a member of the works council since May 1998. Andreas Batke currently serves as chairman of the segment works council for Transportation Infrastructures, chairman of the group works council and vice-chairman of the supervisory board of STRABAG AG, Cologne. He was appointed to the supervisory board of STRABAG SE by the STRABAG SE works council and has been a member of the supervisory board since November 2009.

Miroslav Cerveny

Miroslav Cerveny was born on 16 January 1959 and has worked for a Czech subsidiary of the STRABAG Group since 1988, holding positions in IT administration, accounting, and occupational health and safety. He was appointed to the supervisory board of STRABAG SE by the STRABAG SE works council and has been a member of the supervisory board since November 2009.

Magdolna P. Gyulainé

Magdolna P. Gyulainé was born on 26 July 1962. She is chairwoman of the works council of STRABAG Hungary, having joined a predecessor company of STRABAG Hungary as bookkeeper in 1983. She was appointed to the supervisory board of STRABAG SE by the STRABAG SE works council in November 2009.

Wolfgang Kreis

Wolfgang Kreis, an industrial clerk by training, was born on 18 March 1957. He joined Ed. Züblin AG as a commercial clerk in 1979. In 1987, he was elected to the works council and today is works council chairman for the sub-division Karlsruhe and chairman of the works council at Ed. Züblin AG. He has been vice-chairman of the supervisory board of Ed. Züblin AG since 2002. He was appointed to the supervisory board of STRABAG SE by the STRABAG SE works council in November 2009. He also deals with the issue of occupational health and safety at the company.

Gerhard Springer

Gerhard Springer was born on 26 March 1952. He trained as construction foreman and attended the “social academy” of the Austrian Chamber of Labour before joining the STRABAG Group in 1977. From 1977 to 1983, he worked as construction foreman, deputy foreman and employee representative. He has been a full-time employee representative since April 1983. Gerhard Springer was appointed to the supervisory board of STRABAG SE as an employee representative and has been a member of the supervisory board of STRABAG SE and its predecessor companies since 1995.

MANDATE

In the 2011 financial year, the following supervisory board members held supervisory board mandates or similar functions at publicly listed companies in Austria and abroad in addition to their supervisory board mandate at STRABAG SE:

NAME	PUBLICLY LISTED COMPANY	MANDATE
Dr. Alfred Gusenbauer	Gabriel Resources Ltd., Canada	Member of the Supervisory Board
Mag. Erwin Hameseder	AGRANA Beteiligungs-AG	Vice Chairman of the Supervisory Board
	Flughafen Wien AG	Chairman of the Supervisory Board (since 31 August 2011)
	Raiffeisen Bank International AG	Vice Chairman of the Supervisory Board
	Südzucker AG, Mannheim/Ochsenfurt	Member of the Supervisory Board
	UNIQA Versicherungen AG	Member of the Supervisory Board
Mag. Kerstin Gelbmann	conwert Immobilien Invest SE	Member of the Administrative Board
Andrei Elinson	GAZ Group, Russian Federation	Member of the Supervisory Board
	Ingosstrakh, Russian Federation	Member of the Supervisory Board
Ing. Siegfried Wolf	GAZ Group, Russian Federation	Chairman of the Supervisory Board
	VERBUND AG	Member of the Supervisory Board
DI Andreas Batke	STRABAG AG, Cologne	Vice Chairman of the Supervisory Board

COMMITTEES

Presidium
Dr. Alfred Gusenbauer (Chairman)
Mag. Erwin Hameseder (Vice Chairman)
Andrei Elinson

The presidium deals with all matters affecting the relations between the company and the members of the management board, especially matters relating to the remuneration of management board members, but excluding decisions regarding the appointment or removal of a management board member or regarding the granting of stock options.

Presidium and Nomination Committee
Dr. Alfred Gusenbauer (Chairman)
Mag. Erwin Hameseder (Vice Chairman)
Andrei Elinson
Wolfgang Kreis
Gerhard Springer

The presidium and nomination committee presents the supervisory board with proposals regarding the filling of new management board mandates or positions which are opening up, deals with questions of succession planning and remuneration policy and makes decisions on urgent matters.

Audit Committee
Dr. Alfred Gusenbauer (Chairman)
Mag. Erwin Hameseder
Andrei Elinson
Dr. Gottfried Wanitschek
DI Andreas Batke
Wolfgang Kreis
Gerhard Springer

The audit committee is responsible for the auditing and preparation for the approval of the annual financial report, the proposed distribution of profits and the management report, as well as the auditing of the consolidated financial statements and the corporate governance report. The committee also deals with the management letter written by the financial auditor as well as with the auditor's report as to the efficiency of the risk management. The audit committee makes a proposal for the selection of the auditor and presents the proposal of the supervisory board to the Annual General Meeting for voting.

As a result of the changes to the Austrian Code of Corporate Governance from January 2012, the audit committee will from the 2012 financial year establish and maintain a mutual line of communication with the financial auditor.

INDEPENDENCE OF THE MEMBERS OF THE SUPERVISORY BOARD

All members of the supervisory board and its committees are independent in accordance with the conditions contained within the Austrian Code of Corporate Governance as amended in January 2010, (see also www.strabag.com > Investor Relations > Corporate Governance > Supervisory Board > Independence of the Supervisory Board) and have declared in writing explicitly to adhere to all conditions of the Austrian Code of Corporate Governance as amended in January 2010. The independence of the supervisory board members is defined by the following guidelines (excerpt from the Rules of Procedure for the Supervisory Board as amended on 23 April 2010):

Guidelines for the Independence of Supervisory Board Members of STRABAG SE ("the company") in Accordance with Rule 53 of the Code

A member of the supervisory board of the company shall be deemed independent if he or she has no business or personal relations with the company or its management board which would constitute a material conflict of interest and thus could influence the member's behaviour.

Moreover, the members of the supervisory board shall comply with the following guidelines adapted from the Code:

- The supervisory board member shall not have served as a member of the management board or as a manager of the company or one of its subsidiaries in the past five years.

- The supervisory board member shall not maintain or have maintained in the past year any business relations with the company or one of its subsidiaries to an extent of significance for the supervisory board member. This shall also apply to relationships with companies in which the supervisory board member has a considerable economic interest. The approval of individual transactions by the supervisory board according to Rule 48 does not automatically mean the person is qualified as not independent.

- The supervisory board member shall not have been auditor of the company or have owned a share in the auditing company or have worked there as an employee in the past three years.

- The supervisory board member shall not be a member of the management board of another company, in which a management board member of the company is a supervisory board member.

- The supervisory board member shall not be a close relative (direct offspring, spouse, partner, parent, uncle, aunt, sibling, niece, nephew) of a management board member or of persons in one of the aforementioned positions.

It shall be the responsibility of each member of the supervisory board of the company elected by the Annual General Meeting or delegated by the shareholders to declare his or her independence according to the criteria defined.

According to Rule 54 of the Austrian Code of Corporate Governance, the supervisory board of the company shall include at least one independent member delegated by the shareholders who is not a shareholder with a share of more than 10 % or who represents such a shareholder's interests. The independence of supervisory board members shall be published in the Annual Report. The supervisory board shall judge whether it and its committees contain a sufficient number of independent members in accordance with Rules 39 and 53 of the Austrian Code of Corporate Governance.

DISCLOSURE OF INFORMATION REGARDING THE REMUNERATION OF THE MEMBERS OF THE MANAGEMENT AND THE SUPERVISORY BOARDS

REMUNERATION REPORT – MANAGEMENT BOARD

Total remuneration for the management board members in the 2011 financial year amounted to € 7.44 million (2010: € 7.80 million).

REMUNERATION OF THE MANAGEMENT BOARD 2010/2011
T€ (incl. non-monetary[1])

	FIXED		VARIABLE		TOTAL	
NAME	2011	2010	2011	2010	2011	2010
Haselsteiner	633	543	960	961	1,593	1,504
Haselsteiner – payment in kind			1,000	1,000	1,000	1,000
Oberlerchner	506	368	640	641	1,146	1,009
Birtel	426	366	565	566	991	932
Truntschnig	426	366	622	638	1,048	1,004
Krammer	426	276	480	230	906	506
Wanker	426		332		758	
Jurecka[2]		369		615		984
Merkinger[3]		244		615		859
Total	**2,843**	**2,543**	**4,599**	**5,266**	**7,442**	**7,798**

From 2007, board member pay will be based on a system which, in addition to a fixed base salary, foresees a variable portion of remuneration dependent on the achievement of specific earnings and profit figures calculated according to principles of cost accounting. The profit-related bonus is basically calculated as a fixed percentage of the STRABAG Group net income according to cost accounting principles less a minimum profit. If this value surpasses the simple fixed amount, a sliding scale is applied with a maximum profit-related bonus of 200 % of the fixed salary possible. If a minimum profit is surpassed (profit according to cost accounting principles compared to construction output), a minimum profit-related bonus is granted; the chairman of the management board may also receive additional non-monetary remuneration, rounded to full T€ 100, when pre-determined targets are met. From the 2011 financial year, 20 % of the bonuses of the members of the management board will be retained and deposited on a personal clearing account based on long-term, sustainable, multi-annual performance criteria. The payment from the personal clearing account will take place at the end of the term of the management agreement.

Furthermore, the members of the management board have the right to a company car. Accident insurance provides coverage in the event of death or disability, a private liability insurance policy covers the legal liability of the members of the management board which may arise from third-party personal injury, property damage or financial losses. The board members are also covered by legal expense insurance in the event of claims resulting from administrative or criminal violations. Insurance coverage exists for damage claims resulting from third-party or group financial losses as the result of neglect of duty during service for the company.

The members of the management board are subject to a competition clause for the period of their service. If a member of the management board is dismissed without cause, the fixed base salary is paid for the full term of the contract. Dr. Haselsteiner's management contract expires on 31 December 2015, those of the remaining members of the management board on 31 December 2014.

One management board member is entitled to non-growing pension payments from subsidiaries of the company. No other pension agreements exist between the company and the members of the management board. One management board member has a right to legal and contractual severance pay in the event of the termination of service to the company, with the maximum amount set by the Austrian Employee Act (öAngG).

All management board members perform their services on the basis of employment contracts and are subject to income tax regulations.

1) Non-monetary after deductibles
2) Member of the management board until 31 August 2010
3) Member of the management board until 31 December 2010

STRABAG SE has decided against a stock option programme for management board members. No additional recompense is granted for internal group mandates or functions. No prior agreements or exception rules exist for the event of a public takeover offer.

REMUNERATION REPORT – SUPERVISORY BOARD

The Annual General Meeting decides on the annual remuneration of the members of the supervisory board nominated or elected by the shareholders as well as on any additional remuneration for special tasks performed, if applicable. At the Annual General Meeting of 10 June 2011, the shareholders approved annual remuneration of € 15,000 for the regular members of the supervisory board, € 25,000 for the vice chairman and € 50,000 for the chairman. Members of the supervisory board who are elected to or leave the board during a financial year are remunerated in accordance with the actual period of their membership on the supervisory board pro rata temporis.

REMUNERATION OF THE SUPERVISORY BOARD 2010/2011
T€

	2011	2010
Dr. Alfred Gusenbauer	50,000	26,850
Mag. Erwin Hameseder	25,000	25,000
Mag. Kerstin Gelbmann	15,000	8,050
Andrei Elinson	15,000	15,000
Dr. Gottfried Wanitschek	15,000	15,000
Ing. Siegfried Wolf	15,000	15,000
O. Univ.-Prof. DDr. Waldemar Jud[1)]		23,150
Dr. Gerhard Gribkovsky[2)]		6,950
Total	**135,000**	**135,000**

Additionally to their annual remuneration, the supervisory board members also receive cash compensation for expenses actually incurred. Furthermore, the members of the supervisory board are, in accordance with the Articles of Association, covered by a D&O (directors and officers) liability insurance up to a certain maximum amount. The insurance covers the personal liability of the supervisory board members in the event of careless neglect of duty during their service for the company. In 2011, no other remuneration was paid to the members of the supervisory board. There were no other transactions with members of the supervisory board.

MEASURES FOR THE ADVANCEMENT OF WOMEN

In accordance with Section 243b of the Austrian Business Enterprise Code (UGB) and L-Rule 60 of the Austrian Code of Corporate Governance (2010), the corporate governance report must indicate the measures taken to promote women to the management board, the supervisory board and to leading positions in the company.

STRABAG SE declares that it basically promotes women and men equally. There are no salary differences between men and women who perform the same work and have the same level of education.

Traditionally, mainly men are employed in the construction sector. It is noteworthy, therefore, that two women sit on the supervisory board of the company: Karin Gelbmann and Magdolna Gyulainé. The supervisory board thus has a female percentage of around 18 % and a percentage of female members appointed by the works council to the supervisory board of 20 %.

Additionally, 113 women (= 9 % of the corporate management) hold a leading position as defined by Section 80 of the Austrian Stock Corporation Act (AktG).

The company has also set up kindergartens at its offices in Vienna, Donau-City-Straße 9, and in Bratislava, offering employees affordable, all-day childcare. The childcare centres are designed to help employees reintegrate into professional life after their parental leave.

1) Chairman of the Supervisory Board until 18 June 2010
2) Member of the Supervisory Board until 18 June 2010

INTERNAL AUDIT REPORT

The STRABAG Group's internal audit department is a neutral and independent authority which again conducted more than 200 internal audits in all divisions worldwide in the 2011 financial year. It is a central part of the group's risk management.

In accordance with the rules of the Austrian Code of Corporate Governance, the internal audit department is set up as a staff unit of the management board of STRABAG SE, giving it the greatest possible amount of independence. The internal audit department plans and conducts process-independent and neutral audits of all of the group's divisions in Austria and abroad. The audit planning is constantly updated to meet the current needs.

The internal audit department audited individual objects as well as entire organisational units. The audits covered all of the group's divisions and sub-divisions as well as the most important contracts and orders of the year. The routine and special audits served to recognise and avoid risks, to reveal opportunities and to monitor proper conduct and compliance with the code of ethics.

Given its technical and commercial competence, the internal audit department forms an important part of the group's risk management and internal control. With its comprehensive approach, the use of uniform auditing standards and the neutral reporting, the internal audit department also contributes to the standardisation of processes and structures in the entire group.

The internal audit department reports regularly to the CEO and to the supervisory board's audit committee regarding the audit plan and significant events of its work. The audit reports are sent to the audited units and divisions, to the unit and division managers, and to the management board, and are made available to the financial auditors.

REPORT ON THE EXTERNAL EVALUATION

An external evaluation in accordance with Rule 62 of the Austrian Code of Corporate Governance takes place every three years, the next time in 2013.

Villach, 10 April 2012

Management Board

Dr. Hans Peter Haselsteiner

Ing. Fritz Oberlerchner

Dr. Thomas Birtel

Dr. Peter Krammer

Mag. Hannes Truntschnig

DI Siegfried Wanker

SUPERVISORY BOARD REPORT

Dr. Alfred Gusenbauer
Chairman of the Supervisory Board of STRABAG SE

Dear shareholders,
associates and friends of STRABAG SE,

The euro debt crisis and its impact on the economy was a dominant issue for many companies in 2011. How to deal with the consequences of the economic crisis also was a topic of focus for the supervisory board of STRABAG SE in 2011. Despite this difficult environment, the STRABAG Group was able to successfully assert itself on the market in 2011. The strategy of regional and sectoral diversification, and the related diversification of risk, forms the foundation of STRABAG's success – especially in difficult times. The supervisory board has the important role, together with the management board, of constantly ensuring that this path of a sustainable strategy continues to be pursued in the interest of all stakeholders and that the necessary adaptations to market developments are recognised and consistently implemented on time.

In the 2011 financial year, the supervisory board diligently performed the duties incumbent upon it under Austrian law, the Articles of Association, the Austrian Code of Corporate Governance (ÖCGK) as amended in January 2010 and the Rules of Procedure. A total of five regular meetings of the supervisory board and three meetings of the audit committee took place in 2011. All members of the supervisory board and its committees are independent and were represented in the relevant meetings in accordance with the conditions contained within the Austrian Code of Corporate Governance.

The management board engaged in an exchange of information and opinion as well as in open discussions with the supervisory board in order to regularly report on the market situation, the course of the business and the situation of the company. At all meetings, the management board informed the supervisory board of STRABAG SE's strategic direction, of its cash-flows and financial performance, the personnel situation and of any plans regarding investments, disposals or large projects and obtained its approval regarding important business transactions (e.g. enterprise acquisitions or large projects). The supervisory board studied the corporate planning and the appropriate analyses of divergence constantly and in great depth. Specifically, the following agenda items of the supervisory board meetings should be emphasised:

The agenda of the first supervisory board meeting of the 2011 financial year on 25 March 2011 included the management board's report on the market situation and the current situation of the company, as well as the budgeting and expenditure planning (equipment fleet) for the 2011 financial year. In particular, the meeting detailed the developments in North Africa (Libya, Algeria) together with the management board and discussed the consequences for STRABAG. The management board presented the supervisory board with information as to the corporate strategy for the next three years and discussed this in detail. Current developments related to STRABAG's business in the future market of offshore wind energy were also discussed. Finally, the annual report by the STRABAG SE compliance officer was also on the agenda of this supervisory board meeting.

The agenda of the second supervisory board meeting of the 2011 financial year on 27 April 2011 dealt with the financial statements, the management report, the corporate governance report, the consolidated financial statements and the group management report for the year 2010. The audit committee reported on the audit of the financial statements, the consolidated financial statements, the management reports and the corporate governance report. There were no objections to the audit by the financial auditor and all questions of the audit committee could be answered satisfactorily. The supervisory board thereupon acknowledged completion of the 2010 financial report. The management board's proposal for the appropriation of net income was also reviewed, with a recommendation for its acceptance by the Annual General Meeting. In preparation of the seventh Annual General Meeting, the meeting discussed and approved the supervisory board report as well as the appointment of KMPG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, as auditor, financial auditor and group financial auditor. The management board reported on the results of the first quarter 2011 and provided an outlook of planned projects. In particular, discussion focused on the issue of the 2011 STRABAG bond.

During the third supervisory board meeting of the 2011 financial year on 10 June 2011 – directly before the Annual General Meeting – the supervisory board dealt with the management board's report on the market situation and the current situation of the company.

During the fourth supervisory board meeting of the 2011 financial year on 8 July 2011, the chairman of the supervisory board reported on the seventh Annual General Meeting of 10 June 2011 and on the resolutions which were passed. Other topics of this meeting included the decision by the management board regarding the share buyback programme and the necessary approval by the supervisory board. From the audit committee, the chairman also reported on the evaluation of the internal audit. The internal audit was given a very good review as well as possibilities for improvement and ways to further increase the high quality. The internal audit department's work with the supervisory board, in particular with the audit committee, was also discussed.

The fifth supervisory board meeting of the 2011 financial year on 14 October 2011 dealt with the internal risk management, especially the subject of flop avoidance. The impact of the euro debt crisis on the financial markets and the possible consequences for the project business were also discussed and measures were debated. The management board reported on the status of the share buyback programme as well as on the current market situation and the situation of the company.

The internal audit department informed the audit committee of the audit plan and of significant outcomes in accordance with Rule C-18 of the Austrian Code of Corporate Governance as amended in January 2010. Furthermore, the audit committee monitored the accounting processes (including the preparation of the consolidated financial statements) and the work of the auditor (including the audit of the consolidated financial statements) as well as the effectiveness of the system of internal control, the risk management system and the audit system. The independence of the auditor (group financial auditor) was reviewed and monitored in particular as regards the additional services given to the audited company.

The financial statements and management report of STRABAG SE for the 2011 financial year were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft[1)], Linz. Pursuant to the final result of the audit, the auditor had no cause for complaint and awarded his unqualified opinion.

The consolidated financial statements and the group management report drawn up by the management board for the 2011 financial year under application of Section 245a of the Austrian Commercial Code (UGB) in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) applicable on the balance sheet date were reviewed by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, and awarded their unqualified opinion.

The auditor's reports and the group financial auditor's reports were submitted to the supervisory board. The audit committee reviewed the 2011 financial report and the management report including the proposed appropriation of profits and the corporate governance evaluation report, and the 2011 consolidated financial statements and group management report, and prepared the approval of the annual financial report by the supervisory board.

1) In the meantime, KPMG Austria has been converted from a GmbH (limited liability company) to an AG (stock corporation).

The supervisory board reviewed all documents as well as the report by the audit committee. In the meeting of 26 April 2012, the supervisory board stated its agreement with the financial report and the 2011 consolidated financial statements and officially approved the 2011 financial report, thus acknowledging its completion. The supervisory board supports the management board in its proposal for the appropriation of net income. The supervisory board proposes appointing KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, as auditors and financial auditors for the 2012 financial year, in accordance with the proposal of the audit committee.

Furthermore, the legal firm Brandl & Talos Rechtsanwälte GmbH conducted an evaluation of compliance of the 2011 corporate governance report in accordance with Section 243b of the Austrian Commercial Code (UGB). The final result of the evaluation did not give rise to any cause for complaint.

By way of closing, the supervisory board would like to express its gratitude and appreciation to the management board and to all employees for their valuable contribution in the past financial year.

The Chairman of the Supervisory Board of STRABAG SE

Dr. Alfred Gusenbauer
Vienna, 26 April 2012

FH-CAMPUS, VIENNA, AUSTRIA

SHAPING THE FUTURE RESPONSIBLY.
ECOLOGICAL AND SOCIAL RESPONSIBILITY

ECOLOGICAL AND SOCIAL RESPONSIBILITY

- APPOINTMENT OF A CORPORATE CSR MANAGER TO COORDINATE THE GROUP'S SUSTAINABLE ACTIVITIES
- FIRST ASSESSMENT OF CO_2 EMISSIONS IN 2011

ECOLOGICAL RESPONSIBILITY

At first glance, there may not appear to be any connection between ecological responsibility and the construction of buildings and structures. All construction impacts the natural environment and is usually very energy- and resource-intensive. As a provider of construction services, we are aware of this fact. For us, therefore, ecological responsibility begins with the planning of buildings and structures and continues through to their construction and operation. We have been involved in the development of certification systems in Germany and Austria from an early stage and are continually working to increase the number of high-quality buildings on the market. This allows us already at an early stage of the planning process to respond to the clients' wishes to consider environmental criteria in the construction and use of buildings and structures.

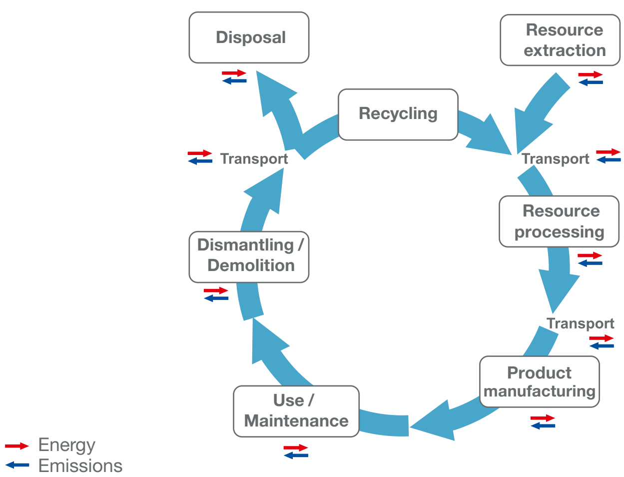
We are making efforts to minimise CO_2 emissions and energy use during the value creation process and of our products at an early stage in our activities. For this reason, we are shifting our focus toward new, innovative products, in particular within the field of renewable energy. Through the constant development of new technologies, it is our aim to steadily increase the STRABAG product portfolio. At the same time, we are working to develop and enhance the right methods and tools to control our impact on the environment.

MORE INFORMATION ON OUR SUSTAINABLE PRODUCT PORTFOLIO IS AVAILABLE AT WWW.STRABAG.COM.

LIFE-CYCLE ASSESSMENT

An elementary part of our self-control is the assessment of energy use and the resulting emissions. For STRABAG, this means assessing the environmental impact of all projects realised by the group by analysing the entire life cycle from planning through construction and operation all the way to dismantling and demolition. The result of such an assessment will depend on whether the resources to be used are procured within the group and how they are transported to the construction site. Hence the term "life-cycle assessment".

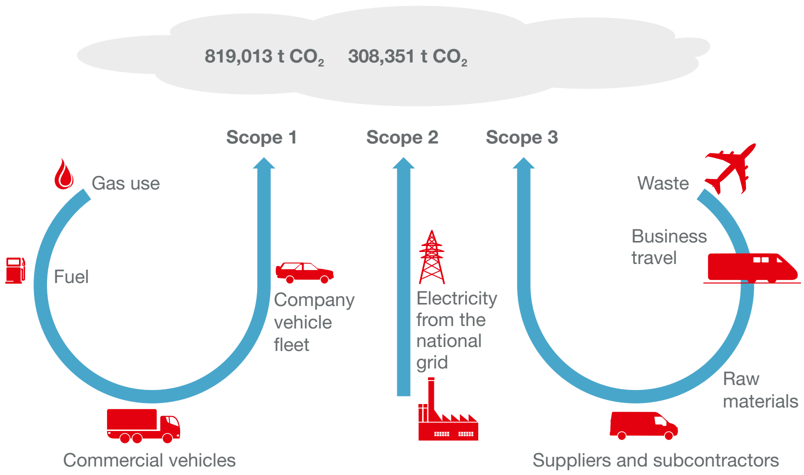
LIFE-CYCLE ASSESSMENT



Based on the data for the 2010 calendar year, the first comprehensive CO_2 assessment for the STRABAG Group was made within the reporting period. The data helps us not only to answer our stakeholders' questions, it also puts us in a position to identify and implement potential for energy savings and emission reduction. With these first consistent results, which were reviewed by an independent financial auditing company in the course of our participation in the Carbon Disclosure Project, we plan to further improve our calculation method in the short to medium-term and establish the systematic inventory of the group's energy flows.

The CO_2 assessment, which like the year before refers to the group's full scope of consolidation and is based on consumption data from the individual countries, reveals a (slight) increase in the group's CO_2 emissions by approx. 27,000 tonnes. The overall emissions for last year thus amount to 1,127,364 tonnes of CO_2. The following illustration shows the breakdown of this volume, reported for Scopes 1 and 2 as defined by the Greenhouse Gas Protocol.

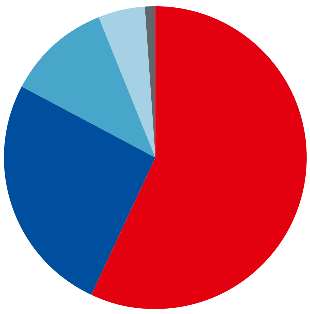
STRABAG GROUP EMISSIONS 2011



The highest CO_2 emissions last year were registered in Germany, followed by Poland. Together, these two countries accounted for more than 50 % of the total emissions. The exact breakdown of the emissions is shown in the following graphs.

CO_2 USE BY ENERGY SOURCE

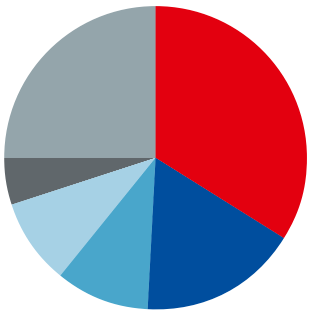
Fuels	57 %
Electricity	26 %
Gas	11 %
Heating oil	5 %
District heating	1 %



57 % of emissions from fuels

CO_2 USE BY COUNTRY

Germany	35 %
Poland	17 %
Austria	10 %
Czech Republic	9 %
Hungary	5 %
Other countries	24 %



35 % of emissions from Germany

The largest proportion of CO_2 emissions results from the use of fuels, which in the group is due almost exclusively to diesel. This position also made a significant contribution to last year's energy costs.

ECOLOGICAL INDICATORS

	2011	2010	
Energy			Group´s total energy use
Electricity	498,344	546,942	Group´s total electricity use in MWh
Fuel	241.0	212.6	Group´s total fuel use in millions of litres
Gas	63.2	72.2	Group´s total gas use in millions of m³
Heating oil	21.6	25.8	Group´s total heating oil use in millions of litres
Raw material			Group´s raw material use
Stone/gravel	74.8[1]	61.5[2]	Group´s stone and gravel use in millions of tonnes
Asphalt	15.3[1]	13.2[2]	Group´s asphalt use in millions of tonnes
Concrete	5.8[1]	5.1[2]	Group´s concrete use in millions of m³

SOCIAL INDICATORS

	2011	2010	
Employees			
Number of employees	76,866	73,600	Total number of employees within the group
Percentage of women	13 %	13 %	Share of women of total employees within the group
Occupational safety and health			
Occupational accidents	34	31	Accident rate per thousand employees: number of accidents with 3 or more lost days x 1,000/number of employees
Accident rate	0.6 %	0.6 %	Ratio of accident days to working days
Absenteeism due to illness	4.0 %	4.6 %	Ratio of sick leave days to working days

FIRST CO_2 CERTIFICATION IN THE GROUP

A number of divisions of Ed. Züblin AG, a subsidiary of STRABAG SE, have let themselves be certified by the Dutch foundation SKAO (Stichting Klimaatvriendeljik Aanbesteden en Ondernemen) in accordance with its CO_2 performance scale ("CO_2-prestatieladder"). The certification audit conducted by independent auditor DNV (Det Norske Veritas) was carried out in August 2011 at the Duisburg division, in the civil engineering and power plant construction business, at the Gladbeck prefab factory and at ZÜBLIN Nederland BV. For the future, we are aiming to achieve an even higher certification level for these divisions and to extend certification to further parts of the STRABAG Group.

1) Includes the following countries: Austria, Benelux, Bulgaria, Croatia, Czech Republic, Germany, Hungary, Italy, Poland, Romania, Russia and neighbouring countries, Scandinavia, Serbia, Slovakia, Slovenia and Switzerland.
2) In 2010 the following countries were not included due to organisational reasons: Italy, neighbouring countries of Russia and Scandinavia.

SOCIAL RESPONSIBILITY

Our business activities directly shape the environment, which has an immediate influence on our daily routine. The result is a complex interaction between construction and society. Only when society is successful can we also be successful. Given our business success, we feel obliged to contribute to the healthy development of society as a whole. This includes maintaining the social standards in Central Europe and improving them in other countries, as well as supporting cultural projects. These projects include:

CONCORDIA

The Concordia aid organisation has been caring for abandoned children in Romania, Moldova and Bulgaria since the 1990s by offering them housing and social centres, among other. The group also cares for older people in need.

More information is available at www.concordia.or.at.

VINZIRAST-CORTIHAUS

The VinziRast-CortiHaus homeless shelter in Vienna offers emergency accommodation or a place in a halfway house, helping people in need find a home, make a new start or grow old in dignity.

More information is available at www.vinzirast.at.

FESTSPIELE ERL

Founded by Gustav Kuhn, the festival has been thrilling audiences with a varied programme since 1998. 2011 saw the start of construction on a new festival hall as a future venue for rehearsals and performances.

More information is available at www.tiroler-festspiele.at.

KOMÖDIENSPIELE PORCIA

Born under difficult conditions, this important annual cultural event offers its guests an extensive programme of comedies from world literature as well as its own children's theatre.

More information is available at www.komoedienspiele-porcia.at.

STRABAG KUNSTFORUM

The STRABAG Kunstforum opens up the world of contemporary art to employees and visitors at a number of office locations in Austria and abroad, making STRABAG a forward-looking patron of the arts today.

WE DEDICATE A SEPARATE CHAPTER TO OUR EMPLOYEES ON PAGE 28

More information is available at www.strabag-kunstforum.at.

A ROAD THAT CAN THINK

REVOLUTIONARY NEW ROAD CONSTRUCTION METHODS ARE BEING TESTED ON THE A111 MOTORWAY IN GERMANY

WILLI DIETRICH (L.) AND A COLLEAGUE ON THE A111 MOTORWAY, GERMANY

Report by Frauke Herweg, Märkische Allgemeine

Stolpe - Willi Dietrich carries the roadway's virtual memory in his wallet. A green transponder, smaller and lighter than a 10-cent piece. As part of a federal research project, 7.2 kilometres of the A111 motorway are currently being upgraded near Stolpe in suburban Berlin. The aim of the project is to optimise road construction in such a way that the asphalt of the future lasts longer, absorbs more noise and is safer. The little transponders being inserted into the road surface of the A111 store data – date, temperature, material, etc. Willi Dietrich of Kirchner, a subsidiary of STRABAG, is responsible for the project research. Should the roadway suffer tears or other damage, he hopes that the data can help determine the cause.

The federal research project "PAST – Prozesssicherer Automatisierter Straßenbau" ("Process-Safe Automated Road Construction") is the largest project in the transportation infrastructures segment in Germany at this time. The state of Brandenburg is a project partner in the test section near Stolpe.

"There still is lots of room for improvement in road construction," says Dietrich. The PAST project included the first-ever complete review of the entire construction process – from the delivery of the surface material to the laying of the asphalt. What is the best way to load the mixing trucks? How can we prevent heat loss during material delivery? How can the surface material be laid as resource-optimised and economically as possible? "We want to eliminate the weak points in the process," Dietrich says. The idea of the project is that roads will last longer if everything is optimised during construction. Ideally for 15 years. "We want to reduce the construction costs," Dietrich says. "And to relieve the road crews."

LOWER COSTS, HIGHER SAFETY

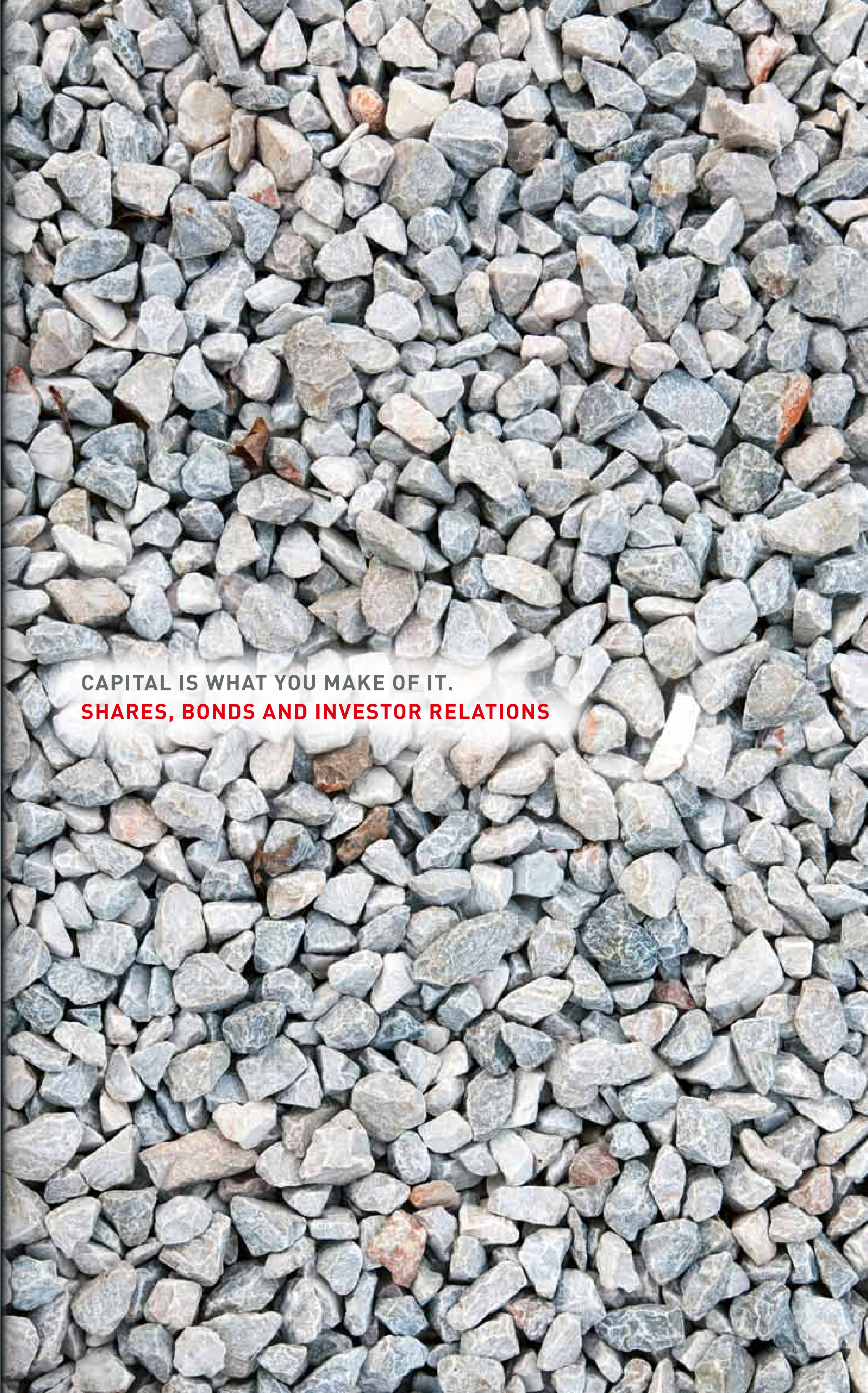
Different types of material are also being tested on the A111, including bright artificial surfaces to improve driver safety at night and when it rains.

More safety is also being hoped for by engineers from the next generation of microchips. These will be able to warn drivers of possible slippery conditions and can tell the winter service which sections of road are in need of work. Using the stored data, the chips in the intelligent roads of the future can calculate when engineers need to move out to renew the road surface. The road of the future is a data carrier. "A lot will happen in this area within the next four or five years," says Dietrich.

The stretch along the A111 near Stolpe will be complete in early December. The engineers will then set up the next test section in Bavaria: 3.5 km of federal road are to be upgraded over a single weekend. Using a new, significantly faster procedure. The idea of the project is to be able to open roads up more quickly following construction works. In the Netherlands, this is already a tried-and-tested method of construction.

DATA TRANSPONDERS IN THE ASPHALT PROVIDE VALUABLE INFORMATION

SUPPLY DEMAND



CAPITAL IS WHAT YOU MAKE OF IT.
SHARES, BONDS AND INVESTOR RELATIONS

SHARES, BONDS AND INVESTOR RELATIONS

- STRABAG SE SHARES GROW BY 8 % – SUPPORTED BY BUYBACK OF OWN SHARES SINCE MIDDLE OF 2011
- DIVIDEND OF € 0.60 PER SHARE PROPOSED
- NINE BANKS COVER STRABAG SE

STRABAG SE DEFIES THE NEGATIVE ENVIRONMENT

2011 was marked by extremely weak share price development on nearly all international stock markets. Only the US stock market stood out positively: the Dow Jones Industrial Average, the New York Stock Exchange's blue-chip index, increased by 6 %.

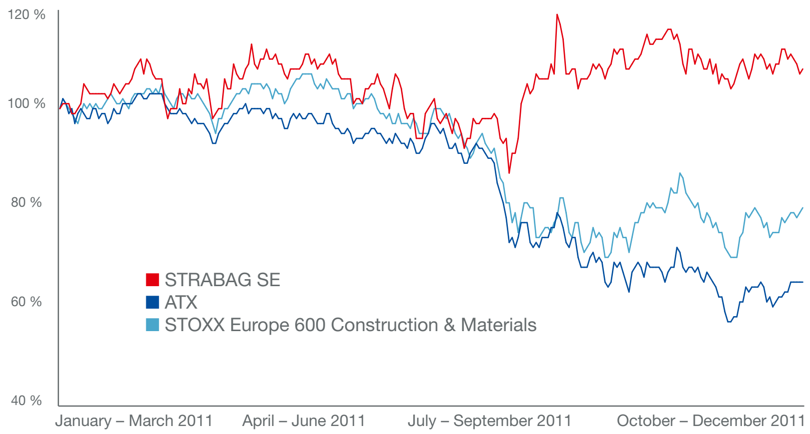
The stock market year was marked by a constant flow of negative news. In the first few months of the year, the uncertain political situation in North Africa and the Middle East dampened what was otherwise a generally friendly mood on the market. The natural disaster in Japan and the nuclear accident that followed led to sharp corrective action by the markets in mid-March. This setback could be overcome and the following months were characterised by volatile upward movement: The positive reports from business enterprises, however, were offset by two interest rate hikes by the European Central Bank (ECB), growing fears of inflation and a growing concern regarding the strength and stability of the public finance situation in Europe and the US. The further aggravation of the debt crisis and the worsened economic outlook for 2012 led to futher massive share price losses on the stock markets in the middle of the third quarter. The danger that the European debt crisis could extend beyond Greece resulted in further corrective action on the European stock markets in November 2011, whereas the share price development in the US was relatively friendly toward year's end.

The good fourth quarter helped the US stock market index Dow Jones Industrial Average (DJIA) attain the aforementioned positive development for the full year. Although the index finished the year with positive growth for the third time in a row, it still remained far from reaching its previous record high of 13,264.82 points at the end of 2007. The pan-European stock index Euro Stoxx 50 closed down 17 % in 2011 versus the end of 2010 following an especially weak performance of the indexed stocks. The Japanese stock market index Nikkei 225 also fell by 17 %, while Germany's DAX lost 15 %.

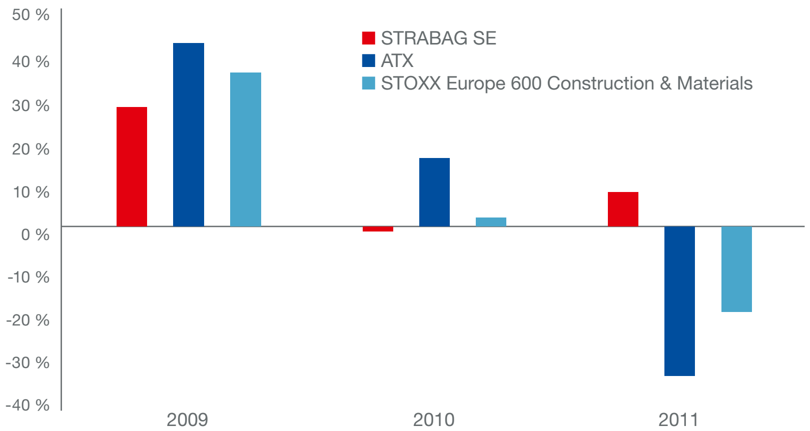
Not only was the Vienna Stock Exchange unable to repeat the exceptionally good development of 2009 and 2010, it also had to accept a 35 % setback and an accompanying decline in trade volume. Contributing substantially to this development was the high weight of banking shares in the Austrian blue-chip index ATX as well as Austria's close economic ties with the countries of Central and Eastern Europe. These countries for the most part demonstrated robust development and were hardly affected by the debt crisis, but international investors paid them little notice nevertheless.

The downward movement of the benchmark indexes ATX and construction sector index STOXX Europe 600 Construction & Materials picked up momentum in the middle of 2011. At the same time, shares of STRABAG SE were preparing for a recovery. The STOXX Europe 600 Construction & Materials closed the year down 20 %, while STRABAG SE shares traded up 8 % at year's end at a price of € 22.11, making it one of just two companies in the ATX to finish the year in positive territory. The development of the company's share price counter to that of the overall market can be explained in part by the boost from the share buyback programme. The programme was launched on 14 July 2011 and will end on 10 July 2012 at the latest. By the end of 2011, STRABAG had bought back 7.7 % of the share capital.

DEVELOPMENT OF STRABAG SE SHARE PRICE AND THE BENCHMARK INDEXES



MULTI-YEAR DEVELOPMENT OF STRABAG SE SHARE PRICE AND THE BENCHMARK INDEXES



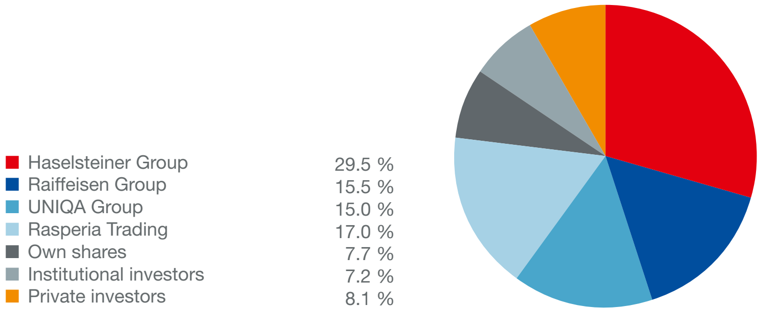
STOCK FIGURES	UNIT	2011	2010	2009
Closing price by the end of December	€	22.11	20.50	20.70
Year's high	€	24.30	21.96	24.35
Year's low	€	17.90	16.42	9.86
Number of outstanding bearer shares by the end of December	shares	105,224,733	113,999,997	113,999,997
Market capitalisation by the end of December[1]	€ billion	2.5	2.3	2.4
Average trade volume per day	€ million	3.3	3.8	6.1
Volume of STRABAG SE shares traded	shares	38,742,980	49,077,310	88,480,878
Volume of STRABAG SE shares traded	€ billion	0.8	0.9	1.5
P/E ratio by the end of December		12.6	13.4	14.6
Earnings per share	€	1.75	1.53	1.42
Book value per share	€	26.34	27.1	25.9
Cash-flow from operating activities per share	€	4.5	6.1	9.8
(Proposed) dividend per share	€	0.60	0.55	0.50
Dividend payout ratio	%	34.3	35.9	35.3
Dividend yield	%	2.7	2.7	2.4
Share capital	€ million	114	114	114
Weight in ATX	%	1.75	1.79	1.63
Weight in ATX Prime	%	1.57	1.49	1.38
Weight in WBI	%	3.89	2.53	3.03

1) Incl. own shares
All trade volume figures double count

SHAREHOLDER STRUCTURE

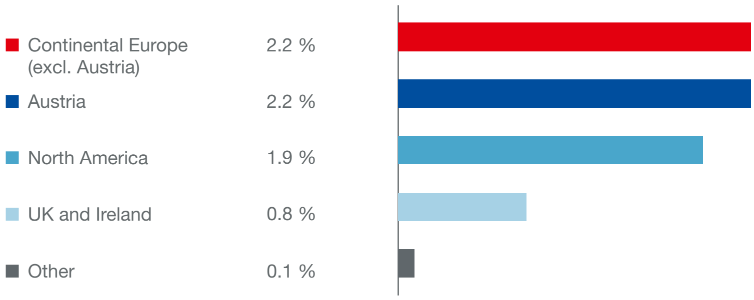
SHAREHOLDER STRUCTURE ON 31 DECEMBER 2011[1]

TOTAL NUMBER OF SHARES



114 million shares

GEOGRAPHIC DISTRIBUTION OF THE INSTITUTIONAL FREE FLOAT



7.2 %
institutional investors

LOWER FREE FLOAT THROUGH BUYBACK OF OWN SHARES

Thanks to the share buyback programme launched in July, STRABAG SE at the end of 2011 held 7.7 % of its share capital or 8,775,264 own shares. These were acquired directly from free-float shareholders so that the free float settled at 15.3 % compared to 23.0 % at the end of 2010.

The core shareholder structure remained unchanged in the past financial year: Haselsteiner Group held 29.5 % of STRABAG SE, Raiffeisen Group 15.5 % and UNIQA Group 15.0 %; the proportion held by Rasperia Trading Ltd. amounted to 17.0 %. Rasperia also continues to hold an option to buy back 8 % of STRABAG SE shares from the other core shareholders. It can exercise this option until July 2014. As far as we know, no investor other than the core shareholders holds more than 5 % of the company.

In January 2012, we commissioned a shareholder ID to learn more about the distribution of our institutional free float. The analysis revealed that 2.2 % of STRABAG SE shares were held by investors in continental Europe, another 2.2 % by Austrian institutional investors, 1.9 % by US investors and 0.8 % by investors in the UK and Ireland. Particularly striking in a year-on-year comparison is the significant decline among investors from continental Europe, who still accounted for 4.7 % of the shares the year before. Several large shareholders from northern Europe took advantage of the share buyback programme to sell sizeable blocks of shares. At the same time, we noticed strong interest from investors interested in growth, to the detriment of value-oriented investors.

Haselsteiner Group, Raiffeisen Group, UNIQA Group and Rasperia Trading Ltd. are full-fledged members of the shareholder syndicate. Details of the syndicate agree-

1) The distribution of the institutional free float was determined in January 2012.

ment between the four major shareholder groups are presented in the stock exchange prospectus of 5 October 2007. The current syndicate agreement essentially lays down rules for the following:

- Right to nominate supervisory board members
- Coordination of voting
- Restrictions on the transfer of shares
- Joint development of the Russian market as a new core market

As is legally prescribed, STRABAG SE keeps a share register containing information about the holders of registered shares of STRABAG SE. Currently there are three registered shares, with registered shares No. 1 and No. 3 reserved for the Haselsteiner Group and registered share No. 2 for Rasperia Trading Ltd. The remaining 113,999,997 shares of STRABAG SE are bearer shares. In all, STRABAG SE has issued 114,000,000 no-par shares.

Every bearer and registered share equals one vote. There are no restrictions on voting rights with the exception of own shares held by the company which do not afford voting or dividend rights.

ANNUAL GENERAL MEETING

With 100 % of the votes cast in favour, the 2011 Annual General Meeting approved the actions of the management and supervisory boards, selected the auditor of the financial report and decided on the payment of a dividend in the amount of € 0.55 per no-par share for the business year 2010. It also passed with between 99 % and 100 % of the votes resolutions regarding the remuneration of the members of the supervisory board and again authorised the management board to purchase own shares. 1,037 people representing 89,908,662 no-par shares were registered for the Annual General Meeting.

ANNUAL GENERAL MEETING ON 15 JUNE 2012

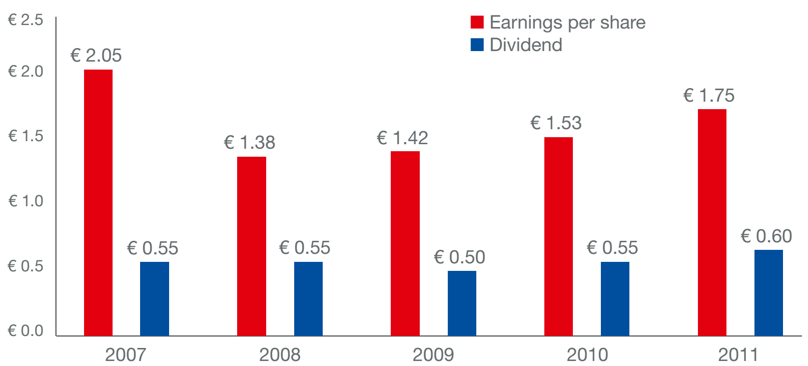
The next Annual General Meeting will take place at the Austria Center Vienna on 15 June 2012 at 10:00 a.m. CEST. Shareholders wishing to attend are requested to provide proof of shareholder status with their bank by 5 June 2012. Details regarding the correct procedure can be found on our website at www.strabag.com > Investor Relations > Annual General Meeting.

DIVIDEND

STRABAG places great value on a constant dividend policy. The management board is keeping to its goal of paying out 30 % to 50 % of the net income after minorities to the shareholders in the form of a dividend once a year. The exact payout ratio is determined by the general development of the business as well as by the group's opportunities for growth. In accordance with this goal, the management board of STRABAG SE will propose to the Annual General Meeting of 15 June 2012 a dividend of € 0.60 per share for the 2011 financial year. This would correspond to a dividend payout ratio of 34.3 % and, based on the share price of € 22.11 at the end of December 2011, a dividend yield of 2.7 %. The ex-dividend date has been set for 22 June 2012; the dividend payment date for 25 June 2012.

DIVIDEND: € 0.60 PER SHARE

EARNINGS PER SHARE AND DIVIDEND



BONDS

TERM	INTEREST	VOLUME	ISIN	EXCHANGE
2007–2012	5.75 %	€ 75 million	AT0000A05HY9	Vienna
2008–2013	5.75 %	€ 75 million	AT0000A09H96	Vienna
2010–2015	4.25 %	€ 100 million	AT0000A0DRJ9	Vienna
2011–2018	4.75 %	€ 175 million	AT0000A0PHV9	Vienna

STRABAG SE (and its predecessor FIMAG) has to date issued nine corporate bonds, of which four are still listed. With the issue of a 2011–2018 bond with a coupon of 4.75 %, STRABAG continued the years-long strategy of bond issues. The proceeds from the issue were used to pay back a matured € 75 million bond issued in 2006 as well as for general business purposes. The issue also helped the group to further improve its financing structure.

S&P AGAIN CONFIRMS CORPORATE CREDIT RATING OF BBB-

STRABAG SE and its bonds are rated by the international ratings agency Standard & Poor's (S&P). In November 2007, S&P raised the corporate credit rating for STRABAG SE from BB+ to BBB-, thus elevating STRABAG SE to "investment grade". In December 2011, S&P again confirmed its BBB- rating and stable outlook as STRABAG benefits from its market leadership in transportation infrastructures in Central Europe and several Eastern European countries, its good access to raw materials, the solid capital structure and the efficient cost management, resulting in stable margins.

INVESTOR RELATIONS

Although we pursued our investor relations activities as persistently in 2011 as the year before, investor interest relative to the previous year remained only moderate due to the turbulent market environment and the cautious approach vis-à-vis companies with a geographic focus on Central and Eastern Europe. In addition to the prescribed quarterly reports, we informed some 135 investors and analysts (2010: 167) in 102 (133) one-on-ones, telephone conferences and group talks. We took part in 15 (16) road shows and investor conferences organised by Bank of America Merrill Lynch, Cheuvreux, Deutsche Bank, Erste Bank, Goldman Sachs, HSBC, MainFirst, Raiffeisen Centrobank and UniCredit. In all, we spent some 13 (14) working days on investor talks in places such as Vienna, London, Frankfurt, Paris, Zurich, Warsaw, Moscow and Stockholm.

FINANCIAL CALENDAR ON PAGE 180

If you want to learn more about our future road show activities, please visit our website at www.strabag.com > Investor Relations. The company calendar is updated continuously and includes all the planned road show events as well as the dates for the publication of our financial results.

WE ARE IN CONSTANT CONTACT WITH OUR INVESTORS

Not only are we in constant e-mail and telephone contact with our institutional investors and analysts, we also provide extensive information to our private investors. We do so among other things by offering web and audio broadcasts of portions of our Annual General Meeting, investor conferences and press conferences on our website. We also regularly take part in private investor events – in 2011, for example, we took part in a round table debate during the GEWINN trade fair. We try to reach our private shareholders and interested parties through a variety of different channels. Every individual investor benefits from us taking the time to communicate with the market and to strive for constant improvement in our investor relations work – because excellent investor relations have a positive effect on the share price.

It is our goal to further increase our investor relations efforts of maintaining a steady flow of information in order to help bank analysts make correct assessments of the stock of STRABAG SE. Analyst observations provide current as well as potential shareholders with a first indication of the assessment of STRABAG SE. Unfortunately, cost reasons forced several international banks to generally withdraw their research activities from the Austrian market last year. We are proud, however, that nine banks still regularly analyse our stock in order to issue target prices and recommendations for STRABAG SE:

- Bank of America Merrill Lynch, London (Marcin Wojtal)
- Deutsche Bank, Vienna (Matthias Pfeifenberger)
- DZ Bank, Frankfurt (Marc Nettelbeck)
- Erste Bank, Vienna (Franz Hörl)
- Equita, Milan (Gianmarco Bonacina)
- Goldman Sachs, London (Will Morgan)
- HSBC, Düsseldorf (Thomas Teetz)
- MainFirst Bank, Frankfurt (Christian Korth)
- Raiffeisen Centrobank, Vienna (Markus Remis)

HOW TO RECEIVE INFORMATION ABOUT STRABAG SE

STRABAG SE's Investor Relations department reports directly to the CEO and sees itself as the service department for existing and potential private shareholders, institutional investors and analysts, as well as the point of contact for capital market issues for the group's operating units. For us, quick response times, comprehensive information and a constant dialogue with capital market participants and the public are a matter of course. We place great importance on informing all shareholder groups quickly and simultaneously. To achieve this, we publish all company-relevant news on our website at the same time that we send our shareholder newsletter per e-mail. If you would also like to receive this information, please send us the reply card – which you will find at the end of this Annual Report – or register on the Investor Relations page on our website www.strabag.com.

Your questions and suggestions are important to us for the continued improvement of our services. We look forward to hearing from you:

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LOOKING FORWARD

LOOKING BACK

MORE THAN JUST REPORTING.

GROUP MANAGEMENT REPORT

GROUP MANAGEMENT REPORT[1)]

IMPORTANT EVENTS

JANUARY

Contract for the construction of roads DN14 and 15a in Romania
STRABAG was awarded the contract to rehabilitate and upgrade national roads DN14 and DN15a in Romania. The combined value of both contracts totals around € 106 million. The planning and construction works comprise the widening and improvement of the existing road network, the rehabilitation of bridges, and the installation of safety facilities. The works will take place between Sibiu and Sighisoara and between Targu Mures and Saratel. Construction began in April 2011 and is scheduled for completion in March 2013.

FEBRUARY

EFKON wins € 85 million contract
STRABAG subsidiary EFKON AG, a provider of intelligent transportation systems and tolling solutions, was awarded the contract to install and operate intelligent transportation systems (ITS) on motorways in South Africa for five years. The contract is worth about € 85 million.

MARCH

STRABAG acquires two Swiss companies
STRABAG SE announced the simultaneous acquisition of two established Swiss companies, Brunner Erben Holding AG, Zurich, and Astrada AG, Subingen. With these acquisitions, STRABAG became the third-largest construction company on the Swiss market.

Environmental technology with international success
STRABAG Environmental Technology won three international projects with a total value of more than € 30 million. The projects involve the retrofit of flue gas denitrification systems for several coal-fired boiler power plants in Poland; the engineering, production, assembly and start-up of a flue gas denitrification system from voestalpine Stahl GmbH, Linz, Austria; and the delivery order of denitrification systems for two inline gas turbine power plants in California, USA.

Ed. Züblin building TaunusTurm in Frankfurt
Through its German subsidiary Ed. Züblin AG, STRABAG has been awarded the contract for the turnkey construction of the TaunusTurm in Frankfurt's financial district at the Taunusanlage park. The construction contract, with a value of approximately € 200 million, comprises a 170 m office tower in Frankfurt's central business district with 40 floors and a 62 m residential tower with 16 floors connected by a six-storey perimeter block. Construction began in April 2011 and is scheduled for completion at the end of 2013.

APRIL

New PPP project: A8 in Germany
STRABAG SE subsidiary Hermann Kirchner Projektgesellschaft has a 50 % shareholding in the consortium that was awarded the contract for a public-private partnership (PPP) project in the German motorway network. The contract comprises the planning, financing and upgrade of an approx. 58 km section of the A8 motorway as well as its maintenance and operation over a period of 30 years. The investment volume is around € 410 million.

STRABAG makes acquisition in civil hydraulic engineering
STRABAG acquired 100 % of the German civil hydraulic engineering firm Ludwig Voss, Cuxhaven. The company is a specialised service provider in the field of civil hydraulic engineering operating mainly in Germany's seaports and along the coasts of the North and Baltic Seas. The group generates average revenue of just over € 20 million a year.

1) This part has been audited by the financial auditor KPMG.

MAY

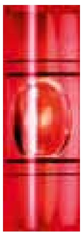
STRABAG issues € 175 million corporate bond
STRABAG issued another corporate bond with a volume of € 175 million. The fixed-interest bond has a term to maturity of seven years (2011–2018) and a coupon of 4.75 % p.a. The issue price was set at € 101.04.

STRABAG drives strategy in field of offshore wind energy
STRABAG signed an agreement on acquiring a 51 % stake in two holding companies to develop, build and operate offshore wind power plants. With the transaction, the company extends its existing competence as a builder of wind power facilities. The companies will develop up to 850 wind power facilities in the German North Sea to be built over the next ten to 15 years.

STRABAG enters building construction market in Sweden
In Sweden, STRABAG acquired 100 % of five subsidiaries of the Swedish NIMAB Group. In the 2010 financial year, the companies generated a total output volume of about € 40 million (SEK 360 million) and together employed more than 200 employees. With this acquisition, STRABAG bolsters its presence in this important market in southern Sweden and expands its current construction activities in this market through the addition of building construction services.

JUNE

Further transportation infrastructures contract in Romania
STRABAG signed a further transportation infrastructures contract in Romania. The order involves the follow-up construction lot to the A1 motorway section between Deva and Orăştie, which was awarded in November 2010 and is also being built by STRABAG. The works for the new order comprise the construction of a total of 24 km of four-lane motorway with two hard shoulders. The order has a volume of € 166 million. The construction time including planning amounts to 22 months.



Annual General Meeting approves acquisition of own shares
The 7th Annual General Meeting of STRABAG SE held on 10 June 2011 authorised the management board to buy back own shares in accordance with Section 65 Paragraph 1 No. 8 of the Austrian Stock Corporation Act (AktG) to the extent of up to 10 % of the share capital of the company. The buyback programme was launched on 14 July 2011 and ends at the latest on 10 July 2012. Until the end of 2011, STRABAG bought back 7.7 % of the share capital.

STRABAG develops Tyresö Centrum building complex in Sweden
Swedish subsidiary STRABAG Projektutveckling AB is developing over 12,000 m^2 of residential space and further retail space next to the existing Tyresö Centrum shopping centre in the centre of Tyresö, a southern suburb of Stockholm. The project, Tyresö View, consists of one high-rise building and an adjoining lower building with space for 150 apartments offering a total space of 12,863 m^2. In addition, about 2,335 m^2 of retail space as well as a parking lot with 100 parking spaces will also be built. This yields a total project volume of around € 67 million (SEK 600 million).

EFKON lands contracts in Austria and South Africa
EFKON AG is supplying ASFINAG Maut Service GmbH with mobile systems for the automatic control of toll stickers. The system helps to automatically identify toll violators without interrupting the flow of traffic. In South Africa, EFKON subsidiary Tollink South Africa was awarded the contract for the supply and maintenance of toll plazas along the N1 North route. The € 60 million contract from South African National Roads Agency Limited (SANRAL) was won by Tolcon-Lehumo as operator. EFKON subsidiary Tollink is the preferred service provider for the maintenance component of the contract, which is valued at around € 11 million (ZAR 110 million). The contract spans eight years and includes the full upgrade of the toll plazas along the N1 North as well as the maintenance and support of the system.

JULY

STRABAG increases its interest in subsidiary Möbius to 100 %
STRABAG SE increased its stake in Germany's Josef Möbius Bau AG, Hamburg, from 70 % to 100 %, further expanding its engagement in hydraulic engineering and strengthening its position as German market leader in this promising business field.

Ed. Züblin acquires parts of established German company Wolfer & Goebel
Ed. Züblin AG acquired parts of Wolfer & Goebel Projekt und Bau GmbH, Stuttgart, thereby securing nearly 100 jobs at the long-established company, which had to file for insolvency in May 2011. With the acquisition, Ed. Züblin wants to strengthen the construction activities in southern Germany and generate an additional output volume of about € 15 million a year.

AUGUST

Contracts in northern Europe
The STRABAG Group won three new orders in Finland and in Sweden. STRABAG Sverige AB will build a 1.8 km track tunnel with intermediate stations for the project metro phase 1, LU1 Matinkylä in Helsinki, Finland. The contract value is approximately € 28 million. STRABAG Sverige will also build a part of Sweden's largest new city district, Norra Djurgårdsstaden in Stockholm until October 2012. The contract value is approximately € 22 million. Finally, the company was commissioned by the Swedish Transport Administration Trafikverket to build the section Edet Rasta and Torpa, a part of the E45 motorway between Göteborg and Trollhättan, which connects the North to the South of Sweden. The contract value amounts to € 26 million.

PPP contract in building construction: Nurses' home at Klinikum Ansbach
Hermann Kirchner Projektgesellschaft mbH was awarded the public-private partnership contract to modernise and perform an energy retrofit of the nurses' home at Klinikum Ansbach, Germany. Once completed, Kirchner will maintain all objects during the 30-year operating phase and will guarantee the financing of the entire project over the contract period. The overall project volume amounts to € 52 million, the gross total investment costs amount to about € 30 million. A construction time of three years is planned.

STRABAG is building a tunnel in Canada
STRABAG SE subsidiary STRABAG Inc. won a new contract in Canada to build a 15 km long wastewater tunnel in the York Region in the Greater Toronto Area for about € 200 million (CAD 290 million).

SEPTEMBER

Six tunnels in Italy
The Italian subsidiary of STRABAG, Adanti S.p.A (now STRABAG S.p.A), was awarded the contract to upgrade some 11 km of State Road 223 between Grosseto and Sienna in Tuscany. The contract includes the planning and building of three junctions, six tunnels and five viaducts. The company's share of the € 161 million contract amounts to around € 105 million (65 % share).

STRABAG realising Atlas Tower in Berlin
STRABAG Real Estate GmbH is planning a new architectural highlight in the German capital, the Atlas Tower, to be realised on the prime piece of real estate between Kurfürstendamm and Kantstraße. With its 120 metres and 33 floors, plus an adjoining eight-storey block building, the Atlas Tower will be among the three tallest structures in Berlin. The investment sum for the building complex, which will have a total floor area of 51,000 m², amounts to around € 250 million. Construction is slated to begin in 2012, with completion expected in 2015.

Polish large-scale project A4
Poland's General Directorate for National Roads and Highways commissioned a consortium led by the two Polish STRABAG subsidiaries Heilit+Woerner Budowlana Sp. z o. o. and STRABAG Sp. z o. o. to continue construction of the 21 km long section of A4 motorway between Brzesko and Wierzchoslawice. The construction time amounts to 15 months. The contract is worth about € 120 million. The group's share is 55 %.

OCTOBER

Contract in Oman: STRABAG expands port facility
STRABAG Oman L.L.C. was awarded the contract to upgrade the roads and infrastructure within the Duqm port facility in Oman. The order is worth € 150 million.

First-ever listing for STRABAG in Carbon Disclosure Leadership Index
STRABAG has made it into the Carbon Disclosure Leadership Index (CDLI) for the first time this year with 76 (out of 100) points. The index comprises those 30 German and Austrian companies with the most points calculated according to the criteria of completeness of their disclosures about their CO_2 emissions.

NOVEMBER

Four tolling and ITS contracts for EFKON
EFKON AG reported that its subsidiary EFKON India was awarded four tolling and ITS contracts worth about € 6.5 million (INR 430 million) in India.

Environmental Technology wins contracts worth more than € 110 million
The environmental technology specialists of STRABAG SE landed new orders worth a total of € 110 million. All over the world, services are required in the field of flue gas treatment, the construction of water supply, wastewater treatment and solid waste treatment plants, as well as landfill construction and environmental remediation.

DECEMBER

Ed. Züblin expands range of services with timber engineering
Ed. Züblin AG, Stuttgart, acquired the timber construction activities of the long-established German company Paul Stephan GmbH & Co. KG, Gaildorf, retroactively to 1 August 2011, giving it access to the field of structural timber engineering. Stephan employs 75 people and is a market leader in this business field, which is seen to have considerable market potential due to the increasing importance of sustainable methods of construction.

SCHÜTZENBAHN, ESSEN, GERMANY

QUARTIER AM AUSWÄRTIGEN AMT, BERLIN, GERMANY


WEINLOUNGE

COUNTRY REPORT

OUTPUT VOLUME OF STRABAG SE BY COUNTRY 2010–2011

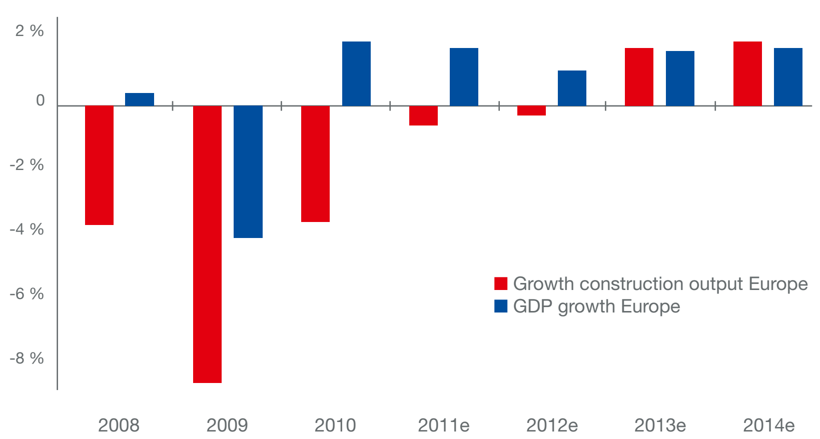
€ MLN.	2011	% OF TOTAL OUTPUT VOLUME 2011	2010	CHANGE %	CHANGE ABSOLUTE	% OF TOTAL OUTPUT VOLUME 2010
Germany	5,609	39 %	5,051	11 %	558	40 %
Austria	1,985	14 %	1,907	4 %	78	15 %
Poland	1,719	12 %	1,352	27 %	367	11 %
Czech Republic	769	5 %	867	-11 %	-98	7 %
Switzerland	574	4 %	370	55 %	204	3 %
Scandinavia	512	4 %	248	106 %	264	2 %
Russia and neighbouring countries	487	3 %	351	39 %	136	3 %
Slovakia	441	3 %	427	3 %	14	3 %
Hungary	436	3 %	580	-25 %	-144	5 %
Benelux	360	3 %	284	27 %	76	2 %
Middle East	309	2 %	295	5 %	14	2 %
The Americas	257	2 %	246	4 %	11	2 %
Romania	206	1 %	165	25 %	41	1 %
Italy	186	1 %	128	45 %	58	1 %
Asia	109	1 %	89	22 %	20	1 %
Croatia	106	1 %	92	15 %	14	1 %
Serbia	87	1 %	45	93 %	42	0 %
Africa	63	1 %	136	-54 %	-73	1 %
Slovenia	49	0 %	43	14 %	6	0 %
Rest of Europe	44	0 %	65	-32 %	-21	0 %
Bulgaria	18	0 %	36	-50 %	-18	0 %
Total	**14,326**	**100 %**	**12,777**	**12 %**	**1,549**	**100 %**
thereof CEE[1]	4,318	30 %	3,958	9 %	360	30 %

Despite the strong presence in its home markets of Austria and Germany, STRABAG sees itself as a European company. The group has been active in Central and Eastern Europe for several decades in order to diversify the country risk and to profit from the market opportunities in the region. Business in these countries accounted for 30 % of the total group output volume last year as it did the year before. This gives STRABAG a unique position in comparison to the competition and makes it the market leader in the construction sector in Central and Eastern Europe.

STRABAG has for years pursued the strategy of expanding its market shares on the home and growth markets in order to achieve the necessary economies of scale to become a cost leader.

EUROPEAN CONSTRUCTION SECTOR RECOVERING MORE SLOWLY THAN ECONOMY AS A WHOLE

GROWTH COMPARISON CONSTRUCTION VS. GDP EUROPE



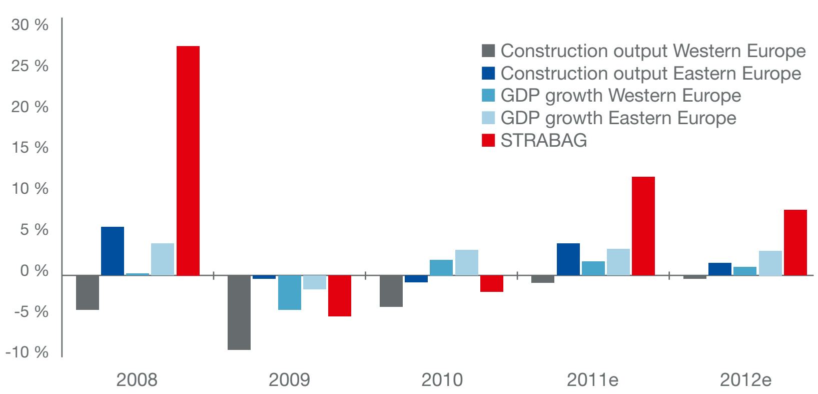
1) Central and Eastern Europe comprises the following countries: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia, Serbia, Slovakia, Slovenia.

Due to increasing insecurities on both the international markets and in the euro area, growth of the gross domestic product (GDP) in Europe was again less dynamic over the course of 2011. The overall growth rate for last year stood at 1.8 %. Given the economic cooling-off, Euroconstruct expects to see growth of just 0.8 % for the year 2012.

The European construction industry is still weakened by the dampened economic development and worsening debt crisis. The forecasts for the European construction sector remain less positive than for the economy as a whole. A renewed decline of construction output averaging 0.3 % is expected for 2012, with the development strongly marked by country-specific differences. The low point in the Nordic states was reached already in 2010, and in Central Europe, too, the construction industry is again showing stable growth. In contrast, Central and Eastern Europe does not appear to be returning onto a growth path. Slight growth of the overall European construction sector is expected in 2013 at the earliest. Construction industry growth will probably exceed GDP growth slightly in the years 2013 and 2014.

GROWTH COMPARISON WESTERN VS. CENTRAL AND EASTERN EUROPE

GROWTH COMPARISON WESTERN VS. CENTRAL AND EASTERN EUROPE



FUTURE GROWTH SUPPORTED BY BUILDING CONSTRUCTION AND RESIDENTIAL CONSTRUCTION

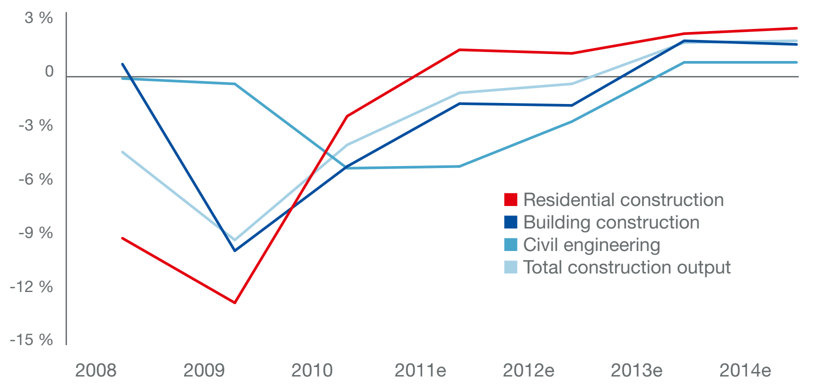
While civil engineering had served as the engine driving the European construction industry until 2010, future growth will primarily be supported by the fields of residential construction and building construction. The potential in civil engineering, meanwhile, will continue to be relatively low due to the strict budgeting within the public sector.

Residential construction was the only segment in Western Europe which grew in 2011, while the Central and Eastern European markets – despite originally positive forecasts – recorded a clear minus in this sector. The good development of the Polish market was also unable to compensate for this negative trend. Euroconstruct expects only a temporary weakness, however, and residential construction should begin growing once more in 2012 in Central and Eastern Europe as well.

Counter to the original forecasts, the upswing in building construction is being delayed due to the ongoing economic insecurities. Here Euroconstruct expects a return to positive growth rates for Europe as a whole in 2013 at the earliest. In 2011, building construction in Europe shrank by 1.4 %, with quite different developments in the individual countries. While the Nordic countries, Germany, Austria and Switzerland again achieved positive growth rates, the countries of Central and Eastern Europe, with the exception of Poland, again registered drastic setbacks.

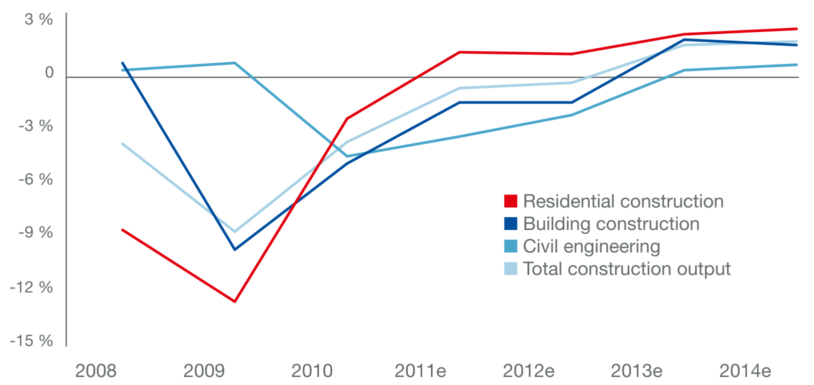
After years of growth leading up to 2010, civil engineering lost 3.3 % across Europe in 2011 in response to the austerity measures in the public sector. Significant declines were registered in Western Europe and in Central and Eastern Europe. Only the strong development in Poland could compensate for the weak performance by the remaining countries. Here, too, slight growth is not expected until 2013.

WESTERN EUROPE



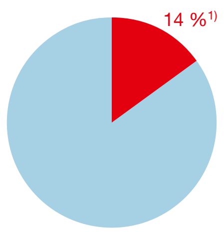
CENTRAL AND EASTERN EUROPE

EUROPE AS A WHOLE



AUSTRIA

Overall country construction output **€ 29.0 billion**



	2011e	2012e
GDP growth[2]	2.9 %	0.8 %
Construction growth	0.7 %	0.7 %

The economic upturn continued in 2011. Austria's economic output grew by 2.9 %, against a backdrop of rising exports, higher industrial production and growing investments. Due to increasing insecurities on both the international markets and in the euro area, however, this growth will again become less dynamic. Euroconstruct, for example, expects to see growth of just 0.8 % for the year 2012. An aggravation of the debt crisis in the euro area would lead to a further worsening of the growth rates.

Due to the positive economic development, the Austrian construction economy registered a slight plus of 0.7 % in 2011 after several downward years, supported above all by residential construction and building construction. For 2012, the experts at Euroconstruct again expect moderate growth of 0.7 %.

After two negative years, private residential construction grew once more, gaining 1.9 % in the period under report. Growth could be seen not only in the area of renovations, but also in new residential construction. With a significant delay, the field of building construction also recovered from the crisis of 2008/2009, again reaching a growth rate of 2.3 % in 2011. Investments were up in both the industrial sector as well

1) Country output as percentage of group output volume
2) All growth forecasts as well as the particular national construction volumes are taken from the Euroconstruct's winter 2011 reports.

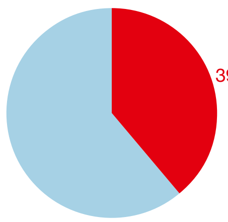
as for new office buildings. Due to the declining consumption, however, another negative trend was registered in the commercial sector over the course of the year. Against this background, and given a constant total construction output, Euroconstruct expects a significant weakening in residential construction and building construction. Growth in 2012 is not expected to exceed 0.8 % and 1.0 %, respectively.

Civil engineering slipped by 3.5 % in the year under report. However, the negative development relative to the previous year slowed considerably due to increasing public-sector investments in the country's infrastructure. For the coming years, a shift is expected from rail to road construction. After slight decline of 0.3 % in 2012, Euroconstruct expects further stagnation in this area in the years to come due to the strict budget situation.

STRABAG generated a total of 14 % of the group output volume in its home market of Austria in 2011 (2010: 15 %). Alongside Germany and Poland, Austria thus continues to be one of the group's top 3 markets. With a share of 6.6 %[1], STRABAG also remains the market leader here. The output volume reached a total volume of € 1,984.57 million in 2011. The Building Construction & Civil Engineering segment contributed 49 % to the total, followed by Transportation Infrastructures with 39 % and the Special Divisions & Concessions segment with 9 %. The Transportation Infrastructures segment will probably continue to show weak development in the years to come, while for market reasons the business in Building Construction & Civil Engineering will focus on the greater Vienna area.

GERMANY

Overall country construction output **€ 259.0 billion**



	2011e	2012e
GDP growth	3.0 %	1.0 %
Construction growth	3.7 %	1.8 %

Despite the significantly reduced economic dynamism, Germany's GDP growth in 2011 reached another considerable level at 3.0 %. This development can again be attributed to the extensive export activities, which are based on the strong competitive position of German companies. Domestic demand also showed extremely positive development.

The debt crises in the US and in Europe, however, could have a negative impact on future economic output. At the same time, the German government adopted a course of restrictive austerity, against the background of which no further economic stimulus packages are planned. For 2012, Euroconstruct therefore expects significantly reduced GDP growth of 1 %. But due to the good underlying economic situation, the medium-term forecast remains positive despite numerous risk factors.

Germany's construction output grew by 3.7 %, in line with the positive economic development in the period under report. In the next few years, however, the growth will likely slow down once more. For 2012, Euroconstruct expects construction output growth of just 1.8 %.

In line with the economic development, commercial building construction gained 2.0 % in 2011. This sector should also profit from the unbroken strong domestic demand in the medium-term. Favourable financing conditions are having a positive impact on the construction of industrial buildings and on the commercial sector. Demand for office buildings is also continuing to show a positive development following a strong decline during the crisis.

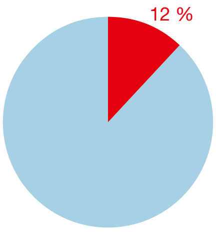
Civil engineering registered the highest growth rate in 2011 at 4.1 %. While expenditures were cut in the transport sector, the energy sector continued to show positive development. Following Germany's decision to withdraw from nuclear power, the focus is in-creasingly on the promotion of renewable energy. Against a backdrop of tightening public-sector spending, however, growth in this sector will slow once more in the future.

With a market share of 1.9 %, STRABAG is market leader in the strongly fragmented German market. In all, STRABAG generated a construction output of € 5,608.91 million in Germany in 2011, accounting for a share of about 39 % of the total output. The Transportation Infrastructures segment contributed the most (48 %) to the output in Germany, giving it a market share of 9.1 % in the country's road construction sector. Still, the Building Construction & Civil Engineering segment made the highest contribution to the extremely good results in the past financial year.

1) In the absence of current figures, the market shares stated in the entire country report refer to the year 2010 and to the total market, including all construction segments.

POLAND

Overall country construction output **€ 42.9 billion**



	2011e	2012e
GDP growth	4.0 %	3.7 %
Construction growth	12.9 %	4.1 %

Poland's economy again registered significant growth in 2011. The GDP gained 4.0 % on the basis of strong growth in construction, production and retail, as well as the strengthened export activities. The strong domestic demand remained an important factor driving growth, manifested in a flurry of investment and rising consumption. The good economic situation also had a positive impact on the national budget, with another growth of the budget surplus relative to the previous year.

The tightened level of public-sector spending in the future, however, coupled with a lower volume of EU financing, will contribute to slower growth of the Polish economy. For 2012, Euroconstruct expects slightly reduced growth of 3.7 %.

With a plus of 12.9 %, the Polish construction output in 2011 reached the highest increase among the EU-27 states. The record result was made possible by the good economic situation, extensive public-sector spending and expenditures related to the UEFA European Football Championship. This development is temporary, however. Declining investments in the coming years will lead to extensive stagnation of construction output as early as 2013.

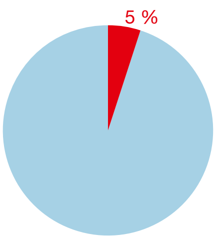
Building construction also profited from the public-sector investments, with growth of 3.6 % in 2011. Some 216 investment projects, financed up to 40 % from the EU structural funds, are to be realised ahead of the EURO 2012. Investments are being made in healthcare and education as well as in the construction of cultural institutions.

Due to the enormous investment activity ahead of the European Football Championship, civil engineering in Poland registered a record plus of 29.2 % in 2011. Most of the investments are going toward the upgrade of airport runways, waterways and roads. The high level of investment should continue until the middle of 2012. Civil engineering will then shrink again once the event is over, however.

STRABAG is the number 1 in the construction sector in Poland. The country contributed € 1,718.78 million, or 12 %, to the overall group output in 2011, making it the third-largest market for STRABAG. 79 % of the output came from the Transportation Infrastructures segment, which also contributed the largest percentage of the revenue by far. With 15 %, the Building Construction & Civil Engineering segment came in second place. STRABAG's share of the entire Polish construction market stood at 3.2 %, that of road construction at 12.3 %.

CZECH REPUBLIC

Overall country construction output **€ 19.8 billion**



	2011e	2012e
GDP growth	2.1 %	2.2 %
Construction growth	-6.2 %	-4.0 %

Although the forecasts for 2011 had originally been very positive, the Czech GDP only achieved growth of 2.1 %. The forecasts for the coming year are also proving to be extremely cautious, and Euroconstruct does not expect a return to strong economic growth until 2013. In the coming years, the growth will be supported above all by foreign trade. With this strong dependency on export nations, however, the Czech economy is extremely vulnerable to the individual country risk.

The overall improved economic output is not reflected in the Czech construction output, however, which shrank by a further 6.2 % in 2011. The continuing unstable political situation, higher value added tax and slow wage growth coupled with the higher rate of unemployment were largely responsible for this development. The country also saw renewed cuts to public-sector spending on transport and infrastructure. A recovery of the construction sector is therefore not expected until 2013 at the earliest.

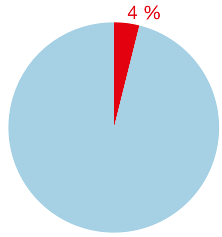
Building construction in the Czech Republic was strongly affected by the recession and has been consistently developing backwards since 2007. A reversal of the trend is not expected until 2013 at the earliest. In 2011, this sector also slipped by 7.6 %, following a minus of 11.3 % the year before. Private Investments are continued to be impeded by the high interest rates charged by Czech banks, which did not pass on the central bank's lower rates to their customers. Against the backdrop of the current budget cuts, the public sector is also failing to deliver any growth impulses.

The noticeable negative trend in civil engineering starting in 2010 continued in 2011. The lack of an overarching strategy means that public investments are still being postponed, above all in infrastructure, so that a number of planned projects are not being realised and ongoing projects had to be suspended. This led to a 4.2 % decline in the field of civil engineering in 2011. A recovery is not expected until 2014.

STRABAG is the number 1 on the market in the Czech Republic. With an output volume of € 769.23 million, the group generated around 5 % of its overall output volume in this country in 2011. This makes the Czech Republic STRABAG's fourth-largest market. The market share amounts to 4.4 %, even reaching 11.9 % in road construction. 80 % of STRABAG's Czech construction output volume is generated by the Transportation Infrastructures segment.

SWITZERLAND

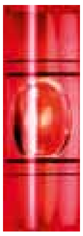
Overall country construction output **€ 42.0 billion**



	2011e	2012e
GDP growth	2.3 %	1.5 %
Construction growth	2.6 %	3.2 %

Despite a significantly slower economic dynamism in Switzerland, the GDP achieved growth of 2.3 % in 2011. Against the background of the debt crisis in Europe and in the US and the ongoing anxiety on the financial markets, this development is quite satisfactory. Switzerland registered an increased influx of qualified workers due to the unfavourable economic conditions in the neighbouring countries, which above all helped to boost private consumption. While the strong currency guarantees a low level of inflation, it also represents a great risk for the export economy. For the coming years, therefore, Euroconstruct expects a weakening of the GDP growth.

In line with the positive economic development, the construction output in Switzerland also registered solid growth rates. The plus of 2.6 % in 2011 was largely due to the favourable development of private residential construction and building construction. As a strong growth driver, residential construction will also make for clear growth in the construction economy next year.



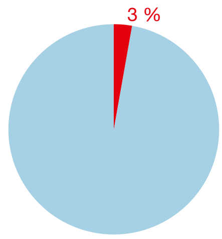
Following the stagnation of the past few years, building construction, which accounts for about 30 % of the overall construction output in Switzerland, again grew by 2.4 % in the year under report. More than half of the investments went to renovation activities. Following slowed growth in 2012, building construction should again achieve stronger growth starting in 2013.

Despite the positive economic environment, civil engineering registered a decline of 1.6 % in 2011. The high growth rates of the years 2008 and 2009 were supported by the extensive economic stimulus programmes which ran out already in 2010. Against this background, the experts at Euroconstruct expect only slight growth for the coming years.

The Swiss market contributed € 574.21 million or 4 % to the group's overall construction output volume in 2011. For organisational reasons, most of the activities in Switzerland are assigned to the Building Construction & Civil Engineering segment regardless of the actual work performed.

RUSSIA AND NEIGHBOURING COUNTRIES (RANC)

Overall country construction output[1)] **€ 104.6 billion**



	2011e	2012e
GDP growth	4.2 %	3.9 %
Construction growth	4.9 %	8.4 %

Driven mainly by the high price of oil, economic output again reached growth of 4.2 % in 2011 after the Russian economy had already stabilised in 2010. This positive trend should continue as long as there is no intensification of the external risk factors – especially the budget problems in Europe and the US.

Following the stabilisation of the Russian construction sector the year before, satisfactory growth was again registered in 2011 – at 4.9 % surpassing even GDP growth. Against the background of extensive infrastructure investments, Euroconstruct expects a further acceleration of the construction output for the years to come.

The building construction market continued to recover, while residential construction is further marked by low demand as a result of the high market prices. International investors, in particular, restarted the activities they had suspended in 2008. Investments made mainly involved office buildings, hotels and shopping centres.

With growth of 11.6 %, the strongest growth by far was achieved in civil engineering. Investments in infrastructure represent an important focus of Russian budget policy and represent around 50 % of the overall construction output. Under the programme "Development of Transport System of Russia 2010–2015", some RUB 800 billion will be spent on the development and modernisation of Russia's rail, road, air and shipping

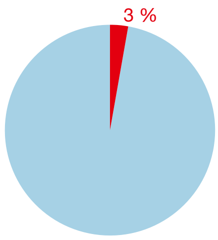
1) Figures for Russia are taken from the Buildecon Country Report Russia from October 2011.

network until the year 2015. High investments are also planned in the federal "Clean Water" programme, which is focused on the development of water treatment facilities.

STRABAG generated an output volume of € 486.90 million in Russia and its neighbouring countries (RANC) in 2011. The contribution to the overall group output volume in the period under report amounted to 3 %. In the RANC region, STRABAG is active almost exclusively in the Building Construction & Civil Engineering segment (86 %).

SLOVAKIA

Overall country construction output **€ 5.4 billion**



	2011e	2012e
GDP growth	3.3 %	3.4 %
Construction growth	-5.5 %	2.6 %

Following the upturn of 2010, the Slovak economy grew by a further 3.3 % in 2011. By 2014, growth rates could even return to up to 3.9 %. An important factor remains foreign demand, while budget spending continued to stagnate and public-sector spending was down.

Despite the good development of the economy, the Slovak construction output again registered a significant minus of 5.5 % in 2011. The main reasons for this development were the absence of private and public-sector investments as well as the insecurity on the international markets. However, Euroconstruct expects a recovery already in 2012. While building construction had shown the best development in 2011, civil engineering should again grow considerably starting in 2012.

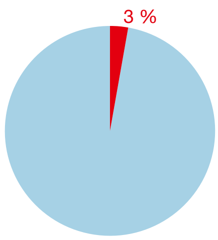
The building construction sector, which accounts for nearly half of the Slovak construction output, registered moderate growth of 1.9 % for the first time since the crisis of 2008/2009. Most of this was financed from private sources. A continual rise of the growth rates is expected for the coming years.

Due to the restrictive budget policy, civil engineering had to accept a renewed minus of 8 % in 2011. Starting in 2012, however, state spending for transport and infrastructure should increase again. The government will make efforts at securing more EU financing while also increasing its own budget for state spending.

With a market share of 7.9 % and an output volume of € 440.74 million in 2011, STRABAG is the market leader on the Slovak market. The share of the road construction market even amounts to 18.1 %. The largest contribution to output in 2011 was made by the Building Construction & Civil Engineering segment with 56 %, followed by Transportation Infrastructures with 41 % and Special Divisions & Concessions with 2 %.

HUNGARY

Overall country construction output **€ 9.1 billion**



	2011e	2012e
GDP growth	1.6 %	1.5 %
Construction growth	-10.8 %	-2.3 %

Hungary was more strongly affected by the global crisis of 2008/2009 than the other EU member states and the Hungarian government has still not managed to catch up. The economic output in 2011 reached only moderate growth of 1.6 %. No measures to stimulate the domestic demand were adopted by the government in the period under report. The positive development of Hungarian export activity was the only factor stabilising the economic output. But this sector – which has been very stable and is largely dependent on Germany – is strongly affected by the uncertain economic situation of the export countries. For this reason, Euroconstruct again expects no more than moderate growth of 1.5 % for 2012. Significant increases will not be achieved until the following years.

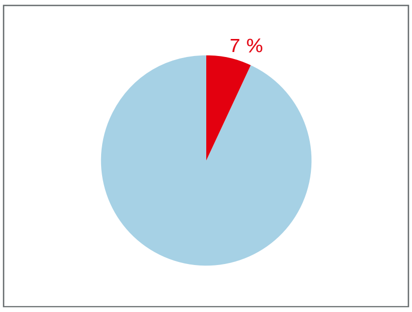
Despite originally positive forecasts for 2011, the construction output continued to decline with a minus of 10.8 %. Supported by the positive development of residential construction in the future, Euroconstruct expects renewed growth of construction output in 2013.

With a decline of 9.7 %, the Hungarian building construction sector continued to suffer under the low level of foreign investments in 2011. Real estate projects were not continued, and corporate bonds have seen a dramatic decline since mid-2008. Local governments stopped public-sector projects. Low growth will not be possible until 2014 due to the availability of EU financing.

With a minus of 11.7 %, civil engineering shrank even more strongly than the year before. Given the budget restrictions, the start of civil engineering projects remains uncertain due to the lack of financing plans. The future development thus depends strongly on the federal infrastructure plan. The experts at Euroconstruct do not expect a return to moderate growth until 2014.

With an output volume of € 436.08 million in 2011, STRABAG is the leading provider on the Hungarian construction market. The share of the overall market reached 6.4 %, in road construction STRABAG even generated 15.4 % of the total construction output. The Transportation Infrastructures segment accounted for the greatest proportion of the output at 56 %. The Building Construction & Civil Engineering segment and the Special Divisions & Concessions segments generated about 36 % and 8 % of the output, respectively.

REST OF WESTERN AND NORTHERN EUROPE



SCANDINAVIA

Scandinavia's economic output exhibited enormous differences from country to country in 2011. With GDP growth of 4.3 %, Sweden had the strongest growth rate by far, while Norway and Denmark remained significantly below this level with 1.6 % and 0.5 %, respectively. The economic output should slowly increase in 2012. The construction output, on the other hand, grew more or less evenly in all markets with an average of 4.4 %. While building construction grew the strongest in Sweden, residential construction achieved the highest increases in the other countries. In 2012, the construction output should grow even more strongly in Denmark and Norway.

STRABAG's output in Scandinavia reached € 512.41 million in 2011. The Transportation Infrastructures segment made the strongest contribution at 87 %. Infrastructure projects are among the main activities. For organisational reasons, however, projects in Scandinavia – regardless of their nature – are assigned to the Transportation Infrastructures segment.

BENELUX

The Benelux countries are continuing to register positive growth rates. The GDP in Belgium grew by 2.4 % last year, while GDP growth in the Netherlands reached 1.5 %. Against the background of Europe-wide austerity plans, however, Euroconstruct also expects to see a significant slowdown of economic growth in the Benelux countries in 2012.

Significantly more positive than the overall economy was the growth of the construction output in Belgium and the Netherlands with an average plus of 3.8 %. While all sectors of the construction industry gained evenly in the Netherlands, growth in Belgium was mainly supported by civil engineering. Euroconstruct expects the construction output to continue to grow more strongly than the economic output in the years to come.

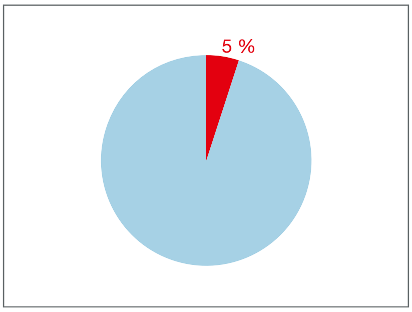
STRABAG achieved an output of € 359.95 million in the Benelux countries in 2011. The company is most strongly represented in Benelux in the Building Construction & Civil Engineering segment.

ITALY

The Italian economy currently is in a difficult crisis marked by a high level of debt, an enormous insolvency risk and financial turbulence. Against this background, the GDP achieved only slight growth of 0.6 % in 2011. The economic output is expected to stagnate in the years to come.

The construction output also continued its negative trend, shrinking by a further 3.1 % in 2011. In all, the market as a whole has lost about 20 % since 2006, with declines in new construction reaching as much as 40 %. Civil engineering has lost about one third of its volume since 2005. Given the continuation of the debt crisis, Euroconstruct does not expect slight growth until the year 2013.

STRABAG's output in Italy amounted to € 186.45 million in 2011. In Italy, STRABAG is mainly active in the Special Divisions & Concessions segment, which contributed 95 % to the overall group output in this market. For this reason, all other projects in Italy are also recorded in the Special Divisions & Concessions segment.

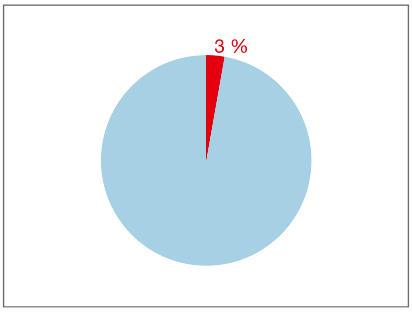


MIDDLE EAST, AFRICA, AMERICAS, ASIA – REST OF WORLD

In addition to its main markets in Europe, the STRABAG Group is also active in individual non-European regions in Asia, Canada, Africa and the Middle East. STRABAG increased its presence in the non-European markets in order to become more independent from the economic conditions among the previous growth markets. In all, the group generated € 737.66 million in these regions in 2011, which corresponds to 5 % of the overall group output volume.

In the non-European markets, STRABAG is usually active as a general contractor through direct export. The focus in these regions is on civil engineering, industrial and infrastructure projects and tunnelling – areas in which high technological expertise is required.

The most important projects include the construction of the Rohtang Pass highway tunnel at 3,980 m above sea level in the western Himalaya region in India as well as the upgrade of roads and infrastructure within the Duqm port facility in Oman. STRABAG's activities in non-European countries in all areas of business are mostly included – with a few small exceptions – in the Special Divisions & Concessions segment.



REST OF CEE: BULGARIA, CROATIA, ROMANIA, SERBIA, SLOVENIA

ROMANIA

After two years of recession, the economic output in Romania grew by 1.5 % in 2011. The country's growth should become increasingly dynamic in the years to come.

Despite the positive economic output, Romania's overall construction output fell by a further 1.6 % in 2011. While the sector's residential construction and civil engineering shrank by 5.5 % and 1.1 %, respectively, building construction recovered and grew by 1.4 % – a trend that is expected to continue in the coming years. Against the background of extensive efforts to secure sources of financing for the still underdeveloped transport sector, Euroconstruct expects to see a continuous recovery of growth rates in civil engineering as well.

STRABAG took third place on the Romanian construction market in 2011, with construction output of € 205.87 million. At 54 %, the Transportation Infrastructures segment contributed the highest proportion to the group output volume in Romania.

CROATIA

While the other countries in the region have already recovered from the financial crisis, Croatia continues to register weak economic output. After two negative years, GDP growth of 1.3 % is expected for 2011, although this value is significantly below the comparison values for other countries in the region. For the coming years, Euroconstruct continues to expect only moderate growth in Croatia.

As the Croatian construction sector is recovering even more slowly than the economy as a whole, the construction output registered a minus of 11.3 % in 2011. Financing problems for ongoing and future projects led to many construction projects being suspended or postponed. Especially affected was the residential construction sector; building construction began to show more dynamism in 2011 due to the activities in the tourism sector.

Despite extensive financing options for civil engineering projects, this sector continues to suffer from the economic and financial crisis, registering a minus of 14.6 % in 2011. A slight recovery and the first positive growth rates are not expected until 2013. Especially the railway sector is expected to function as a growth driver due to its great importance for the country's infrastructure.

In 2011, STRABAG achieved an output volume of € 106.35 million in Croatia. The highest proportion was generated in the Transportation Infrastructures segment, with 52 %, followed by Building Construction & Civil Engineering with 44 %.

SERBIA

With an economic growth of 2.2 % last year, Serbia is in a transitional phase to a sustained economic upturn. The country's extensive structural reforms and its favourable geographic location give the Serbian market a high degree of growth potential.

Thanks to the financing of construction projects by the IMF and the EBRD, the construction output in Serbia grew by 12.3 % in 2011. This strong growth benefited all sectors of the construction industry. While building construction returned to growth of 3.1 % in 2011 after two negative years, gains in residential construction even reached 7.9 % in response to extensive state measures. Due to an enormous amount of investment in the country's infrastructure, civil engineering registered the strongest growth (18.8 %) in the period under report. Due to further financing promises from the IMF and the EBRD for 2012, Euroconstruct expects Serbia's overall construction output to grow by 12.1 %. The following years, however, will again be characterised by strong uncertainties.

STRABAG's output volume in Serbia reached € 87.29 million in 2011. With 55 %, the Transportation Infrastructures segment contributed the greatest amount.

SLOVENIA

Slovenia traditionally is one of the fastest growing markets in the Central and Eastern European region. Recently, however, the Slovenian economy has suffered from the turbulence on the international financial markets, with GDP growth of just 1.5 % in 2011. But Euroconstruct expects more significant growth of economic output in the years to come.

In 2009, the combination of weak domestic demand and the general economic crisis had led to a drastic setback of the construction economy and a reduction of production capacities, all of which continues to prevent a return to pre-crisis levels. The Slovenian construction output in 2011 shrank by another 23.8 % in 2011. The completion of the Slovenian motorway also resulted in lower infrastructure spending.

In 2011, STRABAG achieved an output volume of € 48.52 million in Slovenia. With 56 %, the company generated the highest percentage in the Building Construction & Civil Engineering segment.

BULGARIA

With growth of 2.3 %, the Bulgarian economy remained slightly below the expectation of the experts in 2011. Growth was mainly supported by exports, while private consumption was below the level of the previous year. Economic growth should pick up significantly in the years to come, however.

The positive economic development is only slowly being reflected in the construction economy. After three negative years in a row, the construction output will return to growth in 2012. Residential construction and building construction will continue to shrink in the years to come, but civil engineering should compensate these declines through its strong reliance on EU financing. The focus will continue to be on upgrading and modernising the transport infrastructure, although subsidies will also lead to an increased realisation of environmental projects.

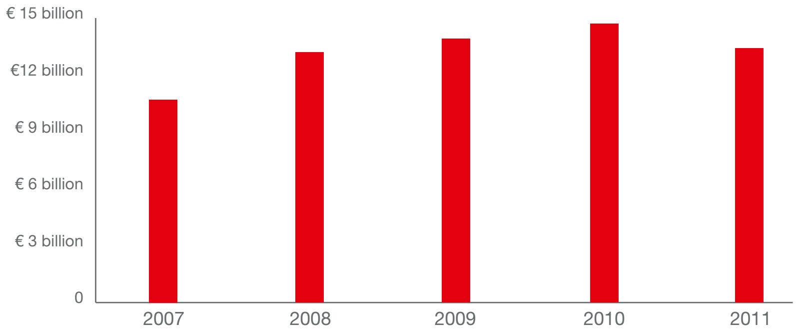
STRABAG generated € 18.40 million on the Bulgarian market in 2011. With 52 %, the Building Construction & Civil Engineering segment contributed the highest percentage to STRABAG's total output volume in Bulgaria.

ORDER BACKLOG

ORDER BACKLOG OF STRABAG SE BY SEGMENT 2010–2011

31.12. € MLN.	TOTAL (INCL. OTHER) 2011	BUILDING CONSTRUCTION & CIVIL ENGINEERING	TRANSPORTATION INFRASTRUCTURES	SPECIAL DIVISIONS & CONCESSIONS	TOTAL (INCL. OTHER) 2010	CHANGE GROUP %	CHANGE GROUP ABSOLUTE
Germany	3,909	1,928	1,156	815	3,795	3 %	114
Austria	1,633	826	271	533	1,634	0 %	-1
Russia and neighbouring countries	1,121	1,051	64	6	1,419	-21 %	-298
Poland	932	291	599	42	2,338	-60 %	-1,406
Middle East	746	50	1	695	499	49 %	247
Benelux	724	385	78	261	778	-7 %	-54
Scandinavia	668	41	626	1	568	18 %	100
The Americas	601	229	28	344	377	59 %	224
Romania	573	208	344	21	301	90 %	272
Italy	435	11	0	424	450	-3 %	-15
Czech Republic	408	63	334	11	597	-32 %	-189
Switzerland	330	231	15	84	355	-7 %	-25
Slovakia	328	187	134	6	428	-23 %	-100
Hungary	272	76	158	38	263	3 %	9
Asia	189	10	3	176	185	2 %	4
Africa	145	10	0	135	435	-67 %	-290
Croatia	140	98	41	1	155	-10 %	-15
Rest of Europe	92	41	50	1	27	241 %	65
Slovenia	61	50	8	3	44	39 %	17
Serbia	30	4	26	0	74	-59 %	-44
Bulgaria	17	10	7	0	17	0 %	0
Order backlog total	**13,354**	**5,800**	**3,943**	**3,597**	**14,739**	**-9 %**	**-1,385**
thereof CEE[1]	3,882	2,038	1,715	128	5,636	-31 %	-1,754
Segment contribution to group order backlog		43 %	30 %	27 %			

DEVELOPMENT OF ORDER BACKLOG 2007–2011



CONSTRUCTION SITES INCLUDED IN THE ORDER BACKLOG ON 31 DECEMBER 2011

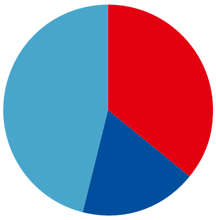
Categories of order size
small: € 0 million to € 15 million
medium: € 15 million to € 50 million
large: over € 50 million

CATEGORY	NUMBER OF CONSTRUCTION SITES	ORDER BACKLOG T€
Small orders	17,467	4,771
Medium-sized orders	195	2,361
Large orders	98	6,223
Total	**17,760**	**13,354**

1) Central and Eastern Europe comprises the following countries: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia, Serbia, Slovakia, Slovenia.

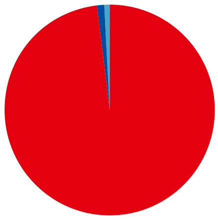
The order backlog stood at € 13.4 billion, 9 % below the level at the end of 2010. For the most part, this is due to the development in Poland as the preparations for the 2012 European Football Championship had triggered large infrastructure investments from the public sector. As market leader, STRABAG was awarded several of the resulting contracts and worked these off in the 2011 financial year. This transformed an order backlog of about € 1.4 billion into output, so that the order backlog in Poland alone sank from € 2.3 billion to around € 900 million. Also, we are no longer reporting the projects in Libya in the order books due to the political situation in the country since the beginning of 2011.

Order backlog on 31 December 2011 by order size



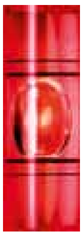
Small projects	36 %
Medium-sized projects	18 %
Large projects	46 %

Number of projects in process on 31 December 2011 by order size



Small projects	98.4 %
Medium-sized projects	1.1 %
Large projects	0.5 %

The overall order backlog is comprised of 17,760 individual projects. Of this amount, nearly 17,500 are small projects with a volume of up to € 15 million each. They account for 36 % of the order backlog; a further 18 % are medium-sized projects with order volumes between € 15 million and € 50 million; 46 % are large projects of € 50 million or more. The high number of individual contracts guarantees that the risk involved with one project does not threaten the group success as a whole. The ten largest projects in the order backlog on 31 December 2011 added up to 19 % of the order backlog, compared to 24 % at the end of 2010.



THE TEN LARGEST PROJECTS IN THE ORDER BACKLOG

COUNTRY	PROJECT	ORDER VOLUME IN € MLN	AS % OF TOTAL ORDER BACKLOG
Austria	Koralm Tunnel, lot 2	459	3.4 %
Russia	Kautschuk residential complex	416	3.1 %
United Arab Emirates	STEP wastewater systems	300	2.2 %
Russia	Olympic Village	246	1.8 %
Netherlands	A-Lanes A15 motorway	245	1.8 %
Canada	Wastewater tunnel, Greater Toronto Area	208	1.6 %
Italy	Val di Chienti	205	1.5 %
Chile	Candelaria Mine 2011	184	1.4 %
Germany	TaunusTurm Frankfurt am Main	166	1.2 %
Oman	Duqm port facility	159	1.2 %
Total		**2,588**	**19.2 %**

IMPACT OF CHANGES TO THE SCOPE OF CONSOLIDATION

In the 2011 financial year, 47 companies (thereof 14 mergers with fully consolidated companies) were included in the scope of consolidation for the first time. These companies contributed a total of € 503.45 million to the consolidated revenue and € -22.34 million to the net income after minorities. As a result of first-time inclusions, current and non-current assets increased by € 325.42 million, current and non-current liabilities by € 190.65 million.

FINANCIAL PERFORMANCE

STRABAG SE generated an output volume of € 14.3 billion in the 2011 financial year. The company had expected an increase from € 12.8 billion to € 14.0 billion and surpassed its own forecast with an actual plus of 12 %. The growth is due to the strong demand in the German building construction and civil engineering segment, the booming Polish construction sector above all in the field of transportation infrastructures and the expansion in northern Europe. Additionally, STRABAG acquired two construction SMEs in Switzerland in the first quarter of 2011, which had a positive effect on the development of the output volume.

The consolidated group revenue for the 2011 financial year stood at € 13,713.80 million, which – similar to the development of the output volume – corresponds to an increase of 11 %. As in previous years, the ratio of revenue to construction output volume remained very high at 96 % (2010: 97 %). The Building Construction & Civil Engineering segment contributed 36 %, Transportation Infrastructures 45 % and Special Divisions & Concessions 18 % to the revenue. In comparison to the previous year, this represents a slight shift in favour of Building Construction & Civil Engineering.

The changes in inventories were significantly higher due to the intensification of the business with group-developed real estate projects, while the amount of own work capitalised dropped by about half following completion of construction of the proprietary cement factory in Hungary.

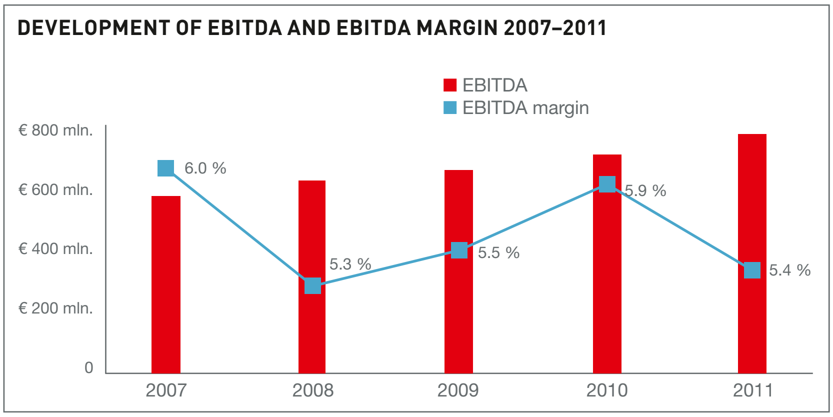
With the higher revenue, the raw materials, consumables and services used, as well as the employee benefits expense, grew by 13 % to € 9,320.12 million and by 7 % to € 3,004.46 million, respectively. The ratio of these two items versus revenue grew slightly as a result from 89 % in 2010 to 90 % in 2011.

The other operating expenses fell slightly by 2 %, but remained above the € 1 billion mark. At the same time, the other operating income fell by 3 %, due in part to the reduced sales of property, plant and equipment. This item also includes income from the fully consolidated concession companies.

	2011 € MLN.	2010 € MLN.	CHANGE %
Raw materials, consumables and services used	9,320	8,218	13 %
Employee benefits expense	3,004	2,801	7 %
Other operating expenses	1,014	1,030	-2 %
Depreciation and amortisation	412	436	-6 %

At € -34.54 million, the share of profit or loss of associates turned from positive back into negative territory in the 2011 financial year – the previous year's figure had contained a measurement made directly in profit or loss in the amount of € 24.60 million following the increase in interest in railway construction subsidiary Viamont DSP a.s. The negative share of profit or loss of associates in the 2011 financial year is largely due to an extraordinary write-down in the mid-double-digit millions related to an interest in cement activities.

The net income from investments, at € 3.59 million, was significantly lower than the year before and is made up of dividend payments and expenses, respectively, from many smaller companies as well as financial investments. Given the combination of higher revenue and higher costs, it follows that the earnings before interest, taxes, depreciation and amortisation (EBITDA) grew by 2 % to € 746.33 million resulting in a decrease of the EBITDA margin from 5.9 % to 5.4 %.



The depreciation and amortisation fell by 6 % to € 411.55 million. The previous year's € 435.74 million still included a one-time impairment of goodwill in the amount of € 14.00 million related to the transaction with Viamont DSP a.s. as well as various other goodwill impairments totalling around € 36 million. The latter fell to about € 16 million in 2011.

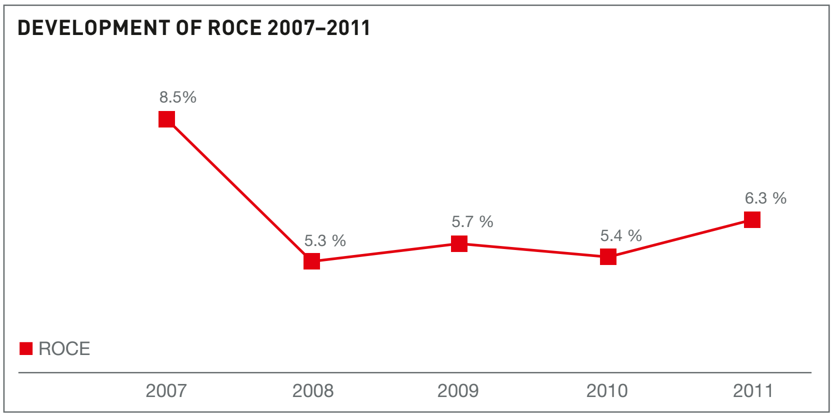
Although the Viamont transaction had a positive effect of € 10.60 million in the earnings before interest and taxes (EBIT) in the year before, this figure registered a plus of 12 % to € 334.78 million in the 2011 financial year. This resulted in an unchanged EBIT margin of 2.4 %. Due to positive exchange rate differences in the amount of € 37.27 million, the net interest income improved despite the higher interest expense from € -19.68 million to € 8.54 million. The previous year's net interest income had included € 6.4 million in exchange rate losses.

As a result, the profit before tax grew by 23 % to € 343.33 million. STRABAG considers an average tax rate of 30 % to be realistic. The actual rate of 30.3 % in 2011 confirmed this expectation. This led to a net income of € 239.29 million and a plus of 27 % over the previous year.

The earnings owed to the other shareholders (minority interest) climbed from € 13.52 million to € 44.30 million in the year under report. This is due in part to the fact that the losses from the activities in Libya in the previous year had been partially borne by minority shareholders. The net income after minorities for 2011 therefore stood at € 194.99 million, 12 % above the level from the year before. The number of weighted outstanding shares fell from 114,000,000 to 111,424,186 as a result of the buyback of own shares, so that the earnings per share grew by 14 % to € 1.75.

EARNINGS PER SHARE € 1.75

The return on capital employed (ROCE) was calculated at 6.3 %, its highest value since 2007 (2010: 5.4 %).



FINANCIAL POSITION AND CASH-FLOWS

	2011 € MLN.	% OF BALANCE SHEET TOTAL	2010 € MLN.	% OF BALANCE SHEET TOTAL
Non-current assets	4,534	44 %	4,345	42 %
Current assets	5,852	56 %	6,037	58 %
Equity	3,150	30 %	3,232	31 %
Non-current debt	2,359	23 %	2,363	23 %
Current debt	4,877	47 %	4,786	46 %
Balance sheet total	**10,386**	**100 %**	**10,382**	**100 %**

STRABAG SE's balance sheet total remained more or less unchanged at € 10.4 billion, due in large part to the reclassification of the proprietary cement plant in Hungary, completed in 2011, from "assets held for sale" to "investments in associates" as the plant was merged into a joint venture with Lafarge of which STRABAG SE holds 30 %. This led to an increase in non-current assets to the detriment of current assets.

The inventories grew in view of new proprietary project developments. The current receivables from concession arrangements also grew significantly: these include a public-private partnership project in Denmark for which the services were pre-financed, which also found expression in the higher current financial liabilities. Overall, however, the current assets fell not least because of the reduced cash and cash equivalents owing to the share buyback programme.

	2011	2010
Equity ratio %	30.3 %	31.1 %
Net debt € mln.	-268	-669
Gearing ratio %	-8.5 %	-20.7 %
Capital employed € mln.	5,336	5,236

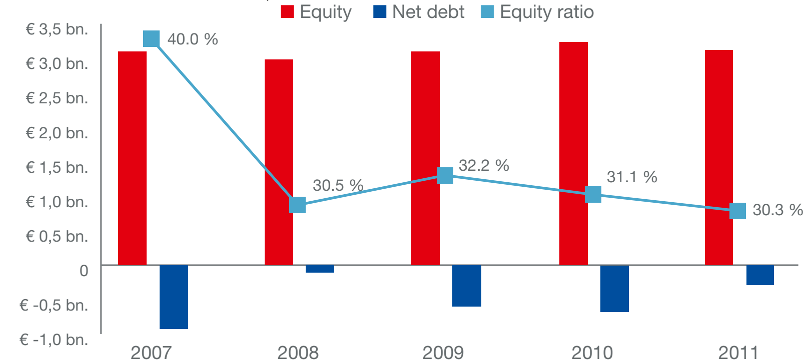
The equity ratio fell slightly from 31.1 % to 30.3 % as a result of the share buyback programme, which led to reduced retained earnings in the same amount as the costs of acquisition of the own shares. The management board considers an equity ratio between 20 % and 25 % to be a realistic target in the medium-term.

As in the years before, STRABAG ended the year with a net cash position. This was counter to expectations. Reaching € 267.81 million, however, this figure was down 60 % in a year-on-year comparison. The net cash position does not include € 754.18 million in non-recourse financial liabilities related to the AKA and Kliplev Motorway Denmark concession companies. The interest expense of these non-recourse finance liabilities, as well as the interest income from receivables from concession arrangements, is presented in other operating income.

CALCULATION OF NET DEBT (€ MLN.)

	2011	2010
Financial liabilities	1,732	1,559
Severance provisions	70	69
Pension provisions	384	375
Non-recourse debt	-754	-720
Cash and cash equivalents	-1,700	-1,952
Net debt	**-268**	**-669**

DEVELOPMENT OF EQUITY, NET DEBT AND EQUITY RATIO 2007–2011



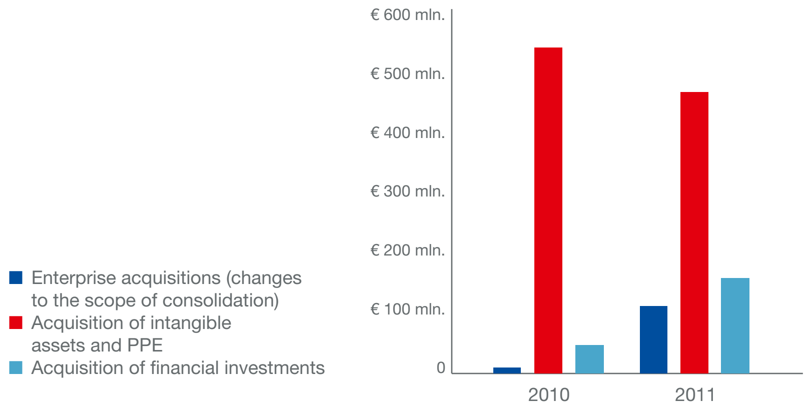
The cash-flow from operating activities fell in the past financial year by 27 % to € 501.15 million despite a simultaneous 35 % increase of the cash-flow from profits. In addition to the reduction of prepayments in Poland, this is due to the expansion of the business – as evidenced by the higher revenue – which, as expected, was manifested in a build-up of working capital.

The cash-flow from investing activities increased by 18 % to € -616.07 million. The company spent around 14 % less on the purchase of property, plant and equipment and intangible assets than the year before. However, this item includes several acquisitions of construction and raw material SMEs in Switzerland and Germany recorded under “changes in consolidation” as well as the co-payment of € 77.5 million for a stake in the joint venture with Lafarge in “purchase of financial assets”.

The cash-flow from financing activities stood at € -81.71 million after € -20.00 million the year before. On the one hand, STRABAG issued a € 175 million bond in 2011 (while paying back a € 75 million bond), compared to a positive net effect of just € 25.00 million from the bond programme in 2010. On the other hand, the acquisition of own shares cost the company € 185.23 million by the end of the year.

CAPITAL EXPENDITURES

COMPOSITION OF CAPEX



STRABAG had forecast capital expenditures (CAPEX) in the amount of approximately € 580 million for the 2011 financial year. In the end, the gross capital expenditures totalled € 752.24 million. This figure includes expenditures on intangible assets and on property, plant and equipment, the purchase of financial assets – such as the investment in the joint cement venture with Lafarge – and enterprise acquisitions (changes to the scope of consolidation, e.g. the acquisitions of Brunner Erben Holding AG and Astrada AG, Switzerland, as well as of Gaul GmbH & Co. KG, Germany). As a result, the capital expenditures far exceeded the budget – despite the savings in expenditures on intangible assets and on property, plant and equipment.

These fell by 14 % to € 477.15 million. About € 200 million is spent annually as maintenance expenditures related to the equipment fleet in order to prevent inventory obsolescence. The high proportion of expansion expenditures is due to STRABAG’s focus of its capital expenditures: in the 2011 financial year, the focus was especially on the niche business fields and on the large Koralm Tunnel project in Styria, Austria. The significant increase in demand in Poland and in Germany led to the purchase of equipment in these countries being registered to a large degree as expansion expenditures.

Expenditures on intangible assets and on property, plant and equipment during the year under report must be seen against amortisation on intangible assets and depreciation on property, plant and equipment in the amount of € 411.55 million. This figure, however, also includes goodwill impairment in the amount of € 16.15 million.

FINANCING/TREASURY

The number one objective for the treasury management of STRABAG SE is assuring the continued existence of the company through the maintenance of constant solvency. This objective is to be reached through the provision of sufficient short-term, medium-term and long-term liquidity.

Liquidity for STRABAG SE means not only solvency in the strict sense but also the availability of guarantees. The building activity requires the constant availability of bid, contract fulfilment, pre-payment and warranty guarantees and/or sureties. The financial scope of action is thus defined on the one hand by sufficient cash and cash credit lines, on the other hand by sufficient surety credit lines.

The management of liquidity risks has become a central element of the corporate management at STRABAG. In practice, liquidity risks come in various forms:

- In the short-term, all daily payment obligations must be covered in time and/or in their entirety.
- In the medium-term, liquidity levels must be sufficient so that no transaction (e.g. acquisitions, expenditures) or projects become impossible due to a lack of sufficient financial means or guarantees or that they cannot be executed at the desired pace.
- In the long-term, there should be sufficient financial means available to be able to pursue the strategic development targets.

In the past, STRABAG has always oriented its financing decisions according to the risk aspects outlined above and has organised the maturity structure of the financial liabilities in such a way as to avoid a refinancing risk. In this way, the company has been able to maintain a great scope for action, which is of particular importance in a difficult market environment.

The necessary liquidity is determined by liquidity planning. Based on this, liquidity assurance measures are made and a liquidity reserve is defined for the entire group.

STRABAG SE has a total credit line for cash and surety loans in the amount of € 6.2 billion. The credit lines include a syndicated surety credit line in the amount of € 2.0 billion with a maturity until 2015. A high degree of diversification creates an adequate risk spread in the provision of the credit lines.

The medium- and long-term liquidity needs have so far also been covered by the issue of corporate bonds. STRABAG SE has regularly issued bonds on the Austrian market since 2004. Due to the market conditions, STRABAG opted against issuing a new bond in the 2009 financial year. In the 2011 financial year, STRABAG successfully issued a € 175 million tranche and, due to the favourable market environment, for the first time chose a term to maturity of seven instead of five years. The proceeds from the issue were used for general business purposes and to pay back a bond which matured in 2011. At present, this leaves four bonds with a total volume of € 425 million on the market.

The existing liquidity of € 1.7 billion and cash credit lines of € 0.4 billion assure the group's liquidity needs. Nevertheless, further bond issues are planned, depending on the market situation, in order to maintain a high level of liquidity reserves in the future as well.

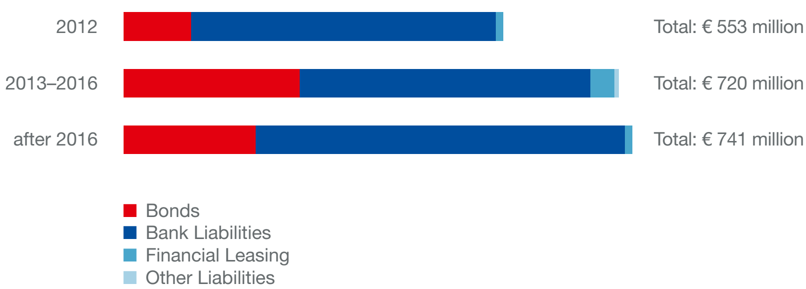
In December 2011, S&P again confirmed its BBB- rating and stable outlook as STRABAG SE benefits from its solid capital structure and strong liquidity situation, its good access to raw materials and its leading market position in the otherwise cyclical, highly competitive and low-margin construction sector.

	2011	2010	2009	2008
Interest and other income (€ million)	112	79	78	90
Interest and other expense (€ million)	-104	-98	-98	-131
EBIT/net interest income	39.2x	-15.2x	-14.2x	-6.7x

PAYMENT OBLIGATIONS

	BOOK VALUE 31 DECEMBER 2011 € MLN.
Bonds	445
Bank Liabilities	1,236
Financial Leasing	47
Other Liabilities	5
Total	**1,732**

PAYMENTS INCL. INTEREST



SBB BRIDGES, ZURICH CROSS-CITY LINK OERLIKON–ALTSTETTEN, ZURICH, SWITZERLAND

SEGMENT REPORT

OVERVIEW OF THE SEGMENTS OF STRABAG SE

The operating business of STRABAG SE is divided into three segments: Building Construction & Civil Engineering, Transportation Infrastructures and Special Divisions & Concessions. A further segment defined as “Other” encompasses expenditures, income and employees at the group’s service companies and staff units.

Construction projects are assigned to one of the segments (see chart below). Certainly, projects may also be assigned to more than one segment. This is the case, for example, with PPP projects in which the construction part is assigned to its respective segment, but the concession part is assigned to the concessions unit of Special Divisions & Concessions. In projects which span more than one segment, the commercial and technical responsibility is generally assigned to that segment which has the higher share of the overall project value.

BUILDING CONSTRUCTION & CIVIL ENGINEERING

- Housing
- Commercial and Industrial Facilities
- Public Buildings
- Production of Prefabricated Elements
- Civil Engineering
- Bridges
- Power Plants
- Environmental Engineering
- Railway Structures

TRANSPORTATION INFRASTRUCTURES

- Roads, Earthworks
- Hydraulic Engineering, Waterways, Dyking
- Landscape Architecture and Development
- Paving
- Large-Area Works
- Sports and Recreational Facilities
- Protective Structures
- Sewer Systems
- Production of Construction Material
- Bridges
- Railway Structures
- Specialty Foundation Engineering
- Offshore Wind

SPECIAL DIVISIONS & CONCESSIONS

- Tunnelling
- Real Estate Development
- Infrastructure Development
- Operation/Maintenance/ Marketing of PPP Projects
- Property und Facility Management
- International Business, across various business units

VIENNA CENTRAL STATION, AUSTRIA

BUILDING CONSTRUCTION & CIVIL ENGINEERING

The building construction half of the Building Construction & Civil Engineering segment includes the construction of commercial and industrial properties, airports, hotels, hospitals, office and administration buildings, residential real estate and the production of prefabricated elements. The field of civil engineering comprises complex infrastructure solutions, power plant construction, large-scale bridge building and environmental technology projects.

	2011 € MLN.	CHANGE 2010–2011 %	2010 € MLN.	CHANGE 2009–2010 %	2009 € MLN.
Output volume	5,142	20 %	4,279	-3 %	4,427
Revenue	4,968	25 %	3,976	-2 %	4,059
Order backlog	5,800	2 %	5,660	1 %	5,602
EBIT	179	16 %	154	24 %	124
EBIT margin as a % of revenue	3.6 %		3.9 %		3.1 %
Employees	20,276	11 %	18,253	-7 %	19,562

OUTPUT VOLUME BUILDING CONSTRUCTION & CIVIL ENGINEERING 2010–2011

€ MLN.	OUTPUT VOLUME TOTAL 2011	OUTPUT VOLUME TOTAL 2010	CHANGE %	CHANGE ABSOLUTE
Germany	1,869	1,548	21 %	321
Austria	981	967	1 %	14
Switzerland	438	164	167 %	274
Russia and neighbouring countries	417	318	31 %	99
Poland	266	174	53 %	92
Benelux	263	228	15 %	35
Slovakia	248	235	6 %	13
Hungary	155	230	-33 %	-75
Czech Republic	120	110	9 %	10
The Americas	95	91	4 %	4
Romania	82	52	58 %	30
Croatia	47	36	31 %	11
Scandinavia	42	12	250 %	30
Serbia	38	15	153 %	23
Slovenia	27	26	4 %	1
Rest of Europe	25	39	-36 %	-14
Asia	11	7	57 %	4
Bulgaria	10	18	-44 %	-8
Italy	4	5	-20 %	-1
Africa	3	2	50 %	1
Middle East	1	2	-50 %	-1
Output volume total	**5,142**	**4,279**	**20 %**	**863**
thereof CEE[1]	1,410	1,214	16 %	196

OUTPUT VOLUME, REVENUE AND RESULT

The output volume generated in the Building Construction & Civil Engineering segment in the 2011 financial year increased by 20 % to € 5,142.16 million. As a result, STRABAG clearly exceeded its own forecast. It must be mentioned, however, that unfavourable weather conditions in the spring of the previous year had led to an unusually reduced output volume in 2010. Especially worth noting is the growth in the home market of Germany and in the RANC region (Russia and neighbouring countries). Higher output volume was registered in Switzerland due to the acquisitions of two construction SMEs, Brunner Erben Holding AG and Astrada AG, in the first quarter of 2011. A declining trend was seen only in Hungary.

The revenue grew in tandem with the output volume at a double-digit percentage rate to € 4,968.21 million. The earnings before interest and taxes (EBIT) increased by 16 % to € 179.09 million in large part due to the good business in the German market.

1) Central and Eastern Europe comprises the following countries: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia, Serbia, Slovakia, Slovenia.

ORDER BACKLOG

The order backlog grew slightly by 2 % to € 5,800.06 million. This figure is influenced by the development in four markets in particular. On the one hand, there is the satisfactory high demand for building construction in Germany and Romania. Companies of the STRABAG Group were commissioned for the construction of the TaunusTurm and the Poseidon House office complex in Frankfurt, Germany, and of the Promenada Mall shopping centre and Sky Tower of the Floreasca City Center in Bucharest, Romania – the last two for project developer Raiffeisen evolution. On the other hand, several large projects were completed in Poland and in the RANC region. In these markets, follow-up contracts of the same order and magnitude were not generated in the year under report.

EMPLOYEES

The workforce grew by more than 2,000 persons, or 11 %, to 20,276 employees. The number includes the growth resulting from the Swiss acquisitions, which contributed over 1,100 employees to the overall personnel figures. While the output situation in Germany required an expansion of the workforce there, human resources were reduced as planned in the weak markets of the Czech Republic and Slovakia.

OUTLOOK

Given the positive order situation in Germany and Austria, STRABAG expects further significant output growth in the Building Construction & Civil Engineering segment from about € 5.1 billion in 2011 to € 5.5 billion in 2012. This forecast is supported by the high order backlog in the home markets and several promising tenders in northern Europe. Further contributions to the output volume will come from the group's entrance into the timber engineering business with the acquisition of Paul Stephan GmbH & Co. KG, Germany, the strengthening of the steel construction business with the acquisition of NE Sander Group, Germany, and the acquisition of Wolfer & Goebel Bau GmbH, Germany.

STRABAG expects the development of results in the segment to remain steady. Stabilising factors are the combination of high demand with stable material and subcontractor prices in Germany as well as a slight yet noticeable improvement of the climate in the Czech Republic. The price pressure in Switzerland remains high and the Hungarian construction sector weak, despite expectations of stimulus measures – in particular from environmental protection projects. The field of environmental technology also holds the promise of opportunities in Romania. In Poland, STRABAG expects a significantly lower output volume due to the completion of large projects from 2012. Given the situation in Moscow, building construction in Russia remains also restrained. The market for infrastructure projects, by comparison, is showing very dynamic development due to the expectation of impulses from the 2018 FIFA World Cup. STRABAG is also working the Russian neighbouring states – Azerbaijan and since recently also Kazakhstan and again Ukraine. For this reason, it should be possible to increase the output in the RANC region in 2012 from about € 490 million to € 650 million despite the reserved demand in Moscow.

SELECTED PROJECTS IN THE BUILDING CONSTRUCTION & CIVIL ENGINEERING SEGMENT

COUNTRY	PROJECT	ORDER VOLUME € MLN.	PERCENTAGE OF TOTAL GROUP ORDER BACKLOG %
Russia	Kautschuk residential complex	416	3.1 %
Russia	Olympic Village	246	1.8 %
Germany	TaunusTurm Frankfurt/Main	166	1.2 %
Netherlands	Vertical City Rotterdam	106	0.8 %
Poland	Galeria Katowicka	76	0.6 %
Romania	Promenada Mall	73	0.5 %

"ENCOURAGE SUSTAINABILITY"

The output generated in your segment in 2011 increased by 20 %. What is your evaluation of the past year?

We were still able to make a noteworthy contribution to net income in 2011. Given the macroeconomic environment that we are faced with, I consider this to be a satisfactory outcome.

THOMAS BIRTEL
MEMBER OF THE MANAGEMENT BOARD, STRABAG SE, BUILDING CONSTRUCTION & CIVIL ENGINEERING

How strongly does the declining public expenditure affect the Building Construction & Civil Engineering segment?

While our clients in building construction are above all private investors, in civil engineering they are mainly public sector institutions. Of course, we are noticing a certain level of restraint in those places where the public sector is our client – particularly in Hungary, the Czech Republic and Slovakia. Still, there are markets in which the situation remains positive. As an exam-ple, I would like to mention the greater Vienna area; or parts of Germany, in particular the much-debated Stuttgart 21 project. These two examples show that despite the austerity measures there still are some noteworthy investment projects in the field of civil engineering.

The order situation in building construction is shaped by private investors. On the lookout for a worthwhile investment in the current situation, these investors often take refuge in "concrete gold". This is another reason why the building construction market in Germany has been at its most expansive in a long time. But in our segment, too, there are regional markets which are currently devastated. Here I would like to again mention Hungary, where due to the political environment the private investors are also not being very active.

Where do you see opportunities in the construction sector in the medium-term?

Sustainability is a very big topic, and it is becoming clear that BlueBuilding or GreenBuilding certification will have an enormously growing importance in the future. The market will orient itself even more strongly toward attaining international certifications for buildings which document their sustainability. In this movement, we are a pioneer. Our central technical division Zentrale Technik has been driving this trend for years and works together with the relevant certification bodies.

We have been building our own buildings in accordance with these requiremants for years. One example is our subsidiary Ed. Züblin AG's Z-zwo building in Stuttgart, which was awarded silver certification by the German Sustainable Building Council (DGNB). I am convinced that for external clients the issue of sustainability will play an increasingly important role too.

What are your expectations for 2012?

As economist John Maynard Keynes once said: "The future is uncertain." These days, that's especially true. Since the order backlog in Building Construction & Civil Engineering is relatively far-reaching, however, the visibility is greater than in other segments. We believe that we will be able to position ourselves on the market with a thoroughly stable output in the new financial year and that the results won't stand out negatively relative to the previous year. We expect to make another positive, stable contribution to the net income after minorities in 2012.

DE ROTTERDAM HIGH-RISE, NETHERLANDS / © KEES STUIP FOTOGRAFIE


FGHbank
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OVG
ROTTERDAM

TRANSPORTATION INFRASTRUCTURES

The Transportation Infrastructures segment covers asphalt and concrete road construction as well as any remaining construction activities associated with road construction, such as earth-moving, canalisation, railway construction, waterway construction, dyking, paving, the construction of sport and recreational facilities, specialty foundation engineering, safety and protective structures and the building of small bridges. The segment also includes the production of construction materials such as asphalt, concrete and aggregates.

	2011 € MLN.	CHANGE 2010–2011 %	2010 € MLN.	CHANGE 2009–2010 %	2009[1] € MLN.
Output volume	6,701	12 %	5,990	5 %	5,709
Revenue	6,211	6 %	5,837	4 %	5,606
Order backlog	3,943	-19 %	4,892	10 %	4,463
EBIT	61	-66 %	179	25 %	143
EBIT margin as a % of revenue	1.0 %		3.1 %		2.6 %
Employees	31,609	2 %	30,866	3 %	29,920

OUTPUT VOLUME TRANSPORTATION INFRASTRUCTURES 2010–2011

€ MLN.	OUTPUT VOLUME TOTAL 2011	OUTPUT VOLUME TOTAL 2010	CHANGE %	CHANGE ABSOLUTE
Germany	2,667	2,405	11 %	262
Poland	1,360	1,078	26 %	282
Austria	780	749	4 %	31
Czech Republic	625	717	-13 %	-92
Scandinavia	445	214	108 %	231
Hungary	242	270	-10 %	-28
Slovakia	183	183	0 %	0
Romania	112	110	2 %	2
Russia and neighbouring countries	59	20	195 %	39
Croatia	55	53	4 %	2
Serbia	48	29	66 %	19
Switzerland	40	94	-57 %	-54
Benelux	22	14	57 %	8
Rest of Europe	20	15	33 %	5
Slovenia	16	15	7 %	1
Bulgaria	8	7	14 %	1
Asia	8	0	n.a.	8
Italy	6	5	20 %	1
Middle East	4	10	-60 %	-6
The Americas	1	0	n.a.	1
Africa	0	2	-100 %	-2
Output volume total	**6,701**	**5,990**	**12 %**	**711**
thereof CEE[2]	2,708	2,482	9 %	226

OUTPUT VOLUME, REVENUE AND RESULT

The Transportation Infrastructures segment achieved output growth of 12 % to € 6,701.20 million in the 2011 financial year. This can be attributed on the one hand to a milder and shorter winter in 2010/2011 compared to the same period the year before, resulting in a significant increase in the home market of Germany. On the other hand, the construction boom in Poland and the expansion in Scandinavia also had a beneficial effect. In comparison, the business in Hungary and the Czech Republic showed a negative trend.

Despite revenue growth of 6 % to € 6,211.24 million, the earnings before interest and taxes (EBIT), at € 60.52 million, were down significantly relative to the previous year's € 178.89 million. This is due among other things to the price competition in Central and Eastern Europe as a result of the lack of infrastructure investments, which required STRABAG to respond with structural adaptations, as well as to a loss-making project in Denmark. Constant low demand in the construction materials sector has also been a burden.

1) Presentation in accordance with the Annual Report 2010. Changes in segment structure starting from 2011 are not considered.
2) Central and Eastern Europe comprises the following countries: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia, Serbia, Slovakia, Slovenia.

"MAINTAIN SUBSTANCE"

What regional impact is there from the current economic situation and the resulting austerity programmes in the Transportation Infrastructures segment?

FRITZ OBERLERCHNER
MEMBER OF THE MANAGEMENT BOARD, STRABAG SE, TRANSPORTATION INFRASTRUCTURES

The Transportation Infrastructures segment has benefited greatly from the public-sector economic stimulus programmes in recent years. Not only were we able to maintain the output volume; last year, we could even raise it. The announced austerity packages will have a different impact on the construction economy and our business from country to country. Public-sector spending will decline in Germany and Austria and has already fallen to an extremely low level in the Czech Republic, Hungary and the Adriatic region. In contrast, there can be no talk of a construction crisis in Scandinavia. The region has large infrastructure expansion plans, e.g. in the greater Stockholm area. The Swedish state railways are also investing in the expansion and upgrade of their overland routes.

What alternative paths is STRABAG following in order to compensate for the declining public-sector expenditure?

We are focused on the field of road maintenance and repair and on the relevant niche business fields. Also interesting for us are public-private partnership (PPP) projects. The largest contract in the history of the STRABAG Group was a PPP project: a more than 100 km long section of the A2 motorway in Poland which we built over a period of two-and-a-half years and opened for traffic in November 2011. We generated the construction output to a maximum degree with our own resources.

For this reason STRABAG was able to prove its top position in Transportation Infrastructures in Poland in recent years. How will the construction sector in Poland develop in 2012?

The 2012 European Football Championship in Poland and Ukraine unleashed an enormous temporary boom in the construction sector. The interregional road network is being rapidly upgraded with EU co-financing. This boom will end abruptly when the games start in June 2012, and expenditures for transportation projects will settle back to the level before 2010. I expect that construction capacities and construction demand in Poland will again balance out in 2015 at the earliest.

What are your expectations for the future?

We are regionally and professionally well-positioned: in Transportation Infrastructures, we are well-diversified and can increase our focus on the maintenance business if investments in new construction decrease. The substance of the existing transportation infrastructures must be maintained – and we can offer the full range of services here. In the long-term, the investments made in recent years to develop the segment from road construction to transportation infrastructures will pay off. In the short-term, however, it is only natural that the lower use of our existing capacities and of the production companies in the construction materials sector will affect profitability.

ORDER BACKLOG

The order backlog on 31 December 2011 stood at € 3,943.47 million, about one fifth below the level at the end of 2010. The reason for this is the above-average volume of new orders in Poland in the previous year – these could not be repeated despite new projects such as the construction of the A4 motorway between Brzesko and Wierzchoslawice or a section of the S3 expressway – and has now fallen back to a usual level. Additionally, the order backlog in the Czech Republic and Germany is at a low level due to cyclical factors in the construction economy.

In contrast, the order backlog in Scandinavia grew to the second-highest volume in the Transportation Infrastructures segment by region. In Sweden and Finland, the STRABAG Group was awarded three new infrastructure contracts at the middle of the year. The company is also involved in consortiums building road tunnels and quay facilities for the Nordhavn port in Copenhagen, Denmark. Compared to the average transportation infrastructures contract, which lasts only several months, this project involves large long-term orders. Contributing to the unusually high order backlog in Scandinavia is the fact that, in Sweden, STRABAG is also active in building construction (through the acquisition in May 2011 of the construction group NIMAB) and project development (via STRABAG Projektutveckling). Due to organisational reasons these activities are placed in the Transportation Infrastructures segment.

The order backlog also developed satisfactorily in Romania. Here STRABAG emerged as the winning bidder in a number of large projects last year, including the tender for the rehabilitation and upgrade of national roads DN14 and 15a as well as the construction of the A1 motorway section between Deva and Orăştie. The Romanian transport ministry is currently giving priority to the expansion and upgrade of the motorway and rail infrastructure, which will help boost output in 2012.

EMPLOYEES

Due to the high volume of construction activity in Poland, as well as the increased activities in Scandinavia, the number of employees in the Transportation Infrastructures segment rose by 2 % to 31,609. This growth was once more countered by declines in Hungary, the Czech Republic and Switzerland.

OUTLOOK

While double-digit output growth could still be registered in 2011, the Transportation Infrastructures segment faces an inhospitable environment in Europe, which is why STRABAG expects to see a decline in output and a continued weak result in this segment in 2012. Specifically, the company expects the output to fall from € 6.7 billion to € 6.1 billion.

The special challenge in the largely stable home market of Germany in the coming year will be to hold our own in the recruiting of qualified specialists. Their task will be to win and efficiently process contracts from private and institutional clients against the background of growing competitive pressure, falling returns and empty local government coffers.

Beginning with Germany, STRABAG is pursuing the group strategy of intensifying its activities in niche markets. STRABAG SE increased its stake in the German hydraulic engineering company Josef Möbius Bau AG from 70 % to 100 % and acquired Cuxhaven-based civil hydraulic engineering firm Ludwig Voss. The hydraulic engineering specialists are increasingly landing international projects abroad. Not only this niche, but also that of railway construction, offers considerations to invest in large equipment and machinery for use in the numerous markets of STRABAG. Here, the market in Germany remains weak in terms of volume and price quality. Due to the continuing below-capacity use of large equipment and machinery, there is significant room for improvement of results. In order to work efficiently and to achieve an optimal use of capacities, the strategy of internationalisation is being pursued consistently in this field. The aim is to obtain authorisation for the special equipment fleet in several EU member states in 2012.

An aggressive price battle is to be expected in Poland: STRABAG believes that by the year 2014 the market volume in Poland will successively decrease to the original level before the construction boom. This conclusion seems reasonable given the shrinking budgets for large public-sector construction tenders from 2011 to 2012.

No improvement of the situation of the Hungarian construction industry, the low-price market of Bulgaria or the low price level in the Czech Republic and Slovakia, all of which have been mired in crisis since 2007, is expected for now. Weak development is also expected in the construction materials business – above all with regard to cement and asphalt – with higher prices not in sight.

SELECTED PROJECTS IN THE TRANSPORTATION INFRASTRUCTURES SEGMENT

COUNTRY	PROJECT	ORDER VOLUME € MLN.	PERCENTAGE OF TOTAL GROUP ORDER BACKLOG %
Germany	Motorway A8 Ulm–Augsburg	114	0.9 %
Romania	Motorway Orastie–Sibiu	99	0.7 %
Poland	S3 Gorzow–Wielkopolski-Miedzyrzecz	76	0.6 %
Denmark	Nordhavnsvej Copenhagen	72	0.5 %
Czech Republic	D3 Tabor–Veseli	67	0.5 %

PAWING WORKS, KOPPIGEN, SWITZERLAND

PRAGUE RING ROAD, CZECH REPUBLIC

SPECIAL DIVISIONS & CONCESSIONS

The Special Divisions & Concessions segment includes, on the one hand, the field of tunnelling. The concessions business, on the other hand, also represents a further important area of business, with global project development activities in transportation infrastructures in particular. The real estate business, which stretches from project development and planning to construction and operation and also includes the property and facility services business, completes the wide range of services of the segment and of the group. Finally, STRABAG bundles its services in non-European markets in this segment.

	2011 € MLN.	CHANGE 2010–2011 %	2010 € MLN.	CHANGE 2009–2010 %	2009[1] € MLN.
Output volume	2,315	-1 %	2,338	-14 %	2,716
Revenue	2,500	-1 %	2,527	-11 %	2,850
Order backlog	3,597	-14 %	4,162	7 %	3,880
EBIT	109	n.m.	-11	-132 %	34
EBIT margin as a % of revenue	4.4 %		-0.4%		1.2 %
Employees	19,342	1 %	19,060	-8 %	20,678

OUTPUT VOLUME SPECIAL DIVISIONS & CONCESSIONS 2010–2011

€ MLN.	OUTPUT VOLUME TOTAL 2011	OUTPUT VOLUME TOTAL 2010	CHANGE %	CHANGE ABSOLUTE
Germany	1,011	1,034	-2 %	-23
Middle East	304	283	7 %	21
Italy	176	118	49 %	58
Austria	174	156	12 %	18
The Americas	161	155	4 %	6
Switzerland	90	110	-18 %	-20
Asia	90	82	10 %	8
Benelux	75	41	83 %	34
Poland	72	70	3 %	2
Africa	57	132	-57 %	-75
Hungary	34	67	-49 %	-33
Scandinavia	24	22	9 %	2
Czech Republic	15	34	-56 %	-19
Romania	11	2	450 %	9
Slovakia	9	10	-10 %	-1
Slovenia	6	2	200 %	4
Russia and neighbouring countries	4	7	-43 %	-3
Croatia	2	2	0 %	0
Rest of Europe	0	11	-100 %	-11
Output volume total	**2,315**	**2,338**	**-1 %**	**-23**
thereof CEE[2]	153	194	-21 %	-41

OUTPUT VOLUME, REVENUE AND RESULT

The output volume in the Special Divisions & Concessions segment remained nearly stable in the 2011 financial year at € 2,315.28 million. A breakdown by country and sector showed a very mixed picture – as is usual in this segment.

The revenue, like the output volume, remained mostly steady (-1 %). At the same time, the earnings before interest and taxes (EBIT) turned from € -10.85 million into positive territory at € 108.70 million. This is due to the very volatile business in the non-European markets, which, above all in Africa and in the Middle East, showed much better development than in the previous year.

1) Presentation in accordance with the Annual Report 2010. Changes in segment structure starting from 2011 are not considered.
2) Central and Eastern Europe comprises the following countries: Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Russia, Serbia, Slovakia, Slovenia.

"SHIFT THE KEY ACTIVITIES"

The Special Divisions & Concessions segment is divided into several different fields, including tunnelling and services. How did the segment develop in 2011?

The two sub-segments developed quite differently. Large projects dominate in tunnelling, so we have an accordingly high volatility there. In early 2011, we began construction on the Koralm Tunnel, the largest tunnelling contract ever awarded in Austria, with an order volume of € 570 million. We hope that we can complete this project to the degree which we have planned and that we will be able to win further follow-up orders. In the field of tunnelling, we are active not only nationally, but also and above all internationally. Thanks to a follow-up order in Canada, we were able to continue our activities after completion of the Niagara Tunnel project and further use our available capacities in the country.

HANNES TRUNTSCHNIG
MEMBER OF THE MANAGEMENT BOARD, STRABAG SE, SPECIAL DIVISIONS & CONCESSIONS

Do you expect new tunnelling projects in the coming year?

Besides two large projects which are already planned, the Semmering Tunnel and the Brenner Base Tunnel in Austria, we also see some very interesting infrastructure projects abroad, for example in Qatar. PPP projects are also playing an increasing role in tunnelling.

What does the demand in the service sector look like?

Our property and facility services business is significantly shaped by the ten-year contract which we concluded with Deutsche Telekom in 2008. The contract foresees an annual reduction of orders from the client, so we must at least compensate these reductions with new contracts in facility services. This is going relatively well. It is demonstrably cheaper for public and semi-public institutions to outsource such services than to maintain an enormous internal service apparatus.

What are your expectations for 2012?

I am basically optimistic about the future. A certain weakening of the results is to be expected, but the available order backlog allows a positive forecast for the segment as a whole.

ORDER BACKLOG

The order backlog was down 14 % to € 3,597.34 million. Three factors were responsible for this development. Firstly, Section 2 of the A2 motorway in Poland, a large public-private partnership (PPP) project, was worked off. Secondly, STRABAG is no longer reporting its projects in Libya in the order books due to the political situation in the country since the beginning of 2011. Finally, new orders in the Middle East can only partially compensate these negative developments.

Overall, an ongoing internationalisation can be observed in the Special Divisions & Concessions segment: in the past financial year, the STRABAG subsidiary EFKON AG landed several tolling and ITS supply contracts in India and South Africa; the group division International successfully participated in bidding in Oman and in the United Arab Emirates; and the field of tunnelling had to expand its geographic range due to the low number of tenders in the core markets. STRABAG also accepted the contract to build a wastewater tunnel in the Greater Toronto Area in Canada and to build a section of State Road 223 including six tunnels in Tuscany, Italy. The company is also helping to build the Algiers Metro in Algeria.

MORE ON PPP PROJECTS ON PAGE 20.

In the home market of Germany, STRABAG is mostly active in the Special Divisions & Concessions segment with proprietary real estate project developments as well as in the field of public-private partnership (PPP) infrastructure projects. Together with a consortium partner, the company is planning, financing, building and operating an approximately 58 km section of the A8 motorway – a project that was acquired in the past financial year. In 2011, a STRABAG subsidiary was also awarded the PPP building construction contract to retrofit the nurses' home for the Klinikum Ansbach.

EMPLOYEES

Employee numbers (19,342 persons) changed only insignificantly relative to the previous year (+1 %). Worth mentioning are two major – and opposing – changes: the acquisition-driven increase in the German property and facility services business, contrasted by the withdrawal from Libya in order to protect the well-being of STRABAG workers there.

OUTLOOK

STRABAG is working on raising its output volume in the Special Divisions & Concessions segment from € 2.3 billion to € 2.6 billion in the 2012 financial year. The segment is expected to continue to make a clear, positive contribution to the net income after minorities, even if the result should weaken a little. This forecast is based on quite different trends depending on the market and the business field:

Basically, a strong regional diversification can be seen in the Special Divisions & Concessions segment due to the heterogeneous nature of the services offered as well as the international demand for technological competence. Projects are currently in the prequalification or bidding phase in Belgium, Ireland, Israel, Qatar and the United Arab Emirates. However, this also results in high bidding costs.

STRABAG pursues projects on several continents – on the one hand, because certain construction technologies can be offered competitively around the world; on the other hand, as a way of diversifying its own risk. This is currently proving to be of benefit in the field of tunnelling: here the demand in the STRABAG home markets of Germany and Austria, as well as in Switzerland, is low, and the market prices have reached an inacceptable level. Furthermore, the market for infrastructure has completely collapsed in South-East Europe.

While the PPP infrastructure business has in the past few months been mainly successful in northern Europe, STRABAG is working with PPP projects in building construction primarily in its home markets of Germany and Austria. On the one hand, this form of financing widens the public sector's scope of action; on the other hand, the consequences of the financial crisis – significantly higher interest premiums and liquidity costs with a trend to shorter financing terms – are having an inhibitory effect.

In 2012, STRABAG would like to expand its geographic presence regarding proprietary project developments in building construction – which are currently found mainly in Germany – to the markets of Central and Eastern Europe. The demand for real estate in Germany is expected to remain stable in the coming year. A repeat of the high transaction level of the previous year will not least depend on the financing environment. STRABAG remains focused on commercial properties in the mid-double-digit million euro range, including offices, business real estate and hotels. At the same time, STRABAG has since the previous year been driving ahead the development of residential buildings for global investors.

In the property and facility services business, STRABAG sees a positive order situation. The planned reduction in the volume of orders from key account Deutsche Telekom could be compensated through contracts with new clients.

Effective 1 January 2011, the business fields of Offshore Wind – Construction Operations and of Special Foundation Engineering were moved from the Special Divisions & Concessions segment to the Transportation Infrastructures segment. The comparison values for the previous year for order backlog, employees, output volume and earnings were adjusted accordingly. In the 2011 financial year, these two business fields contributed € 255.87 million to the output volume and € 263.77 million to the order backlog and employed 840 people.

SELECTED PROJECTS IN THE SPECIAL DIVISIONS & CONCESSIONS SEGMENT

COUNTRY	PROJECT	ORDER VOLUME € MLN.	PERCENTAGE OF TOTAL GROUP ORDER BACKLOG %
Austria	Koralm Tunnel, Lot 2, partial works	380	2.8 %
Netherlands	A-Lanes A15 motorway	245	1.8 %
Oman	Duqm port facility	159	1.2 %
Canada	Niagara Tunnel	158	1.2 %
India	Rohtang Pass Highway Tunnel, Lot 1	92	0.7 %
Algeria	Metro Algier, extension 2	63	0.5 %

KORALM TUNNEL, DEUTSCHLANDSBERG, AUSTRIA / © SANDRA FOCKENBERGER / PAUL HORN

GOTTHARD BASE TUNNEL, ERSTFELD, SWITZERLAND

RISK MANAGEMENT

The STRABAG Group is subject to a number of risks in the course of its business activities. These risks are identified and assessed using an active risk management system and dealt with using an appropriate risk policy.

The group's goals are defined at all company levels. This was a prerequisite to setting up processes for the timely identification of potential risks standing in the way of the achievement of company objectives. The organisation of STRABAG's risk management builds on project-related jobsite and acquisitions controlling, supplemented by the higher-level assessment and steering management. The risk controlling process includes a certified quality management system, internal group guidelines for the workflow in the operating units, a central administration, controlling, auditing and contract management. Through the establishment of company-wide quality standards in quotation processing and supplemental services management, the centrally organised contract management department can better assert claims for outstanding debt.

The group's internal risk report defines the following central risk groups:

EXTERNAL RISKS

The entire construction industry is subject to cyclical fluctuations and reacts to varying degrees depending on region and sector. Overall economic growth, development of the construction market, the competitive situation, the conditions on the capital markets and technological changes in construction can all result in risks. These risks are continually observed and monitored by the central departments and operating units. Changes in external risks lead to adjustments in STRABAG's organisation, market presence and range of services as well as the adaptation of strategic and operating planning. STRABAG further responds to market risk with geographic and product-related diversification in order to keep the influence on the company's success exerted by an individual market or by the demand for certain services as low as possible. To avoid bearing the entire risk of rising prices by itself, STRABAG makes efforts at signing cost escalation clauses and "cost-plus-fee" contracts in which the client pays a previously agreed margin on the costs of the project.

OPERATING RISKS

The operating risks primarily include the complex risks of project selection and execution. STRABAG keeps acquisition lists in order to review the project choice. Business transactions requiring consent are reviewed and approved by business unit and subdivision managers or by division managers according to internal rules of procedure. Depending on the risk profile, bids of € 2 million or more must be analysed by commissions and reviewed for their technical and economic feasibility. Cost accounting and expense allocation guidelines have been set up to assure a uniform process of costing and to establish a performance profile at our construction sites. Project execution is managed by the construction team on site and controlled by monthly target/performance comparisons; at the same time, our central controlling provides constant commercial backing, ensuring that risks of individual projects do not endanger the continuance of the company.

FINANCIAL RISKS

Under financial risks, STRABAG understands risks in financial matters and in accounting, including instances of manipulation. Special attention is paid to our liquidity and accounting receivables management, which is secured through continuous financial planning and daily status reports. Compliance with internal commercial guidelines is guaranteed by the central accounting and controlling departments, which are also responsible for internal reporting and the periodic planning process.

Risks from possible instances of manipulation (acceptance of advantages, fraud, deception or other infringements of the law) are monitored by all business areas in general and by the internal audit department in particular. STRABAG last commissioned PwC Wirtschaftsprüfung GmbH in 2007 to review and assess the group's compliance systems and the activities designed to combat corruption and unethical behaviour. The results were presented to the management board of STRABAG SE and the auditors' recommendations were passed on to the relevant departments for implementation.

In order to convey STRABAG's values and principles, the group drew up its Code of Ethics and internal Compliance Guidelines in 2007. The values and principles contained within these documents are reflected in the guidelines and instructions of the STRABAG companies and divisions. Compliance with these values and principles is expected not only from the members of the management and supervisory boards as well as from other management-level employees but from all group employees. The Compliance Guidelines and the Code of Ethics are designed to guarantee honest and ethical business practices. The Code of Ethics is available for download at www.strabag.com -> Investor Relations -> Corporate Governance -> Code of Ethics.

Detailed information regarding interest risk, currency risk, credit risk and liquidity risk can be found in the Notes under point 26 Financial Instruments.

ORGANISATIONAL RISKS

Risks concerning the design of personnel contracts are covered by the central personnel department with the support of a specialised data base. The company's IT configuration and infrastructure (hardware and software) is handled by the central IT department, controlled by the international IT steering committee.

PERSONNEL RISKS

Past experience has shown that having a highly qualified and motivated workforce is an important factor in competition. In order to properly assess the potential of employees, STRABAG uses an IT-supported aptitude diagnostics process, the so-called behaviour profile analysis. In subsequent feedback talks and employee appraisal interviews, employees and their supervisors analyse the results and agree on specific training and further education measures.

INVESTMENT RISKS

STRABAG can exert influence on the management of associated companies through its shareholder position and, if applicable, any existing advisory functions. The shares in asphalt and concrete mixing companies usually involve minority holdings, which is typical for the sector. With these companies, economies of scope are at the fore.

POLITICAL RISK

The group also operates in countries which experience political instability. Interruptions of construction activity, restrictions on ownership interests of foreign investors, and even dispossession or expropriations could be the consequence of political changes which could have an impact on the group's financial structure.

A review of the current risk situation reveals that the reporting period shows no risks which jeopardised the company's existence, nor were there any visible future risks.

REPORT ON KEY FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS

INTRODUCTION

The control structure as defined by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) provides the basis for the description of the key features of the internal control and risk management systems. The COSO framework consists of five related components: control environment, risk assessment, control activities, information and communication, and monitoring.

The aim of the internal control system is to support management in such a way that it is capable of assuring internal controls in relation to financial reporting which are effective and which are improved on an ongoing basis. The system is geared to the compliance with rules and regulations and to creating conditions which are conducive to performing specific controls in key accounting processes.

CONTROL ENVIRONMENT

The corporate culture determines the control environment in which management and employees operate. STRABAG is constantly working to improve its communication and to convey its corporate values as defined in the STRABAG Code of Ethics in order to guarantee moral standards, ethics and integrity within the company and in our dealings with others.

The implementation of the internal control system in relation to the financial reporting process is done on the basis of internal rules and guidelines. Responsibilities for internal control were adapted to fit the corporate organisation.

The internal audit department carries out periodic, unannounced inspections of all relevant business units as part of its responsibility for monitoring compliance with the law and corporate guidelines in the technical and commercial areas. The internal audit department also monitors the effectiveness of the compliance organisation. During these inspections, the internal audit department analyses the legality and correctness of individual actions. The internal audit department also conducts regular, independent reviews of compliance with internal guidelines in the area of accounting. The head of the internal audit department reports directly to the CEO.

RISK ASSESSMENT

The management identifies and monitors risks relating to the financial reporting process, with a focus on those risks that are typically considered to be material.

The preparation of the financial statements requires regular forecasts, with the inherent risk that the actual future development will deviate from the forecast. This especially affects the following matters/items of the consolidated financial statements: assessment of unfinished construction projects, recognition and measurement of provisions (including social capital), the outcome of legal disputes, the collectability of receivables as well as the recoverability of investments and goodwill. In individual cases, external experts are called in or publicly available sources are considered in order to minimise the risk of a false assessment.

CONTROL ACTIVITIES

All control activities are applied in the current business process to ensure that errors or deviations in financial reporting are prevented or detected and subsequently corrected. The control activities range from a management review of the period results to specific monitoring of accounts to the analysis of ongoing accounting processes.

It is the responsibility of the management to design the levels of hierarchy in such a way that an activity and the control of that activity are not performed by the same person (”four-eyes“ principle).

IT security control activities represent a cornerstone of the internal control system. The separation of sensitive activities is supported by a restrictive approach to IT access authorisation. For its accounting and financial reporting, the company mainly uses self-developed software which reflects the unique features of the construction sector. The effectiveness of the financial reporting system is further assured through automated IT controls included in the system.

INFORMATION AND COMMUNICATION

The management regularly updates the rules and regulations for financial reporting and communicates them to all employees concerned. Regular discussions regarding the financial reporting and the rules and regulations in this context take place in various committees. These committees are composed of the corporate management as well as the department head and senior staff from the accounting department. The committee’s work aims, amongst others, at guaranteeing compliance with accounting rules and regulations and to identifying and communicating weak points and potential areas for improvement in the financial reporting process. Accounting employees receive regular training regarding new methods of national and international financial reporting in order to identify risks of unintended misreporting at an early stage.

MONITORING

The management and supervisory boards bear responsibility for the ongoing company-wide monitoring. Additionally, the remaining management levels – all the way to the department heads – are responsible for the monitoring of their respective areas of responsibility. Controls and plausibility checks are carried out at regular intervals. The internal audit department is also involved in the monitoring process.

The top management receives monthly summary financial reports on the development of the output volume, the results of the respective segments and countries, and the liquidity. Financial statements to be published are submitted for final appraisal by the senior accounting staff and the commercial management board members before they are passed on to the audit committee of the supervisory board.

EMPLOYEES

In the past financial year, STRABAG employed an average of 76,866 employees, of which 32,033 were white-collar and 44,833 were blue-collar workers. In the Building Construction & Civil Engineering segment, the number of employees grew by 11 % to about 20,300; in the Transportation Infrastructures segment, the employee level increased by 2 % to about 31,600; in the Special Divisions & Concessions segment, the number of employees remained nearly unchanged at around 19,300.

To assure effective, long-term personnel development, STRABAG has at its disposal a number of centrally standardised programmes and IT-supported tools and manages and monitors their application (e.g. applicant and training management systems, employee database, aptitude diagnostic analyses, group academy, trainee programme). The operating management employees, as human resource decision-makers, make use of these during the regular employee appraisal interview as a central management instrument to agree employee objectives that are targeted to the employee's specific field and career and which are in line with their personal skills and qualifications. In the recruitment process, the management is assisted by personnel representatives in the individual countries using the same aforementioned tools and instruments.

RESEARCH AND DEVELOPMENT

For a long time, cost optimisation was seen as a strategic guiding principle for competitiveness in the building business. But building requires a broad spectrum of technologies and know-how in order to come up with technically convincing solutions. The group specifically promotes all those innovation activities which help projects to be executed more efficiently and with a higher level of quality. The aim is to implement research and development projects in cooperation with the operating divisions in order to more quickly bring additional know-how to the construction site. Countless interdisciplinary development projects are ongoing every year.

Zentrale Technik (ZT), the group's central technical department, bundles the group's technical know-how and is in overall charge during the acquisition, planning and implementation of research and development projects. Organised as a central division with over 630 highly qualified employees at 18 locations, ZT reports directly to the CEO.

The department provides services for the group-wide support of the operating units in the areas of tunnelling and civil engineering, construction engineering and turnkey construction. The range of services covers the entire construction process, from the early acquisitions phase and bids processing to execution planning and site management. Research and development activities include the areas of building and construction physics, software, information & communication technology, energy, construction materials technology, civil engineering and tunnelling, transportation infrastructures and safety. ZT also fosters international innovation networks.

As a technology leader in all areas of turnkey construction, we emphasise sustainable construction that requires comprehensive solutions, with a special focus on energy efficiency in the building life cycle. Life-cycle assessment plays a central role here and was extended to all group products and processes in 2011. This will serve both to address increasing customer demands for sustainability and to better identify the efficiency potential as regards resource needs in general and energy needs in particular.

A central topic for the innovation activities is that of renewable energy, the results of which find far-reaching applications: from biogas and biomass facilities to gas, electricity and heat generation to the construction of hydropower stations and wind energy converters. We are also working on the development of offshore wind turbines and on the storage technology necessary for the use of renewable energy.

In traditional building construction, some of the high-rises built in recent years show how optimisations in construction and building materials are giving planners and estimators a new sense of flexibility. Methods are also being developed to better understand material ageing using state-of-the-art sensor technologies.

A great deal of attention has recently been given to the development of "5D planning" in construction. 5D is the group's Building Information Model (BIM), which stands for the model-based, integrative work of all project participants across all project phases.

TPA Gesellschaft für Qualitätssicherung und Innovation (TPA Company for Quality Assurance and Innovation) is STRABAG's competence centre for quality management. Its activities include research and development related to building materials production, as well as materials inspections, job safety, and environment- and waste-related matters. Together with the management of the operating units, ZT and TPA, as internal competence centres, have as their goal the extension of the group's competitive advantage through technical and high-quality solutions while sustaining the natural resources at the same time.

The STRABAG Group's EFKON AG subsidiary provides the group with expertise in the research and development of intelligent transportation systems in general and electronic toll collection solutions in particular. In recent years, EFKON has engaged in some very successful activities in the field of Car2Car communications, especially as a result of its cooperation in EU research projects.

Another focus of the activities is on toll enforcement. Developments include a new product to help the Austrian motorway authority ASFINAG automatically enforce toll stickers in Austria, as well as a portable DSRC-based toll monitoring unit to enforce the toll for trucks on German motorways.

During the 2011 financial year, the STRABAG Group spent about € 15 million (2010: € 14 million) on research, development and innovation activities.

ENVIRONMENT

The construction industry traditionally is an energy- and resource-intensive sector. And every building is an intrusion into the natural environment. For us, ecological responsibility begins with the planning of buildings and structures and continues through to their erection and related services. Thus, we are, for example, involved in the development of certification systems from an early stage and are constantly working to increase the number of high-quality buildings on the market.

In order to prepare ourselves for these developments, we are making efforts to minimise CO_2 emissions and energy use at an early stage in our activities. This affects our process of value creation as well as our entire range of products. For this reason, we are shifting our focus toward innovative products, in particular within the field of renewable energy. Through the constant development of new technologies, it is our aim to steadily increase the STRABAG product portfolio. At the same time, we are working to develop and enhance the right methods and tools to control our impact on the environment.

In the area of procurement, we strive for the efficient and responsible management of the supply chain with respect to economic, environmental and social aspects. It is important for us that suppliers fulfil certain pre-defined criteria. We want to ensure a resource-friendly use of energy and raw materials in the preparation and delivery of our services.

STRABAG ALSO BUILDS WIND TURBINES

DISCLOSURES PURSUANT TO SECTION 243A PARA 1 UGB

1. The share capital of STRABAG SE amounts to € 114,000,000 and consists of 114,000,000 fully paid-in, no-par value shares with a pro-rata value of € 1 per share of the share capital. 113,999,997 shares are bearer shares and are traded on the Prime Market Segment of the Vienna Stock Exchange. Three shares are registered shares. Each bearer share and each registered share accounts for one vote (one share – one vote). The nomination rights associated with registered shares No. 1 and No. 2 are described in more detail under Item 4.

2. The Haselsteiner Group (Haselsteiner Familien-Privatstiftung, Dr. Hans Peter Haselsteiner), the Raiffeisen Group (Raiffeisen-Holding Niederösterreich-Wien reg. Gen.m.b.H, BLR-Baubeteiligungs GmbH, „Octavia" Holding GmbH), the UNIQA Group (UNIQA Versicherungen AG, UNIQA Beteiligungs-Holding GmbH, UNIQA Personenversicherung AG, UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H., UNIQA Sachversicherung AG, Raiffeisen Versicherung AG) and Rasperia Trading Limited (controlled by Oleg Deripaska), as shareholders of STRABAG SE, have signed a syndicate agreement governing (1) nomination rights regarding the supervisory board, (2) the coordination of voting during the Annual General Meeting, (3) restriction on the transfer of shares and (4) joint development of the Russian market as a core market. The Haselsteiner Group, the Raiffeisen Group together with the UNIQA Group, and Rasperia Trading Limited each have the right to nominate two members of the supervisory board. The syndicate agreement also requires the syndicate partners to exercise their voting rights from syndicated shares unanimously at the Annual General Meeting of STRABAG SE. The syndicate agreement further foresees restrictions on the transfer of shares in the form of mutual pre-emptive rights as well as a minimum shareholding on the part of the syndicate partners.

In accordance with Sec 65 Para 5 of the Austrian Stock Corporation Act (AktG), all rights were suspended for 8,775,264 no-par shares (about 7.7 % of the share capital) effective 31 December 2011 as these shares are held by STRABAG SE as own shares as defined in Sec 65 Para 1 No 8 of the Austrian Stock Corporation Act (AktG) (see also item 7).

3. To the knowledge of STRABAG SE, the following shareholders held a direct or indirect interest of at least 10 % of the share capital of STRABAG SE on 31 December 2011:

Haselsteiner Familien-Privatstiftung	29.5 %
Raiffeisen-Holding Niederösterreich-Wien reg.Gen.m.b.H. (Raiffeisen Group)	15.5 %
UNIQA Versicherungen AG (UNIQA Group)	15.0 %
Rasperia Trading Limited	17.0 %

In addition to its 17 % interest, core shareholder Rasperia Trading Limited also holds an option, valid until 15 July 2014, to buy a further 8.0 % of STRABAG SE from the other core shareholders mentioned above.

In exercising the authorisation by the 7th Annual General Meeting from 10 June 2011 to acquire own shares in accordance with Sec 65 Para 1 No 8 of the Austrian Stock Corporation Act (AktG), the company by 31 December 2011 acquired 8,775,264 no-par shares, corresponding to about 7.7 % of the share capital (see also item 7).

The remaining shares of the share capital of STRABAG SE, amounting to about 15.3 % of the share capital, are in free float.

4. Three shares are – as mentioned under Item 1 – registered shares entered in the shareholder register. Registered shares No. 1 and No. 3 are held by the Haselsteiner Group and registered share No. 2 is held by Rasperia Trading Limited. Registered shares No. 1 and No. 2 allow their bearers to nominate a member each to the supervisory board of STRABAG SE.

5. No employee stock option programmes exist.

6. No further regulations exist beyond Items 2 and 4 regarding the nomination and recall of members of the management and supervisory boards or regarding changes to the Articles of Association which do not result directly from relevant law and legislation.

7. The management board of STRABAG SE was authorised by resolution of the 7th Annual General Meeting of 10 June 2011, in accordance with Sec 65 Para 1 No 8 and Para 1a and 1b of the Austrian Stock Corporation Act (AktG), to acquire bearer or registered no-par shares of the company on the stock market or over the counter to the extent of up to 10 % of the share capital during a period of 13 months from the day of the resolution at a minimum price per share of € 1.00 and a maximum price per share of € 34.00. The purpose of the acquisition may not be to trade with own shares. The authorisation can be exercised in full or in part or in several partial amounts for one or several purposes by the company, a subsidiary (Sec 228 Para 3 UGB) or third parties acting on behalf of the company. The management board can decide to acquire shares on the stock exchange but must inform the supervisory board following decision to do so. Over-the-counter purchases require prior approval by the supervisory board. The management board was further authorised, in accordance with Sec 65 Para 1b AktG, for a period of five years from this resolution, to sell or assign its own shares, with approval by the supervisory board, in a manner other than on the stock market or through a public tender, to the exclusion of the shareholders' buyback rights (subscription rights), and to determine the conditions of sale. The authorisation can be exercised in full or in part or in several partial amounts for one or several purposes by the company, a subsidiary (Sec 228 Para 3 UGB) or third parties acting on behalf of the company. At the same time the existing authorisation to buy back own shares as per resolution by the Annual General Meeting of 18 June 2010 was cancelled.

8. With the exception of the agreement over a syndicated surety loan, there exist no significant agreements to which STRABAG SE is party and which would become effective, change or end due to a change of ownership in STRABAG SE following a takeover offer.

9. No compensation agreements exist between STRABAG SE and its management and supervisory board members or employees in the event of a public takeover offer.

SUPPORTING INFORMATION

At the beginning of March 2009, an accident occurred during underground construction at the South Lot for the North-South urban metro line in Cologne, resulting in the collapse of the Historical Archive of the City of Cologne and significant portions of two neighbouring buildings. Debris collapsed into a hole which opened next to the North-South construction site at the Waidmarkt crossover junction. Two people were trapped under the rubble, and rescuers were only able to recover their bodies.

Construction on the underground is being carried out by a joint venture (JV) of Bilfinger Berger SE (formerly Bilfinger Berger AG), Wayss & Freytag Ingenieurbau AG and Ed. Züblin AG. The JV is led by Bilfinger Berger SE on the technical side and by Wayss & Freytag Ingenieurbau AG on the commercial side. Ed. Züblin AG holds a 33.3 % interest in the JV.

The cause of the collapse remains unknown. The public prosecutor's office began an investigation with three of its experts into possible negligent homicide and endangerment in construction. Initially, the investigation was limited to independent proceedings conducted at the District Court in Cologne to collect evidence as to the cause of the accident. Now a model building is being built to help determine the cause, with completion expected around the end of 2013. In June 2011, the City of Cologne filed to extend the court's evidence collection to include the aspect of the damage amount. In November 2011, the District Court in Cologne, at the behest of the City of Cologne, appointed another expert to determine the damage amount. We continue to believe that the incident will not result in any significant damages for the company.

RELATED PARTIES

Business transactions with related parties are described in item 28 of the Notes.

OUTLOOK AND OBJECTIVES

Thanks to STRABAG's successful strategy of regional diversification and the related diversification of risk, the consequences from the euro debt crisis have so far not resulted in any lost output for the group. On the contrary: the company registered double-digit growth in the year 2011. Based on the balanced business in terms of regions and segments, STRABAG SE expects the output for the 2012 financial year to remain unchanged at € 14.3 billion.

The forecast by segment is as follows: Building Construction & Civil Engineering € 5.5 billion (2011: € 5.1 billion), Transportation Infrastructures € 6.1 billion (€ 6.7 billion), Special Division & Concessions € 2.6 billion (€ 2.3 billion) and Other € 100 million. STRABAG assumes to be able to compensate the expected considerable declines in Poland through output growth in several other countries.

Due to the ongoing process of working off earlier orders, the lack of public-sector infrastructure investments in Europe did not yet affect output in the 2011 financial year, although a negative effect on returns could be seen above all in the Transportation Infrastructures segment. STRABAG expects a continued unfavourable environment for transportation infrastructures in 2012. An additional burden will be the weakened demand for construction in Poland after the European Football Championship. On the other hand, STRABAG expects to see continued solid business in the German building construction and civil engineering segment, as well as improved results in niche markets such as railway construction or environmental technology.

DETAILED OUTLOOK IN THE SEGMENT REPORTS

Even if uncertainties regarding the actual economic environment – economic growth in the individual markets, the amount of public spending, and the financing environment for our clients – make planning difficult, STRABAG is targeting an EBIT of more than € 300 million and therefore relatively stable results for the 2012 financial year.

STRABAG makes these forecasts on the assumption that the economic framework in Europe will remain unchanged in the coming year. This means that the financing environment for our private and industrial clients should not worsen further, conversely, however, that a rapid recovery of the conditions or a significant increase in government spending cannot be expected in the STRABAG core markets.

EVENTS AFTER THE REPORTING PERIOD

No significant events occurred after the close of the financial year.

CAMPO SENTILO, MUNICH, GERMANY

FINANCIAL STATEMENT[1)]

1) This part has been audited by KPMG.

FINANCIAL STATEMENT 31.12.2011

CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR 2011

	NOTES	2011 T€	2010 T€
Revenue	(1)	13,713,804	12,381,537
Changes in inventories		97,365	1,828
Own work capitalized		37,261	78,178
Other operating income	(2)	267,344	275,169
Raw materials, consumables and services used	(3)	-9,320,120	-8,218,355
Employee benefits expenses	(4)	-3,004,460	-2,800,933
Other operating expenses	(5)	-1,013,911	-1,030,190
Share of profit or loss of associates	(6)	-34,537	32,386
Net investment income	(7)	3,585	15,073
EBITDA		**746,331**	**734,693**
Depreciation and amortisation expense	(8)	-411,546	-435,742
EBIT		**334,785**	**298,951**
Interest and similar income		112,311	78,709
Interest expense and similar charges		-103,767	-98,386
Net interest income	**(9)**	**8,544**	**-19,677**
Profit before tax		**343,329**	**279,274**
Income tax expense	(10)	-104,039	-90,896
Net income		**239,290**	**188,378**
Attributable to: non-controlling interests		44,295	13,521
Attributable to: equity holders of the parent		194,995	174,857
Earnings per share (€)	**(11)**	**1.75**	**1.53**

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR 2011

	NOTES	2011 T€	2010 T€
Net income		239,290	188,378
Differences arising from currency translation		-56,280	43,329
Change in hedging reserves including interest rate swaps		-30,234	15,743
Change in actuarial gains or losses		-4,270	-17,217
Change in fair value of financial instruments under IAS 39		150	-1,183
Other income from associates		-10,489	-19,302
Deferred taxes on neutral change in equity	(10)	6,523	611
Other income		-94,600	21,981
Total comprehensive income		**144,690**	**210,359**
Attributable to: non-controlling interests		38,057	12,396
Attributable to: equity holders of the parent company		106,633	197,963

CONSOLIDATED BALANCE SHEET AS OF 31.12.2011

ASSETS	NOTES	31.12.2011 T€	31.12.2010 T€
Non-current assets			
Intangible assets	(12)	536,510	535,687
Property, plant and equipment	(12)	2,154,238	2,102,364
Investment property	(13)	53,278	73,524
Investments in associates	(14)	402,279	87,933
Other financial assets	(14)	249,062	257,256
Receivables from concession arrangements	(17)	839,332	968,875
Trade receivables	(17)	74,082	64,229
Non-financial assets	(17)	3,833	4,044
Other financial assets	(17)	48,017	36,778
Deferred taxes	(15)	173,724	214,349
		4,534,355	**4,345,039**
Current assets			
Inventories	(16)	818,390	705,721
Receivables from concession arrangements	(17)	160,743	19,477
Trade receivables	(17)	2,629,738	2,548,790
Non-financial assets	(17)	117,844	138,260
Other financial assets	(17)	424,747	440,527
Cash and cash equivalents	(18)	1,700,237	1,952,452
Assets held for sale	(19)	0	231,891
		5,851,699	**6,037,118**
		10,386,054	**10,382,157**

EQUITY AND LIABILITIES	NOTES	31.12.2011 T€	31.12.2010 T€
Group equity			
Share capital		114,000	114,000
Capital reserves		2,311,384	2,311,384
Retained earnings		513,360	665,726
Non-controlling interests		211,098	141,328
	(20)	**3,149,842**	**3,232,438**
Non-current liabilities			
Provisions	(21)	923,976	927,948
Financial liabilities[1)]	(22)	1,298,653	1,318,305
Trade payables	(22)	60,424	43,231
Non-financial liabilities	(22)	1,481	1,003
Other financial liabilities	(22)	25,919	23,847
Deferred taxes	(15)	48,401	49,142
		2,358,854	**2,363,476**
Current liabilities			
Provisions	(21)	790,976	710,810
Financial liabilities[2)]	(22)	433,304	240,847
Trade payables	(22)	2,910,153	3,067,759
Non-financial liabilities	(22)	360,656	355,381
Other financial liabilities	(22)	382,269	411,446
		4,877,358	**4,786,243**
		10,386,054	**10,382,157**

1) Thereof T€ 630,311 concerning non-recourse liabilities from concession arrangements (previous year: T€ 678,713)
2) Thereof T€ 123,867 concerning non-recourse liabilities from concession arrangements (previous year: T€ 41,172)

CONSOLIDATED CASH-FLOW STATEMENT FOR THE FINANCIAL YEAR 2011

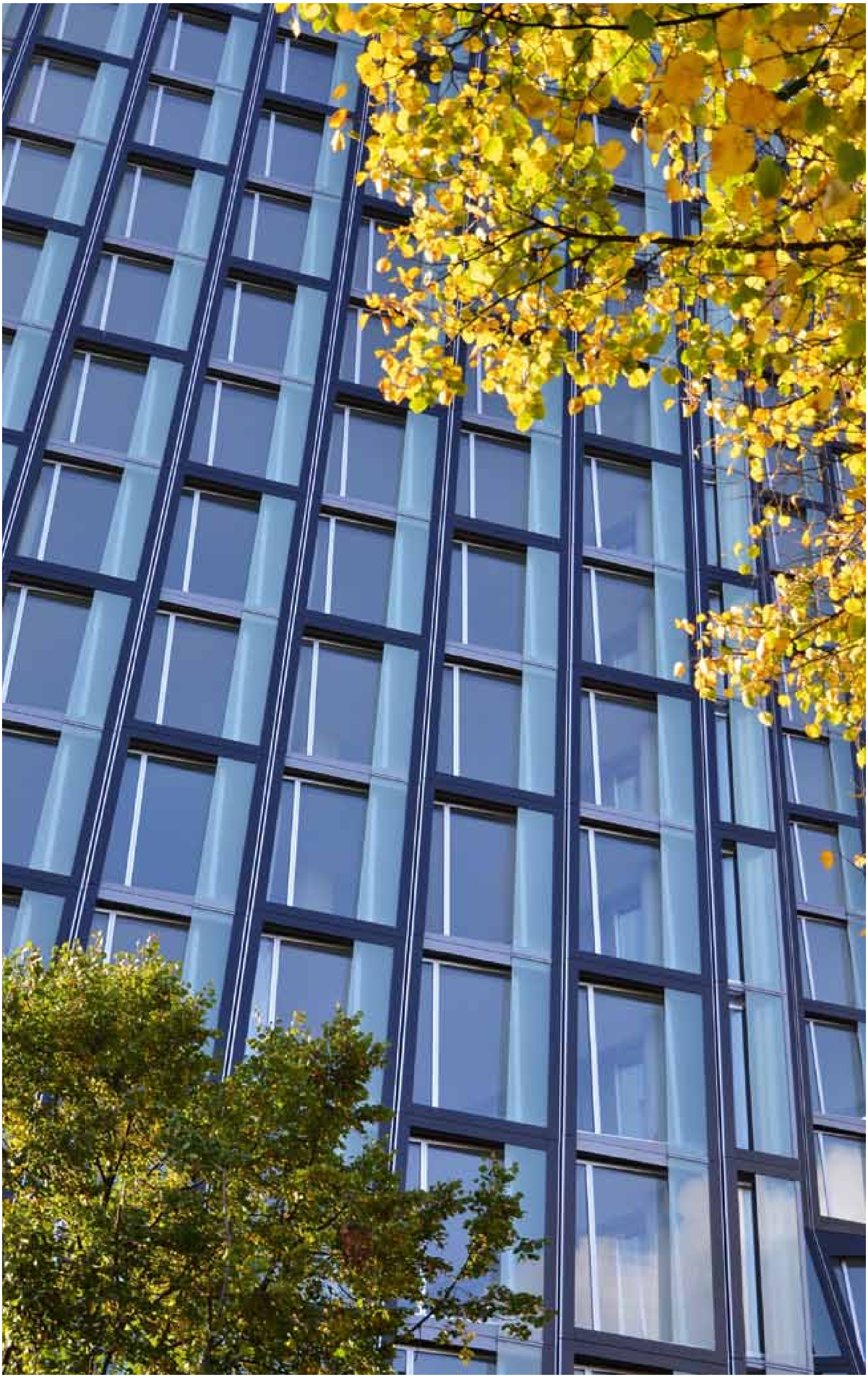
	2011 T€	2010 T€
Net income	239,290	188,378
Deferred taxes	20,827	-84,853
Non-cash effective results from consolidation	-2,825	2,519
Non-cash effective results from associates	40,501	-20,608
Depreciations/write ups	435,672	435,583
Changes in long term provisions	1,599	43,164
Gains/losses on disposal of non-current assets	-30,875	-43,286
Cash-flow from profits	**704,189**	**520,897**
Change in items:		
Inventories	-67,037	-48,298
Trade receivables, construction contracts and consortia	-120,984	-211,191
Receivables from subsidiaries and receivables from participation companies	-55,903	-36,979
Other assets	4,438	-25,480
Trade payables, construction contracts and consortia	-9,480	351,057
Liabilities from subsidiaries and liabilities from participation companies	6,634	19,762
Other liabilities	-28,871	-5,162
Current provisions	68,160	125,811
Cash-flow from operating activities	**501,146**	**690,417**
Purchase of financial assets	-161,232	-47,833
Purchase of property, plant, equipment and intangible assets	-477,150	-553,843
Gains/losses on disposal of non-current assets	30,875	43,286
Disposals of non-current assets (carrying value)	97,004	102,883
Change in other cash clearing receivables	8,296	-58,772
Change in scope of consolidation	-113,862	-9,277
Cash-flow from investing activities	**-616,069**	**-523,556**
Change in bank borrowings	79,173	37,999
Change in bonds	100,000	25,000
Change in liabilities from finance leases	-16,150	-12,491
Change in other cash clearing liabilities	12,936	546
Change due to acquisitions of non-controlling interests	-5,414	-9,247
Acquisition of own shares	-185,234	0
Distribution and withdrawals from partnerships	-67,017	-62,004
Cash-flow from financing activities	**-81,706**	**-20,197**
Cash-flow from operating activities	501,146	690,417
Cash-flow from investing activities	-616,069	-523,556
Cash-flow from financing activities	-81,706	-20,197
Net change in cash and cash equivalents	**-196,629**	**146,664**
Cash and cash equivalents at the beginning of the period	1,952,452	1,782,951
Change in cash and cash equivalents due to currency translation	-55,586	22,837
Cash and cash equivalents at the end of the period	**1,700,237**	**1,952,452**
Interest paid	59,686	53,705
Interest received	61,885	57,690
Taxes paid	107,851	107,909
Dividends received	39,277	39,429

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR 2011

	SHARE CAPITAL T€	CAPITAL RESERVES T€	RETAINED EARNINGS T€	HEDGING RESERVE T€	FOREIGN CURRENCY RESERVE T€	GROUP EQUITY T€	NON-CON-TROLLING INTERESTS T€	TOTAL EQUITY T€
Balance as of 1.1.2010	**114,000**	**2,311,384**	**617,207**	**-65,284**	**-27,120**	**2,950,187**	**148,877**	**3,099,064**
Net income	0	0	174,857	0	0	174,857	13,521	188,378
Differences arising from currency translation	0	0	0	0	41,825	41,825	1,504	43,329
Change in hedging reserves	0	0	0	27,382	0	27,382	654	28,036
Changes in financial instruments IAS 39	0	0	-1,106	0	0	-1,106	-77	-1,183
Change of actuarial gains and losses	0	0	-13,803	0	0	-13,803	-3,414	-17,217
Change of interest rate swap	0	0	0	-30,899	0	-30,899	-696	-31,595
Deferred taxes on neutral change in equity	0	0	4,202	-4,495	0	-293	904	611
Total comprehensive income	**0**	**0**	**164,150**	**-8,012**	**41,825**	**197,963**	**12,396**	**210,359**
Transactions concerning non-controlling interests	0	0	-40	0	0	-40	-14,941	-14,981
Distribution of dividends[1]	0	0	-57,000	0	0	-57,000	-5,004	-62,004
Balance as of 31.12.2010	**114,000**	**2,311,384**	**724,317**	**-73,296**	**14,705**	**3,091,110**	**141,328**	**3,232,438**

	SHARE CAPITAL T€	CAPITAL RESERVES T€	RETAINED EARNINGS T€	HEDGING RESERVE T€	FOREIGN CURRENCY RESERVE T€	GROUP EQUITY T€	NON-CON-TROLLING INTERESTS T€	TOTAL EQUITY T€
Balance as of 1.1.2011	**114,000**	**2,311,384**	**724,317**	**-73,296**	**14,705**	**3,091,110**	**141,328**	**3,232,438**
Net income	0	0	194,995	0	0	194,995	44,295	239,290
Differences arising from currency translation	0	0	0	0	-60,442	-60,442	-5,742	-66,184
Change in hedging reserves	0	0	0	705	0	705	35	740
Changes in financial instruments IAS 39	0	0	140	0	0	140	10	150
Change of actuarial gains and losses	0	0	-4,320	0	0	-4,320	91	-4,229
Change of interest rate swap	0	0	0	-30,868	0	-30,868	-732	-31,600
Deferred taxes on neutral change in equity	0	0	780	5,643	0	6,423	100	6,523
Total comprehensive income	**0**	**0**	**191,595**	**-24,520**	**-60,442**	**106,633**	**38,057**	**144,690**
Transactions concerning non-controlling interests	0	0	-11,065	0	0	-11,065	36,030	24,965
Own shares	0	0	-185,234	0	0	-185,234	0	-185,234
Distribution of dividends[2]	0	0	-62,700	0	0	-62,700	-4,317	-67,017
Balance as of 31.12.2011	**114,000**	**2,311,384**	**656,913**	**-97,816**	**-45,737**	**2,938,744**	**211,098**	**3,149,842**

1) The total dividend payment of T€ 57,000.00 corresponds to a dividend per share of € 0.50 based on 114,000,000 shares.
2) The total dividend payment of T€ 62,700.00 corresponds to a dividend per share of € 0.55 based on 114,000,000 shares.



DANCING TOWERS, HAMBURG, GERMANY

CONSOLIDATED STATEMENT OF FIXED ASSETS AS OF 31 DECEMBER 2011

	ACQUISITION AND PRODUCTION COSTS					
	BALANCE AS OF 31.12.2010 T€	CHANGES IN SCOPE OF CON-SOLIDATION T€	CURRENCY TRANS-LATION T€	BALANCE AS OF 1.1.2011 T€	ADDITIONS T€	TRANSFERS T€
I. Intangible Assets						
1. Concessions; industrial property rights and similiar rights as well as licences derived thereof	131,628	4,345	-2,848	133,125	8,749	115
2. Goodwill	620,329	26,976	-9,017	638,288	0	0
3. Development costs	22,624	0	-407	22,217	2,946	0
4. Advances paid	187	0	-8	179	93	-115
	774,768	**31,321**	**-12,280**	**793,809**	**11,788**	**0**
II. Tangible Assets						
1. Properties; land rights equivalent to real property; buildings including buildings on third-party property	1,251,306	56,511	-14,724	1,293,093	67,267	27,065
2. Technical equipment and machinery	2,396,264	42,898	-41,629	2,397,533	182,091	38,000
3. Other facilities, furniture and fixtures and office equipment	841,731	31,274	-12,137	860,868	126,985	440
4. Advances paid and facilities under construction	104,267	3,376	-1,014	106,629	88,564	-65,505
	4,593,568	**134,059**	**-69,504**	**4,658,123**	**464,907**	**0**
III. Investment Property	219,815	0	0	219,815	455	0
	5,588,151	**165,380**	**-81,784**	**5,671,747**	**477,150**	**0**

1) Of this amount, impairments of T€ 46,501 (previous year: T€ 71,751)
2) Of this amount, reversal of the depreciation T€ 0 (previous year: T€ 3,206)

CONSOLIDATED STATEMENT OF FIXED ASSETS AS OF 31 DECEMBER 2010

	ACQUISITION AND PRODUCTION COSTS					
	BALANCE AS OF 31.12.2009 T€	CHANGES IN SCOPE OF CON-SOLIDATION T€	CURRENCY TRANS-LATION T€	BALANCE AS OF 1.1.2010 T€	ADDITIONS T€	TRANSFERS T€
I. Intangible Assets						
1. Concessions; industrial property rights and similiar rights as well as licences derived thereof	122,815	13,322	1,771	137,908	16,527	3,308
2. Goodwill	536,747	74,503	9,282	620,532	0	0
3. Development costs	16,729	0	299	17,028	5,596	0
4. Advances paid	3,372	0	0	3,372	123	-3,308
	679,663	**87,825**	**11,352**	**778,840**	**22,246**	**0**
II. Tangible Assets						
1. Properties; land rights equivalent to real property; buildings including buildings on third-party property	1,187,135	10,546	10,042	1,207,723	45,322	16,168
2. Technical equipment and machinery	2,144,240	2,062	39,109	2,185,411	256,619	75,623
3. Other facilities, furniture and fixtures and office equipment	791,870	569	8,681	801,120	109,627	3,782
4. Advances paid and facilities under construction	309,881	1,821	0	311,702	120,029	-327,464
	4,433,126	**14,998**	**57,832**	**4,505,956**	**531,597**	**-231,891**
III. Investment Property	265,116	0	0	265,116	0	0
	5,377,905	**102,823**	**69,184**	**5,549,912**	**553,843**	**-231,891** [3]

1) Of this amount, impairments of T€ 71,751 (previous year: T€ 46,431)
2) Of this amount, reversal of the depreciation T€ 3,206 (previous year: T€ 0)
3) Reclassification as assets held for sale

				ACCUMULATED DEPRECIATION					CARRYING VALUES	
DISPOSALS T€	BALANCE AS OF 31.12.2011 T€	BALANCE AS OF 31.12.2010 T€	CHANGES IN SCOPE OF CON- SOLIDATION T€	CURRENCY TRANS- LATION T€	ADDITIONS[1] T€	TRANSFERS T€	DISPOSALS[2] T€	BALANCE AS OF 31.12.2011 T€	VALUES 31.12.2011 T€	VALUES 31.12.2010 T€
12,004	129,985	81,178	2,233	-2,078	12,188	0	10,474	83,047	46,938	50,450
0	638,288	151,846	-1,539	2	16,152	0	0	166,461	471,827	468,483
0	25,163	6,057	0	0	1,518	0	0	7,575	17,588	16,567
0	157	0	0	0	0	0	0	0	157	187
12,004	**793,593**	**239,081**	**694**	**-2,076**	**29,858**	**0**	**10,474**	**257,083**	**536,510**	**535,687**
45,517	1,341,908	419,720	7,765	-3,527	40,989	632	23,722	441,857	900,051	831,586
148,986	2,468,638	1,481,565	61,879	-30,615	217,284	95	120,452	1,609,756	858,882	914,699
78,859	909,434	589,919	30,356	-8,733	98,300	-727	71,103	638,012	271,422	251,812
0	129,688	0	0	0	5,805	0	0	5,805	123,883	104,267
273,362	**4,849,668**	**2,491,204**	**100,000**	**-42,875**	**362,378**	**0**	**215,277**	**2,695,430**	**2,154,238**	**2,102,364**
5,939	214,331	146,291	0	0	19,310	0	4,548	161,053	53,278	73,524
291,305	**5,857,592**	**2,876,576**	**100,694**	**-44,951**	**411,546**	**0**	**230,299**	**3,113,566**	**2,744,026**	**2,711,575**

				ACCUMULATED DEPRECIATION					CARRYING VALUES	
DISPOSALS T€	BALANCE AS OF 31.12.2010 T€	BALANCE AS OF 31.12.2009 T€	CHANGES IN SCOPE OF CON- SOLIDATION T€	CURRENCY TRANS- LATION T€	ADDITIONS[1] T€	TRANSFERS T€	DISPOSALS[2] T€	BALANCE AS OF 31.12.2010 T€	VALUES 31.12.2010 T€	VALUES 31.12.2009 T€
26,115	131,628	81,112	1,579	1,395	23,027	0	25,935	81,178	50,450	41,703
203	620,329	102,495	0	18	49,536	0	203	151,846	468,483	434,252
0	22,624	0	0	0	6,057	0	0	6,057	16,567	16,729
0	187	0	0	0	0	0	0	0	187	3,372
26,318	**774,768**	**183,607**	**1,579**	**1,413**	**78,620**	**0**	**26,138**	**239,081**	**535,687**	**496,056**
17,907	1,251,306	381,702	-277	2,556	50,049	0	14,310	419,720	831,586	805,433
121,389	2,396,264	1,351,759	-5,529	23,544	208,260	258	96,727	1,481,565	914,699	792,481
72,798	841,731	553,225	-2,051	5,703	93,409	-258	60,109	589,919	251,812	238,645
0	104,267	0	0	0	0	0	0	0	104,267	309,881
212,094	**4,593,568**	**2,286,686**	**-7,857**	**31,803**	**351,718**	**0**	**171,146**	**2,491,204**	**2,102,364**	**2,146,440**
45,301	219,815	151,996	0	-872	5,404	0	10,237	146,291	73,524	113,120
283,713	**5,588,151**	**2.622,289**	**-6,278**	**32,344**	**435,742**	**0**	**207,521**	**2,876,576**	**2,711,575**	**2,755,616**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31.12.2011 OF STRABAG SE, VILLACH[1)]

1) This part has been audited by KPMG.

BASIC PRINCIPLES

STRABAG SE is one of Europe's leading construction groups. The company has its headquarters in Villach, Austria. From its core markets of Austria and Germany, STRABAG is present via its numerous subsidiaries in all countries of Eastern and South-East Europe including Russia, in selected markets in Western Europe and the Arabian Peninsula, as well as in the project business in Africa, Asia and the Americas. STRABAG's activities span the entire construction industry (Building Construction & Civil Engineering, Transportation Infrastructures, Tunnelling, construction-related services) and cover the entire value-added chain in the field of construction.

The consolidated financial statements of STRABAG SE at the reporting date 31 December 2011, were drawn up under application of Section 245a Paragraph 2 of the Austrian Commercial Code (UGB) in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), including the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

Applied were exclusively those standards and interpretations adopted by the European Commission before the reporting deadline and published in the Official Journal of the European Union. Further reporting requirements of Section 245a Paragraph 1 of the Austrian Commercial Code (UGB) were fulfilled as well.

In addition to a statement of comprehensive income, the financial statements include a cash-flow statement in accordance with IAS 7, and a statement of changes in equity and a statement of recognised income and expense (IAS 1). The disclosures in the Notes also contain a segment reporting section in accordance with IFRS 8.

In order to improve the clarity of the representation, various items in the balance sheet and the income statement have been combined. These items have been shown separately and are explained in the group notes. The income statement has been drawn up in accordance with the nature of expense method.

The consolidated financial statements were drawn up in T€. The presentation in T€ may result in rounding differences.

CHANGES IN ACCOUNTING POLICIES

The IASB has made amendments to the existing IFRS and passed several new IFRS and IFRIC, which are also adopted by the European Commission. Application became mandatory on 1 January 2011.

	APPLICATION FOR FINANCIAL YEARS WHICH BEGIN ON OR AFTER (ACCORDING TO IASB)	APPLICATION FOR FINANCIAL YEARS WHICH BEGIN ON OR AFTER (ACCORDING TO EU ENDORSEMENT)
IAS 24 Related Party Disclosures (amended)	1.1.2011	1.1.2011
Amendment to IAS 32 about Classification of Rights Issues	1.2.2010	1.1.2011
IFRIC 14 Prepayment of a Minimum Funding Requirement	1.1.2011	1.1.2011
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments	1.7.2010	1.7.2010
Amendments to various IFRS under the 2010 annual improvement process	Generally 1.7.2010	1.7.2010/ 1.1.2011

The first-time application of the IFRS and IFRIC standards mentioned had minor consequences on STRABAG SE's consolidated financial statements as of 31 December 2011.

Future Changes of Financial Reporting Standards

The IASB and the IFRIC approved further standards and interpretations. However, these were neither required to be applied in the 2011 financial year nor adopted by the European Commission. The amendments affect the following standards and interpretations:

	APPLICATION FOR FINANCIAL YEARS WHICH BEGIN ON OR AFTER (ACCORDING TO IASB)	APPLICATION FOR FINANCIAL YEARS WHICH BEGIN ON OR AFTER (ACCORDING TO EU ENDORSEMENT)
IFRS 7 Disclosures in the notes to the financial statements regarding the transfer of financial instruments	1.7.2011	1.7.2011
IFRS 9 Financial Instruments	1.1.2015	n.a.
IFRS 10 Consolidated Financial Statements	1.1.2013	n.a.
IFRS 11 Joint Arrangements	1.1.2013	n.a.
IFRS 12 Disclosure of Interests in Other Entities	1.1.2013	n.a.
IFRS 13 Fair Value Measurment	1.1.2013	n.a.
IAS 1 Presentation of Items of Other Comprehensive Income	1.7.2012	n.a.
IAS 12 Deferred Taxes	1.1.2012	n.a.
IAS 19 Employee Benefits	1.1.2013	n.a.
IAS 27 Separate Financial Statements	1.1.2013	n.a.
IAS 28 Investment in Associates and Joint Ventures	1.1.2013	n.a.
IAS 32 Financial Instruments Presentation	1.1.2014	n.a.
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	1.1.2013	n.a.

Consequences for the consolidated financial statements are expected especially from the application of the following standards and interpretations:

IFRS 7 was amended to require additional disclosures for financial instruments which, despite a transfer of rights, are not derecognised in their entirety or which were derecognised in their entirety but for which certain risks remain associated with the transferred entity.

IFRS 7 and IAS 32 provide clarification under which conditions financial instruments may be offset in the balance sheet.

IFRS 9 follows a new standard for the classification and measurement of financial assets, distinguishing only between two measurement categories (measurement at fair value and measurement at amortised cost) based on the entity's business model or on the characteristics of the contractual cash-flows of the financial asset in question. Measurement with regard to impairment is to be performed using a uniform method.

IFRS 10 and IAS 27: IFRS 10 replaces the criteria for consolidated financial statements contained in IAS 27 and addresses issues that had previously been governed by SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control so that the same criteria are applied to all entities to determine control. The new definition provides for more comprehensive rules to define the scope of consolidation than under IAS 27. Like IAS 27, IFRS 10 addresses the basic consolidation requirements for the interest of non-controlling entities and requires the use of uniform accounting policies.

IFRS 11 and IAS 28 regulate the accounting of arrangements in which an entity exercises joint control over a joint venture or a joint operation. It supersedes the previous rules under IAS 31 and SIC-13. The new standard does away with the option of proportionate consolidation for jointly controlled entities (joint ventures).

IFRS 12: This new standard encompasses all disclosure requirements for subsidiaries, associates and joint arrangements as well as for unconsolidated structured entities. It replaces the relevant requirements in IAS 27, IAS 28 and IAS 31.

IFRS 13 defines fair value, sets out a framework for measuring fair value and requires specific disclosures about fair value measurements.

IAS 1 now requires the components of other comprehensive income to be presented in such a way that it is clear whether the income and expenses will be recognised in the income statement at a later point or whether these are never recognised in the income statement.

n.a. endorsment process is still in progress

IAS 12 “Recovery of underlying assets”: The changes offer a solution for the recognition of deferred taxes on investment property measured using the fair value model in IAS 40 as well as on revalued non-depreciable assets.

IAS 19: The amended version contains clarifications and changes. The new IAS 19 does away with the “corridor” method, i.e. the possibility of recognising actuarial gains or losses from defined benefit obligations divided over several periods. Measurement of the expected plan asset yields is performed by applying the same rate as is used to discount defined benefit obligations. As a result, the total revenue from plan assets is no longer recognised in the income statement. The new IAS 19 also contains extended disclosure requirements for defined benefit plans as well as changes to the accounting of termination benefits.

IFRIC 20: This interpretation addresses the removal of mine waste materials that are produced in the production phase of a surface mine. It defines when and how to account for benefits which may arise from such an activity, as well as how to measure these benefits.

Early application of the new standards and interpretations is not planned. The exact impact of the new standards and interpretations on the consolidated financial statements is currently being analysed.

SCOPE OF CONSOLIDATION

The Consolidated Financial Statements as of 31 December 2011 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 and joint ventures are reported in the balance sheet using the equity method (investments in associates).

Group companies which are of minor importance for the purpose of giving a true and fair view of the financial position, financial performance and cash-flows of the group are not consolidated.

Subsidiaries included in the 2011 consolidated financial statements are given in the list of subsidiaries.

The financial year for all consolidated and associated companies, except A2 Strada Sp.z o.o., Warsaw, is identical with the calendar year.

The number of consolidated companies changed in the 2011 financial year as follows:

	CONSOLIDATION	EQUITY METHOD
Situation as of 31.12.2009	**316**	**14**
First-time inclusions in year under report	21	2
First-time inclusions in year under report due to merger/accretion	12	0
Merger/accretion in year under report	-33	0
Exclusions in year under report	-21	-2
Situation as of 31.12.2010	**295**	**14**
First-time inclusions in year under report	33	8
First-time inclusions in year under report due to merger/accretion	14	0
Merger/accretion in year under report	-26	0
Exclusions in year under report	-8	-1
Situation as of 31.12.2011	**308**	**21**

ADDITIONS TO SCOPE OF CONSOLIDATION

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

COMPANY	DIRECT STAKE %	DATE OF ACQUISITION OR FOUNDATION
Consolidation		
Astrada AG, Subingen	100.00	23.3.2011
Baugesellschaft Nowotnik GmbH, Neumünster	100.00	1.1.2011[1]
BFB Behmann Feuerfestbau GmbH, Bremen	100.00	25.1.2011
Brunner Erben AG, Zurich	100.00	16.3.2011
Brunner Erben Holding AG, Zurich	100.00	16.3.2011
BRVZ Sweden AB, Stockholm	100.00	1.1.2011[1]
DRP, druzba za razvoj projektov d.o.o., Ljubljana	100.00	1.1.2011[1]
Erste Nordsee-Offshore-Holding GmbH, Pressbaum	51.00	24.12.2011
JUKA Justizzentrum Kurfürstenanlage GmbH (formerly Appartmenthaus Scharmützel Projekt-Beteiligungs GmbH), Cologne	100.00	1.1.2011[1]
Gaul GmbH, Sprendlingen	100.00	1.1.2011
Ludwig Voss GmbH & Co. KG, Cuxhaven	100.00	28.8.2011
NE Sander Eisenbau GmbH, Sande	100.00	15.6.2011
NE Sander Immobilien GmbH, Sande	100.00	15.6.2011
NIMAB Entreprenad AB, Sjöbo	100.00	7.7.2011
Northern Energy GlobalTech II. GmbH, Aurich	100.00	24.12.2011
Northern Energy GlobalTech III. GmbH, Aurich	100.00	24.12.2011
Northern Energy OWP Albatros GmbH, Aurich	100.00	24.12.2011
Northern Energy OWP West GmbH, Aurich	100.00	24.12.2011
Northern Energy SeaWind I. GmbH, Aurich	100.00	24.12.2011
Northern Energy SeaWind II. GmbH, Aurich	100.00	24.12.2011
PEKA Entwicklungsgesellschaft Kurfürstenanlage GmbH, Cologne	100.00	1.1.2011[1]
Raststation A3 GmbH, Vienna	100.00	1.1.2011[1]
REPASS-SANIERUNGSTECHNIK GMBH Korrosionsschutz und Betoninstandsetzung, Munderkingen	100.00	30.6.2011
SFB Behmann Feuerfestbau GmbH, Schwedt/Oder	100.00	25.1.2011
Steffes-Mies GmbH, Sprendlingen	100.00	1.1.2011
Stephan Holzbau GmbH, Stuttgart	100.00	31.12.2011
STRABAG Beteiligungsverwaltung GmbH, Cologne	100.00	1.1.2011[1]
STRABAG Energy Technologies GmbH, Vienna	100.00	1.1.2011[1]
Staßfurter Baubetriebe GmbH, Staßfurt	100.00	2.5.2011
Windkraft FiT GmbH, Hamburg	100.00	9.6.2011
Wolfer & Goebel Bau GmbH, Stuttgart	100.00	28.7.2011
ZDE Sechste Vermögensverwaltungs GmbH, Cologne	100.00	1.1.2011[1]
Züblin Maschinen- und Anlagenbau GmbH, Kehl/Rhein	100.00	1.1.2011[1]
Merger/Accretion[2]		
AET-Asfalt-emulsni technologie s.r.o., Litomerice	100.00	1.1.2011
A.R.G.E. Tiefbau GmbH & Co. KG, Ulm	100.00	1.1.2011
BITUNOVA Verwaltungs-GmbH, Hamburg	100.00	1.1.2011
BOT BÖRNER Oberflächen Verwaltungs- und Beteiligungs GmbH, Ritschenhausen	100.00	1.1.2011
BOT BÖRNER Oberflächentechnik GmbH & Co. KG, Ritschenhausen	100.00	1.1.2011
BRG Baustoffhandel- und Recycling GmbH, Erfurt	100.00	1.1.2011
DYNAMIK ASPHALT SP. z o.o., Torun	100.00	1.1.2011
ERA-Stav s.r.o., Prague	100.00	1.1.2011
iFleet Solutions and Service Private Limited, Mumbai Maharashtra	100.00	1.1.2011
KAB Kirchhoff-Alb Bau GmbH, Ehingen	100.00	1.1.2011
Obit spol. s.r.o., Prague	100.00	1.1.2011
Preusse Baubetriebe und Partner Verwaltungsgesellschaft mbH, Halberstadt	100.00	1.1.2011
TRADON GmbH & Co. KG, Markwerben	100.00	1.1.2011
UNIPROJEKT Bau- und Innenbau GmbH, Vienna	100.00	1.1.2011

1) Due to its increased business volume, the company was included in the scope of consolidation of the group for the first time effective 1 January 2011. The foundation/acquisition of the company occurred before 1 January 2011.
2) The companies listed under "Merger/Accretion" were merged with/accrued on already fully consolidated companies and as such are at once represented as additions to and removals from the scope of consolidation.

at-equity	DIRECT STAKE %	DATE OF ACQUISITION OR FOUNDATION
AMB Asphaltmischwerke Bodensee GmbH & Co KG, Singen (Hohentwiel)	24.80	1.1.2011[1]
Asphalt-Mischwerke-Hohenzollern GmbH & Co. KG, Inzighofen	36.50	1.1.2011[1]
Bodensee - Moränekies Gesellschaft mit beschränkter Haftung & Co. Kommanditgesellschaft Tettnag, Tettnag	33.33	1.1.2011[1]
Kieswerke Schray GmbH & Co. KG, Steißlingen	50.00	1.1.2011[1]
Lafarge Cement CE Holding GmbH, Vienna	30.00	28.7.2011
Natursteinwerke im Nordschwarzwald NSN GmbH & Co. KG, Mühlacker	25.00	1.1.2011[1]
PANSUEVIA GmbH & Co. KG, Leipheim	50.00	1.1.2011[1]
PANSUEVIA Service GmbH & Co. KG, Leipheim	50.00	1.1.2011[1]

ACQUISITIONS GERMANY

STRABAG acquired 100 % of Staßfurter Baubetriebe GmbH, Staßfurt, effective retroactively to 1 January 2011. Approval from the cartel authorities was granted on 2 May 2011. Also acquired were asphalt mixing plants in the form of asset deals. The acquisitions helped STRABAG to further strengthen the position regionally in the construction materials business and in transportation infrastructures.

STRABAG acquired 100 % of Gaul GmbH, Sprendlingen, including – indirectly – Gaul subsidiary Steffes-Mies GmbH (previously Steffes-Mies GmbH & Co. KG), Sprendlingen, effective retroactively to 1 January 2011. The acquisition served to strengthen the construction materials activities in the German states of Rhineland-Palatinate and Hesse.

Effective 25 January 2011 the two companies BFB Behmann Feuerfestbau GmbH, Bremen, and SFB Behmann Feuerfestbau GmbH, Schwedt/Oder, were acquired. The acquisition of Behmann, an SME group of companies with a construction output of about € 20 million in the business fields of fireproof construction, chimney construction and technical insulation, helps to complement the existing activities.

Effective 15 June 2011 100 % of the two companies NE Sander Eisenbau GmbH, Sande, and NE Sander Immobilien GmbH, Sande, were acquired. NE Sander is a SME group of companies with a construction output of about € 10 million in the business fields of bridge construction and hydraulic steel structural engineering and helps to complement the existing activities.

Effective 28 August 2011, STRABAG acquired 100 % of civil hydraulic engineering SME Ludwig Voss GmbH & Co. KG, Cuxhaven. As a specialised service provider in the field of civil hydraulic engineering, the company operates mainly in Germany's seaports and along the coasts of the North and Baltic Seas. The group generates average revenue of around € 20 million a year.

STRABAG acquired 51 % of Erste Nordsee-Offshore-Holding GmbH, Pressbaum, in December 2011. The company holds several project companies which develop, build and operate offshore wind energy farms in the North Sea. With the acquisition, STRABAG further expands its existing competence as a builder of wind power facilities.

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

	ACQUISITIONS GERMANY T€
Acquired assets and liabilities	
Goodwill	20,578
Other non-current assets	60,652
Current assets	111,222
Increase in non-controlling interest	-13,326
Non-current liabilities	-30,024
Current liabilities	-76,757
Purchase price	**72,345**
Less non-cash-effective purchase price component	-1,553
Acquired cash and cash equivalents	-11,001
Net cash outflow from acquisitions	**59,791**

OTHER ACQUISITIONS

In March 2011 STRABAG acquired the construction company Brunner Erben Holding AG, Zurich. The company is active on the Swiss market in the fields of civil and underground engineering (special foundation engineering and road construction), building construction (incl. wood building) and transport. The approval of the cartel authorities was effective on 16 March 2011.

In addition STRABAG acquired in March 2011 the Swiss construction company Astrada AG, Subingen. The company is active with about 350 employees in the fields of road and ground-level construction, railway and civil engineering, and industrial and residential construction. The closing was effective on 23 March 2011.

STRABAG acquired Swedish company NIMAB Entreprenad AB, Sjöbo. The Swedish company, which is mainly active in the field of building construction in southern Sweden, has 124 employees and generated an annual output of about SEK 300 million. The acquisition allows STRABAG to bolster its presence in the southern Swedish market. The closing took place on 7 July 2011.

1) Due to its increased business volume, the company was included in the scope of consolidation of the group for the first time effective 1 January 2011. The foundation/acquisition of the company occurred before 1 January 2011

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

Acquired assets and liabilities	OTHER ACQUISITIONS T€
Goodwill	7,937
Other non-current assets	52,418
Current assets	72,615
Non-current liabilities	-32,342
Current liabilities	-51,530
Purchase price	**49,098**
Less non-cash-effective purchase price component	-8,313
Acquired cash and cash equivalents	-9,888
Net cash outflow from acquisitions	**30,897**

AT EQUITY

With entry in the commercial register on 28 July 2011, STRABAG merged its cement investments in Hungary in Lafarge Cement CE Holding GmbH, Vienna, and acquired 30 % of the company. The remaining 70 % are held by Lafarge, a market leader in construction materials manufacturing. Lafarge Cement CE Holding GmbH bundles the cement activities of Lafarge and STRABAG in the countries of Central and Eastern Europe. The presentation was made as full disposal at fair value and subsequent acquisition of the 30 % interest.

Purchase price adjustments for acquisitions from the previous year may result in minor changes in assets and liabilities.

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 difference to an inclusion at the date of acquisition.

In the 2011 financial year, negative goodwill in the amount of T€ 4,487 (previous year: T€ 778) occurred. This amount is reported under other operating income.

Assuming a fictitious first-time consolidation on 1 January 2011 for all acquisitions in the 2011 financial year, the consolidated revenue would amount to T€ 13,803,627 and consolidated profit would have changed by a total of T€ -1,972.

All companies which were consolidated for the first time in 2011 contributed T€ 503,453 to revenue and T€ -22,336 to profit.

ACQUISITIONS AFTER REPORTING DATE

In March 2012, STRABAG announced a strategic partnership with BH-Holding AG in the cantons of Zurich and Zug, Switzerland. STRABAG is also taking a 51 % interest in BH Holding AG's construction subsidiary, Baunova AG. Baunova AG generates annual revenues of about CHF 60 million and employs approx. 100 employees.

DISPOSALS FROM THE SCOPE OF CONSOLIDATION

As of 31 December 2011, the following companies were no longer included in the scope of consolidation:

DISPOSALS FROM SCOPE OF CONSOLIDATION	
Al-Hani General Construction Co., Tripolis	Temporary suspension of activities
ILBAU GmbH, Vienna	Merger in Lafarge Cement CE Holding GmbH
ILBAU Management GmbH, Vienna	Merger in Lafarge Cement CE Holding GmbH
Leonhard Moll Tiefbau GmbH, Munich	Fell bellow significant level
MiTTaG spol. s.r.o., Brno	Fell bellow significant level
NOSTRA Cement Kft., Budapest	Merger in Lafarge Cement CE Holding GmbH
STR Lakasepitö Korlatolt Felelössegü Tarsagag, Budapest	Fell bellow significant level
Mineral Baustoff Verwaltungs GmbH, Cologne	Fell bellow significant level

MERGER/ACCRETION[1]
A.R.G.E. Tiefbau GmbH & Co. KG, Ulm
AET-Asfalt-emulsni technologie s.r.o., Litomerice
BITUNOVA GmbH & Co. KG, Hamburg
Bitunova Sp.z o.o., Warsaw
BITUNOVA Verwaltungs-GmbH, Hamburg
BOT BÖRNER Oberflächen Verwaltungs- und Beteiligungs GmbH, Ritschenhausen
BOT BÖRNER Oberflächentechnik GmbH & Co. KG, Ritschenhausen
BRG Baustoffhandel- und Recycling GmbH, Erfurt
DYNAMIK ASPHALT SP. z o.o., Torun
ERA-Stav s.r.o., Prague
Georg Börner Dach und Straße GmbH, Bad Hersfeld
iFleet Solutions and Service Private Limited, Mumbai Maharashtra
JUKA Justizzentrum Kurfürstenanlage GmbH, Cologne
KAB Kirchhoff-Alb Bau GmbH, Ehingen
Kalksteinwerk Eigenrieden GmbH, Eigenrieden
Kirchhoff Asphaltmischwerke GmbH & Co. KG, Leinfelden-Echterdingen
M.A. d.o.o., Split
Obit spol. s.r.o., Prague
Polskie Kruszywa Sp. z o.o., Wroclaw
Preusse Baubetriebe und Partner GmbH & Co. KG Halberstadt, Halberstadt
Preusse Baubetriebe und Partner Verwaltungsgesellschaft mbH, Halberstadt
STRABAG Energietechnik GmbH & Co KG, Vienna
STRABAG konstrukce s.r.o., Chrudim
TRADON GmbH & Co. KG, Markwerben
TSS Splitt- und Schotterwerke Thüringen Beteiligungs GmbH, Bad Langensalza
UNIPROJEKT Bau- und Innenbau GmbH, Vienna

AT-EQUITY	
DIRECTROUTE (LIMERICK) CONSTRUCTION LIMITED, Fermoy	Fell bellow significant level

The merger of the cement activities in Lafarge Cement CE Holding GmbH, Vienna, resulted in disposals of assets in the amount of T€ 276,241 and debt in the amount of T€ 3,741. This was countered by the acquisition of 30 % in Lafarge Cement CE Holding GmbH, accounted for under equity investments.

The remaining deconsolidation resulted in disposals of assets in the amount of T€ 114,308 and of liabilities – including non-controlling interests – in the amount of T€ 117,521.

METHODS OF CONSOLIDATION

The financial statements of the domestic and foreign companies included in the scope of consolidation are drawn up in accordance with uniform methods of accounting and valuation. The annual financial statements of the domestic and foreign group companies are adapted accordingly.

Capital consolidation is made in accordance with the stipulations contained in IFRS 3. All assets and liabilities of the subsidiary companies are recorded at the fair values. The proportional equity thereby determined is offset by the carrying value of the investment. A difference on the assets side, which is allotted to special, identifiable intangible assets acquired in the course of capital consolidation, is recognised separately from goodwill.

If a useful life can be allocated to these assets, the planned amortisation is made over the projected useful life. Intangible assets with an undefined useful life are tested annually for their fair value and amortised if necessary on the basis of an impairment test.

Any remaining differences on the assets side are capitalised as goodwill and submitted once annually to an impairment test in accordance with IAS 36. The option of recognising non-controlling interest at fair value (full goodwill method) is not applied.

In determining the cost of an acquisition, certain components of the purchase price are recognised at fair value at the time of initial consolidation. Later deviations from this value are recognised in profit or loss. In the revised IFRS 3, transaction costs are no longer recognised as the cost of acquisition but are immediately recognised directly in profit or loss.

In the 2011 financial year, T€ 28,515 in goodwill arising from capital consolidation were recognised as assets. Impairments in the amount of T€ 16,152 were made.

1) The companies listed under “Merger/Accretion” were merged with already fully consolidated companies or, as a result of accretion, formed part of fully consolidated companies.

Negative goodwill stemming from capital consolidation is recorded directly through profit or loss.

In a step acquisition, assets and liabilities are recognised at fair value at the acquisition date. Already existing interests have to be revalued at fair value through profit and loss. The goodwill is determined at the time of acquisition.

Value differences resulting from the acquisition or sale of investments in subsidiaries without the acquisition or loss of control are recognised in full directly in equity. The revised IAS 27 no longer permits the recognition of goodwill.

The same principles of capital consolidation are applied to investments included under the equity method as in the case of consolidated companies, whereby the respective last available financial statements serve as the basis for the equity method. A goodwill of T€ 150,426 (previous year: T€ 0) results from the first-time application of the equity method of the newly acquired companies, which is recognised as a component of investments in associates.

Within the framework of debt consolidation, outstanding trade receivables, loans and other receivables are offset with the corresponding liabilities and provisions of the subsidiaries included in the consolidated financial statements.

Expenses and revenues from intra-group transactions have been eliminated. Results incurred from intra-group transactions that are recognised in the non-current and current assets have been eliminated if they are material.

Non-controlling interests in equity and profits of companies controlled by the parent company are shown separately in the consolidated financial statements.

The necessary tax deferrals are made for consolidation procedures.

THE FOLLOWING LIST SHOWS THE CONSOLIDATED COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

AUSTRIA		NOMINAL CAPITAL T€/TATS	DIRECT STAKE %
“A-WAY Infrastrukturprojektentwicklungs- und -betriebs GmbH”, Spittal an der Drau		35	100.00
“DOMIZIL” Bauträger GmbH, Vienna		727	100.00
“Filmforum am Bahnhof” Errichtungs- und Betriebsgesellschaft m.b.H., Vienna	TATS	3,000	100.00
“SBS Strabag Bau Holding Service GmbH”, Spittal an der Drau		35	100.00
“Wiener Heim” Wohnbaugesellschaft m.b.H., Vienna		741	100.00
“Wohngarten Sensengasse” Bauträger GmbH, Vienna		35	55.00
ABR Abfall Behandlung und Recycling GmbH, Schwadorf		37	100.00
Asphalt & Beton GmbH, Spittal an der Drau		36	100.00
AUSTRIA ASPHALT GmbH & Co OG, Spittal an der Drau	TATS	500	100.00
Bau Holding Beteiligungs AG, Spittal an der Drau		48,000	100.00
Baukontor Gaaden Gesellschaft m.b.H., Gaaden		36	100.00
Bitumen Handelsgesellschaft m.b.H. & Co KG, Loosdorf	TATS	3,000	100.00
BITUNOVA Baustofftechnik Gesellschaft m.b.H., Spittal an der Drau	TATS	2,000	100.00
BMTI-Baumaschinentechnik International GmbH, Trumau		1,454	100.00
BPM Bau Prozess Management GmbH, Vienna		36	100.00
BrennerRast GmbH, Vienna		35	100.00
BRVZ Bau- Rechen- u. Verwaltungszentrum Gesellschaft m.b.H., Spittal an der Drau		37	100.00
Bug-AluTechnic GmbH, Vienna		5,000	100.00
Center Communication Systems GmbH, Vienna		727	100.00
Diabaswerk Saalfelden Gesellschaft m.b.H., Saalfelden am Stein.Meer		363	100.00
Eckstein Holding GmbH, Spittal an der Drau		73	100.00
EFKON AG, Raaba		18,350	97.13
ERMATEC Maschinen Technische Anlagen Gesellschaft m.b.H., Vienna		1,897	100.00
Erste Nordsee-Offshore-Holding GmbH, Pressbaum		100	51.00
F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG, Eggendorf		1,192	100.00
Fachmarktzentrum Arland Errichtungs- und Vermietungsgesellschaft mbH, Vienna	TATS	500	100.00
Goldeck Bergbahnen GmbH, Spittal an der Drau		363	100.00
Ilbau Liegenschaftsverwaltung GmbH, Spittal an der Drau		4,500	100.00
InfoSys Informationssysteme GmbH, Spittal an der Drau		363	94.90
Innsbrucker Nordkettenbahnen Betriebs GmbH, Innsbruck		35	51.00
KAB Straßensanierung GmbH & Co KG, Spittal an der Drau		133	50.60
Kanzel Steinbruch Dennig Gesellschaft mit beschränkter Haftung, Gratkorn	TATS	500	75.00
Leitner Gesellschaft m.b.H., Hausmening	TATS	4,800	100.00
M5 Beteiligungs GmbH, Vienna		70	100.00

AUSTRIA		NOMINAL CAPITAL T€/TATS	DIRECT STAKE %
M5 Holding GmbH, Vienna		35	100,00
Mineral Abbau GmbH, Spittal an der Drau		36	100.00
Mischek Systembau GmbH, Vienna		1,000	100.00
Mobil Baustoffe GmbH, Reichenfels		50	100.00
OAT - Bohr- und Fugentechnik Gesellschaft m.b.H., Spittal an der Drau	TATS	1,000	51.00
Osttiroler Asphalt Hoch- und Tiefbauunternehmung GmbH, Lavant i. Osttirol		36	80.00
Raststation A 3 GmbH, Vienna		35	100.00
Raststation A 6 GmbH, Vienna	TATS	500	100.00
RBS Rohrbau-Schweißtechnik Gesellschaft m.b.H., Linz		291	100.00
SF Bau vier GmbH, Vienna		35	100.00
Stadtbaumeister Architekt Franz Böhm GmbH, Vienna		36	100.00
Storf Hoch- und Tiefbaugesellschaft m.b.H., Reutte		727	100.00
STRABAG AG, Spittal an der Drau		12,000	100.00
STRABAG Anlagentechnik GmbH, Thalgau		1,000	100.00
STRABAG Bau GmbH, Vienna		1,800	100.00
STRABAG Energy Technologies GmbH, Vienna		50	100.00
Strabag Liegenschaftsverwaltung GmbH, Linz		4,500	100.00
STRABAG Property and Facility Services GmbH, Vienna		35	100.00
STRABAG SE, Villach		114,000	100.00
TPA Gesellschaft für Qualitätssicherung und Innovation GmbH, Vienna		37	100.00
Züblin Baugesellschaft m.b.H., Vienna	TATS	35,000	100.00
Züblin Holding GesmbH, Vienna		55	100.00
Züblin Spezialtiefbau Ges.m.b.H., Vienna		1,500	100.00

GERMANY		NOMINAL CAPITAL T€/TDEM	DIRECT STAKE %
„GfB“ Gesellschaft für Bauwerksabdichtungen mbH, Kobern-Gondorf		205	100.00
Alpines Hartschotterwerk Georg Kässbohrer & Sohn GmbH & Co. KG, Senden		1,310	100.00
Baugesellschaft Nowotnik GmbH, Nörvenich		26	100.00
Baumann & Burmeister GmbH, Halle/Saale		51	100.00
Bauträgergesellschaft Olande mbH, Hamburg		25	51.00
Bauunternehmung Ohneis Gesellschaft mit beschränkter Haftung, Straubing	TDEM	100	100.00
BBS Baustoffbetriebe Sachsen GmbH, Hartmannsdorf	TDEM	30,000	100.00
becker bau GmbH, Bornhöved		25	100.00
BFB Behmann Feuerfestbau GmbH, Bremen		50	100.00
BHG Bitumenhandelsgesellschaft mbH, Hamburg		26	100.00
BITUNOVA GmbH, Düsseldorf		256	100.00
Blees-Kölling-Bau GmbH, Cologne	TDEM	2,500	100.00
BMTI-Baumaschinentechnik International GmbH, Cologne		307	100.00
BRVZ Bau- Rechen- und Verwaltungszentrum GmbH, Cologne		30	100.00
CLS Construction Legal Services GmbH, Cologne		25	100.00
Deutsche Asphalt GmbH, Cologne		28	100.00
Donnersberger Höfe Ost GmbH, Düsseldorf		25	65.00
Donnersberger Höfe West GmbH, Düsseldorf		25	65.00
DYWIDAG Bau GmbH, Munich		30	100.00
DYWIDAG International GmbH, Munich		5,000	100.00
DYWIDAG-Holding GmbH, Cologne		500	100.00
E S B Kirchhoff GmbH, Langenargen		1,500	100.00
Eberhard Pöhner Unternehmen für Hoch- und Tiefbau GmbH, Bayreuth		30	100.00
Eberhardt Bau-Gesellschaft mbH, Berlin	TDEM	300	100.00
ECS European Construction Services GmbH, Mörfelden-Walldorf		225	100.00
Ed. Züblin AG, Stuttgart		20,452	57.26
Eduard Hachmann Gesellschaft mit beschränkter Haftung, Lunden		520	100.00
EFKON Germany GmbH, Berlin		25	100.00
Eichholz Eivel GmbH, Berlin		25	100.00
ETG Erzgebirge Transportbeton GmbH, Freiberg		290	60.00
F. Kirchhoff GmbH, Leinfelden-Echterdingen		23,319	100.00
F. Kirchhoff Straßenbau GmbH, Leinfelden-Echterdingen		25	100.00
F. KIRCHHOFF SYSTEMBAU GmbH, Münsingen		2,000	100.00
Fahrleitungsbau GmbH, Essen		1,550	100.00
Forum Mittelrhein Koblenz Generalübernehmergesellschaft mbH & Co.KG, Oststeinbek		25	51.00
Forum Mittelrhein Koblenz Kultur GmbH & Co. KG, Hamburg		25	51.00

GERMANY		NOMINAL CAPITAL T€/TDEM	DIRECT STAKE %
Gaul GmbH, Sprendlingen		25	100.00
Gebr. von der Wettern Gesellschaft mit beschränkter Haftung, Cologne	TDEM	5,000	100.00
Griproad Spezialbeläge und Baugesellschaft mbH, Cologne	TDEM	400	100.00
HEILIT Umwelttechnik GmbH, Düsseldorf		2,000	100.00
Heilit+Woerner Bau GmbH, Munich		18,000	100.00
Helmus Straßen-Bau-Gesellschaft mbH & Co. KG, Vechta		3,068	100.00
Hermann Kirchner Bauunternehmung GmbH, Bad Hersfeld		15,000	100.00
Hermann Kirchner Hoch- und Ingenieurbau GmbH, Bad Hersfeld		2,500	100.00
Hermann Kirchner Projektgesellschaft mbH, Bad Hersfeld		1,280	100.00
Ilbau GmbH Deutschland, Berlin		4,700	100.00
Ilbau Liegenschaftsverwaltung GmbH, Hoppegarten	TDEM	15,000	100.00
Josef Möbius Bau - GmbH, Hamburg		6,833	100.00
Josef Riepl Unternehmen für Ingenieur- und Hochbau GmbH, Regensburg		900	100.00
JUKA Justizzentrum Kurfürstenanlage GmbH, Cologne		26	100.00
Kirchner & Völker Bauunternehmung GmbH, Erfurt		520	90.00
Kirchner Holding GmbH, Bad Hersfeld		9,220	100.00
Leonhard Moll Hoch- und Tiefbau GmbH, Munich		51	100.00
LIMET Beteiligungs GmbH & Co. Objekt Köln KG, Cologne		10	94.00
LIMET Beteiligungs GmbH, Cologne	TDEM	50	100.00
Ludwig Voss GmbH & Co. KG, Cuxhaven		692	100.00
MAV Mineralstoff - Aufbereitung und - Verwertung GmbH, Krefeld		600	50.00
MAV Mineralstoff - Aufbereitung und Verwertung Lünen GmbH, Lünen		250	100.00
Mineral Baustoff GmbH, Cologne		25	100.00
MOBIL Baustoffe GmbH, Munich		100	100.00
NE Sander Eisenbau GmbH, Sande		155	100.00
NE Sander Immobilien GmbH, Sande		155	100.00
Northern Energy GlobalTech II. GmbH, Aurich		25	100.00
Northern Energy GlobalTech III. GmbH, Aurich		25	100.00
Northern Energy OWP Albatros GmbH, Aurich		100	100.00
Northern Energy OWP West GmbH, Aurich		100	100.00
Northern Energy SeaWind I. GmbH, Aurich		25	100.00
Northern Energy SeaWind II. GmbH, Aurich		25	100.00
Off-Shore Wind Logistik GmbH, Stuttgart	TDEM	100	100.00
Ooms-Ittner-Hof GmbH, Cologne	TDEM	1,000	100.00
PEKA Entwicklungsgesellschaft Kurfürstenanlage GmbH, Cologne		25	100.00
POßÖGEL & PARTNER STRAßEN- UND TIEFBAU GMBH HERMSDORF/THÜR., St. Gangloff		77	100.00
Preusse Baubetriebe Gesellschaft mit beschränkter Haftung, Hamburg		1,050	100.00
Projekt Elbpark GmbH & Co. KG, Cologne		10	100.00
Pyhrn Concession Holding GmbH, Cologne		38	100.00
REPASS-SANIERUNGSTECHNIK GMBH Korrosionsschutz und Betoninstandsetzung, Munderkingen	TDEM	51	100.00
Rimex Gebäudemanagement GmbH, Ulm		51	70.00
ROBA Transportbeton GmbH, Cologne		520	100.00
Robert Kieserling Industriefußboden Gesellschaft mit beschränkter Haftung, Hamburg		1,050	100.00
SAT Straßensanierung GmbH, Cologne		30	100.00
SBR Verwaltungs-GmbH, Kehl		7,001	100.00
SF-Ausbau GmbH, Freiberg		600	100.00
SFB Behmann Feuerfestbau GmbH, Schwedt/Oder		25	100.00
Staßfurter Baubetriebe GmbH, Staßfurt		1,050	100.00
Steffes-Mies GmbH, Sprendlingen		25	100.00
Stephan Holzbau GmbH, Stuttgart		25	100.00
STRABAG AG, Cologne		104,780	93.63
STRABAG Asset GmbH, Cologne		2,663	100.00
STRABAG Beteiligungsverwaltung GmbH, Cologne		78	100.00
STRABAG Beton GmbH & Co. KG, Berlin	TDEM	2,000	100.00
STRABAG Facility Management GmbH, Nuremberg		30	100.00
Strabag International GmbH, Cologne	TDEM	5,000	100.00
STRABAG Offshore Wind GmbH, Cuxhaven	TDEM	50	100.00
STRABAG Pipeline- und Rohrleitungsbau GmbH, Regensburg		50	100.00
STRABAG Projektentwicklung GmbH, Cologne	TDEM	20,000	100.00
STRABAG Property and Facility Services GmbH, Münster		5,000	100.00
STRABAG Rail Fahrleitungen GmbH, Berlin		600	100.00

GERMANY		NOMINAL CAPITAL T€/TDEM	DIRECT STAKE %
STRABAG Rail GmbH, Lauda-Königshofen		25	100.00
STRABAG Real Estate GmbH, Cologne		30,000	100.00
STRABAG Sportstättenbau GmbH, Dortmund	TDEM	200	100.00
STRABAG Umweltanlagen GmbH, Dresden		2,000	100.00
STRABAG Unterstützungskasse GmbH, Cologne		26	100.00
Stratebau GmbH, Regensburg	TDEM	8,000	100.00
T S S Technische Sicherheits-Systeme Gesellschaft mit beschränkter Haftung, Cologne	TDEM	270	100.00
TPA Gesellschaft für Qualitätssicherung u.Innovation GmbH, Cologne		511	100.00
Windkraft FiT GmbH, Hamburg		25	100.00
Wolfer & Goebel Bau GmbH, Stuttgart		25	100.00
Xaver Bachner GmbH, Straubing	TDEM	500	100.00
Z-Bau GmbH, Magdeburg		100	100.00
ZDE Sechste Vermögensverwaltung GmbH, Cologne		25	100.00
Züblin Gebäudetechnik GmbH, Erlangen		25	100.00
Züblin International GmbH, Stuttgart		2,500	100.00
Züblin Maschinen- und Anlagenbau GmbH, Kehl/Rhein		1,534	100.00
Züblin Projektentwicklung GmbH, Stuttgart	TDEM	5,000	100.00
Züblin Spezialtiefbau GmbH, Stuttgart	TDEM	6,000	100.00
Züblin Stahlbau GmbH, Hosena		1,534	100.00
Züblin Umwelttechnik GmbH, Stuttgart		2,000	100.00
Züblin Wasserbau GmbH, Berlin	TDEM	500	100.00

ALBANIA	NOMINAL CAPITAL TALL	DIRECT STAKE %
Trema Engineering 2 sh p.k., Tirana	545,568	51.00

AZERBAIJAN	NOMINAL CAPITAL TUSD	DIRECT STAKE %
"Strabag Azerbaijan" L.L.C., Baku	260	100.00

BELGIUM	NOMINAL CAPITAL T€	DIRECT STAKE %
N.V. STRABAG Belgium S.A., Antwerp	18,059	100.00
N.V. STRABAG Benelux S.A., Antwerp	6,863	100.00

BULGARIA	NOMINAL CAPITAL TLEW	DIRECT STAKE %
STRABAG EAD, Sofia	13,313	100.00
TPA EOOD, Sofia	5	100.00

CHILE	NOMINAL CAPITAL TCLP	DIRECT STAKE %
Züblin International Chile Ltda., Santiago	7,909	100.00

CHINA	NOMINAL CAPITAL TCNY	DIRECT STAKE %
Shanghai Changjiang-Züblin Construction&Engineering Co.Ltd., Shanghai	29,312	75.00

DENMARK	NOMINAL CAPITAL TDKK	DIRECT STAKE %
KMG - KLIPLEV MOTORWAY GROUP A/S, Copenhagen	500	100.00
Züblin A/S, Trige	1,000	100.00

INDIA	NOMINAL CAPITAL TINR	DIRECT STAKE %
EFKON INDIA LIMITED, Mumbai Maharashtra	50,000	100.00
I-PAY CLEARING SERVICES Pvt. Ltd., Mumbai Maharashtra	20,000	74.00

ITALY	NOMINAL CAPITAL T€	DIRECT STAKE %
STRABAG S.p.A., Bologna	10,000	100.00

CANADA	NOMINAL CAPITAL TCAD	DIRECT STAKE %
Strabag Inc., Toronto	3,000	100.00

CROATIA	NOMINAL CAPITAL THRK	DIRECT STAKE %
BRVZ d.o.o., Zagreb	20	100.00
CESTAR d.o.o., Slavonski Brod	1,100	74.90
MINERAL IGM d.o.o., Zapuzane	10,681	100.00
Pomgrad Inzenjering d.o.o., Split	25,534	100.00
PZC SPLIT d.d., Split	18,810	94.74
Strabag d.o.o., Zagreb	48,230	100.00
STRABAG-HIDROINZENJERING d.o.o, Split	144	100.00
TPA odrzavanje kvaliteta i inovacija d.o.o., Zagreb	20	100.00

MALAYSIA	NOMINAL CAPITAL TMYR	DIRECT STAKE %
Züblin International Malaysia Sdn. Bhd., Kuala Lumpur	4,100	100.00

MONTENEGRO	NOMINAL CAPITAL T€	DIRECT STAKE %
“Crnagoraput” AD, Podgorica, Podgorica	18,936	89.98

NETHERLANDS	NOMINAL CAPITAL T€	DIRECT STAKE %
STRABAG BV, Vlaardingen	450	100.00
Züblin Nederland BV, Vlaardingen	500	100.00

OMAN	NOMINAL CAPITAL TOMR	DIRECT STAKE %
STRABAG OMAN L.L.C., Muscat	1,000	100.00

PAKISTAN	NOMINAL CAPITAL TPKR	DIRECT STAKE %
TolLink Pakistan (Private) Limited, Islamabad	2,520	60.00

POLAND	NOMINAL CAPITAL TPLN	DIRECT STAKE %
“HEILIT+WOERNER” Budowlana Sp.z o.o., Breslau	16,140	100.00
A2 Strada Sp.z o.o., Warsaw	428	100.00
BHG Sp.z o.o., Warsaw	500	100.00
BMTI Polska Sp.z o.o., Pruszkow	2,000	100.00
BRVZ Sp.z o.o., Warsaw	500	100.00
Hermann Kirchner Polska Sp.z o.o., Lodz	1,100	100.00
Kopalnie Melafiru w Czarnym Borze Sp.z o.o., Czarny Bor	9,700	99.96
Mineral Polska Sp. z.o.o., Strzelin	9,361	100.00
PL-BITUNOVA Sp.z o.o., Bierawa	2,700	100.00
Polski Asfalt Sp.z o.o., Wroclaw	60,000	100.00
Przedsiebiorstwo Budownictwa Ogólnego i Uslug Technicznych Slask Sp.z o.o., Katowice	295	60.98
SAT Sp.z o.o., Olawa	4,171	100.00
STRABAG Sp.z o.o., Warsaw	11,800	100.00
TPA INSTYTUT BADAN TECHNICZNYCH Sp.z o.o., Pruszków	600	100.00
Züblin Sp.z o.o., Poznan	7,765	100.00

PORTUGAL	NOMINAL CAPITAL T€	DIRECT STAKE %
Zucotec - Sociedade de Construcoes Lda., Lisbon	200	100.00

QATAR	NOMINAL CAPITAL TRIY	DIRECT STAKE %
Strabag Qatar W.L.L., Qatar	200	100.00

ROMANIA	NOMINAL CAPITAL TRON	DIRECT STAKE %
ANTREPRIZA DE REPARATII SI LUCRARI A R L CLUJ S.A., Cluj-Napoca	64,061	100.00
Bitunova Romania SRL, Bucharest	16	100.00
BRVZ SERVICII & ADMINISTRARE SRL, Bucharest	278	100.00
Carb SA, Brasov	10,909	99.47
DRUMCO SA, Timisoara	12,957	70.00
Strabag srl, Bucharest	43,519	100.00
TPA Societate pentru asigurarea calitatii si inovatii SRL, Bucharest	0	100.00
Züblin Romania S.R.L., Bucharest	4,580	100.00

RUSSIA	NOMINAL CAPITAL TRUB	DIRECT STAKE %
SAO BRVZ Ltd, Moscow	313	100.00
Strabag z.a.o., Moscow	14,926	100.00

SAUDI ARABIA	NOMINAL CAPITAL TSAR	DIRECT STAKE %
Dywidag Saudi Arabia Co. Ltd., Jubail	10,000	100.00

SWEDEN	NOMINAL CAPITAL TSEK	DIRECT STAKE %
BRVZ Sweden AB, Kumla	100	100.00
Nimab Entreprenad AB, Sjöbo	501	100.00
STRABAG AB, Stockholm	50	100.00
STRABAG Projektutveckling AB, Stockholm	1,000	100.00
STRABAG Sverige AB, Stockholm	15,975	100.00
Züblin Scandinavia AB, Stockholm	100	100.00

SWITZERLAND	NOMINAL CAPITAL TCHF	DIRECT STAKE %
Astrada AG, Subingen	3,000	100.00
BMTI GmbH, Erstfeld	20	100.00
Brunner Erben AG, Zurich	1,500	100.00
Brunner Erben Holding AG, Zurich	2,000	100.00
BRVZ Bau-, Rechen- und Verwaltungszentrum AG, Erstfeld	100	100.00
Egolf AG Strassen- und Tiefbau, Weinfelden	3,500	100.00
Meyerhans AG Amriswil, Amriswil	2,500	100.00
Meyerhans AG, Strassen- und Tiefbau Uzwil, Uzwil	100	100.00
STRABAG AG, Zurich	8,000	100.00

SERBIA		NOMINAL CAPITAL TRSD	DIRECT STAKE %
“PUTEVI” A.D. CACAK, Cacak		155,477	85.02
Preduzece za puteve “Zajecar” a.D.Zajecar, Zajecar		265,015	99.53
STRABAG Beograd d.o.o., Belgrade	TEUR	8,696	100.00
TPA za obezbedenje kvaliteta i inovacije d.o.o. Beograd, Novi Beograd	TEUR	401	100.00
Vojvodinaput-Pancevo a.d. Pancevo, Pancevo	TEUR	4,196	82.07

SLOVAKIA	NOMINAL CAPITAL T€	DIRECT STAKE %
BRVZ s.r.o., Bratislava	33	100.00
C.S. BITUNOVA spol. s.r.o., Zvolen	1,195	100.00
Errichtungsgesellschaft Strabag Slovensko s.r.o., Bratislava-Ruzinov	7	100.00
KSR - Kamenolomy SR, s.r.o., Zvolen	25	100.00
OAT spol. s.r.o., Bratislava	199	100.00
SLOVASFALT, spol.s.r.o., Bratislava	9,222	100.00
STRABAG - ZIPP Development s.r.o., Bratislava	664	100.00
STRABAG s.r.o., Bratislava	66	100.00
TPA Spolocnost pre zabezpecenie kvality a inovacie s.r.o., Bratislava	7	100.00
Viedenska brana s.r.o., Bratislava	25	100.00
ZIPP BRATISLAVA spol. sr.o., Bratislava	133	100.00

SLOVENIA	NOMINAL CAPITAL T€	DIRECT STAKE %
BRVZ center za racunovodstvo in upravljanje d.o.o., Ljubljana	9	100.00
DRP, d.o.o., Ljubljana	9	100.00
GRADBENO PODJETJE IN KAMNOLOM GRASTO d.o.o., Ljubljana	337	99.85
STRABAG gradbene storitve d.o.o., Ljubljana	9	100.00

SOUTH AFRICA	NOMINAL CAPITAL T€	DIRECT STAKE %
TOLLINK (SA), Pretoria	166	100.00

CZECH REPUBLIC	NOMINAL CAPITAL TCZK	DIRECT STAKE %
BHG CZ s.r.o., Ceské Budejovice	200	100.00
Bitunova spol. s r.o., Jihlava	100	100.00
BMTI CR s.r.o., Brno	100	100.00
BOHEMIA ASFALT, s.r.o., Sobeslav	10,000	100.00
BRVZ s.r.o., Prague	1,000	100.00
Dalnicni stavby Praha, a.s., Prague	136,000	100.00
FRISCHBETON s.r.o., Prague	20,600	100.00
JHP spol. s.r.o., Prague	20,000	100.00
KAMENOLOMY CR s.r.o., Ostrava - Svinov	106,200	100.00
Na belidle s.r.o., Prague	100	100.00
OAT s.r.o., Prague	4,000	100.00
SAT s.r.o., Prague	1,000	100.00
Strabag a.s., Prague	1,119,600	100.00
STRABAG Property and Facility Services a.s., Prague	46,800	100.00
TPA CR, s.r.o., Beroun	1,000	100.00
Viamont DSP a.s., Usti nad Labem	180,000	100.00
ZIPP PRAHA, s.r.o., Prague	17,100	100.00
Züblin stavebni spol s.r.o., Prague	100,000	100.00

UKRAINE	NOMINAL CAPITAL TUAH	DIRECT STAKE %
Chustskij Karier, Zakarpatska	3,279	95.96
Zezelivskij karier TOW, Zezelev	13,130	99.36

HUNGARY	NOMINAL CAPITAL THUF	DIRECT STAKE %
AKA Zrt., Budapest	24,000,000	100.00
ASIA Center Kft., Budapest	1,830,080	100.00
BHG Bitumen Kft., Budapest	3,000	100.00
Bitunova Kft., Budapest	50,000	100.00
BMTI Kft., Budapest	5,000	100.00
BRVZ Kft., Budapest	1,545,000	100.00
Frissbeton Kft., Budapest	100,000	100.00
H-TPA Kft., Budapest	113,000	100.00

HUNGARY	NOMINAL CAPITAL THUF	DIRECT STAKE %
KÖKA Kft., Budapest	761,680	100.00
Magyar Aszfalt Kft., Budapest	3,600,000	100.00
MASZ M6 Kft., Budapest	10,000	100.00
OAT Kft., Budapest	25,000	100.00
SAT Útjavító Kft., Budapest	268,000	100.00
STRABAG Property and Facility Services Zrt., Budapest	20,000	51.00
Strabag Zrt., Budapest	2,100,000	100.00
STRABAG-MML Kft., Budapest	500,000	100.00
Szentesi Vasutepitö Kft, Budapest	189,120	100.00
Treuhandbeteiligung H	10,000	85.00
Züblin K.f.t, Budapest	3,000	100.00

UNITED ARAB EMIRATES	NOMINAL CAPITAL TAED	DIRECT STAKE %
STRABAG ABU DHABI LLC, Abu Dhabi	150	100.00
Züblin Ground and Civil Engineering LLC, Dubai	1,000	100.00

CURRENCY TRANSLATION

The group currency is the euro. The financial statements for foreign companies or permanent establishment are converted into euro according to the functional currency concept (IAS 21). In all companies this is the respective local currency.

The most important currencies are listed under item 26: financial instruments along with their average exchange rates and their exchange rates on the balance sheet date.

All balance sheet items are converted at the closing rate at the balance sheet date. Expense and income items are converted at the average annual rate.

In the course of capital consolidation, currency translation differences of T€ -56,280 (previous year: T€ 43,329) are recognised directly in equity in the financial year with no effect on the operating result. The currency translation differences between the closing rate for the balance sheet and the average rate for the income statement are allocated to equity.

The recognition of forward exchange operations directly in equity (hedging) increased the retained earnings excluding deferred taxes by T€ 740 (previous year: increase of T€ 28,036).

Restatements in accordance with IAS 29 (Financial Reporting in Hyperinflationary Economies) were not necessary.

ACCOUNTING POLICIES

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Acquired intangible assets and property, plant and equipment are recognised at their initial costs or costs of production less depreciation and impairment. Both the direct and the appropriate parts of overhead costs for the self-constructed plants are included in the production costs. Borrowing costs are recognised for qualifying assets.

Development costs are capitalised if the group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for internal use or sale and if it can demonstrate the intent to complete the intangible asset and use or sell it. The group must also demonstrate that the intangible asset will generate probable future economic benefits, that it has adequate resources to complete the asset and that it is able to reliably measure the expenditure attributable to the asset during its development. The construction costs for these assets comprise all construction costs directly attributable to the construction process as well as production-related overheads. Borrowing costs are capitalised for qualified assets. The capitalised development costs are amortised and depreciated according to the straight-line method over the period for which revenues from the respective project are expected.

Goodwill and intangible assets without a determinable useful life are subject to an annual impairment test in accordance with IAS 36 based on which the impairment is undertaken.

Within the scope of the impairment test cash-generating units are identified and assigned them a goodwill value. If the book value of a cash-generating unit including its goodwill exceeds the highest attainable value, an impairment loss must be recognised.

Other intangible and tangible assets are amortised and depreciated according to the straight-line method over their estimated useful lives. If there is an indication that an asset may be impaired and if the present value of the future cash surpluses is lower than the carrying value, then the assets recoverable amount must be calculated in accordance with IAS 36.

The following useful lives were assumed in the determination of the rate of depreciation/amortisation:

	USEFUL LIVE IN YEARS
Intangible assets	
Property rights/Utilisation rights	3–50
Software	2–5
Patents, licences	3–10
Property, plant and equipment	
Buildings	10–50
Investment property	10–35
Investments in third-party buildings	5–40
Machinery	3–21
Office equipment/furniture and fixtures	3–15
Vehicles	4–12

Subsidies and investment allowances of public bodies are deducted from the respective asset value and depreciated according to the useful life.

Land and real estate which are held in order to gain rental income and/or to rise in value have been stated as investment property in accordance with IAS 40. The amount reported and the evaluation are made in accordance with the cost model. Investment property is recognised at cost and depreciated within the straight-line method. If the present value of the future cash-flows is lower than the carrying value, then an impairment to the lower fair value in accordance with IAS 36 is made. The fair value of this investment property is stated separately. This is determined according to recognised methods such as the derivation of the current market price of comparable real estate or the discounted cash-flow method.

Leasing contracts on assets on which all opportunities and risks essentially lie with the company are treated as finance leases. The fixed assets underlying these leasing agreements are capitalised at the present value of the minimum payments at the beginning of leasing relations and depreciated over their useful life or over shorter contract terms. These are offset by the liabilities arising from future leasing payments, whereby the former are recognised at the present value of the outstanding obligations at the balance sheet.

In addition there are leasing agreements for property, plant and equipment which are regarded as operating leases. Leasing payments resulting from these contracts are recognised as expenditure.

FINANCIAL ASSETS

In accordance with IAS 28, investments in associates are recognised using the equity method as long as they are not immaterial. For purpose of transition to IFRS, the financial statements of the major companies evaluated in accordance with the equity method are to be adapted to IFRS in terms of uniform accounting policies.

Subsidiaries which are not consolidated due to immateriality and other investments which are not reported using the equity method are reported at historical cost or with the fair value in accordance with IAS 39 in as far as this value can be reliably determined.

Interest-bearing loans are, as long as no impairments are necessary, reported at nominal value. Interest-free or low-interest-bearing loans are reported at their present value.

Securities classified as available for sale are initially valued according to acquisition costs and later recognised at fair value. Fair value changes are in principle recognised directly in equity and only recognised in the consolidated income statement upon disposal of the security. The permanent impairment of securities classified as available for sale is recorded through profit or loss.

DEFERRED TAXES

Deferred taxes are measured using the balance sheet liability method for all differences between the valuation of the balance sheet items in the IFRS financial statements and the existing tax value at the individual companies. Furthermore, any realisable tax advantage from existing losses carried forward will be included in the calculation. Exceptions to this comprehensive tax deferral are balances from non-tax-deductible goodwill.

Deferred tax assets may only be recognised if the associated tax advantage is likely to be realisable. The calculation of the tax deferral is based on the usual income tax rate in the respective country at the point of the predicted reversal.

INVENTORIES

Inventory costs include cost of purchase and production and are required to be stated at the lower of cost and net realisable value.

Production costs include all direct costs as well as appropriate parts of overhead arising in the production. Distribution costs, as well as costs for general administration, are not included in the production costs. Borrowing costs related to production are recognised for inventories which are to be classified as qualifying assets.

RECEIVABLES FROM CONCESSION ARRANGEMENTS

Service concession arrangements which provide an absolute contractual right to receive payment are shown separately. All receivables from concession arrangements are accounted for under the special balance sheet item receivables from concession arrangements. The receivables are carried at the present value of the payment to be made. The annual accumulation amount is recognised in other operating income, where it is balanced with the interest expense from related non-recourse financing.

The hedging transactions embedded in the concession arrangements are carried at fair value and shown in the item receivables from concession arrangements.

TRADE AND OTHER RECEIVABLES

Trade receivables and other receivables are evaluated at their nominal value less impairment for realisable individual risks. Graduated impairment is formed according to risk groups in order to take general loan risks on customer receivables into consideration.

Non-interest bearing and low-interest-bearing receivables are discounted. Foreign currency receivables are evaluated on the balance sheet date at the valid exchange rate.

In the case of receivables from construction contracts, the results are realised according to the percentage of completion method (IAS 11). The output volume actually attained by the balance sheet date serves as a benchmark for the degree of completion. If future results cannot be reliably determined because of uncertainties in the future construction progress, construction contracts are recognised at cost. Impending losses from the further construction process are accounted for by means of appropriate depreciation.

If the costs incurred plus recognised profits exceed the payments received for it, then this is shown on the assets side under receivables from construction contracts. Vice versa, this is reported on the liabilities side under liabilities from construction contracts.

The results, in the case of construction contracts which are carried out in consortia, are realised according to the percentage of completion method in accordance with the degree of completion on the balance sheet date. Impending losses arising from further construction work are accounted for by means of appropriate depreciation. Receivables from or liabilities to consortia include the proportional contract result as well as capital contributions, in- and out-flows of cash and charges resulting from services.

NON FINANCIAL RECEIVABLES

Non-financial assets are measured at cost less extraordinary depreciation.

OTHER FINANCIAL RECEIVABLES

Financial assets classified as loans and receivables are carried at amortised cost less impairment losses.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all liquid assets which at the date of acquisition or investment have a remaining term of less than three months. Cash and cash equivalents are measured at amortised cost.

PROVISIONS

Provisions for severance payments are created as a result of statutory regulations. The group is obliged to pay a one-off severance payment to employees of domestic subsidiaries in the case of termination or retirement if their employment began before 1 January 2003.

The level of this payment depends on the number of years at the company and amount due at the time of severance and comes to between 2 and 12 monthly salaries. A provision is made for this obligation.

The provisions for severance payments are calculated according to the projected unit credit method by using actuarial expertise. Here the future claim over the length of employment of the employees is collected while taking any future pay rises into consideration. The present value of the already earned partial-claims on the reporting date is recognised as the provision.

Pension provisions are calculated according to the projected unit credit method (IAS 19). This method determines the discounted post-employment benefit obligation acquired up to the balance sheet date. Due to the commitment of fixed pensions, it is not necessary to consider expected future salary rises as part of the actuarial parameters.

The actuarial gains and losses are fully and directly recognised in equity. Service costs are recognised in the employee benefits expense, interest costs in the allocation of provisions in the financial result.

Old-age-part-time indemnity payments are determined according to the same actuarial principles as the pension provisions.

All employees of the Swiss companies are covered by pension funds at pension fund providers, with benefit contributions made by employers and employees. Because employers and employees are charged a “restructuring contribution” in the event that the fund does not have sufficient assets to cover the employees’ entitlements, IAS 19 identifies this system as a defined benefit plan.

The conditions applied to calculate the severance and pension provisions for discounting, pay rises and fluctuation vary from country to country depending on the economic situation. Life expectancy is calculated according to the respective country’s mortality tables.

The other provisions take into consideration all realisable risks and uncertain obligations. They are recognised at the respective amount, which is necessary at the balance sheet date according to commercial judgement in order to cover future payment obligations, realisable risks and uncertain obligations within the group. Hereby the respective amount is recognised, which arises as the most probable on careful examination of the facts. Long-term provisions are, in as far as they are not immaterial, entered into the accounts at their discounted discharge amount on the balance sheet date. The discharge amount also includes the cost increases to be considered on the reporting date. Provisions which arise from the obligation to recultivate gravel sites are allocated according to the rate of utilisation.

NON-FINANCIAL LIABILITIES

Non-financial liabilities reported under other liabilities are carried at the repayment amount. The overpaid amounts from construction contracts are qualified as non-financial liabilities.

FINANCIAL LIABILITIES

Liabilities are basically recognised at the repayment amount. Foreign currency liabilities are evaluated at the closing rate at the balance sheet date. Interest-free liabilities, especially those from finance lease liabilities, are accounted at the present value of the repayment obligation.

Costs related to the issue of corporate bonds are deducted over the term.

CONTINGENT LIABILITIES

Contingent liabilities are present or possible future obligations which are not reflected in the balance sheet as liabilities because an outflow of resources is not probable. They are – as long as IFRS 3 does not require recognition on acquisition – not reflected in the balance sheet. The amount of the contingent liabilities reported corresponds to the amount of existing guarantees outstanding on balance sheet date.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivative financial instruments are employed exclusively to mitigate risks arising from movements in currency exchange rates and interest rates. The utilisation of financial derivatives is subject to internal guidelines and controls.

All derivative financial instruments are accounted for at fair value in accordance with IAS 39 and reported under other financial receivables or other financial liabilities.

Derivative financial instruments are measured on the basis of inter-bank conditions and, if necessary, the loan margin applicable for STRABAG or stock exchange price, under application of the buying and selling rate on the balance sheet date. Where stock exchange prices are not used, the fair value is calculated by means of actuarial valuation methods.

Gains and losses from derivative financial instruments designated as qualified hedging instruments within the framework of a fair value hedge, or for which no qualified hedge relationship in accordance with IAS 39 could be established and which therefore do not qualify for hedge accounting, are recognised with an effect on income in the consolidated income statement.

Results from derivative financial instruments for which a cash-flow hedge has been formed and whose effectiveness has been established are carried in equity with no effect on income up to the date of realisation of the hedge transaction. Any potential changes in results due to the ineffectiveness of these financial instruments are recognised in the income statement with an immediate effect on income. The critical-term-match method is used to determine the prospective effectiveness. The retrospective effectiveness is determined by applying the dollar-offset method.

REVENUE RECOGNITION

Revenues from the construction contracts are realised according to the percentage-of-completion method. The output volume actually attained at the balance sheet date serves as a benchmark for the degree of completion.

Revenues from the sale of proprietary projects, from trade to and services for consortia, from other services and from the sale of construction materials and bitumen are realised with the transfer of power to dispose and the related opportunities and risks and/or with the rendering of the services.

Revenue which is to be seen as purely transitory due to consortial structures, is offset against the corresponding expenses.

ESTIMATES

Estimations and assumptions which refer to the amount and recognition of the assets and liabilities accounted, the income and expenditure as well as the statement of contingent liabilities are necessary for the preparation of the consolidated financial statement according to IFRS and essentially concern the assessment of building projects until completion, in particular the amount of the realisation of profits, the stage of completion, the accounting and evaluation of provisions, accounting of concession arrangements and the impairment test of goodwill and other assets. In the case of future-oriented assumptions and estimations on the balance sheet date, the realistically expected developments of the global and branch-related environment are taken into account with regard to the expected future business development at the time of the preparation of the consolidated financial statements. In the case of developments in the underlying conditions which deviate from the assumptions and which are beyond the control of the management board, the amount which actually results can deviate from the estimated values. In the event such a development occurs, the assumptions and, if necessary, the carrying values of the affected assets and liabilities are adjusted to the latest information. During the preparation of the consolidated financial statements, there were no signs which indicate the necessity to significantly change the underlying assumptions and estimations.

A2 MOTORWAY, SWIECKO–NOWY TOMYSL, POLAND

NOTES ON THE ITEMS OF THE CONSOLIDATED INCOME STATEMENT

(1) REVENUE

The revenue of T€ 13,713,804 (previous year: T€ 12,381,537) is attributed in particular to revenue from construction contracts, revenue from own projects, trade to and services for consortia, as well as other services and proportionally acquired profits resulting from consortia. Revenue from construction contracts including the realised part of profits according to the level of completion of the respective contract (percentage of completion method) amount to T€ 10,777,085 (previous year: T€ 9,766,497).

Revenue according to business fields and regions are represented individually in the segment reporting.

Revenue provides only an incomplete picture of the output volume achieved in the financial year. Additionally, therefore, the total output volume of the group is represented, which includes the proportional output of consortia and participation companies:

	2011 € MLN.	2010 € MLN.
Germany	**5,609**	**5,051**
Austria	**1,985**	**1,907**
Poland	**1,719**	**1,352**
Czech Republic	**769**	**867**
Hungary	**436**	**580**
Russia and neighbouring countries	487	351
Slovakia	441	427
Romania	206	165
other CEE countries	260	216
Rest of CEE	**1,394**	**1,159**
Switzerland	574	370
Scandinavia	512	248
Benelux	360	284
other European countries	230	193
Rest of Europe	**1,676**	**1,095**
Middle East	309	295
The Americas	257	246
Asia	109	89
Africa	63	136
Rest of World	**738**	**766**
Total output volume	**14,326**	**12,777**

(2) OTHER OPERATING INCOME

The other operating income includes revenue from letting and leasing in the amount of € 23.5 million (previous year: € 25.0 million), insurance compensation and indemnification in the amount of € 27.0 million (previous year: € 42.9 million), and exchange rate differences in the amount of € 18.5 million (previous year: € 25.4 million) as well as gains from the disposal of fixed assets without financial assets in the amount of € 38.8 million (previous year: € 48.0 million).

Interest income from concession arrangements which is included in other operating income is represented as follows (see also notes on item 17):

	2011 T€	2010 T€
Interest income	70,975	72,862
Interest expense	-37,539	-37,591
Total	**33,436**	**35,271**

(3) RAW MATERIALS, CONSUMABLES AND SERVICES USED

	2011 T€	2010 T€
Raw materials, consumables	3,872,141	3,205,991
Services used	5,447,979	5,012,364
	9,320,120	**8,218,355**

Services used are mainly attributed to services of subcontractors and professional craftsmen as well as planning services, machine rentals and third-party repairs.

(4) EMPLOYEE BENEFITS EXPENSE

	2011 T€	2010 T€
Wages	1,020,732	899,274
Salaries	1,470,035	1,437,870
Social security and related costs	457,475	406,467
Expenses for severance payments and contributions to employee provident fund	22,742	28,426
Expenses for pensions and similar obligations	7,994	7,995
Other social expenditure	25,482	20,901
	3,004,460	**2,800,933**

The expenses for severance payments and contributions to the employee provident fund and expenses for pensions and similar obligations include the expenses for service costs and indemnity claims resulting from old-age-part-time claims in the business year. The proportion of interest included in the expenses for severance payments as well as for pensions and similar obligations are recognised in the interest result.

Expenses from defined contribution plans amounted to T€ 8,296 (previous year: T€ 8,017).

The **average number of employees** with the proportional inclusion of all participation companies is as follows:

	2011	2010
Salaried employees	32,033	32,053
Labourers	44,833	41,547
	76,866	**73,600**

(5) OTHER OPERATING EXPENSES

The other operating expenses of T€ 1,013,911 (previous year: T€ 1,030,190) mainly include general administrative costs, travel and advertising costs, insurance premiums, proportional transfer of losses from consortia, impairment of receivables, the balance of allocations to and utilisation of provisions, legal and advisory costs, rental and lease costs and losses on the disposal of assets (excluding financial assets). Other taxes amounting to T€ 40,468 (previous year: T€ 48,215) are included.

The other operating expenses include losses from exchange rate differences in the amount of € 35.5 million (previous year: € 63.3 million).

Exchange differences in the amount of T€ 2,495 were recognised from foreign currency reserves in profit or loss.

Spending on research and development arose in various special technical proposals, in connection with concrete competitive projects and in the introduction of building processes and products into the market, and was therefore recognised in full in the income statement.

(6) SHARE OF PROFIT OR LOSS OF ASSOCIATES

	2011 T€	2010 T€
Income from investments in associates	12,588	34,811
Expenses arising from investments in associates	-47,125	-2,425
	-34,537	**32,386**

The expenses arising from investment in associates mainly concern Lafarge Cement CE Holding GmbH, Vienna.

(7) NET INVESTMENT INCOME

	2011 T€	2010 T€
Investment income	33,509	31,390
Expenses arising from investments	-8,803	-9,286
Gains on the disposal and write-up of investments	789	2,100
Impairment of investments	-21,727	-6,560
Losses on the disposal of investments	-183	-2,571
	3,585	**15,073**

(8) DEPRECIATION AND AMORTISATION EXPENSE

Depreciations and impairments are represented in the development of property, plant and equipment and intangible assets. In the year under review impairments on intangible assets and on property, plant and equipment to the amount of T€ 30,349 were made (previous year: T€ 22,215). Impairment on goodwill amount to T€ 16,152 (previous year: T€ 49,536). Impairment on goodwill mainly concerns transport infrastructures companies in Germany.

(9) NET INTEREST INCOME

	2011 T€	2010 T€
Interests and similar income	112,311	78,709
Interests and similar charges	-103,767	-98,386
Net interest income	**8,544**	**-19,677**

Included in interest and similar charges are interest components from the allocation of severance payment and pension provisions amounting to T€ 21,252 (previous year: T€ 22,498), security impairment losses of T€ 5,126 (previous year: T€ 1,806) as well as currency losses of T€ 12,420 (previous year: T€ 17,919).

Included in interests and similar income are gains from exchange rates amounting to T€ 49,694 (previous year: T€ 11,541).

(10) INCOME TAX EXPENSE

Income tax includes taxes paid in the individual companies or owed on income, as well as deferred taxes and the payments of additional tax payments resulting from tax audits:

	2011 T€	2010 T€
Current taxes	83,212	175,749
Deferred taxes	20,827	-84,853
	104,039	**90,896**

The following tax components are recognised directly in equity in the statement of comprehensive income:

	2011 T€	2010 T€
Change in hedging reserves	5,770	-4,610
Actuarial gains/losses	753	5,221
Total	**6,523**	**611**

The reasons for the difference between the Austrian corporate income tax rate of 25 % valid in 2011 and the actual consolidated tax rate are as follows:

	2011 T€	2010 T€
Profit before tax	**343,329**	**279,274**
Theoretical tax expenditure 25 %	85,832	69,818
Differences to foreign tax rates	-9,862	-6,751
Change in tax rates	-451	0
Non-tax-deductible expenses	13,093	13,426
Tax-free earnings	-9,426	-16,235
Tax effects of results from associates	5,514	-6,057
Depreciation of goodwill/capital consolidation	906	12,577
Additional tax payments	1,737	5,643
Change of valuation adjustment on deferred tax assets	17,427	21,645
Others	-731	-3,170
Recognised income tax	**104,039**	**90,896**

(11) EARNINGS PER SHARE

The basic earnings per share are calculated by dividing the consolidated profit or loss by the weighted average number of ordinary shares.

As there are no stock options at the STRABAG Group, the diluted earnings per share equal the basic earnings per share.

	2011	2010
Number of shares outstanding as of 1.1.	114,000,000	114,000,000
Number of shares bought back	-8,775,264	0
Number of shares outstanding as of 31.12.	105,224,736	114,000,000
Profit or loss attributable to equity holders of the parent (consolidated profit/loss) in T€	194,995	174,857
Weighted number of shares outstanding during the year	111,424,186	114,000,000
Earnings per share in €	**1.75**	**1.53**

NOTES ON ITEMS IN THE CONSOLIDATED BALANCE SHEET

(12) PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The composition of and changes in intangible assets, goodwill, and property, plant and equipment is shown separately in consolidated statement of fixed assets.

No borrowing costs were capitalised for property, plant and equipment, or for intangible assets in the year under report, as significant qualifying assets were not produced or acquired after 1 January 2009.

GOODWILL

The goodwill at the balance sheet date is composed as follows:

	31.12.2011 T€	31.12.2010 T€
STRABAG AG, Cologne	178,803	178,803
Acquisitions Germany	69,408	49,431
Polski Asfalt Group	55,247	61,960
Viamont DSP a.s., Usti nad Labem	53,328	54,873
Acquisitions Eastern Europe	21,262	22,121
Acquistions other Western Europe	19,477	11,343
STRABAG Sverige AB, Stockholm	16,939	16,837
EFKON Group (incl. Center Communications Systems GmbH)	15,466	15,466
Ed. Züblin AG, Stuttgart	14,938	14,938
Gebr. von der Wettern Group	10,800	12,800
Acquisitions Austria	9,248	12,634
FRISCHBETON s.r.o.	6,911	7,112
Josef Möbius Bau - GmbH, Hamburg	0	10,165
	471,827	**468,483**

The goodwill is submitted to an impairment test once a year. For impairment testing, the recoverable value of a cash-generating unit is compared with its corresponding book value.

The cash-generating unit basically corresponds to the acquired legal unit or units which profit from the synergy potential of the business combination.

The recoverable value is the fair value or value in use determined from the discounted future cash-flows.

This value is identified on the basis of the current budgeting of the internal reporting, as approved by the management board, which is based on past experiences and expectations concerning the future development of the market. The detailed planning period comprises at least 4 years and can be extended if this would allow a better depiction of the future cash-flows. The last detailed planning year forms the basis for the calculation of the perpetuities as long as applicable legislation and legal requirements do not limit the usability of the cash-generating unit to a shorter period of time.

The discount rate for the future cash-flows is identified while taking into account segment- and country-specific risks and growth rates. The discount interest rates range from 6.2 % to 10.7 % before taxes (previous year: 7.0 % to 11.1 %).

The comparison of the book values with the highest attainable values of the cash-generating entities determined by the annual impairment test showed a need for goodwill impairment of T€ 16,152 (previous year: T€ 49,536).

CAPITALISED DEVELOPMENT COSTS

At the balance sheet date, development costs in the amount of T€ 17,588 (previous year: T€ 16,567) were capitalised as intangible assets. In the 2011 financial year, development costs in the amount of T€ 11,544 (previous year: T€ 14,048) were incurred, of which T€ 2,946 (previous year: T€ 5,596) were capitalised.

LEASING

Due to existing finance leasing contracts, the following book values are included in property, plant and equipment assets on the balance sheet date:

	31.12.2011 T€	31.12.2010 T€
Property leasing	29,916	34,235
Machinery leasing	22,710	37,760
	52,626	**71,995**

Offset against these are liabilities arising from the present value of leasing obligations amounting to T€ 46,742 (previous year: T€ 62,892).

The terms of the finance leases for property are between four and 20 years, while those for machines are between two and eight years.

The following payment obligations will arise from financial leases in subsequent financial years:

	PRESENT VALUES		MINIMUM PAYMENTS	
	31.12.2011 T€	31.12.2010 T€	31.12.2011 T€	31.12.2010 T€
Term up to one year	7,154	17,970	11,147	20,567
Term between one and five years	29,981	29,594	34,633	35,205
Term over five years	9,607	15,328	11,296	17,754
	46,742	**62,892**	**57,076**	**73,526**

In addition to the finance leases, there are also operating leases for the utilisation of technical equipment and machinery. The expenses from these contracts are recognised in the income statement. The payments made for the financial year 2011 amount to T€ 107,960 (previous year: T€ 112,210).

Payment obligations arising from operating lease agreements in subsequent business years are represented as follows:

	31.12.2011 T€	31.12.2010 T€
Term up to one year	71,533	66,640
Term between one and five years	133,949	125,558
Term over five years	53,449	51,189
	258,931	**243,387**

RESTRICTIONS ON PROPERTY, PLANT AND EQUIPMENT/PURCHASE OBLIGATIONS

On the balance sheet date there were € 131.8 million (previous year: € 174.8 million) in contractual commitments for acquisition of property, plant and equipment which were not considered in the financial statement.

Restrictions exist for non-current assets in the amount of T€ 22,805 (previous year: T€ 23,596).

(13) INVESTMENT PROPERTY

The development of investment property is shown in the consolidated statement of fixed assets. As of 31 December 2011, the fair value of the investment property basically corresponds to the carrying value.

The rental income from investment property in the 2011 financial year amounted to T€ 8,484 (previous year: T€ 13,734) and direct operating expenses totalling T€ 10,210 (previous year: T€ 15,875). Additionally, gains from asset disposals in the amount of T€ 0 (previous year: T€ 5,372) were achieved. An impairment in the amount of T€ 15,000 was made in 2011.

A2 MOTORWAY, SWIECKO–NOWY TOMYSL, POLAND

(14) FINANCIAL ASSETS

Detailed information on the group's investments (shares of more than 20 %) can be found in the list of subsidiaries, associated companies and investments, which is included in the annual financial report.

The development of the financial assets in the financial year was as follows:

	BALANCE AS OF 1.1.2011 T€	CURRENCY TRANSLATION T€	CHANGE IN SCOPE OF CONSOLIDATION T€	ADDITIONS T€	TRANSFERS T€	DISPOSAL T€	IMPAIRMENT T€	BALANCE AS OF 31.12.2011 T€
Investments in associates	87,933	10,317	238,841	111,474	11,480	-57,766	0	402,279
Investments in subsidiaries	86,023	1	2,443	25,376	1,203	-5,790	-16,285	92,971
Loans to subsidiaries	163	0	10	883	0	-10	-838	208
Other investment	104,535	-217	3,145	16,801	-12,512	-2,094	-5,442	104,216
Loans to participation companies	12,566	0	988	5,219	0	-1,283	0	17,490
Securities	49,721	19	336	7,622	-171	-23,816	-1,560	32,151
Other loans	4,248	0	0	138	0	-2,360	0	2,026
	345,189	**10,120**	**245,763**	**167,513**	**0**	**-93,119**	**-24,125**	**651,341**

The following table provides an overview of the financial information (100 %) for associates and for companies which were reported applying the equity method of accounting in accordance with IAS 31.38 (Joint Ventures):

	2011 T€	2010 T€
Total assets as of 31.12.	3,236,735	2,270,560
Total liabilities as of 31.12.	2,450,333	1,897,108
Revenue	596,221	472,295
Profit for the period	-3,883	18,448

(15) DEFERRED TAXES

Tax accruals and deferrals recognised in the balance sheet on temporary differences between the amounts stated in the IFRS financial statements and the respective tax amounts as well as losses carried forward developed as follows:

	BALANCE AS OF 1.1.2011 T€	CURRENCY TRANSLATION T€	CHANGE IN SCOPE OF CONSOLIDATION T€	OTHER CHANGES T€	BALANCE AS OF 31.12.2011 T€
Property, plant and equipment and intangible assets	6,403	0	0	2,103	8,506
Financial assets	192	0	0	1,558	1,750
Inventories	7,135	-428	684	-3,335	4,056
Trade and other receivables	7,548	-435	0	504	7,617
Provisions	181,588	-10,174	752	-29,049	143,117
Liabilities	8,112	-73	0	-5,307	2,732
Tax loss carryforward	173,983	0	0	21,616	195,599
Deferred tax assets	**384,961**	**-11,110**	**1,436**	**-11,910**	**363,377**
Netting out of deferred tax assets and liabilities of the same tax authorities	-170,612	0	0	-19,041	-189,653
Deferred tax assets netted out	**214,349**	**-11,110**	**1,436**	**-30,951**	**173,724**

	BALANCE AS OF 1.1.2011 T€	CURRENCY TRANSLATION T€	CHANGE IN SCOPE OF CONSOLIDATION T€	OTHER CHANGES T€	BALANCE AS OF 31.12.2011 T€
Property, plant and equipment and intangible assets	-64,595	81	-4,788	4,542	-64,760
Financial assets	-6,345	0	0	779	-5,566
Inventories	-12,786	0	-12,844	-6,081	-31,711
Trade and other receivables	-136,028	967	-237	-719	-136,017
Deferred tax liabilities	**-219,754**	**1,048**	**-17,869**	**-1,479**	**-238,054**
Netting out of deferred tax assets and liabilities of the same tax authorities	170,612	0	0	19,041	189,653
Deferred tax liabilities netted out	**-49,142**	**1,048**	**-17,869**	**17,562**	**-48,401**

Deferred taxes on losses carried forward were capitalised as these can probably be offset with future taxable profits.

The Austrian Corporate Income Tax Act (Körperschaftsteuergesetz) requires a tax-effective impairment of investments to be claimed over a period of seven years. The deferred tax assets on loss carryforwards contain open one-seventh impairments in the amount of € 46.9 million (previous year: € 34.6 million).

No deferred tax assets were made for differences in book value on the assets side and tax losses carried forward of € 674.4 million (previous year: € 630.1 million), as their effectiveness as final tax relief is not sufficiently assured.

No deferred tax assets in accordance with Section 12 of the Austrian Corporate Income Tax Act (Körperschaftsteuergesetz) were made for open one-seventh impairments in the amount of € 124.7 million (previous year: € 130.0 million).

(16) INVENTORIES

	31.12.2011 T€	31.12.2010 T€
Raw materials, auxiliary supplies and fuel	312,529	324,654
Finished buildings and goods	74,288	60,743
Unfinished buildings and goods	307,928	216,377
Development land	89,054	77,547
Payments made	34,591	26,400
	818,390	**705,721**

In the financial year, impairment in the amount of T€ 2,219 (previous year: T€ 336) was recognised on inventories excluding materials, auxiliary supplies and fuel. T€ 70,006 (previous year: T€ 64,826) of the inventories excluding raw materials, auxiliary supplies and fuel were reported with the net realisable value.

(17) RECEIVABLES AND OTHER ASSETS

RECEIVABLES FROM CONCESSION ARRANGEMENTS

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

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

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

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

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

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

The negative market value of the interest rate swap in the amount of T€ -27,217 (previous year: T€ 12,818) is also recognised as long-term receivables from concession arrangements.

Recognisable receivables from concession arrangements are offset by non-recourse financing in the amount of T€ 673,927 (previous year: T€ 715,099), classified either as a current or non-current liability depending on the term. The resulting interest expense is recognised in other operating income.

The STRABAG consortium KMG - Kliplev Motorway Group was awarded the tender for Denmark's first PPP project. The consortium will plan and build 26 km of the E51 motorway from Kliplev to Sønderborg as well as 18 km of side roads and seven interchanges and will operate the road over a period of 26 years from completion. The total investment volume amounts to € 148 million. Following the planned completion in the spring of 2012, the road will be sold to the state. The operation will then be paid for by regular payments from the state. The interim financing of the construction works includes non-recourse financing in the amount of T€ 80,251 (previous year: T€ 4,786).

Receivables and Other Assets are comprised as follows:

	31.12.2011			31.12.2010		
	TOTAL T€	THEREOF CURRENT T€	THEREOF NON-CURRENT T€	TOTAL T€	THEREOF CURRENT T€	THEREOF NON-CURRENT T€
Receivables from concession arrangements	**1,000,075**	**160,743**	**839,332**	**988,352**	**19,477**	**968,875**
Trade receivables						
Receivables from construction contracts	6,721,117	6,721,117	0	5,019,411	5,019,411	0
Advances received	-5,733,044	-5,733,044	0	-4,071,486	-4,071,486	0
	988,073	**988,073**	**0**	**947,925**	**947,925**	**0**
Other trade receivables	1,339,630	1,265,548	74,082	1,329,336	1,265,296	64,040
Advances paid to subcontractors	124,807	124,807	0	115,164	115,164	0
Receivables from consortia	251,310	251,310	0	220,594	220,405	189
	2,703,820	**2,629,738**	**74,082**	**2,613,019**	**2,548,790**	**64,229**
Non-financial assets	**121,677**	**117,844**	**3,833**	**142,304**	**138,260**	**4,044**
Other financial assets						
Receivables from subsidiaries	128,584	128,555	29	118,132	117,815	317
Receivables from participation companies	87,510	83,886	3,624	99,632	98,464	1,168
Other financial assets	256,670	212,306	44,364	259,541	224,248	35,293
	472,764	**424,747**	**48,017**	**477,305**	**440,527**	**36,778**

The non-financial assets contain income tax receivables in the amount of T€ 54,764 (previous year: T€ 42,005).

The **receivables from construction contracts** in progress at the balance sheet date are represented as follows:

	31.12.2011 T€	31.12.2010 T€
All contracts in progress at balance sheet date		
Costs incurred to balance sheet date	10,928,444	9,839,604
Profits arising to balance sheet date	466,578	433,499
Accumulated losses	-356,050	-225,886
Less receivables recognised under liabilities	-4,317,855	-5,027,806
	6,721,117	**5,019,411**

Receivables from construction contracts amounting to T€ 4,317,855 (previous year: T€ 5,027,806) are recognised in liabilities, as advances received exceed the receivables.

As usual in the industry, the customer has the contractual right to retain part of the total amount of the invoice. These retentions are, however, redeemed as a rule by security (bank or group guarantees).

In the reporting period, impairment on other trade receivables developed as follows:

	31.12.2011 T€	31.12.2010 T€
Other trade receivables before impairment	**1,475,768**	**1,452,111**
Impairment as of 1.1.	**122,775**	**110,450**
Currency translation	-3,224	878
Changes in scope of consolidation	1,271	827
Allocation/utilisation	15,316	10,620
As of 31.12.	**136,138**	**122,775**
Book value of other trade receivables	**1,339,630**	**1,329,336**

(18) CASH AND CASH EQUIVALENTS

	31.12.2011 T€	31.12.2010 T€
Securities	20,553	34,362
Cash on hand	2,291	2,736
Bank deposits	1,677,393	1,915,354
	1,700,237	**1,952,452**

(19) ASSETS HELD FOR SALE

In the previous year, the item involved the entirety of the property, plant and equipment assets of the Hungarian cement factory, which was incorporated into Lafarge Cement Holding CE GmbH effective 28 July 2011 (see the information regarding changes in the scope of consolidation).

(20) EQUITY

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

The management board was authorised, with the approval of the supervisory board, to increase the share capital of the company by up to € 57,000,000 by 19 June 2014, in several tranches if necessary, by issuing up to 57,000,000 registered no-par shares for cash or contributions in kind (approved capital). In the case of capital increase through contributions in kind, the partial or full exclusion of the shareholders' subscription rights is possible.

The exercise, issue price and conditions of issue shall be determined with the approval of the supervisory board. The supervisory board was authorised to determine the necessary changes to the Articles of Association required upon the issuance of shares from the approved capital.

The following resolutions were passed at the Annual General Meeting of 10 June 2011:

The existing authorisation to buy back own shares as per resolution by the Annual General Meeting of 18 June 2010 was cancelled.

The management board was authorised to acquire bearer or registered no-par shares of the company on the stock market or over the counter to the extent of up to 10 % of the share capital during a period of 13 months from the day of the resolution at a minimum price per share of € 1.00 and a maximum price per share of € 34.00. The purpose of the acquisition may not be to trade with own shares. The authorisation can be exercised in full or in part or in several partial amounts for one or several purposes by the company, a subsidiary or third parties acting on behalf of the company (§ 228 Abs. 3 UGB).

The management board can decide to acquire shares on the stock exchange but must inform the supervisory board following decision to do so. Over-the-counter purchases require prior approval by the supervisory board.

The management board was further authorised, for a period of five years from this resolution, to sell or assign its own shares, with approval by the supervisory board, in a manner other than on the stock market or through a public tender, to the exclusion of the shareholders' buyback rights (subscription rights), and to determine the conditions of sale according to § 65 Abs 1b AktG. The authorisation can be exercised in full or in part or in several partial amounts for one or several purposes by the company, a subsidiary or third parties acting on behalf of the company (§ 228 Abs. 3 UGB).

From 14 July 2011, the management board made use of the authorisation to acquire own shares. By 31 December 2011, 8,775,264 no-par shares were acquired on the stock market and over the counter. This corresponds to 7.7 % of the share capital. The costs for the acquisition of own shares are deducted directly from equity without affecting profit or loss and are presented separately in the retained earnings in the statement of changes in equity.

Retained earnings include differences arising from currency translation, statutory and mandatory reserves, financial instrument changes recorded directly in equity (including hedging reserves), as well as changes in equity from actuarial gains/losses from the calculation of provisions for personnel. The retained earnings also include the profit for the period as well as the result brought forward from previous periods of STRABAG SE and its consolidated subsidiaries, as far as these were not eliminated by the capital consolidation.

Details as to the equity of STRABAG SE are represented in the statement of changes in equity.

Long-term economic success, within the context of responsibility to our shareholders, customers, employees, suppliers, subcontractors and the company itself, is the primary entrepreneurial objective of the STRABAG Group. Working to pursue these goals, recognising opportunities and risks before and as they arise, and responsibly taking these into consideration safeguards the continuity of the group and protects the interests of the shareholders.

To guarantee the continuity of the company, the management and responsible employees assure that there is a balanced relationship between opportunities and risks during the selection of projects and assess the individual risks against the background of the overall company risk.

The group equity ratio target was defined at between 20 % and 25 % during the IPO of STRABAG SE in October 2007. The equity capital ratio is calculated from the book value of the equity as of 31 December divided by the balance sheet total as of 31 December. The equity contains all parts of the equity according to the balance sheet: share capital, capital reserves, retained earnings and non-controlling interests.

The group equity ratio as of 31 December 2011 amounted to 30 % (previous year: 31 %). With this equity base, the STRABAG Group will be able to participate increasingly in tenders for Public-Private Partnership (PPP) projects. It means that the necessary funds for a participation in equity capital are available and that the related change in the balance sheet total will be manageable.

If the group is awarded the tender for large-scale projects, or if a strategically suitable acquisition is made, the equity ratio could briefly fall below the set minimum. In this case, the company reserves the right to adjust the dividend payments to the shareholders or to issue new shares.

(21) PROVISIONS

	BALANCE AS OF 1.1.2011 T€	CURRENCY TRANSLATION T€	CHANGES IN SCOPE OF CONSOLIDATION T€	ADDITIONS T€	DISPOSALS T€	IMPAIRMENT T€	BALANCE AS OF 31.12.2011 T€
Provisions for severance payments	**69,356**	**45**	**25**	**4,652**	**0**	**3,640**	**70,438**
Provisions for pensions	**374,794**	**-28**	**7,761**	**27,110**	**0**	**25,428**	**384,209**
Provisions for taxes	**122,745**	**-7,647**	**-943**	**88,738**	**1,262**	**94,830**	**106,801**
Other provisions:							
Construction-related provisions	589,744	-14,455	12,014	366,523	30,123	261,375	662,328
Personnel-related provisions	260,301	-2,222	3,041	182,846	965	192,694	250,307 1)
Other provisions	221,818	-5,043	5,955	191,239	9,729	163,371	240,869
	1,071,863	**-21,720**	**21,010**	**740,608**	**40,817**	**617,440**	**1,153,504**
	1,638,758	**-29,350**	**27,853**	**861,108**	**42,079**	**741,338**	**1,714,952**

The short-term provisions include provisions for taxes as well as other provisions in the amount of T€ 684,175 (previous year: T€ 588,065). The long-term provisions amounting to T€ 923,976 (previous year: T€ 927,948) mainly include severance provisions, pension provisions and provisions for guarantees.

Provisions for **severance payments** show the following development:

	2011 T€	2010 T€
Present value of the defined benefit obligation as of 1.1.	**69,356**	**70,479**
Changes in scope of consolidation	25	-1,339
Current service costs	3,472	2,561
Interest costs	2,949	3,203
Severance payments	-3,640	-4,164
Actuarial gains/losses	-1,724	-1,384
Present value of the defined benefit obligation as of 31.12.	**70,438**	**69,356**

The provisions for pensions are formed for obligations from the right to future pension payments and current payments to present and past employees and their dependents. The obligations primarily refer to retirement pensions. The individual commitments are generally determined according to the employment conditions of the employee at the time of the commitment (et al. length of service, salary of employee). Basically no new commitments have been awarded since 1999.

The company pension scheme in Germany consists of a non-fund-financed, defined benefit pension plan. In the case of defined benefit pension systems, the company is obliged to fulfil payment commitments to present and past employees. There are no defined contribution plans in the form of financing by relief funds outside the group.

The amount of the provision is calculated using actuarial methods based on biometric tables of Klaus Heubeck (Germany) or the AVÖ 2008-P (Austria). This is based on a discounting rate of 5.00 % (previous year: 5.00 %) for provisions for severance payments and pensions and a salary increase of 2.25 % respectively 2.00 % for severance payments (previous year: 2.25 % respectively 2.00 % for severance payments). For future pension increases, a rate of escalation is set dependent on the contractual adaptation terms.

1) Thereof deducted plan assets in the amount of T€ 15,609 (previous year: T€ 15,817)

With reference to the company agreement concerning the old-age-part-time settlement, which had initially affected the operative German companies in the STRABAG Group in 2000, further additional obligations for retirement indemnity payments incurred. These obligations have been transferred to the STRABAG Unterstützungskasse GmbH, Cologne. The old-age-part-time indemnity payments are determined using the same basic principles as for the pension provisions. They are included in the group as a result of the consolidation of the STRABAG Unterstützungskasse GmbH, Cologne.

To cover the retirement benefit obligations of employees at the Swiss companies, pension funds exist at pension fund providers. Obligations to provide additional benefits means that these are to be qualified as a defined benefit pension system.

These obligations were calculated using actuarial methods based on the BVG 2010 biometric tables and a retirement age of 65 for men and 64 for women. Further serving as a basis were a discounting rate of 2.5 %, a salary increase of 2.0 %, an indexing of the pensions of 0.25 % and a weighted yield on the plan assets in the amount of 2.8 %.

The development of the **provisions for pensions** is shown below:

	2011 T€	2010 T€
Present value of the defined benefit obligation as of 1.1.[1)]	**374,794**	**364,161**
DBO from the Swiss pension foundations as of 1.1.[2)]	94,413	0
Changes in scope of consolidation	137,578	-198
Current services costs	18,410	3,542
Interest costs	24,479	19,295
Pension payments[3)]	-58,641	-24,212
Actuarial gains/losses	2,470	18,466
Plan settlements	-18,239	0
Reclassification of plan assets	11,030	-6,260
Present value of the defined benefit obligation as of 31.12.	**586,294**	**374,794**

The accumulated actuarial gains and losses for defined pension benefit plans and severance provisions, which were recognised directly in equity, as of 31 December 2011 amounted to T€ 36,741 (previous year: T€ 32,471).

The plan assets for pension provisions developed as follows in the year under report:

	2011 T€
Fair value of the plan assets as of 1.1.	**11,030**
Plan assets from the Swiss pension foundations as of 1.1.[4)]	91,214
Changes to the scope of consolidation	129,817
Expected income from plan assets	6,176
Contributions	16,939
Pension payments	-33,213
Acturial gains/losses	-3,524
Plan settlements	-16,354
Fair value of the plan assets as of 31.12.	**202,085**

The experience adjustments to pension and severance provisions are represented as follows:

	31.12.2011 T€	31.12.2010 T€	31.12.2009 T€	31.12.2008 T€	31.12.2007 T€
Present value of the defined benefit obligation	70,438	69,356	70,479	65,631	61,175
Present value of the defined benefit obligation (pension provision)	586,294	385,824	364,161	406,157	293,730
Fair value of plan assets	-202,085	-11,030	0	-301	-194
Budgeted deficit	**454,647**	**444,150**	**434,640**	**471,487**	**354,711**
Experience adjustments of severance provision	-1,724	-1,384	1,528	1,214	583
Experience adjustments of pension provision	5,994	18,466	20,182	-21,927	-3,015
Experience adjustments	**4,270**	**17,082**	**21,710**	**-20,713**	**-2,432**

The **provisions for taxes** mainly comprise current income taxes.

OTHER PROVISIONS

The construction-related provisions include other warranty obligations, costs of the contract execution and subsequent costs of invoiced contracts, as well as impending losses from projects pending which are not accounted for elsewhere. The personnel-related provisions essentially include anniversary bonus obligations, contributions to occupational accident funds as well as costs of the old-age-part-time scheme and personnel downsizing measures. Other provisions include provisions for damages and litigations and restructuring.

1) Thereof deducted plan assets T€ 11,030 (previous year: T€ 0)
2) Initial presentation of pension benefit obligations of the Swiss pension foundations
3) Thereof change of plan assets T€ 0 (previous year: T€ 4,770)
4) Initial presentation of plan assets of the Swiss pension foundations

(22) LIABILITIES

	31.12.2011 TOTAL T€	31.12.2011 THEREOF CURRENT T€	31.12.2011 THEREOF NON-CURRENT T€	31.12.2010 TOTAL T€	31.12.2010 THEREOF CURRENT T€	31.12.2010 THEREOF NON-CURRENT T€
Financial liabilities						
Bonds	445,000	75,000	370,000	345,000	75,000	270,000
Bank borrowings	1,235,510	351,150	884,360	1,146,739	147,877	998,862
Liabilities from finance leases	46,742	7,154	39,588	62,892	17,970	44,922
Other liabilities	4,705	0	4,705	4,521	0	4,521
	1,731,957	**433,304**	**1,298,653**	**1,559,152**	**240,847**	**1,318,305**
Trade payables						
Receivables from construction contracts[1]	-4,317,855	-4,317,855	0	-5,027,806	-5,027,806	0
Advances received	4,893,392	4,893,392	0	5,873,000	5,873,000	0
	575,537	575,537	0	845,194	845,194	0
Other trade payables	2,119,943	2,059,519	60,424	2,067,350	2,024,119	43,231
Payables to consortia	275,097	275,097	0	198,446	198,446	0
	2,970,577	**2,910,153**	**60,424**	**3,110,990**	**3,067,759**	**43,231**
Non-financial liabilities	**362,137**	**360,656**	**1,481**	**356,384**	**355,381**	**1,003**
Other financial liabilities						
Payables to subsidiaries	56,000	56,000	0	66,723	65,545	1,178
Payables to participation companies	16,888	11,105	5,783	20,199	19,691	508
Other financial liabilities	335,300	315,164	20,136	348,371	326,210	22,161
	408,188	**382,269**	**25,919**	**435,293**	**411,446**	**23,847**

In order to secure liabilities to banks, real securities amounting to T€ 171,795 (previous year: T€ 123,350) have been booked.

(23) CONTINGENT LIABILITIES

The company has accepted the following guarantees:

	31.12.2011 T€	31.12.2010 T€
Guarantees without financial guarantees	1,988	12,633

(24) OFF-BALANCE SHEET TRANSACTIONS

In the construction industry, it is customary and necessary to provide various types of guarantees to secure the contractual obligations. These guarantees are usually issued by banks or credit insurers and most commonly comprise bid, contract performance, prepayment and warranty guarantees. In the event these guarantees are called upon, the relevant banks have a contractual right of recourse against the group. The risk that such guarantees are utilised and that a right of recourse arises materialises only if the primary contractual obligations are not properly performed.

Obligations and possible risks from such guarantees are recognised in the balance sheet as provisions or liabilities.

Not included in the balance sheet or the contingent liability as of 31 December 2011 are fulfilment guarantees in the amount of € 2.0 billion (previous year: € 2.0 billion) of which an outflow of resources is unlikely.

As is customary in the industry, STRABAG SE shares liability with the other partners of consortia and joint ventures in which companies of the STRABAG Group hold a share interest.

1) The prepayment exceeding the receivables from construction contracts shown here are qualified as non-financial.

(25) NOTES TO THE CONSOLIDATED CASH-FLOW STATEMENT

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

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

	31.12.2011 T€	31.12.2010 T€
Securities	20,553	34,362
Cash on hand	2,291	2,736
Bank deposits	1,677,393	1,915,354
	1,700,237	**1,952,452**

The cash and cash equivalents include deposits abroad in the amount of T€ 6,437 (previous year: T€ 7,584), subject to the restriction that they may only be transferred to another country following official completion of the construction order. Of the cash and cash equivalents, T€ 5,188 (previous year: T€ 21,674) are pledged as collateral (see also item 26).

(26) FINANCIAL INSTRUMENTS

A financial instrument is a contract that results in a financial asset at one enterprise and a financial liability or equity instrument at another. Financial assets include especially cash and cash equivalents, trade receivables and other receivables and derivatives. Financial liabilities are obligations to pay cash or other financial assets. These include especially financial liabilities such as bank borrowings, bonds, liabilities arising from financial leasing and trade payables. Initial recognition is carried out in principle using settlement date accounting.

The financial instruments are derecognised when the claims to payment from the investment extinguish or have been transferred and the group has largely transferred all risks and opportunities which are related with the property.

A2 MOTORWAY, SWIECKO–NOWY TOMYSL, POLAND

The **financial instruments** as of the balance sheet date were as follows:

	MEASUREMENT CATEGORY ACCORDING TO IAS 39	31.12.2011 CARRYING VALUE T€	31.12.2011 FAIR VALUE T€	31.12.2010 CARRYING VALUE T€	31.12.2010 FAIR VALUE T€
ASSETS					
Valuation at historical costs					
Loans to subsidiaries	L&R	208	208	163	163
Loans to participation companies	L&R	17,490	17,490	12,566	12,566
Other loans	L&R	2,026	2,026	4,248	4,248
Trade receivables	L&R	2,703,820	2,703,820	2,613,019	2,613,019
Receivables from concession arrangements	L&R	1,027,292	1,027,292	975,534	975,534
Other financial assets	L&R	472,699	472,699	473,359	473,359
Non-financial assets	no FI	121,677		142,304	
Cash and cash equivalents	L&R	1,679,684	1,679,684	1,918,090	1,918,090
		6,024,896	**5,903,219**	**6,139,283**	**5,996,979**
Valuation at fair value					
Investments in subsidiaries	AfS	92,971	92,971 [1]	86,023	86,023 [1]
Other investments	AfS	104,215	104,215 [1]	104,535	104,535 [1]
Securities	AfS	32,151	32,151	49,721	49,721
Cash and cash equivalents	AfS	20,553	20,553	34,362	34,362
Derivatives		-27,152	-27,152	16,764	16,764
		222,738	**222,738**	**291,405**	**291,405**
LIABILITIES					
Valuation at historical costs					
Financial liabilities	FLaC	-1,731,957	-1,727,899	-1,559,152	-1,547,733
Trade payables	FLaC	-2,395,040	-2,395,040	-2,265,796	-2,265,796
Liabilities from construction contracts	no FI	-575,537		-845,194	
Other financial liabilities	FLaC	-396,553	-396,553	-395,630	-395,630
Non-financial liabilities	no FI	-362,137		-356,384	
Derivatives		-11,634	-11,634	-39,663	-39,663
		-5,472,858	**-4,531,126**	**-5,461,819**	**-4,248,822**
Total		**774,776**	**1,594,831**	**968,869**	**2,039,562**
Measurement categories					
Loans and receivables (L&R)		5,903,219	5,903,219	5,996,979	5,996,979
Available for sale (AfS)		249,890	249,890	274,641	274,641
Financial liabilities measured at amortised costs (FLaC)		-4,523,550	-4,519,492	-4,220,578	-4,209,159
Derivatives		-38,786	-38,786	-22,899	-22,899
No financial instruments		-815,997		-1,059,274	
Total		**774,776**	**1,594,831**	**968,869**	**2,039,562**

1) Investments in subsidiaries and other investments amounting to T€ 188,144 (previous year: T€ 179,202) are recognised at cost less impairment according to IAS 39 because their fair value cannot be reliably determined.

The fair value measurement at 31 December 2011 for financial instruments measured at fair value was done as follows:

	VALUATION AT MARKET VALUE	VALUATION USING INPUT TAKEN FROM OBSERVABLE MARKET DATA	OTHER VALUATION METHODS	TOTAL
ASSETS				
Investments in subsidiaries	0	0	92,971	92,971
Other investments	0	0	104,215	104,215
Securities	32,151	0	0	32,151
Cash and cash equivalents	20,553	0	0	20,553
Derivatives	0	-27,152	0	-27,152
Total	**52,704**	**-27,152**	**197,186**[1)]	**222,738**
LIABILITIES				
Derivatives	0	-11,634	0	-11,634
Total	**0**	**-11,634**	**0**	**-11,634**

The fair value measurement at 31 December 2010 for financial instruments measured at fair value was done as follows:

	VALUATION AT MARKET VALUE	VALUATION USING INPUT TAKEN FROM OBSERVABLE MARKET DATA	OTHER VALUATION METHODS	TOTAL
ASSETS				
Investments in subsidiaries	0	0	86,023	86,023
Other investments	0	0	104,535	104,535
Securities	49,721	0	0	49,721
Cash and cash equivalents	34,362	0	0	34,362
Derivatives	0	16,764	0	16,764
Total	**84,083**	**16,764**	**190,558**[2)]	**291,405**
LIABILITIES				
Derivatives	0	-39,663	0	-39,663
Total	**0**	**-39,663**	**0**	**-39,663**

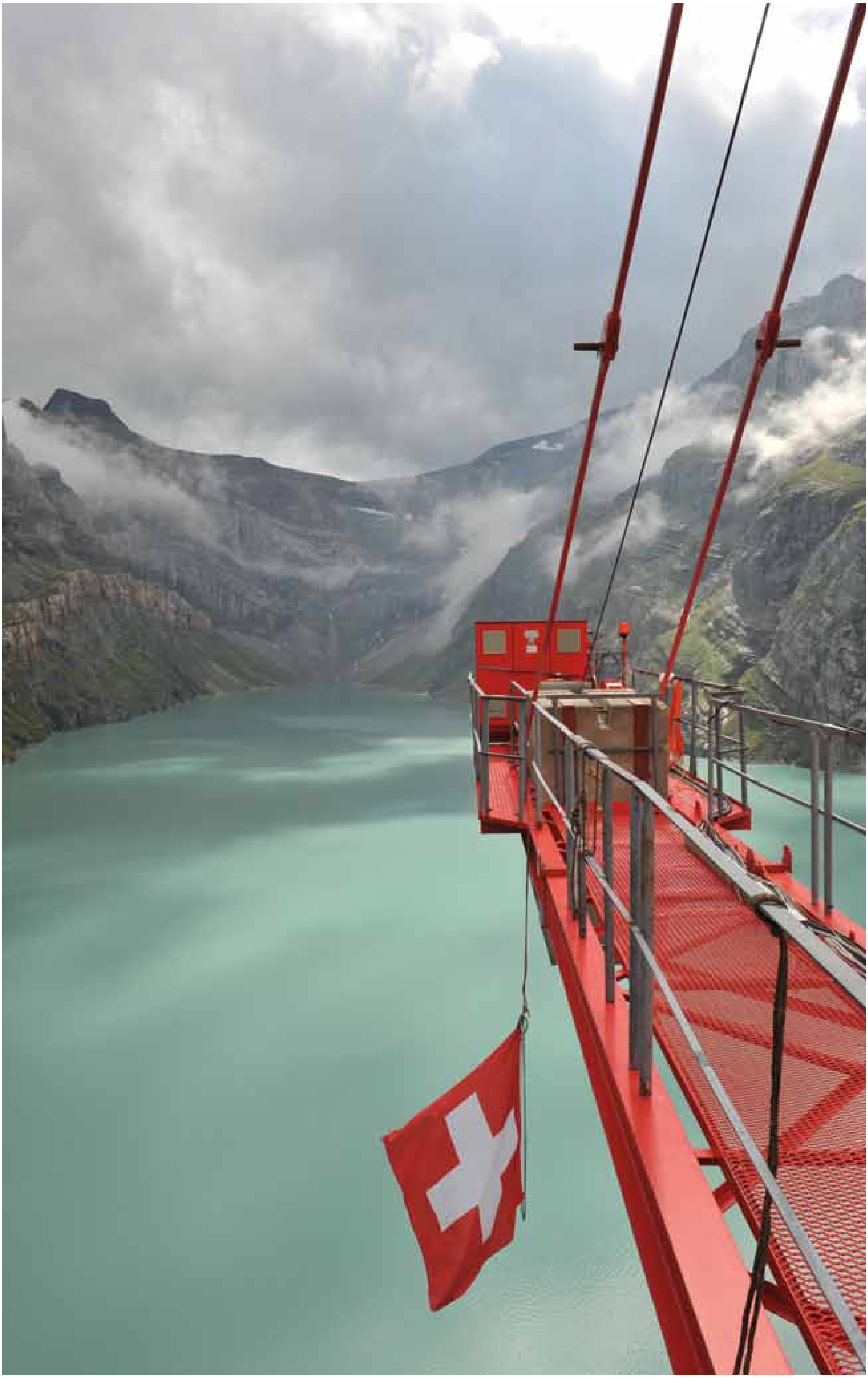
Cash and cash equivalents, trade receivables and other receivables have for the most part short remaining terms. Accordingly, their book values on the balance sheet date approximate their fair value. The fair value of non-current financial assets corresponds to the present value of the related payments under consideration of the prevailing market parameters.

Trade payables and other financial liabilities typically have short terms; their book values approximate the fair value. The fair value of bonds, bank borrowing and liabilities arising from financial leasing are measured at the present value of the payments associated with them under consideration of the relevant applicable market parameters as far as market values were not available.

T€ 5,188 (previous year: T€ 21,674) of the cash and cash equivalents, T€ 2,924 (previous year: T€ 3,506) of the securities and T€ 11,553 (previous year: T€ 10,112) of the other financial instruments were pledged as collateral for liabilities.

The non-recourse liabilities related to the concession receivable are hedged using the income from the concession receivable.

1) Investments in subsidiaries and other investments amounting to T€ 188,144 are recognised at cost less impairment according to IAS 39 because their fair value cannot be reliably determined.
2) Investments in subsidiaries and other investments amounting to T€ 179,202 are recognised at cost less impairment according to IAS 39 because their fair value cannot be reliably determined.



LINTH-LIMMERN MATERIAL ROPEWAY, SWITZERLAND

The net income effects of the financial instruments according to valuation category are as follows:

	L&R 2011 T€	AFS 2011 T€	FLAC 2011 T€	DERIVATIVES 2011 T€	L&R 2010 T€	AFS 2010 T€	FLAC 2010 T€	DERIVATIVES 2010 T€
Interest	59,438	0	-64,858	0	60,323	0	-58,200	0
Interest from receivables from concession arrangements	70,975	0	-28,845	-8,694	72,862	0	-30,206	-7,385
Result from securities	0	745	0	0	0	966	0	0
Impairment losses	-18,116	-25,421	0	1,833	-33,985	-653	0	-2,677
Disposal losses/profits	0	1,414	0	0	0	-554	0	0
Gains from derecognition of liabilities and payments of written off receivables	8	0	3,342	0	9	0	6,099	0
Net income recognised in profit or loss	**112,305**	**-23,262**	**-90,361**	**-6,861**	**99,209**	**-241**	**-82,307**	**-10,062**
Value changes recognised directly in equity	0	150	0	-30,234 1)	0	-1,183	0	15,743 1)
Net income	**112,305**	**-23,112**	**-90,361**	**-37,095**	**99,209**	**-1,424**	**-82,307**	**5,681**

Dividends and expenses from investments shown in the net investment income are part of the operating income and therefore not part of the net income of financial instruments. Impairment losses, reversal of impairment losses, disposal gains and disposal losses of loans & receivables (L&R) and of financial liabilities amortised at cost (FLaC) are carried in other income or other expenses.

Impairment losses, reversal of impairment losses, disposal gains and disposal losses of the financial instruments available for sale are carried in the net investment income if they are investments in subsidiaries or other investments, otherwise in net interest.

Derivative instruments are used exclusively to hedge existing risks resulting from changes in currency and interest rates. The use of derivative financial instruments in the group is subject to the appropriate approval and control procedures. The connection to a mainstay business is a must, trading is not permissible.

PRINCIPLES OF RISK MANAGEMENT

The STRABAG Group is subject to credit, market and liquidity risks related to its assets, liabilities and planned transactions. The goal of financial risk management is to minimise these risks through ongoing financially oriented activities.

The basics of the financial policy are set by the management board and monitored by the supervisory board. The implementation of the financial policy and responsibility for the risk management are the domain of the group treasury. Certain transactions require prior approval by the management board, which is regularly informed as to the scope and amount of the current risk exposure.

INTEREST RATE RISK

The financial instruments bear variable interest rates on the assets side, on the liabilities side there are both variable and fixed interest obligations. The risk of financial instruments bearing variable interest rates consists of increasing interest charges and sinking interest revenue resulting from an unfavourable change in market interest rates. Fixed interest obligations mainly result from the tranches of the bonds issued by STRABAG SE amounting to a total of € 425 million.

As of 31 December 2011, following hedging transactions existed:

	31.12.2011		31.12.2010	
	NOMINAL VALUE T€	MARKET VALUE T€	NOMINAL VALUE T€	MARKET VALUE T€
Interest rate swaps	828,960	-29,249	880,082	12,419
		-29,249		**12,419**

1) Excluding derivatives from associated companies in the amount of T€ -626 (previous year: T€ -19,302)

The amount of bank deposits and bank borrowings according to currency – giving the average interest rate at balance sheet date – is represented as follows:

BANK DEPOSITS

	CARRYING VALUE 31.12.2011 T€	WEIGHTED AVERAGE INTEREST RATE IN % 2011
EUR	965,294	1.58
PLN	272,994	4.46
CZK	168,621	0.59
Others	270,484	2.41
Total	**1,677,393**	**2.13**

BANK BORROWINGS

	CARRYING VALUE 31.12.2011 T€	WEIGHTED AVERAGE INTEREST RATE IN % 2011
EUR	1,088,257	3.05
Others	147,253	4.61
Total	**1,235,510**	**3.24**

Had the interest rate level at 31 December 2011 been higher by 100 basispoints, then the result would have been higher by T€ 6,880 (previous year: T€ 10,961) and the equity at 31 December 2011 would have been higher by T€ 44,903 (previous year: T€ 48,227). Had the interest rate level been lower by 100 basispoints, this would have meant a correspondingly lower equity and profit before tax. The calculation is made based on the level of interest-bearing financial assets and liabilities at 31 December. Tax effects from interest rate changes were not considered.

CURRENCY RISK

Due to the decentralised structure of the group, characterised by local companies in the respective countries, mainly closed currency positions appear in the balance sheet. Loan financing and investments were predominantly made by the group companies in the respective country's local currency. Receivables and liabilities from business activities mainly offset each other in the same currency.

The remaining currency risk mainly results when the currency of the order deviates from the functional currency of the subsidiary.

This involves in particular orders in Eastern Europe and the CIS states which are concluded in EUR. The planned proceeds are received in the currency of the order while a substantial part of the associated costs are made in the local currency.

In order to limit the remaining currency risk and secure the calculation, derivative financial instruments, above all forward exchange operations, were transacted. As of 31 December 2011, the following hedging transactions existed for the underlying transactions mentioned below:

CURRENCY	EXPECTED CASH-FLOWS 2012 T€	EXPECTED CASH-FLOWS 2013 T€	EXPECTED CASH-FLOWS TOTAL T€	POSITIVE MARKET VALUE OF THE HEDGING TRANSACTION T€	NEGATIVE MARKET VALUE OF THE HEDGING TRANSACTION T€
PLN	72,225	0	72,225	0	-1,906
Others	39,876	0	39,876	65	-573
Total	**112,101**	**0**	**112,101**	**65**	**-2,479**

As of 31 December 2010, the following hedging transactions existed for the underlying transactions mentioned below[1]:

CURRENCY	EXPECTED CASH-FLOWS 2011 T€	EXPECTED CASH-FLOWS 2012 T€	EXPECTED CASH-FLOWS TOTAL T€	POSITIVE MARKET VALUE OF THE HEDGING TRANSACTION T€	NEGATIVE MARKET VALUE OF THE HEDGING TRANSACTION T€
HUF	27,770	0	27,770	1,438	-1,952
PLN	475,007	48,075	523,082	4,646	-7,239
Other	18,229	0	18,229	0	-240
Total	**521,006**	**48,075**	**569,081**	**6,084**	**-9,431**

Of the derivative financial instruments classified as cash-flow hedges as of 31 December 2010, T€ -12,041 were shifted from equity and recognised in the consolidated income statement in the 2011 financial year (previous year: T€ -30,680). The resulting deferred tax income amounted to T€ 2,489 (previous year: tax income of T€ 7,670).

The other liabilities contain a foreign currency derivative in the amount of T€ 7,122 (previous year: T€ 28,521).

1) Not entirely represented as Hedge Accounting

Development of the important **currencies in the group**:

CURRENCY	EXCHANGE RATE 31.12.2011: 1 € =	AVERAGE 2011: 1 € =	EXCHANGE RATE 31.12.2010: 1 € =	AVERAGE 2010: 1 € =
HUF	314.5800	280.6692	277.9500	276.5075
CZK	25.7870	24.5996	25.0610	25.2631
PLN	4.4580	4.1380	3.9750	4.0049
HRK	7.5370	7.4492	7.3830	7.2949
CHF	1.2318	1.2156	1.2504	1.37

Essentially, the Polish zloty, the Czech crown and the Hungarian forint are affected by revaluation (devaluation). A 10 % revaluation of the euro over all other currencies at 31 December 2011 would mean an increase in equity by T€ 12,266 (previous year: increase by T€ 9,136) and an increase in profit before tax T€ 12,266 (previous year: increase T€ 9,136). A devaluation compared to all other currencies would result in a corresponding decrease in equity (previous year: decrease) and a decrease of profit before tax.

The calculation is based on original and derivative foreign currency holdings in non-functional currency as of 31 December as well as underlying transactions for the next twelve months. The effect on tax resulting from changes in currency exchanges rates was not taken into consideration.

CREDIT RISK

The maximum risk of default of the financial assets on the balance sheet date is T€ 4,425,721 (previous year: T€ 4,335,932) and corresponds to the book values presented in the balance sheet. Thereof T€ 2,703,820 (previous year: T€ 2,613,019) involve trade receivables. Receivables from construction contracts related to consortia involve ongoing construction projects and are therefore not yet payable for the most part. Of the remaining trade receivables in the amount of T€ 1,339,630 (previous year: T€ 1,329,336), less than 1 % are overdue and not impaired.

The risk for receivables from clients can be rated as low due to the wide dispersion, a constant creditworthiness check and the presence of the public sector as an important employer.

The risk of default for other primary financial instruments shown on the assets side can also be regarded as low, as the contract partners are mainly financial institutions with the highest level of creditworthiness and/or the risk of default has been significantly reduced as a result of assumed liabilities of third parties.

Furthermore, there is a derived credit risk arising from the financial guarantee contracts (guarantees issued) of T€ 45,541 (previous year: T€ 42,754).

Financial assets are impaired item by item if the book value of the financial assets is higher than the present value of the future cashflows. This can be triggered by financial difficulties, insolvency of the client, breach of contract or significant default of payment. The impairment is composed of many individual items of which none, seen alone, is significant. In addition to the estimation of the creditworthiness risk, the relevant country risk is also taken into consideration. Graduated valuation adjustments are formed according to risk groups to take into consideration general credit risks.

LIQUIDITY RISK

Liquidity for the STRABAG SE Group means not only solvency in the strict sense but also the availability of the necessary financial margin for mainstay business through sufficient aval lines.

To guarantee financial flexibility, liquidity reserves are kept in the form of cash and credit lines for cash and aval loans. The STRABAG SE Group keeps bilateral credit lines with banks and a syndicated aval credit line in the amount of € 2.0 billion. The overall line for cash and aval loan amounts to € 6.2 billion. The syndicated surety credit line contains covenants which were fulfilled at the balance sheet date.

The medium- and long-term liquidity needs have so far been covered by the issue of corporate bonds as well. From 2006 to 2008 respectivly 2010 every year a tranche of € 75 million respectively € 100 million each with a term to maturity of five years was issued. In May 2011, STRABAG issued a further bond in the amount of € 175 million with a term of seven years. The annual coupon interest of the bond amounts to 4.75 %. The corporate bond from the year 2006 in the amount of € 75 million was paid in June 2011. Depending on the market situation and the appropriate need, further bonds are planned.

The following payment obligations arise from the financial liabilities (interest payments based on interest rate as of 31 December and redemption) for the subsequent years:

PAYMENT OBLIGATIONS AS OF 31.12.2011

	CARRYING VALUES 31.12.2011 T€	CASH-FLOWS 2012 T€	CASH-FLOWS 2013–2016 T€	CASH-FLOWS AFTER 2016 T€
Financial liabilities				
Bonds	445,000	97,587	256,395	191,625
Bank borrowings	1,235,510	443,992	424,295	538,108
Liabilities from financial leasing	46,742	11,147	34,633	11,296
Other liabilities	4,705	0	4,800	0
	1,731,957	**552,726**	**720,123**	**741,029**

PAYMENT OBLIGATIONS AS OF 31.12.2010

	CARRYING VALUES 31.12.2010 T€	CASH-FLOWS 2011 T€	CASH-FLOWS 2012–2015 T€	CASH-FLOWS AFTER 2015 T€
Financial liabilities				
Bonds	345,000	93,211	302,458	0
Bank borrowings	1,146,739	197,803	538,032	602,386
Liabilities from financial leasing	62,892	20,567	35,205	17,754
Other liabilities	4,521	0	4,800	0
	1,559,152	**311,581**	**880,495**	**620,140**

The trade payables and the other liabilities (see item 22) essentially lead to cash outflows in line with the maturity at the amount of the book values.

(27) SEGMENT REPORTING

The rules of IFRS 8 Operating Segments, apply to the segment reporting. IFRS 8 prescribes defining the segments and reporting the earnings on the basis of the internal reporting (Management Approach). Segment assets are not disclosed as these do not form part of the regular internal reporting.

Internal reporting at STRABAG is based on the dedicated management board functions Building Construction & Civil Engineering, Transportation Infrastructures, Special Divisions & Concessions and the Central Business Units, which represent the group's segments. The settlement between the single segments is made at arm's-length prices.

The segment reporting comprises the following business fields:

BUILDING CONSTRUCTION & CIVIL ENGINEERING

In the field of Building Construction, both classical building services as well as turnkey building projects are executed as part of the mainstay business. The range of construction services in this field includes housing; commercial and industrial facilities such as shopping centres, business parks, office buildings, hotels, airports and railway stations; public buildings such as hospitals, universities, schools and other public buildings; the production of prefabricated elements; and steel-girder and facade construction.

In particular medium-sized and large-scale projects – predominantly for private clients – form the core of the business activities. Regional organisational units work the respective local markets and are active as self-contained and independent profit centres.

Civil Engineering activities include the construction of bridges and power plants. Environmental engineering activities – including the construction of landfills, waste treatment plants, and waste water collection and treatment systems, as well as the regeneration of polluted soils and industrial sites – are handled by the Civil Engineering business field as well.

TRANSPORTATION INFRASTRUCTURES

This business field covers mainly asphalt and concrete road construction in the group's relevant country markets. Other services encompassed by the Road Construction division include the remaining activities attributable to civil engineering, e.g. earth-moving, sewer engineering and pipeline construction, smaller and medium-sized engineering-related concrete structures, and paving. The Road Construction segment further comprises the construction of large-area works such as runways and taxiways, landing fields for airports, reloading and parking facilities, sport and recreation facilities and railway structures.

The production of asphalt, concrete and other construction materials, as well as bitumen trading, are important parts of the Road Construction segment as well. The construction materials business includes a dense network of asphalt and concrete mixing facilities, as well as excellent access to raw materials (in particular gravel pits and quarries).

Since 1 January 2011, the special foundation engineering and offshore wind activities, which had previously been grouped in the Special Divisions & Concessions segment, have been bundled in the Transportation Infrastructures segment. For the sake of comparison, the previous year's figures were adjusted to match the new structure.

Unlike is the case with projects handled by the Civil Engineering division, the services in this business field are carried out by smaller, local organisational units working a limited, regional market as independent profit centres.

SPECIAL DIVISIONS & CONCESSIONS

This segment comprises tunnelling, project developments and other construction-related services such as property and facility management. The segment also includes the non-European operational project business of all divisions.

The range of Tunnelling services includes the construction of road and railway tunnels as well as underground galleries and chambers with various technology. Tunnelling work is done employing both cyclical and continuous driving. Projects around the world are managed and executed by central organisational units.

The concessions business field encompasses those project development contracts around the world which include all integrated services such as financing, operation, marketing and utilisation, as well as the usual construction services, within the framework of a value-added chain in an overall project. Services include infrastructure projects (e.g. traffic, energy), as well as building projects for office and commercial properties or hotels.

OTHER

This segment comprises the central business units and central staff units, which handle services in the areas of accounting, group financing, technical development, machine management, quality management, logistics, legal affairs, contract management and more.

SEGMENT REPORTING FOR THE FINANCIAL YEAR 2011

	BUILDING CONSTRUCTION AND CIVIL ENGINEERING 2011 T€	TRANSPORTATION INFRASTRUCTURES 2011 T€	SPECIAL DIVISIONS & CONCESSIONS 2011 T€	OTHER 2011 T€	RECONCILIATION TO IFRS FINANCIAL STATEMENTS 2011 T€	TOTAL 2011 T€
Output Volume	**5,142,162**	**6,701,199**	**2,315,278**	**167,212**		**14,325,851**
Revenue	**4,968,210**	**6,211,242**	**2,500,224**	**34,128**	**0**	**13,713,804**
Inter-segment revenue	228,188	102,468	0	831,283		
EBIT	**179,088**	**60,517**	**108,702**	**685**	**-14,207**	**334,785**
-thereof share of profit or loss of associates	0	-38,213	3,676	0	0	-34,537
Interest and similar income	0	0	0	112,311	0	112,311
Interest expense and similar charges	0	0	0	-103,767	0	-103,767
Profit before tax	**179,088**	**60,517**	**108,702**	**9,229**	**-14,207**	**343,329**
Investments in property, plant and equipment, and in intangible assets	0	0	455	476,695	0	477,150
Depreciation and amortisation	3,530	12,766	19,166	376,084	0	411,546
-thereof extraordinary depreciation and amortisation	3,386	12,766	15,000	15,349	0	46,501

SEGMENT REPORTING FOR THE FINANCIAL YEAR 2010

	BUILDING CONSTRUCTION AND CIVIL ENGINEERING 2010 T€	TRANSPORTATION INFRASTRUCTURES 2010 T€	SPECIAL DIVISIONS & CONCESSIONS 2010 T€	OTHER 2010 T€	RECONCILIATION TO IFRS FINANCIAL STATEMENTS 2010 T€	TOTAL 2010 T€
Output Volume	**4,279,067**	**5,989,988**	**2,337,796**	**170,149**		**12,777,000**
Revenue	**3,975,839**	**5,836,997**	**2,526,822**	**41,879**	**0**	**12,381,537**
Inter-segment revenue	141,672	109,137	0	774,870		
EBIT	**153,766**	**178,892**	**-10,851**	**873**	**-23,729**	**298,951**
-thereof share of profit or loss of associates	0	30,653	1,733	0	0	32,386
Interest and similar income	0	0	0	78,709	0	78,709
Interest expense and similar charges	0	0	0	-98,386	0	-98,386
Profit before tax	**153,766**	**178,892**	**-10,851**	**-18,804**	**-23,729**	**279,274**
Investments in property, plant and equipment, and in intangible assets	0	0	0	553,843	0	553,843
Depreciation and amortisation	6,893	27,643	19,691	381,515	0	435,742
-thereof extraordinary depreciation and amortisation	6,893	27,643	15,000	22,215	0	71,751

RECONCILIATION OF THE SUM OF THE SEGMENT EARNINGS TO PROFIT BEFORE TAX ACCORDING TO IFRS FINANCIAL STATEMENTS

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

The basis for the internal reporting is formed by all subsidiaries. In the IFRS financial statements, earnings from companies which were not fully consolidated or reported using the equity method are recognised in conformity with dividends, transfer of earnings and/or depreciation and amortisation. For this reason, the internal reporting does not conform 100 % with EBIT in regards to profit before tax in the consolidated financial statements in terms of the investment result.

Other minor differences result from the other consolidation entries.

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

	2011 T€	2010 T€
Investment income	-12,084	-17,927
Other consolidations	-2,123	-5,802
Total	**-14,207**	**-23,729**

BREAKDOWN OF REVENUE BY GEOGRAPHIC REGION

	2011 T€	2010 T€
Germany	5,665,813	5,113,787
Austria	2,254,189	2,114,846
Other Europe	5,256,352	4,515,675
Other World	537,450	637,229
Total	**13,713,804**	**12,381,537**

Presentation of revenue by region is done according to the company's registered place of business.

(28) NOTES ON RELATED PARTIES

The core shareholders of STRABAG SE are the Haselsteiner-Group, as well as the Raiffeisen-Holding NÖ-Wien Group, the UNIQA Group and Rasperia Trading Limited, owned by Russian businessman Oleg Deripaska.

The core shareholder Rasperia Trading Limited holds one registered share. The company sold its previous interest of 25 % to the other core shareholders. On 30 November 2010, Rasperia bought back 17 % of the shares and the option to purchase the remaining 8 % was extended until July 2014. The syndicate agreement remains unchanged, with Rasperia remaining part of the syndicate.

Arm's-length finance and insurance transactions exist with the Raiffeisen Holding NÖ-Wien Group and the UNIQA Group.

BASIC ELEMENT

The Basic Element Group, a group with numerous industrial holdings, among other things in the area of construction, raw materials and infrastructure, is owned by Russian businessman Oleg Deripaska. A cooperating agreement lays out the principles for joint operating cooperation in Russia and the CIS states between the STRABAG SE Group and the Basic Element Group.

Russian construction company Glavstroy Corporation, a member of the Basic Element Group, commissioned STRABAG to build the Olympic village in Sochi, Russia. The order includes the construction of residences and hotels ahead of the 2014 Winter Olympics and has a value of about € 350 million. The contract was signed in 2010. The construction works began in 2011 and are scheduled for completion in 2013. An advance payment in the amount of € 75 million was received in 2011, for which the services have not yet been provided in their entirety.

To consolidate and expand the business in Russia, STRABAG made in 2010 an advance payment, secured by a bank guarantee, of € 70 million for a 26 % stake in the leading Russian road construction company Transstroy, part of the diversified industrial holding Basic Element. STRABAG will take the time for a thorough due diligence of Transstroy, which posted revenues of RUB 39 billion in 2009, before the parties agree on a transaction and on the final purchase price. The advance payment is reported under other financial assets.

IDAG

IDAG Immobilienbeteiligung u. Development GmbH is entirely held by private foundations whose beneficiaries are the Haselsteiner Group and the Raiffeisen-Holding NÖ-Wien Group. It is the business purpose of IDAG Immobilienbeteiligung u. -Development GmbH to develop property and to participate in property projects.

STRABAG's office buildings in Vienna and Graz are held in the real estate portfolio of subsidiaries of IDAG Immobilienbeteiligung u. -Development GmbH. The buildings are let to and in part sublet by STRABAG SE at the usual market conditions. Rental costs arising from both buildings in the 2011 financial year amounted to T€ 7,512 (previous year: T€ 7,191). Other services in the amount of T€ 1,064 (previous year: T€ 1,317) were obtained from the IDAG Group.

Furthermore, revenues of about € 1.2 million (previous year: about € 2.2 million) were made with IDAG Immobilienbeteiligung u. –Development GmbH in the 2011 financial year. At the balance sheet date of 31 December 2011, the STRABAG SE Group had receivables from rental deposits amounting to around € 20.0 million (previous year: € 18.8 million) from IDAG Immobilienbeteiligung u. -Development GmbH.

ASSOCIATES

In September 2003, Raiffeisen evolution project development GmbH, a joint project development company, was founded together with R.B.T. Beteiligungsgesellschaft m.b.H, "URUBU" Holding GmbH (both Raiffeisen group) and UNIQA Beteiligungs-Holding GmbH.

Raiffeisen evolution project development GmbH bundles project developments in building construction activities of the shareholders (excluding Germany and Benelux). STRABAG SE is employed in the construction work on the basis of arm's-length contracts. In 2011 revenues of about € 42.3 million (previous year: € 21.5 million) were made.

The shareholders of the Raiffeisen evolution project development GmbH have basically agreed to proportionally accept any obligations arising from the project developments.

Lafarge Cement CE Holding bundles the cement activities of Lafarge, a market leader in construction materials manufacturing, and STRABAG in the countries of Central and Eastern Europe. The joint activities aim at maintaining a commensurate cement supply in the group's core countries. In 2011, STRABAG procured cement services worth about € 6 million from Lafarge. Per balance sheet date, there were liabilities to Lafarge Cement CE Holding GmbH in the amount of € 0.5 million.

The business transactions with the other associates can be presented as follows:

	2011 T€	2010 T€
Work and services performed	19,153	27,929
Work and services received	43,874	22,736
Receivables as of 31.12.	11,020	13,450
Liabilities as of 31.12.	2	13

The business transactions with the management board members and the first management level (management in key positions) and with their family members and companies which are controlled by the management in key positions or decisively influenced by them are represented as follows:

	2011 T€	2010 T€
Work and services performed	23,472	6,662
Work and services received	5,050	2,504
Receivables as of 31.12.	16,118	4,841
Liabilities as of 31.12.	42	229

The total salaries including any severance and pension payments for the first management level amounted to T€ 19,273 in the year under report (previous year: T€ 20,666).

(29) NOTES ON THE MANAGEMENT AND SUPERVISORY BOARDS

MANAGEMENT BOARD

Dr. Hans Peter HASELSTEINER (Chairman)
Ing. Fritz OBERLERCHNER (Vice Chairman)
Dr. Thomas BIRTEL
Dr. Peter KRAMMER
Mag. Hannes TRUNTSCHNIG
DI Siegfried WANKER

SUPERVISORY BOARD

Dr. Alfred GUSENBAUER (Chairman)
Mag. Erwin HAMESEDER (Vice Chairman)
Andrei ELINSON
Mag. Kerstin GELBMANN
Dr. Gottfried WANITSCHEK
Ing. Siegfried WOLF

DI Andreas BATKE (works council)
Miroslav CERVENY (works council)
Magdolna P. GYULAINÉ (works council)
Wolfgang KREIS (works council)
Gerhard SPRINGER (works council)

The total salaries of the management board members in the financial year amount to T€ 7,442 (previous year: T€ 7,798). The severance payments for management board members amount to T€ 14 (previous year: T€ 531).

The remunerations for the supervisory board members in the amount of T€ 135 (previous year: T€ 135) are included in the expenses. Neither the management board members nor the supervisory board members of STRABAG SE received advances or loans.

(30) OTHER NOTES

The expenses for the auditor, KPMG Austria GmbH, incurred in the financial year amount to T€ 1,168 (previous year: T€ 1,107) of which T€ 1,052 (previous year: T€ 1,042) were for the audit of the consolidated financial statements (including the audit of separate financial statements of group companies) and T€ 116 (previous year: T€ 65) for other services.

(31) DATE OF AUTHORISATION FOR ISSUE

In Austrian companies organised as corporations limited by shares, the consolidated financial statements prepared by the management board are approved by the supervisory board. The STRABAG SE supervisory board meeting for the approval of the consolidated financial statements for the year ended 31 December 2011 will take place on 26 April 2012.

(32) EVENTS AFTER THE BALANCE SHEET DATE

No significant events occurred after the close of the financial year.

Villach, 10 April 2012

Management Board

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

Ing. Fritz Oberlerchner
Vice Chairman
Technical Responsibilities for Transportation Infrastructures

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

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

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

DI Siegfried Wanker
Technical Responsibilities for Special Divisions
& Concessions

STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.

We confirm to the best of our knowledge that the separate financial statements[1)] give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Villach, 10 April 2012

Management Board

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

Ing. Fritz Oberlerchner
Vice Chairman
Technical Responsibilities for Transportation Infrastructures

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

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

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

DI Siegfried Wanker
Technical Responsibilities for Special Divisions
& Concessions

1) The annual financial statements are included in the annual financial report.

AUDITOR'S REPORT

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of

STRABAG SE,
Villach,

for the year from 1 January 2011 to 31 December 2011. These consolidated financial statements comprise the consolidated balance sheet as of 31 December 2011, the consolidated income statement/consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended 31 December 2011 and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND FOR THE ACCOUNTING SYSTEM

The Company's management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY AND DESCRIPTION OF TYPE AND SCOPE OF THE STATUTORY AUDIT

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and, as well as in accordance with International Standards on Auditing (ISAs), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 31 December 2011 and of its financial performance and its cash flows for the year from 1 January to 31 December 2011 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

REPORT ON THE MANAGEMENT REPORT FOR THE GROUP

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Linz, 10 April 2012

KPMG Austria AG
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Ernst Pichler
Austrian Chartered Accountant

Mag. Peter Humer
Austrian Chartered Accountant

This report is a translation of the original report in German, which is solely valid.

The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

GLOSSARY

at-equity consolidation	Method of consolidation of companies, in which STRABAG has a stake between 20 % and 50 %
ATX (Austrian Traded Index)	The index of leading shares of the Vienna Stock Exchange (Wiener Börse)
Book value per share	Book value of equity/number of shares
CAGR (Compound Annual Growth Rate)	Mean growth rate on an annualised basis
CAPEX (Capital Expenditure)	Acquisition of financial assets + acquisition of intangible assets as well as property, plant and equipment + changes to the scope of consolidation
Capital Employed	Total of group equity + interest-bearing debts
Cash-flow	A measure of cash being received and spent in a business. The cash-flow amount is largely calculated as of net income, write-offs and changes to non-current provisions.
CEE	Central and Eastern Europe
Code of Ethics	Values and principles which reflect the company's policy and which are kept by employees and management
Compliance Guidelines	Recognition of the importance of and compliance with all relevant laws as well as with internal and external rules, guidelines and standards
Corporate Governance	A code of conduct for publicly listed companies. Corporate governance comprises all guidelines which maximise transparency and control in order to avoid conflicts of interest.
Corporate Social Responsibility (CSR)	Voluntary compliance with a set of rules for sustainable corporate management
Cost-plus-fee	Contract model under which the client pays the contractor a previously agreed percentage of the costs of the project as a fee
Directors' Dealings	Transactions with company securities by company directors or officers
Earnings per share	Net income after minorities/number of shares
EBIT	Net income before interests and income tax expense
EBIT Margin	The ratio of EBIT to revenue in percent
EBITDA	Net income before interests and income tax expense, depreciation and amortisation
EBITDA-Margin	The ratio of EBITDA to revenue in percent
Equity ratio	Book value of equity/balance sheet total
Financial Close	Time at which the financing agreements take effect
Four-eyes principle	Principle according to which an activity is carried out and monitored by different persons
Gearing Ratio	Net debt/group equity capital
Hard toll	A form of toll collection in which the fee is collected directly from the user
IFRS	Financial reporting standards and interpretations adopted by the International Accounting Standards Board (IASB)
Joint Venture	A contractual agreement joining together two or more parties for the purpose of executing a particular business enterprise
Millipede principle	Principle forming an integral part of STRABAG's strategy: broad diversification over many geographic regions and construction segments
Net Debt	Financial liabilities - non-recourse debt + severance and pension provisions - cash and cash equivalents
öCGK	Austrian Corporate Governance Codex
Order backlog	Future revenues from contracts signed to a specific date, less works already accomplished
Payout ratio	Dividends/net income per share
PPP (Public-Private Partnerships)	Project which is funded and operated through a partnership of private-sector companies and public-sector institutions
RANC	Russia and neighbouring countries
Risk management	An approach to recognise potential risks to the company and develop strategies to manage these risks
ROCE (Return on Capital Employed)	Net income + interest on debt-interest tax shield (25 %)/(average group equity + interest-bearing debt)
Shadow toll	Payment of a fee by the public partner in a public-private partnership directly to the operator for the use of a road based on the number of users
Sustainability	The balance between reaching business objectives while respecting social and environmental aspects
Value chain	The individual steps and actions required to create a product or deliver a service

FINANCIAL CALENDAR

Full-year results 2011	**27 April 2012**
Publication	7:30 am
Financial press conference	10:00 am
Investor and analyst telephone conference	2:00 pm

Interim Report January–March 2012	**31 May 2012**
Publication	7:30 am
Investor and analyst telephone conference	2:00 pm

Notice of Annual General Meeting	18 May 2012
Shareholding confirmation record date	5 June 2012
Annual General Meeting 2012	**15 June 2012**
Beginning	10:00 am
Location: Austria Center Vienna, 1220 Vienna	
Ex-dividend date	**22 June 2012**
Payment date for dividend	**25 June 2012**

Half-year report 2012	**31 August 2012**
Publication	7:30 am
Investor and analyst telephone conference	2:00 pm

Interim Report January–September 2012	**30 November 2012**
Publication	7:30 am
Investor and analyst telephone conference	2:00 pm

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

STRABAG

Building Visions. Building Values. Building Europe.

FOR FURTHER QUESTIONS, PLEASE CONTACT OUR INVESTOR RELATIONS DEPARTMENT:

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

OWNER, EDITOR AND PUBLISHER

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Many of the projects contained in this financial report were carried out in consortia.
We hereby extend a warm “thank you” to all our partners.

To facilitate reading and understanding, the masculine gender may be used at times in this report to apply equally to men and women without discrimination.

Creative support during the preparation of the Annual Report 2011: pkp BBDO
Producer: 08/16 printproduktion gmbh

FAQ: WHAT OUR SHAREHOLDERS WANT TO KNOW

HOW HIGH IS THE DIVIDEND?

STRABAG SE wants to pay out between 30 % and 50 % of the net income after minorities to the shareholders in the form of a dividend. The management board will propose a dividend of € 0.60 per share at the Annual General Meeting on 15 June 2012. This would correspond to a dividend payout ratio of about 34 % and, based on the share price of € 22.11 at the end of December 2011, a dividend yield of 2.7 %. (Page 65)

HOW IS THE MARKET ENVIRONMENT DEVELOPING?

In Europe, the various economic stimulus programmes and the resulting state investments in infrastructure allowed construction companies to optimally utilise their capacities until the end of 2010. The effect was regionally quite different, however, affecting mostly companies which had specialised in civil engineering. In 2011, we saw a reversal of the trend: the economic stimulus programmes gave way to austerity packages; public-sector demand was waning, while private demand for building construction and civil engineering grew again. Due to these accumulated effects, we expect to see stagnation in the construction industry in 2012. (Page 76)

IN WHICH BUSINESS FIELDS IS STRABAG INVESTING AND EXPANDING?

Recent years have shown how important not just geographic diversification, but also product-oriented diversification is in the construction sector. Construction companies are therefore well-advised to broadly position their range of services. For this reason, STRABAG is not only active in the fields of building construction, civil engineering, transportation infrastructures and tunnelling, but is also intensifying its activities in niche sectors such as railway construction, environmental technology and waterway construction. We are also increasing our involvement with Public-Private Partnership models and are extending the value chain to include property and facility services. (Page 20)

WHY SHOULD I INVEST IN STRABAG?

STRABAG SE is a company with a long-range outlook. Our long-term viability and the stability of our business are more important to us than short-term results. We want to pay our shareholders a regular dividend while investing in strategic fields that will make us fit for the years and decades to come. (Page 17)

THE FREE-FLOAT IS RELATIVELY LOW. HOW CAN I BE SURE THAT MY INTERESTS AS A MINORITY SHAREHOLDER ARE BEING PROTECTED?

Transparency in corporate governance is important to us. We therefore commit ourselves fully to the Austrian Code of Corporate Governance (ÖCGK) 2012 and to its objectives and see compliance with all the rules contained within the code as a top priority. We not only want to abide by the minimum requirements of the code, but strive for “best practice”. Our shareholders are not only interested in transparency, however, they also want the opportunity to influence decisions. In Austria, this is legally regulated. According to the Austrian Stock Corporation Act (AktG), shareholders who represent 5 % of the share capital may demand an extraordinary General Meeting to be called or may request that additional items be set on the agenda of the Annual General Meeting. With just 1 % of the share capital, shareholders can make draft resolutions to all agenda items of a General Meeting. (Page 37)

WHY HAS STRABAG BOUGHT BACK OWN SHARES?

In the middle of 2011, the management board of STRABAG SE recognised a good opportunity to buy back own shares, as it believed the shares were undervalued on the stock market. There are no plans to take the shares from the market. Instead, the bought-back shares are to serve as transaction currency during enterprise acquisitions. (Page 64)