TEAMS WORK.

Annual Financial
Statements
2013

STRABAG
SOCIETAS EUROPAEA

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Consolidated Financial Statements 2013

STRABAG
SOCIETAS EUROPAEA

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

Consolidated income statement for the financial year 2013

T€	Notes	2013	2012
Revenue	(1)	12,475,654	12,983,233
Changes in inventories		40,090	50,388
Own work capitalised		2,394	3,573
Other operating income	(2)	232,242	221,065
Construction materials, consumables and services used	(3)	-8,204,351	-8,655,101
Employee benefits expenses	(4)	-2,998,648	-3,051,777
Other operating expenses	(5)	-857,292	-938,158
Share of profit or loss of associates	(6)	5,784	-9,217
Net income from investments	(7)	-959	4,348
EBITDA		**694,914**	**608,354**
Depreciation and amortisation expense	(8)	-433,337	-401,168
EBIT		**261,577**	**207,186**
Interest and similar income		66,716	73,145
Interest expense and similar charges		-98,256	-123,871
Net interest income	**(9)**	**-31,540**	**-50,726**
Profit before tax		**230,037**	**156,460**
Income tax expense	(10)	-73,778	-46,422
Net income		**156,259**	**110,038**
Attributable to: non-controlling interests		42,701	49,407
Attributable to: equity holders of the parent company		113,558	60,631
Earnings per share (€)	**(11)**	**1.11**	**0.58**

Statement of total comprehensive income for the financial year 2013

T€	Notes	2013	2012
Net income		**156,259**	**110,038**
Differences arising from currency translation		-57,991	46,891
Recycling of differences arising from currency translation		691	-1,840
Change in hedging reserves including interest rate swaps		9,864	-48,095
Recycling of hedging reserves including interest rate swaps		22,681	21,153
Change in fair value of financial instruments under IAS 39		256	-1,724
Deferred taxes on neutral change in equity	(10)	-6,390	4,941
Other income from associates		-3,740	2,319
Total of items which are later recognised ("recycled") in the income statement		**-34,629**	**23,645**
Change in actuarial gains or losses		720	-63,871
Deferred taxes on neutral change in equity	(10)	374	18,487
Other income from associates		48	211
Total of items which are not later recognised ("recycled") in the income statement		**1,142**	**-45,173**
Other income		**-33,487**	**-21,528**
Total comprehensive income		**122,772**	**88,510**
Attributable to: non-controlling interests		38,535	43,325
Attributable to: equity holders of the parent company		84,237	45,185

Consolidated balance sheet as at 31 December 2013

T€	Notes	31.12.2013	31.12.2012
Intangible assets	(12)	501,788	530,361
Property, plant and equipment	(12)	2,145,517	2,225,572
Investment property	(13)	36,894	41,667
Investments in associates	(14)	371,596	379,122
Other financial assets	(14)	253,376	250,292
Receivables from concession arrangements	(17)	780,628	782,567
Trade receivables	(17)	72,576	91,426
Income tax receivables	(17)	7,978	12,009
Other financial assets	(17)	28,649	35,824
Deferred taxes	(15)	217,288	197,619
Non-current assets		**4,416,290**	**4,546,459**
Inventories	(16)	1,104,978	1,031,557
Receivables from concession arrangements	(17)	24,643	22,785
Trade receivables	(17)	2,697,645	2,535,469
Non-financial assets	(17)	56,020	52,749
Income tax receivables	(17)	35,066	53,623
Other financial assets	(17)	514,180	520,094
Cash and cash equivalents	(18)	1,711,968	1,374,955
Current assets		**6,144,500**	**5,591,232**
Assets		**10,560,790**	**10,137,691**

Share capital		114,000	114,000
Capital reserves		2,311,384	2,311,384
Retained earnings and other reserves		491,604	436,130
Non-controlling interests		321,781	301,028
Group equity	**(19)**	**3,238,769**	**3,162,542**
Provisions	(20)	994,744	1,025,833
Financial liabilities[1)]	(21)	1,353,870	1,265,982
Trade payables	(21)	48,534	61,006
Non-financial liabilities	(21)	1,397	1,328
Other financial liabilities	(21)	27,866	33,330
Deferred taxes	(15)	39,377	44,437
Non-current liabilities		**2,465,788**	**2,431,916**
Provisions	(20)	695,824	665,208
Financial liabilities[2)]	(21)	368,830	384,002
Trade payables	(21)	2,936,051	2,724,119
Non-financial liabilities	(21)	391,600	368,432
Income tax liabilities	(21)	97,281	71,248
Other financial liabilities	(21)	366,647	330,224
Current liabilities		**4,856,233**	**4,543,233**
Equity and Liabilities		**10,560,790**	**10,137,691**

1) Thereof T€ 538,608 concerning non-recourse liabilities from concession arrangements (2012: T€ 585,105)
2) Thereof T€ 46,497 concerning non-recourse liabilities from concession arrangements (2012: T€ 45,206)

Consolidated cash flow statement for the financial year 2013

T€	Notes	2013	2012
Net income		156,259	110,038
Deferred taxes		-36,085	-51,734
Non-cash effective results from consolidation		2	9,094
Non-cash effective results from associates		1,194	19,385
Depreciations/write ups		449,630	418,445
Change in long-term provisions		-18,892	36,944
Gains/losses on disposal of non-current assets		-39,074	-33,559
Cash flow from profits		**513,034**	**508,613**
Change in inventories		-83,443	-104,618
Change in trade receivables, construction contracts and consortia		-69,016	303,221
Change in receivables from subsidiaries and receivables from participation companies		-27,484	-69,983
Change in other assets		29,488	26,783
Change in trade payables, construction contracts and consortia		224,124	-252,280
Change in liabilities from subsidiaries and liabilities from participation companies		45,047	6,315
Change in other liabilities		28,431	-70,120
Change in current provisions		33,521	-79,130
Cash flow from operating activities		**693,702**	**268,801**
Purchase of financial assets		-22,875	-41,171
Purchase of property, plant, equipment and intangible assets		-387,361	-458,283
Gains/losses on disposal of non-current assets		39,074	33,559
Disposals of non-current assets (carrying value)		46,620	39,692
Change in other cash clearing receivables		2,750	203
Change in scope of consolidation		-10,591	-21,191
Cash flow from investing activities		**-332,383**	**-447,191**
Change in bank borrowings		-46,823	-244,099
Change in bonded loan		0	140,000
Change in bonds		105,000	25,000
Change in liabilities from finance leases		-20,598	-3,641
Change in other cash clearing liabilities		2,185	7,457
Change in non-controlling interests due to acquisition		341	11,540
Acquisition of own shares		-8,863	-42,880
Distribution and withdrawals from partnerships		-37,729	-69,639
Cash flow from financing activities		**-6,487**	**-176,262**
Net change in cash and cash equivalents		**354,832**	**-354,652**
Cash and cash equivalents at the beginning of the period		1,350,669	1,688,612
Change in cash and cash equivalents due to currency translation		-17,819	29,370
Change in restricted cash and cash equivalents		-2,982	-12,661
Cash and cash equivalents at the end of the period	**(24)**	**1,684,700**	**1,350,669**

Statement of changes in equity for the financial year 2013

T€	Share capital	Capital reserves	Retained earnings	Hedging reserves	Foreign currency reserves	Group equity	Non-controlling interests	Total equity
Balance as at 1.1.2012	**114,000**	**2,311,384**	**656,913**	**-97,816**	**-45,737**	**2,938,744**	**211,098**	**3,149,842**
Net income	0	0	60,631	0	0	60,631	49,407	110,038
Differences arising from currency translation	0	0	0	0	44,304	44,304	747	45,051
Change in hedging reserves	0	0	0	3,173	0	3,173	76	3,249
Changes in financial instruments IAS 39	0	0	-1,533	0	0	-1,533	-191	-1,724
Changes in investments in associates	0	0	211	-2,418	4,679	2,472	58	2,530
Change of actuarial gains and losses	0	0	-54,931	0	0	-54,931	-8,940	-63,871
Change of interest rate swap	0	0	0	-29,622	0	-29,622	-569	-30,191
Deferred taxes on neutral change in equity	0	0	15,833	4,858	0	20,691	2,737	23,428
Total comprehensive income	**0**	**0**	**20,211**	**-24,009**	**48,983**	**45,185**	**43,325**	**88,510**
Transactions concerning non-controlling interests	0	0	-17,043	0	0	-17,043	53,752	36,709
Acquisition of own shares	0	0	-42,880	0	0	-42,880	0	-42,880
Distribution of dividends[1]	0	0	-62,492	0	0	-62,492	-7,147	-69,639
Balance as at 31.12.2012 = Balance as at 1.1.2013	**114,000**	**2,311,384**	**554,709**	**-121,825**	**3,246**	**2,861,514**	**301,028**	**3,162,542**
Net income	0	0	113,558	0	0	113,558	42,701	156,259
Differences arising from currency translation	0	0	0	0	-53,758	-53,758	-3,542	-57,300
Change in hedging reserves	0	0	0	-822	0	-822	-19	-841
Changes in financial instruments IAS 39	0	0	242	0	0	242	14	256
Changes in investments in associates	0	0	47	-480	-3,175	-3,608	-84	-3,692
Change of actuarial gains and losses	0	0	2,306	0	0	2,306	-1,586	720
Change of interest rate swap	0	0	0	32,675	0	32,675	711	33,386
Deferred taxes on neutral change in equity	0	0	-122	-6,234	0	-6,356	340	-6,016
Total comprehensive income	**0**	**0**	**116,031**	**25,139**	**-56,933**	**84,237**	**38,535**	**122,772**
Transactions concerning non-controlling interests	0	0	620	0	0	620	-573	47
Acquisition of own shares	0	0	-8,863	0	0	-8,863	0	-8,863
Distribution of dividends[2]	0	0	-20,520	0	0	-20,520	-17,209	-37,729
Balance as at 31.12.2013	**114,000**	**2,311,384**	**641,977**	**-96,686**	**-53,687**	**2,916,988**	**321,781**	**3,238,769**

1) The total dividend payment of T€ 62,492 corresponds to a dividend per share of € 0.60 based on 104,153,000 shares.
2) The total dividend payment of T€ 20,520 corresponds to a dividend per share of € 0.20 based on 102,600,000 shares.

Consolidated statement of fixed assets as at 31 December 2013

T€	Balance as at 31.12.2012	Change in scope of consolidation	Currency translation	Acquisition and production costs Balance as at 1.1.2013	Additions	Transfers
I. Intangible Assets						
1. Concessions; industrial property rights and similiar rights as well as licences derived thereof	121,780	-1,081	-2,806	117,893	3,452	483
2. Goodwill	648,060	1,835	-8,656	641,239	0	0
3. Development costs	27,113	-760	0	26,353	1,242	0
4. Advances paid	322	0	0	322	422	-483
Total	**797,275**	**-6**	**-11,462**	**785,807**	**5,116**	**0**
II. Tangible Assets						
1. Properties; land rights equivalent to real property; buildings including buildings on third-party property	1,400,070	-3,636	-12,804	1,383,630	55,355	9,258
2. Technical equipment and machinery	2,656,670	3,627	-40,355	2,619,942	174,863	53,448
3. Other facilities, furniture and fixtures and office equipment	971,957	-892	-10,807	960,258	125,418	-1,438
4. Advances paid and facilities under construction	103,193	-401	-718	102,074	25,892	-61,268
Total	**5,131,890**	**-1,302**	**-64,684**	**5,065,904**	**381,528**	**0**
III. Investment Property	**206,854**	**0**	**-124**	**206,730**	**717**	**0**

Consolidated statement of fixed assets as at 31 December 2012

T€	Balance as at 31.12.2011	Change in scope of consolidation	Currency translation	Acquisition and production costs Balance as at 1.1.2012	Additions	Transfers
I. Intangible Assets						
1. Concessions; industrial property rights and similiar rights as well as licences derived thereof	129,985	-677	379	129,687	5,008	0
2. Goodwill	638,288	3,577	8,213	650,078	0	0
3. Development costs	25,163	0	0	25,163	1,950	0
4. Advances paid	157	0	0	157	165	0
Total	**793,593**	**2,900**	**8,592**	**805,085**	**7,123**	**0**
II. Tangible Assets						
1. Properties; land rights equivalent to real property; buildings including buildings on third-party property	1,341,908	1,485	11,195	1,354,588	29,705	35,179
2. Technical equipment and machinery	2,468,638	16,868	33,330	2,518,836	236,385	37,791
3. Other facilities, furniture and fixtures and office equipment	909,434	8,116	8,500	926,050	139,613	-445
4. Advances paid and facilities under construction	129,688	337	236	130,261	45,457	-72,525
Total	**4,849,668**	**26,806**	**53,261**	**4,929,735**	**451,160**	**0**
III. Investment Property	**214,331**	**-2,945**	**0**	**211,386**	**0**	**0**

1) Of this amount, impairments of T€ 28,924 (2012: T€ 28,482)

2) Of this amount, impairments of T€ 28,482 (2011: T€ 46,501)

		Accumulated depreciation							Carrying values	
Disposals	Balance as at 31.12.2013	Balance as at 31.12.2012	Change in scope of consolidation	Currency translation	Additions[1]	Transfers	Disposals	Balance as at 31.12.2013	Values 31.12.2013	Values 31.12.2012
7,059	114,769	81,672	-738	-1,978	11,975	0	6,819	84,112	30,657	40,108
0	641,239	176,551	0	113	3,985	0	0	180,649	460,590	471,509
0	27,595	8,691	-760	0	9,262	0	0	17,193	10,402	18,422
122	139	0	0	0	0	0	0	0	139	322
7,181	**783,742**	**266,914**	**-1,498**	**-1,865**	**25,222**	**0**	**6,819**	**281,954**	**501,788**	**530,361**
34,263	1,413,980	475,965	-133	-3,523	45,127	-49	19,683	497,704	916,276	924,105
175,114	2,673,139	1,741,384	2,140	-29,630	250,963	1,699	165,737	1,800,819	872,320	915,286
108,464	975,774	669,463	-711	-8,233	101,859	-1,650	100,955	659,773	316,001	302,494
0	66,698	19,506	0	0	6,272	0	0	25,778	40,920	83,687
317,841	**5,129,591**	**2,906,318**	**1,296**	**-41,386**	**404,221**	**0**	**286,375**	**2,984,074**	**2,145,517**	**2,225,572**
4,098	**203,349**	**165,187**	**0**	**0**	**3,894**	**0**	**2,626**	**166,455**	**36,894**	**41,667**

		Accumulated depreciation							Carrying values	
Disposals	Balance as at 31.12.2012	Balance as at 31.12.2011	Change in scope of consolidation	Currency translation	Additions[2]	Transfers	Disposals	Balance as at 31.12.2012	Values 31.12.2012	Values 31.12.2011
12,915	121,780	83,047	105	-5	10,787	0	12,262	81,672	40,108	46,938
2,018	648,060	166,461	0	13	10,077	0	0	176,551	471,509	471,827
0	27,113	7,575	0	0	1,116	0	0	8,691	18,422	17,588
0	322	0	0	0	0	0	0	0	322	157
14,933	**797,275**	**257,083**	**105**	**8**	**21,980**	**0**	**12,262**	**266,914**	**530,361**	**536,510**
19,402	1,400,070	441,857	-1,342	2,433	42,555	6	9,544	475,965	924,105	900,051
136,342	2,656,670	1,609,756	12,623	23,639	213,136	1,320	119,090	1,741,384	915,286	858,882
93,261	971,957	638,012	6,836	5,430	105,662	-1,326	85,151	669,463	302,494	271,422
0	103,193	5,805	0	0	13,701	0	0	19,506	83,687	123,883
249,005	**5,131,890**	**2,695,430**	**18,117**	**31,502**	**375,054**	**0**	**213,785**	**2,906,318**	**2,225,572**	**2,154,238**
4,532	**206,854**	**161,053**	**0**	**0**	**4,134**	**0**	**0**	**165,187**	**41,667**	**53,278**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31.12.2013 OF STRABAG SE, VILLACH

Basic principles

STRABAG SE is one of Europe's leading construction groups. The company has its headquarters in Triglavstraße 9, 9500 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 North and 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 2013, were drawn up under application of Section 245a Paragraph 2 of the Austrian Business Enterprise 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 Business Enterprise 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 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

NEW AND REVISED STANDARDS AND INTERPRETATIONS THAT ARE EFFECTIVE FOR THE 2013 FINANCIAL YEAR:

The IASB has made the following amendments to the existing IFRS and passed several new IFRS and IFRIC, which have also been adopted by the European Commission. Application became mandatory on 1 January 2013.

	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)
Amendments to IAS 1 Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income	1.7.2012	1.7.2012
IFRS 13 Fair Value Measurement	1.1.2013	1.1.2013
Amendments to IAS 12 Income Taxes: Deferred Tax – Recovery of Underlying Assets	1.1.2012	1.1.2013
IAS 19 Employee Benefits	1.1.2013	1.1.2013
Amendments to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities	1.1.2013	1.1.2013
IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine	1.1.2013	1.1.2013
Annual Improvements to IFRS 2009–2011	1.1.2013	1.1.2013

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 recycled in the income statement at a later point or whether these are never recycled in the income statement. The requirements were implemented accordingly in the statement of comprehensive income.

IFRS 13 defines fair value, sets out a framework for measuring fair value and requires specific disclosures about fair value measurements. The regulations not only refer to financial instruments but also to the measurement of fair value according to other IAS/IFRS.

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.

IFRS 7: To facilitate the comparison between entities preparing IFRS financial statements and entities which prepare their financial statements in accordance with US GAAP, IFRS 7 was amended to enhance the disclosure requirements when offsetting arrangements exist. The amendments also require extensive disclosure of information about such offsetting rights that are not set off under IFRS.

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.

Annual Improvements to IFRS 2009–2011: Amendments to individual standards in the course of annual improvement processes by the IASB.

The application of the new accounting standards had only minor impacts on the consolidated financial statements of STRABAG SE.

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 2013 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)	Impact on the consolidated financial statements
IFRS 10 Consolidated Financial Statements	1.1.2013	1.1.2014	minor impact
IFRS 11 Joint Arrangements	1.1.2013	1.1.2014	see below
IFRS 12 Disclosure of Interests in Other Entities	1.1.2013	1.1.2014	see below
Amendments to IAS 27 Separate Financial Statements	1.1.2013	1.1.2014	none
Amendments to IAS 28 Investment in Associates and Joint Ventures	1.1.2013	1.1.2014	see below
Amendments to IAS 32 Financial Instruments Presentation – Offsetting Rules	1.1.2014	1.1.2014	minor impact
Transition guidance – Amendments to IFRS 10, IFRS 11 and IFRS 12	1.1.2013	1.1.2014	minor impact
Investment entities – Amendments to IFRS 10, IFRS 12 and IAS 27	1.1.2014	1.1.2014	none
Amendments to IAS 36 Impairment of Assets – Recoverable Amount Disclosures	1.1.2014	1.1.2014	minor impact
Amendments to IAS 39 Financial Instruments: Recognition and Measurement – Novation of Over-the-Counter Derivatives and Continuation of Existing Hedging Relationships	1.1.2014	1.1.2014	minor impact
IFRIC 21 Levies	1.1.2014	n. a.[1]	minor impact
Amendments to IAS 19	1.7.2014	1.7.2014	minor impact
Annual Improvements to IFRS 2010–2012	1.7.2014	n. a.[1]	is being analysed
Annual Improvements to IFRS 2011–2013	1.7.2014	n. a.[1]	is being analysed
IFRS 9 (2009, 2010, 2013) Financial Instruments	1.1.2018	n. a.[1]	is being analysed

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

IFRS 10 and IAS 27: IFRS 10 replaces the criteria for the 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.

According to a statement by the Institute of Public Auditors in Germany (IDW), the typical construction consortium meets the requirements to be classified as a joint venture. Based on the current status of our analysis this also applies to Austrian construction consortia. The impact on the consolidated financial statements is limited to changes in the presentation in the balance sheet and the income statement. Starting with the 2014 financial year, the share of profit or loss will no longer be recognised as revenue (other operating expense) but instead as income from associates; however, it will continue to be recognised as EBIT. In the balance sheet, this item is reclassified from trade receivables (payables) to other receivables (payables). The disclosure requirements for associates are thus extended to apply to construction consortia as well.

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.

1) n.a. – endorsement process is still in progress

IAS 32 contains changes to clarify under which requirements a netting of financial instruments is permitted on the balance sheet.

Amendments to IFRS 10, IFRS 11 and IFRS 12 – transition guidance primarily refers to the first-time application of IFRS 10 and additional information according to IFRS 12.

Amendments to IFRS 10, IFRS 12 and IAS 27 – investment entities, introduces the exception from the requirement of consolidation for subsidiaries according to IFRS 10 for investment entities.

IAS 36, consequential to the issue of IFRS 13, was modified to require disclosure of the recoverable amount of each cash-generating unit (or group of units) for which material goodwill or material intangible assets with indefinite useful lives are allocated. IAS 36 also introduces new disclosure requirements for cases of impairment loss (reversal) of assets or cash-generating units.

IAS 39, in its amended version, provides relief for novation of over-the-counter derivatives by allowing hedge accounting to continue in a situation where novation of a hedging instrument to a central counterparty meets certain criteria.

IFRIC 21 provides guidance for when to recognise provisions for levies under IAS 37 where the timing and amount of the payment is uncertain, as well as guidance for when to recognise corresponding liabilities, i.e. where the timing and amount are certain. IFRIC 21 does not include income taxes as defined by IAS 12. Application of the interpretation may result in a levy payment obligation being recognised at another time than before, specifically if the obligation to pay the levy arises only when a specified event occurs at a specified point in time.

The **amendments to IAS 19** offer clarification of how to treat employee contributions to defined benefit plans. If the amount of the contributions is independent of the number of years of service, these contributions can continue to be recognised as a reduction in the service cost in the respective period; if the amount of the contributions depends on the number of years of service, these must be considered in the calculation of the gross benefit obligation. STRABAG has already been using the possibility of reducing the service cost in defined benefit plans in Switzerland.

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 unique method.

Early application of the new standards and interpretations is not planned.

Aside from those described in IFRS 11 and IAS 28, application of the new standards and interpretations will have only a minor impact on the consolidated financial statements.

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.

SUBSIDIARIES

Entities whose financial and operating policies are controlled by the group constitute subsidiaries. Control usually exists when the group holds more than 50 % of the entity's voting rights. However, the determination of control must also consider potential voting rights that may be exercised or converted at any time. Furthermore, control may also exist even if the group holds less than 50 % of the voting rights as long as the magnitude of the group's voting rights in relation to the number and distribution of the voting rights of all other shareholders gives the group control of the entity's financial and operating policies (de facto control).

A subsidiary is included in the consolidated financial statements from the date on which the parent acquired control. Conversely, the entity is deconsolidated when control ends.

Capital consolidation is performed in accordance with IFRS 3 using the acquisition method. The cost of acquisition of the subsidiary is measured as the sum of the fair values of assets given, equity instruments issued and liabilities assumed. Contingent considerations are also measured at their fair value from the date of the business combination. Later deviations from this value are recognised in profit or loss. Transaction costs are also recognised immediately in profit or loss.

Non-controlling interests are recognised based on their proportional interest in the net assets of the acquired entity (partial goodwill method). The option of recognising non-controlling interests at fair value is not used.

In business combinations achieved in stages (step acquisitions), the existing equity interest of the entity is remeasured at fair value from the date of acquisition. The resulting profit or loss is recognised in the income statement.

The acquisition costs, contingent considerations, existing equity interests and non-controlling interests are to be compared with all identifiable assets and liabilities of the subsidiary, measured at fair value. Any remaining difference on the assets side is classified as goodwill. Differences arising from the capital consolidation on the liabilities side are recognised immediately in profit and loss following another review. Goodwill is subjected to an impairment test in accordance with IAS 36 at least once a year.

In the 2013 financial year, T€ 1,835 in goodwill arising from capital consolidation were recognised as assets. Impairments in the amount of T€ 3,985 were made.

Immaterial subsidiaries are not consolidated; these are reported at cost or at fair value in accordance with IAS 39 if this value can be reliably determined.

TRANSACTIONS WITH NON-CONTROLLING INTERESTS THAT DO NOT RESULT IN LOSS OF CONTROL

Differences arising from the acquisition or disposal of investments in affiliated entities without acquisition or loss of control are recognised in full in equity outside profit or loss.

DISPOSAL OF SUBSIDIARIES

When control over a subsidiary is lost, any remaining investment is remeasured at fair value. The difference to the existing carrying amounts is recognised in profit or loss. Associate, joint arrangements or financial assets are initially recognised at this fair value. All previous amounts recognised to date in other income are accounted for as if the assets and liabilities of the affected entities had been sold directly.

ASSOCIATES

Entities in which the group exercises significant influence constitute associates. This is generally the case with a holding of between 20 % and 50 % of the voting rights. Investments in associates are accounted for using the equity method: the acquired investment is initially measured at cost. Any differences that arise are treated according to the principles of consolidation. In subsequent years, the carrying amount of the investment increases or decreases in proportion to the share of profit or loss and/or the investee's other income. Distributions reduce the carrying amount of the investment. As soon as the group's share of losses equals or exceeds the interest in the associate, no further losses are recognised unless the group is liable for the associate's losses.

At the end of every accounting period, the group determines whether there are any indications for an impairment of the investment in the associate. If there are, then the difference between the carrying amount and the recoverable amount is recognised as an impairment expense in the income statement.

In the year under review, the initial equity measurement of newly acquired entities resulted in net goodwill in the amount of T€ 0 (2012: T€ 0), which is recognised as a component of investments in associates.

Associates which are not recognised using the equity method are recognised at cost or at fair value in accordance with IAS 39 if this value can be reliably determined.

JOINT VENTURES

Joint ventures are entities over which the group exercises joint control together with a third entity. Joint control exists when the determination of the financial and operating policies requires the unanimous consent of all parties to the joint control. STRABAG accounts for jointly controlled entities using the equity method.

Joint ventures which are not recognised using the equity method are recognised at cost or at fair value in accordance with IAS 39 if this value can be reliably determined.

Results from construction consortia are recognised proportionately to the group's share, with profits presented in the revenue and losses in the other operating income.

INVESTMENTS

Investments which do not constitute subsidiaries, joint ventures or associates are recognised at cost or at fair value in accordance with IAS 39 if this value can be reliably determined.

Consolidation procedures

As part of the consolidation of intercompany balances, any trade receivables, loans and other receivables existing within the group are set off against the corresponding liabilities and provisions of the subsidiaries included in the consolidated financial statements.

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

Unrealised profits from transactions between group entities and associates are eliminated in proportion to the group's share in the associate.

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.

Scope of consolidation

The consolidated financial statements as at 31 December 2013 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. The decision to include an entity in the scope of consolidation is based on quantitative and qualitative considerations.

Subsidiaries included in the 2013 consolidated financial statements are given in the list of subsidiaries.

The financial year for all consolidated and associated companies is identical with the calendar year.

The number of consolidated companies changed in the 2013 financial year as follows:

	Consolidation	Equity method
Situation as at 31.12.2011	**308**	**21**
First-time inclusions in year under report	23	1
First-time inclusions in year under report due to merger/accretion	20	0
Merger/accretion in year under report	-26	0
Exclusions in year under report	-4	-1
Situation as at 31.12.2012	**321**	**21**
First-time inclusions in year under report	7	0
First-time inclusions in year under report due to merger/accretion	14	0
Merger/accretion in year under report	-35	0
Exclusions in year under report	-9	0
Situation as at 31.12.2013	**298**	**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		
BLUMENFELD Liegenschaftsverwaltungs GmbH, Vienna	100.00	16.12.2013
Bostadsrättsföreningen Tyresö View 1, Tyresö	100.00	1.1.2013[1)]
Merk Timber GmbH, Aichach	100.00	22.4.2013
STRABAG RAIL POLSKA Sp.z o.o., Breslau	100.00	1.1.2013[1)]
STRABAG Vasútépítö Kft., Budapest	100.00	1.1.2013[1)]
TyresöView1 Holding AB, Stockholm	100.00	1.1.2013[1)]
VIOLA PARK Immobilienprojekt GmbH, Vienna	75.00	16.12.2013

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 2013. The foundation/acquisition of the company occurred before 1 January 2013.

Company	Direct stake %	Date of acquisition or foundation
Merger/accretion[1]		
"Wiebau" Hoch-, Tief- und Strassenbau-Gesellschaft m.b.H., Gerasdorf near Vienna	100.00	1.1.2013
ARP Asphaltmischwerke Rheinhessen-Pfalz GmbH & Co. KG, Sprendlingen	100.00	1.1.2013
ARP Asphaltmischwerke Rheinhessen-Pfalz Verwaltungs-GmbH, Sprendlingen	100.00	1.1.2013
Böblingen Quartier 11 GmbH & Co. KG, Cologne	100.00	1.1.2013
Böblingen Quartier 11 Verwaltung GmbH, Cologne	100.00	1.1.2013
Donnersberger Höfe Kita GmbH, Düsseldorf	100.00	1.1.2013
Helmus Beteiligungsgesellschaft mit beschränkter Haftung, Vechta	100.00	1.1.2013
Hotelprojekt Messe-West Europa-Allee Frankfurt GmbH & Co. KG, Cologne	100.00	1.1.2013
Kiesverwertungsgesellschaft Senden mit beschränkter Haftung, Senden	100.00	1.1.2013
SB Beton GmbH, Bad Langensalza	100.00	1.1.2013
SF-BAU Projektentwicklung GmbH, Cologne	100.00	1.1.2013
T1 Objektgesellschaft mbH & Co. KG, Cologne	100.00	1.1.2013
Voss GmbH, Cuxhaven	100.00	1.1.2013
ZDE Vierte Vermögensverwaltung GmbH, Cologne	100.00	1.1.2013

ACQUISITIONS

Per contract from 11 March 2013, STRABAG acquired 100 % of Merk Timber GmbH (former Metsä Wood Merk GmbH), Aichach, effective retroactively to 1 January 2013. The acquisition serves to expand the group's existing activities in the field of structural timber engineering. The closing took place on 22 April 2013.

Per contract from 14 March 2013, STRABAG AG, Cologne, through its subsidiary STRABAG B.V., acquired the transportation infrastructure activities of Netherlands-based Janssen de Jong Groep B.V. The acquisition aims at expanding the regional capacities in transportation infrastructures in the Netherlands, especially in the field of asphalt.

Effective 16 December 2013, STRABAG acquired 75 % of VIOLA PARK Immobilienprojekt GmbH, Vienna, with its 100 % subsidiary Blumenfeld Liegenschaftsverwaltungs GmbH, Vienna. The company owns a property in Vienna for which the development of a real estate project is planned.

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

T€	Acquisitions
Acquired assets and liabilities	
Goodwill	1,835
Other non-current assets	7,952
Current assets	18,326
Increase in non-controlling interest	-1,087
Non-current liabilities	-3,576
Current liabilities	-10,132
Purchase price	**13,318**
Acquired cash and cash equivalents	-702
Net cash outflow from acquisitions	**12,616**

As the acquisitions are relatively insignificant, when viewed both individually and as a whole, a single summarised presentation was chosen.

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 2013 financial year, negative goodwill in the amount of T€ 709 (2012: T€ 777) occurred. This amount is reported under other operating income.

1) The companies listed under "Merger/Accretion" were merged with/accrued on already consolidated companies and as such are at once represented as additions to and removals from the scope of consolidation.

Assuming a fictitious first-time consolidation on 1 January 2013 for all acquisitions in the 2013 financial year, the consolidated revenue would amount to T€ 12,481,652. The consolidated net income in the financial year would change only insignificantly.

All companies which were consolidated for the first time in 2013 contributed T€ 47,526 to revenue and T€ -1,721 to net income.

DISPOSALS FROM THE SCOPE OF CONSOLIDATION

As at 31 December 2013, the following companies were no longer included in the scope of consolidation:

Disposals from scope of consolidation	
BPM Bau Prozess Management GmbH, Vienna	Fell below significant level
DRUMCO SA, Timisoara	Fell below significant level
EFKON Germany GmbH, Berlin	Fell below significant level
Fachmarktzentrum Arland Errichtungs- und Vermietungsgesellschaft mbH, Vienna	Fell below significant level
GRASTO d.o.o., Ljubljana	Fell below significant level
STRABAG - ZIPP Development s.r.o., Bratislava	Fell below significant level
TolLink Pakistan (Private) Limited, Islamabad	Fell below significant level
TPA EOOD, Sofia	Fell below significant level
Züblin International Malaysia Sdn. Bhd., Kuala Lumpur	Fell below significant level

Merger/Accretion[1)]

GfB Gesellschaft für Bauwerksabdichtungen mbH, Kobern-Gondorf
"Wiebau" Hoch-, Tief- und Strassenbau-Gesellschaft m.b.H., Gerasdorf near Vienna
A2 Strada sp.z o.o., Pruszkow
ARP Asphaltmischwerke Rheinhessen-Pfalz GmbH & Co. KG, Sprendlingen
ARP Asphaltmischwerke Rheinhessen-Pfalz Verwaltungs-GmbH, Sprendlingen
Astrada AG, Subingen
Baunova AG, Dällikon
Böblingen Quartier 11 GmbH & Co. KG, Cologne
Böblingen Quartier 11 Verwaltung GmbH, Cologne
Brunner Erben AG, Zurich
Brunner Erben Holding AG, Opfikon
Donnersberger Höfe Kita GmbH, Düsseldorf
Egolf AG Strassen- und Tiefbau, Weinfelden
Helmus Beteiligungsgesellschaft mit beschränkter Haftung, Vechta
Hotelprojekt Messe-West Europa-Allee Frankfurt GmbH & Co. KG, Cologne
Kiesverwertungsgesellschaft Senden mit beschränkter Haftung, Senden
Kopalnie Melafiru, Czarny Bor
Leitner Gesellschaft m.b.H., Hausmening
Merk Timber GmbH, Aichach
Meyerhans AG Amriswil, Amriswil
Meyerhans AG, Strassen- und Tiefbau Uzwil, Uzwil
Northern Energy GlobalTech III. GmbH, Aurich
Polski Asfalt SP.z o.o., Pruszkow
POßÖGEL & PARTNER STRAßEN- UND TIEFBAU GMBH HERMSDORF/THÜR., St. Gangloff
R I M E X GmbH Servicebetriebe, Aalen
riw Industriewartung GmbH, Ulm
SB Beton GmbH, Bad Langensalza
SBR Verwaltungs-GmbH, Kehl
SF-BAU Projektentwicklung GmbH, Cologne
SLOVAKIA ASFALT s.r.o., Bratislava
STRABAG Beteiligungsverwaltung GmbH, Cologne
T1 Objektgesellschaft mbH & Co. KG, Cologne
Voss GmbH, Cuxhaven
ZDE Vierte Vermögensverwaltung GmbH, Cologne
Züblin Bau, Vienna

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

The deconsolidation resulted in disposals of assets in the amount of T€ 32,370 and of liabilities – including non-controlling interests – in the amount of T€ 21,271.

Currency translation

The items contained in the financial statements of each group entity are measured on the basis of the currency corresponding to the currency of the primary economic environment in which the entity operates (functional currency).

The functional currency of STRABAG's subsidiaries is the respective local currency, with the exception of AKA Alföld Koncesszios Autopalya Zrt., Budapest, whose functional currency is the euro. The consolidated financial statements are prepared in euro, STRABAG's reporting currency.

Foreign currency transactions are translated into the functional currency at the foreign exchange rate on the day of the transaction. On the reporting date, monetary items are translated at the closing rate, while non-monetary items are translated at the rate on the day of the transaction. Exchange differences are recognised in profit or loss.

Assets and liabilities of group entities whose functional currency is not the euro are translated from the respective local currency into euro at the average exchange rate on the reporting date. As well as the corresponding profit for the period, the income statements of foreign group entities whose functional currency is not the euro are translated at the average exchange rate for the reporting period. The differences resulting from the use of both rates are reported outside profit or loss.

The most important currencies, including their average exchange rates on the reporting date, are listed under item 25. In the course of capital consolidation, currency translation differences of T€ -57,300 (2012: T€ 45,051) 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. Forward exchange operations (hedging) excluding deferred taxes in the amount of T€ -841 (2012: T€ 3,249) were recognised directly in equity.

Restatements in accordance with IAS 29 (Financial Reporting in Hyperinflationary Economies) were not necessary.

Consolidated companies

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
BLUMENFELD Liegenschaftsverwaltungs GmbH, Vienna	TATS	1,000	100.00
BMTI-Baumaschinentechnik International GmbH, Trumau		1,454	100.00
Böhm Stadtbaumeister & Gebäudetechnik 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
Campus Eggenberg Immobilienprojekt GmbH, Graz		36	60.00
Center Communication Systems GmbH, Vienna		727	100.00

Austria		Nominal capital T€/TATS	Direct stake %
Diabaswerk Saalfelden Gesellschaft m.b.H., Saalfelden		363	100.00
Eckstein Holding GmbH, Spittal an der Drau		73	100.00
EFKON AG, Raaba		28,350	98.14
Erste Nordsee-Offshore-Holding GmbH, Pressbaum		100	51.00
F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG, Wiener Neustadt		1,192	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
M5 Beteiligungs GmbH, Vienna		70	100.00
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
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 Holding GmbH, Vienna		35	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
VIOLA PARK Immobilienprojekt GmbH, Vienna		45	75.00
Züblin Holding GesmbH, Vienna		55	100.00
Züblin Spezialtiefbau Ges.m.b.H., Vienna		1,500	100.00
Zweite Nordsee-Offshore-Holding GmbH, Pressbaum		100	51.00

Germany		Nominal capital T€/TDEM	Direct stake %
Alpines Hartschotterwerk GmbH, Leinfelden-Echterdingen		25	100.00
Atlas Tower GmbH & Co. KG, Cologne		106	100.00
Baugesellschaft Nowotnik GmbH, Nörvenich		26	100.00
Baumann & Burmeister GmbH, Halle/Saale		51	100.00
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
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 & Co. KG, Cologne		307	100.00
BRVZ Bau- Rechen- und Verwaltungszentrum GmbH & Co. KG, Cologne		30	100.00
CLS Construction Legal Services GmbH, Cologne		25	100.00
Deutsche Asphalt GmbH, Cologne		28	100.00
DYWIDAG Bau GmbH, Munich		32	100.00
DYWIDAG International GmbH, Munich		5,000	100.00
DYWIDAG-Holding GmbH, Cologne		500	100.00
E S B Kirchhoff GmbH, Leinfelden-Echterdingen		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

Germany		Nominal capital T€/TDEM	Direct stake %
Eduard Hachmann Gesellschaft mit beschränkter Haftung, Lunden		520	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
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
Heimfeld Terrassen GmbH, Cologne		25	100.00
Helmus Straßen-Bau GmbH, Vechta		25	100.00
Hermann Kirchner Bauunternehmung GmbH, Bad Hersfeld		15,000	100.00
Hermann Kirchner Hoch- und Ingenieurbau GmbH, Bad Hersfeld		2,500	100.00
Ilbau GmbH Deutschland, Berlin		4,700	100.00
Ilbau Liegenschaftsverwaltung GmbH, Hoppegarten	TDEM	15,000	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	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, Cuxhaven		25	100.00
MAV Mineralstoff - Aufbereitung und - Verwertung GmbH, Krefeld		600	50.00
MAV Mineralstoff - Aufbereitung und Verwertung Lünen GmbH, Lünen		250	100.00
MERK Timber GmbH, Aichach		1,534	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 GAIA I. GmbH, Aurich		25	100.00
Northern Energy GAIA II. GmbH, Aurich		25	100.00
Northern Energy GAIA III. GmbH, Aurich		25	100.00
Northern Energy GAIA IV. GmbH, Aurich		25	100.00
Northern Energy GAIA V. GmbH, Aurich		25	100.00
Northern Energy GlobalTech II. 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 SeaStorm I. GmbH, Aurich		25	100.00
Northern Energy SeaStorm II. GmbH, Aurich		25	100.00
Northern Energy SeaWind I. GmbH, Aurich		25	100.00
Northern Energy SeaWind II. GmbH, Aurich		25	100.00
Northern Energy SeaWind III GmbH, Aurich		25	100.00
Northern Energy SeaWind IV. GmbH, Aurich		25	100.00
Offshore Wind Logistik GmbH, Stuttgart		51	100.00
PEKA Entwicklungsgesellschaft Kurfürstenanlage GmbH, Cologne		25	100.00
Preusse Baubetriebe Gesellschaft mit beschränkter Haftung, Hamburg		1,050	100.00
Projekt Elbpark GmbH & Co. KG, Cologne		11	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	100.00
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
SF-Ausbau GmbH, Freiberg		600	100.00

Germany		Nominal capital T€/TDEM	Direct stake %
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 Anlagentechnik GmbH, Cologne		9,220	100.00
STRABAG Asset GmbH, Cologne		2,663	100.00
STRABAG Beton GmbH & Co. KG, Berlin	TDEM	2,000	100.00
STRABAG Facility Management GmbH, Nürnberg		30	100.00
STRABAG Infrastrukturprojekt GmbH, Bad Hersfeld		1,280	100.00
STRABAG International GmbH, Cologne		2,557	100.00
STRABAG Offshore Wind GmbH, Stuttgart		26	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
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
STRABAG Wasserbau GmbH, Hamburg		6,833	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
Torkret GmbH, Stuttgart		1,023	100.00
TPA 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 Chimney and Refractory GmbH, Cologne		511	100.00
Züblin Gebäudetechnik GmbH, Erlangen		25	100.00
Züblin International GmbH, Stuttgart		2,500	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

Chile	Nominal capital TCLP	Direct stake %
Strabag SpA, Santiago	500,000	100.00
Züblin International GmbH Chile SpA, Santiago de Chile	7,909,484	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

Finland	Nominal capital T€	Direct stake %
STRABAG Oy, Helsinki	3	100.00

India	Nominal capital TINR	Direct stake %
EFKON INDIA Pvt. Ltd., Mumbai	50,000	100.00
I-PAY CLEARING SERVICES Pvt. Ltd., Mumbai	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
Züblin Inc., Saint John/NewBrunswick	100	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	10,701	100.00
Pomgrad Inzenjering d.o.o., Split	25,534	100.00
PZC SPLIT d.d., Split	18,810	95.37
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

Montenegro	Nominal capital T€	Direct stake %
"Crnagoraput" AD, Podgorica, Podgorica	9,779	95.32

The Netherlands	Nominal capital T€	Direct stake %
STRABAG B.V., 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

Poland	Nominal capital TPLN	Direct stake %
BHG Sp.z o.o., Pruszkow	500	100.00
BITUNOVA Sp.z o.o., Warsaw	2,700	100.00
BMTI Sp.z o.o., Pruszkow	2,000	100.00
BRVZ Sp.z o.o., Pruszkow	500	100.00
HEILIT+WOERNER Sp. z o.o., Breslau	16,140	100.00
Mineral Polska Sp. z.o.o., Czarny Bor	19,056	100.00
PBOiUT Slask Sp. z o.o., Katowice	295	60.98
SAT Sp.z o.o., Olawa	4,171	100.00
STRABAG RAIL POLSKA Sp.z o.o., Breslau	100	100.00
STRABAG Sp.z o.o., Pruszkow	73,328	100.00
TPA Sp.z o.o., Pruszkow	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	64,974	98.59
Bitunova Romania SRL, Bucharest	16	100.00
BRVZ SERVICII & ADMINISTRARE SRL, Bucharest	278	100.00
Carb SA, Brasov	10,909	99.47
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
ZAO "Strabag", 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 %
BRF Tyresö View 1, Tyresö[1)]	0	100.00
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)]	1,000	100.00
STRABAG Sverige AB, Stockholm	15,975	100.00
TyresöView1 Holding AB, Stockholm	50	100.00
Züblin Scandinavia AB, Stockholm	100	100.00

Switzerland	Nominal capital TCHF	Direct stake %
BMTI GmbH, Erstfeld	20	100.00
BRVZ Bau-, Rechen- und Verwaltungszentrum AG, Erstfeld	100	100.00
STRABAG AG, Zurich	8,000	100.00

Serbia		Nominal capital TRSD/T€	Direct stake %
"PUTEVI" A.D. CACAK, Cacak		122,638	85.02
Preduzece za puteve "Zajecar" a.D.Zajecar, Zajecar		265,015	100.00
STRABAG d.o.o. Beograd, Novi Beograd		770,237	100.00
TPA za obezbedenje kvaliteta i inovacije d.o.o. Beograd, Novi Beograd		32,550	100.00
Vojvodinaput-Pancevo a.d. Pancevo, Pancevo	T€	4,196	82.07

Slovakia	Nominal capital T€	Direct stake %
BITUNOVA spol. s r.o., Zvolen	1,195	100.00
BRVZ s.r.o., Bratislava	33	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
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
STRABAG gradbene storitve d.o.o., Ljubljana	500	100.00

South Africa	Nominal capital T€	Direct stake %
EFKON SOUTH AFRICA (PTY) LTD, Pretoria	166	100.00

1) The presentation of interests is done using the economic approach; the interests as defined by civil law may deviate from this presentation.

Czech Republic	Nominal capital TCZK	Direct stake %
BHG CZ s.r.o., Ceské Budejovice	200	100.00
Bitunova spol. s r.o., Jihlava	2,000	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
MiTTaG spol. s.r.o., Prague	100,100	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., Ceske Budejovice	1,000	100.00
Viamont DSP a.s., Usti nad Labem	180,000	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
Möbius Construction Ukraine Ltd, Odessa	31	100.00
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
KÖKA Kft., Budapest	761,680	100.00
OAT Kft., Budapest	25,000	100.00
STRABAG Általános Építö Kft., Budapest	3,600,000	100.00
STRABAG Property and Facility Services Zrt., Budapest	20,000	51.00
STRABAG Vasútépítö Kft., Budapest	3,000	100.00
Strabag Zrt., Budapest	2,100,000	100.00
STRABAG-MML Kft., Budapest	500,000	100.00
Szentesi Vasútépítö Kft, Budapest	189,120	100.00
TPA HU Kft., Budapest	113,000	100.00
Treuhandbeteiligung H[1)]	10,000	100.00
Züblin Kft., 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

1) The presentation of interests is done using the economic approach; the interests as defined by civil law may deviate from this presentation.

ACCOUNTING POLICIES

INTANGIBLE ASSETS

Acquired intangible assets are recognised at their initial costs less depreciation and impairment if applicable.

Development costs for an internally generated intangible asset 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. Research costs which do not fulfil these criteria are recognised as an expense in the period in which they are incurred. Costs that have already been recognised as an expense are not capitalised in a subsequent period.

The subsequent measurement of intangible assets with definite useful lives is performed at cost less accumulated depreciation and impairment losses. Within the group, there are no intangible assets with indefinite useful lives.

The following useful lives were assumed for intangible assets using the straight-line method:

Intangible assets	**Useful life in years**
Property rights/Utilisation rights	3–50
Software	2–5
Patents, licences	3–10

GOODWILL

Goodwill from a business combination is initially measured at cost. This is calculated as the excess of the consideration transferred over the identifiable assets acquired and liabilities assumed. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised, rather, it is subjected to an annual impairment test in accordance with IAS 36. For the purpose of the impairment test, goodwill is assigned to one or more of the group's cash-generating units that should benefit from the synergy effects of the combination. The recoverability of goodwill is determined by comparing the carrying amount of the respective cash-generating unit or units with the recoverable amount. The possibility of a write-back once the reasons for the impairment no longer apply is not foreseen for goodwill.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is initially recognised at cost. STRABAG performs subsequent measurements using the cost model – cost less accumulated depreciation and impairment losses. If the reasons for a previously recognised impairment loss no longer apply, these assets are written back in profit or loss. The amount may not exceed the carrying amount that would have resulted if no impairment loss had been recognised in the previous periods.

Subsequent cost is capitalised if it is probable that future economic benefits will flow to the group and if the costs can be reliably determined. Repair and maintenance costs which do not constitute significant maintenance expenditures are recognised as expenses in the period in which they are incurred.

Depreciable property, plant and equipment is depreciated using the straight-line method over the expected useful life. If there is an indication that an asset may be impaired and if the present values of the future cash inflow surpluses are below the carrying amounts, the amount is revalued to the lower fair value in accordance with IAS 36.

The following useful lives were assumed for property, plant and equipment:

Property, plant and equipment	**Useful life in years**
Buildings	10–50
Investments in third-party buildings	5–40
Machinery	3–21
Office equipment/furniture and fixtures	3–23
Vehicles	4–12

INVESTMENT PROPERTY

Investment property is property held to earn rentals or for the purpose of capital appreciation. Investment property is initially measured at cost. STRABAG uses the cost model for subsequent measurements, i.e. the measurement is performed at cost less accumulated depreciation and impairment losses. If the present values of the future cash inflow surpluses are below the carrying amounts, the amount is revalued to the lower fair value in accordance with IAS 36. The fair value of this investment property is disclosed separately. The fair value is determined using recognised methods such as derivation from the current market price of comparable properties or the discounted cash flow method.

The useful life of investment property varies between ten and 35 years. Investment property is depreciated using the straight-line method.

LEASES

Finance leases

Leased assets are capitalised where STRABAG is the lessee and where STRABAG bears all the substantial risks and rewards associated with the asset in accordance with the criteria of IAS 17. The lease is capitalised at the lower of the fair value of the asset and the present value of the minimum lease payments. The asset is depreciated over the shorter of the lease term or the economic life of the asset. The depreciation method used is the same as for comparable acquired or internally generated assets.

Payment obligations resulting from future lease payments are recognised as a liability. In this case, the present value of the minimum lease payment is to be used. In subsequent years, lease payments are apportioned between an interest component and a repayment component so that the lease liability has a constant rate of return. The interest component is recognised in profit or loss.

Operating leases

Both expenses as well as income from operating leases are recognised in the income statement using the straight-line method over the term of the respective lease.

GOVERNMENT GRANTS

Government subsidies and investment grants are offset against the cost of the assets and amortised in proportion to their useful lives. A government grant is recognised when there is reasonable assurance that the grant will be received and the group complies with the necessary conditions for receiving the grant.

BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or production of a qualifying asset are recognised as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that are subject to depreciation or amortisation are tested for impairment whenever events or changes in circumstances indicate that its carrying amount may no longer be recoverable. Assets that have an indefinite useful life, such as goodwill or intangible assets not yet available for use, are tested for impairment annually as such assets are not subject to depreciation or amortisation.

To identify the need for impairment, the recoverable amount is determined. The recoverable amount is the higher of fair value of the asset less costs to sell and value in use. If it is not possible to determine the recoverable amount for an individual asset, then the recoverable amount is determined for the smallest identifiable group of assets (cash-generating unit) to which the asset in question can be assigned.

Considering that, as a rule, market prices are not available for individual units, the present value of net cash inflows is used to determine the fair value less costs to sell. The forecast of the cash flows is based on STRABAG's latest planning, with a planning horizon of at least four years. In justified individual cases, the detailed planning period is extended if this allows for a better presentation of the future cash flows. The last detailed planning year forms the basis for calculating the perpetuity if applicable legislation and legal requirements do not limit the usability of the cash-generating unit to a shorter period of time.

For the purpose of determining the fair value less costs to sell, the cash-generating unit is measured from the viewpoint of an independent market participant. In calculating the value in use of an asset, on the other hand, the cash flows are considered on the basis of the previous use. For the net cash inflows beyond the detailed planning period, individual growth rates derived from market information are determined on the basis of long-term business expectations in both methods of calculation.

Net cash inflows are discounted at the cost of capital, which is calculated as the weighted average cost of equity and debt. Consideration is given to the different yield and risk profiles of STRABAG's various areas of expertise by determining the individual costs of capital using comparison companies. The cost of equity corresponds to the required rate of return for investors, while the cost of debt is based on the long-term financing conditions available to comparison companies. Both components are derived from capital market information.

The following table shows the two parameters growth rate and cost of capital for the impairment tests:

%	2013	2012
Growth rate	0.0–2.0	0.0–2.0
Cost of capital (after taxes)	7.2–8.3	6.8–10.7
Cost of capital (before taxes)	9.4–11.3	7.9–11.6

The management board has calculated the budgeted gross margin based on past developments and on expectations for future market development.

If the recoverable amount of an asset is lower than the carrying amount, the impairment is recognised immediately in profit or loss. In the case of impairment losses related to cash-generating units which contain goodwill, existing goodwill is initially reduced. If the impairment exceeds the carrying amount of the goodwill, the difference is generally apportioned proportionally over the remaining non-current assets of the cash-generating unit.

With the exception of goodwill, non-monetary assets for which an impairment loss was charged in the past are reviewed at every balance sheet date to determine whether the impairment loss should be reversed.

FINANCIAL ASSETS

Financial assets are recognised in the consolidated balance sheet if STRABAG has a contractual right to receive cash or other financial assets from another party. Regular way purchases and sales of financial assets are recognised using settlement date accounting.

A financial asset is initially recognised at fair value including transaction costs. Transaction costs incurred on the acquisition of financial assets measured at fair value through profit or loss are recognised in the income statement immediately. Receivables bearing no interest or interest below the market rate are initially recognised at the present value of the expected future cash flows.

For purposes of subsequent measurement, financial assets are classified in one of the following categories in accordance with IAS 39, with each category having its own measurement requirements. The classification is determined at initial recognition:

- Financial assets at fair value through profit or loss

  At STRABAG, financial assets measured at fair value through profit or loss comprise financial assets held for trading. A financial asset is classified in this category if it was acquired for the purpose of selling in the short term. Derivatives also belong to this category if they are not designated as hedging instruments. Assets in this category are classified as current assets if recovery is expected within twelve months. All other assets are classified as non-current. Changes in the value of financial assets measured at fair value through profit or loss are recognised in profit or loss.

- Loans and receivables

  Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. They are considered current assets if they do not mature more than twelve months after the balance sheet date. If they do, they are classified as non-current assets. Loans and receivables are measured at amortised cost calculated using the effective interest method.

- Available-for-sale financial assets

  Available-for-sale financial assets are non-derivative financial assets which were either classified in this category or which were not classified in any of the other categories presented here. Fair value changes on available-for-sale financial assets are recognised in other income. If assets in this category are sold or if they are subject to impairment, then the cumulative changes in fair value that were previously recognised in equity are recognised in profit or loss in the income statement.

IMPAIRMENT OF FINANCIAL ASSETS

At the end of each reporting period, and whenever there are indications of impairment, the carrying amounts of financial assets that are not measured at fair value through profit or loss are tested for their recoverability (impairment test). An impairment loss results from the comparison of carrying amount and fair value. If there is an objective indication of impairment, an impairment loss is recognised in profit or loss in other operating expense or in net income from investments. Impairment losses are reversed if objective facts arise which speak for a reversal. An increase can only be made to the amount of the amortised cost that would have resulted if the impairment loss had not been recognised.

Within the group, impairment losses are recognised if the debtor has considerable financial difficulties; if there is a high probability that insolvency proceedings will be commenced against him; if the issuer's technological, economic, legal and market environment changes substantially; or if the fair value of a financial instrument continually falls below the amortised cost.

DERECOGNITION OF A FINANCIAL ASSET

Financial assets are derecognised when the contractual rights to receive payment from the financial assets no longer exist or if the financial assets are transferred along with all substantial risks and rewards.

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. Specific cases of default result in the derecognition of the receivables in question.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

Derivative financial instruments are initially recognised at cost at the date the contract is entered into. In subsequent periods, derivative financial instruments are carried at fair value. Unrealised gains or losses on the measurement are recognised in the income statement if the conditions for hedge accounting under IAS 39 are met. Derivative financial instruments are stated under other financial assets or other financial liabilities.

Derivative financial instruments are measured on the basis of interbank conditions and, if necessary, on the loan margin applicable or stock exchange price for STRABAG, under application of the bid and ask prices on the balance sheet date. Where stock exchange prices are not used, the fair value is calculated by means of actuarial valuation methods.

The group designates its derivative financial instruments either as

- hedge of the exposure to changes in the fair value of a recognised asset or liability (fair value hedge), or as
- hedge of the exposure to variability in cash flows (cash flow hedge).

In accounting for fair value hedges, both the derivative hedging instrument and the hedged item attributable to hedged risk are accounted for at fair value through profit or loss.

If, however, a derivative financial instrument is used as a hedging instrument in a cash flow hedge, the unrealised gains or losses from the hedging instrument are initially accounted for under other income. They are reclassified to profit or loss when the hedged item affects profit or loss. Any changes resulting from the ineffectiveness of these financial instruments are recognised immediately in profit or loss in the income statement.

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.

On concluding a transaction, the group documents the hedging relationship between the hedging instrument and the hedged item, the aim of its risk management as well as the underlying strategy for hedging transactions. An assessment is made at the beginning of a hedging relationship, with documentation provided continually thereafter, of whether the derivatives used in the hedge are effective or not in compensating the changes in fair value or cash flow of the hedged item.

The critical term match method is used to determine the prospective hedge effectiveness. The retrospective effectiveness is determined using the dollar offset method.

CURRENT AND DEFERRED INCOME TAXES

The income tax payables and receivables contain mainly rights and obligations with regard to domestic and foreign income taxes. These comprise the current year as well as possible rights and obligations from previous years. The receivables/ payables are calculated on the basis of the tax regulations in the respective countries.

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.

Recognition is made of deferred tax liabilities arising from temporary differences in relation to investments in subsidiaries and associates, unless the timing of the reversal of the temporary differences in the group can be determined and the temporary differences are unlikely to reverse in response to this influence in the foreseeable future.

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.

CONSTRUCTION CONTRACTS

The results from construction contracts are realised using the percentage of completion method under IAS 11. Determination of the stage of completion is made on the basis of the actual output volume attained by the balance sheet date.

If the results from a contract can be reliably determined and the contract is likely to be profitable, then the contract revenue is recognised in proportion to the stage of completion over the duration of the contract. If the total contract cost is likely to exceed the total contract revenue, then the expected loss is recognised immediately in full as an expense. Presentation is made as an impairment loss on receivables relating to construction contracts or as a provision if the impending loss that is expected exceeds the receivables from construction contracts from the specific project.

If, due to uncertainties in the construction schedule, the future results cannot be reliably determined, the construction contract is recognised at contract cost.

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 as at 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.

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

The following defined benefit plans for which provisions must be recognised exist within the group.

The company's obligation relating to defined benefit plans consists in fulfilling the promised benefits to current and former employees. Defined contribution plans in the form of financing through third-party support funds do not exist.

PROVISIONS FOR SEVERANCE PAYMENTS

The group is legally required to provide a one-off severance payment to employees of Austrian subsidiaries in the case of termination or from the date of 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 date of severance and comes to between two and twelve monthly salaries. A provision is made for this obligation.

For employees of Austrian subsidiaries whose employment began after 1 January 2003, the defined benefit obligations are funded by the regular payment of contributions into the employee benefit fund.

The provisions for severance payments are determined using actuarial principles in accordance with the projected unit credit method. 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.

Additionally, the severance payment rights in other countries in the case of termination or retirement amount from one to three monthly salaries. Due to the relatively insignificant amounts involved, provisions for severance payments arising from these obligations are determined using financial mathematical methods.

PENSION PROVISIONS

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 group's pension promises in **Germany and Austria** exist on the basis of individual contracts or internal labour-management agreements. The obligations are based on a number of different pension arrangements. The number of different employee benefit plans is the result of the group's enterprise acquisitions over the past few years in Germany. New agreements are not concluded within the group.

As a rule, the pension promises foresee the granting of monthly old age, invalidity and survivors' benefits. With some promises, the pension arrangement foresees benefits to be paid in the form of a capital payment.

The benefit plans exist in various designs. The range of plan structures includes specified benefit systems (e.g. specified amount per year of employment), dynamic systems (e.g. % per year of employment) and benefit promises (e.g. specified promise). Plans also exist with or without survivors' benefits.

In Switzerland, the legal regulations governing pension plans require payments to be made into pension foundations. One half of the contributions are made by the employer, the other half by the employee. At retirement, the employees can choose to receive either a one-off severance payment or regular monthly pension payments.

As restructuring contributions are required if the pension foundation has insufficient funds for coverage, the promises are categorised as defined benefit plan in accordance with IAS 19.

Within the STRABAG Group, the obligations of the pension funds are reinsured.

MEASUREMENT OF SEVERANCE AND PENSION PROVISIONS

The group's obligations relating to defined benefit plans are determined separately for each plan using actuarial principles in accordance with the projected unit credit method. The projected unit credit method is used to determine the discounted pension entitlements acquired up to the end of the accounting period. The existing plan assets including their fair value are subtracted from the defined benefit obligations. This yields the defined benefit liability (asset) to be recognised.

Determination of the net defined benefit liability at the end of the reporting year is based on an actuarial report from a certified actuarial analyst.

The rate used to discount severance and pension provisions is determined on the basis of market yields at the end of the respective reporting period on high-quality fixed-interest industrial bonds with a comparable term.

The assumptions relating to discounting, pay rises and fluctuation that are used to calculate the severance and pension provisions vary in proportion to the economic situation of each specific country. Life expectancy is calculated according to the respective country's mortality tables.

Actuarial gains and losses are recognised in equity outside profit or loss. The service cost is stated in employee benefits expense, while the interest component of the allocation to the provision is reported in the financial result.

If the present value of a defined benefit obligation changes in response to plan amendments, the resulting effects are recognised in profit or loss as past service cost in the year of the amendment. Any income resulting from a settlement is also recognised directly in the income statement.

The company is exposed to various risks in relation to the defined contribution severance and pension plans. Besides the general actuarial risks such as the longevity risk and the interest rate risk, the group is also exposed to currency risk as well as to capital market risk or investment risk.

More information concerning the risks is available in the sensitivity analysis on page 49.

OTHER PROVISIONS

The other provisions take into consideration all realisable risks and uncertain obligations. They are recognised at the respective amount which, according to commercial judgement, is necessary at the balance sheet date to cover future payment obligations of the group. Hereby the respective amount which arises as the most probable on careful examination of the facts is recognised.

Long-term provisions are, in as far as they are not immaterial, entered into the accounts at their discounted discharge amount as at 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

Financial liabilities comprise original liabilities and the negative fair values of derivative financial instruments.

Original liabilities are recognised in the consolidated balance sheet if STRABAG has a contractual obligation to transfer cash or other financial assets to another party. Original liabilities are initially recognised at fair value. Any premiums, discounts or other differences between the cash inflow and the repayment amount are distributed over the financing term using the effective interest rate method and stated on an accruals basis in interest expense.

Financial liabilities are derecognised if the contractual obligations are discharged, cancelled or have expired. Costs related to the issue of corporate bonds are offset over the term using the effective interest rate method.

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 as at the balance sheet date.

REVENUE RECOGNITION

Revenue comprises the fair value of the considerations received or receivable for the sale of goods and services in the ordinary course of business.

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 property and facility services, from other services and from the sale of construction materials are realised with the transfer of power to dispose and the related opportunities and risks and/or with the rendering of the services.

Supplementary claims in relation with construction contracts involve services which, based on the existing contractual agreements, cannot be invoiced until their invoicing potential or recognition is agreed with the client. While the costs are recognised in profit or loss immediately when they arise, revenue from supplementary claims is recognised generally after receipt of written recognition from the client or, in the event that payment is received before the written recognition, with the payment itself.

Revenue that is to be seen as purely transitory due to consortial structures, as well as its corresponding expense, is not recognised.

Other income, such as rental income or expenses passed through, is stated on the basis of the amount accrued in accordance with the respective agreements.

Dividends and the share of profits from investments are recognised if a legal right to payment exists.

Interest income is recognised as it accrues using the effective interest rate method.

ESTIMATES

Estimates 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.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Recoverability of goodwill

The group conducts an annual test to determine whether its goodwill is impaired in accordance with the accounting policies described on page 28. The recoverable amount of cash-generating units was determined on the basis of calculations of the value in use. These calculations are based on assumptions about the expected business development and the recover-able margin. Estimates about the expected business development are based on the facts and circumstances prevailing at the time of preparation of the financial statements as well as on realistic assumptions about the global and industry-specific environment. In response to changes in these underlying conditions which deviate from the assumptions and are beyond the management board's control, actual values may deviate from the estimated values.

All other things remaining equal, an annual 5 % decrease of the free cash flow used to calculate the value in use would result in an impairment loss of T€ 11, while an isolated increase of the cost of capital by one percentage point would not lead to an impairment. These two effects together would trigger an impairment loss of T€ 5,317.

(b) Recognition of revenue from construction contracts

Revenue from construction contracts is recognised using the percentage of completion method. The group estimates the actual output concluded by the balance sheet date as a percentage of the total volume of the order as well as the remaining contract cost to be incurred. If the contract cost exceeds the total contract revenue, then the expected loss is recognised as an expense. Technically complex and demanding projects, in particular, involve the risk that the estimate of the total cost deviates considerably from the actual cost incurred.

(c) Wind farm projects

In 2011 and 2012, the group acquired a majority interest in companies developing offshore wind farms in the North Sea. The investments involve 13 fields for which approval to build offshore wind farms is being acquired. In none of these fields has the installation of wind turbines begun yet. The wind farm projects are recognised at amortised cost under inventories with a carrying amount of T€ 181,156. Should the underlying political conditions in Germany hinder or impede realisation in the future, the value could decline considerably.

(d) Income taxes

STRABAG has to calculate the actual income tax expected for each taxable entity and must assess the temporary differences arising from the different treatment of certain balance sheet items in the IFRS consolidated financial statements and the statutory financial statements required for tax purposes. The existence of temporary differences usually results in the recognition of deferred tax assets and liabilities in the consolidated financial statements.

The management must make assessments in the calculation of current and deferred taxes. Deferred tax assets are recognised to the extent that their use is probable. The use of deferred tax assets depends on the possibility of realising sufficient taxable income under the respective tax type and jurisdiction under consideration of any possible legal restrictions regarding the maximum loss carryforward period. A number of different factors is used to assess the probability of the future usability of deferred tax assets, such as the past financial performance, operational planning, loss carryforward periods and tax planning strategies. If the actual results deviate from these estimates, or if these estimates must be adjusted in future periods, this could have a negative impact on the financial position, financial performance and cash flows. In the event of a changed assessment of the recoverability of deferred tax assets, the deferred tax assets which have been recognised are written down in profit or loss or, depending on their original formation, outside profit or loss; impaired deferred tax assets are similarly recognised either in profit or loss or outside profit or loss.

(e) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using suitable valuation techniques selected from among a number of different methods. The assumptions used are mainly based on market conditions existing at the balance sheet date. The group uses present value techniques to determine the fair value of a number of available-for-sale financial assets that are not traded in an active market.

(f) Severance and pension provisions

The present value of the pension obligations depends on a number of different factors based on actuarial assumptions. One of the assumptions used to determine the net expenses or income for pensions is the discount rate. Any change to these assumptions will influence the carrying amount of the pension obligation.

The group determines the appropriate discount rate at the end of every year. The discount rate is the interest rate used to determine the present value of future cash flows required to settle the obligation. For the purpose of determining the discount rate, the group employs the interest rate of highest-grade industrial bonds in the same currency in which the benefits are paid and which have terms to maturity equivalent to those of the pension obligations.

Additional substantial assumptions relating to pension obligations are based in part on market conditions. Further information and sensitivity analysis can be found in item 20.

(g) Other provisions

Other construction-related provisions, in particular, involve the risk that in individual cases the actual costs for warranty obligations or remaining performance obligations will turn out higher than expected. This risk is reduced, however, through the case-by-case examinations among the large number of projects. The same is true for provisions relating to legal disputes.

NOTES ON THE ITEMS OF THE CONSOLIDATED INCOME STATEMENT

(1) Revenue

The revenue of T€ 12,475,654 (2012: T€ 12,983,233) 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) amounts to T€ 10,612,669 (2012: T€ 10,788,986), the revenues from property and facility management services amount to T€ 907,502 (2012: T€ 916,135).

Revenues 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:

T€	2013	2012
Germany	**5,788,809**	**5,779,335**
Austria	**1,981,500**	**1,888,139**
Poland	**787,300**	**1,138,806**
Czech Republic	**644,661**	**646,332**
Hungary	**495,942**	**392,652**
Russia and neighbouring countries	561,298	527,394
Slovakia	340,420	399,602
Romania	321,834	372,042
other CEE countries	251,874	310,046
Rest of CEE	**1,475,426**	**1,609,084**
Scandinavia	510,070	578,525
Benelux	399,659	456,235
Switzerland	386,220	424,680
other European countries	249,779	239,838
Rest of Europe	**1,545,728**	**1,699,278**
Middle East	323,132	304,936
The Americas	262,584	348,184
Africa	164,867	124,539
Asia	103,123	111,311
Rest of World	**853,706**	**888,970**
Total output volume	**13,573,072**	**14,042,596**

(2) Other operating income

Other operating income includes revenue from letting and leasing in the amount of T€ 28,814 (2012: T€ 22,189), insurance compensation and indemnification in the amount of T€ 35,328 (2012: T€ 37,547), and exchange rate gains in the amount of T€ 11,345 (2012: T€ 8,851) as well as gains from the disposal of fixed assets without financial assets in the amount of T€ 46,293 (2012: T€ 38,151).

Interest income from concession arrangements which is included in other operating income is represented as follows (see also notes on item 17):

T€	2013	2012
Interest income	68,670	70,925
Interest expense	-34,118	-36,389
Net interest income	**34,552**	**34,536**

(3) Construction materials, consumables and services used

T€	2013	2012
Construction materials, consumables	3,117,915	3,551,929
Services used	5,086,436	5,103,172
Construction materials, consumables and services used	**8,204,351**	**8,655,101**

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

T€	2013	2012
Wages	1,000,364	1,036,143
Salaries	1,487,895	1,495,331
Social security and related costs	458,776	462,521
Expenses for severance payments and contributions to employee provident fund	20,672	22,623
Expenses for pensions and similar obligations	7,618	10,054
Other social expenditure	23,323	25,105
Employee benefits expense	**2,998,648**	**3,051,777**

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 item net interest income.

Expenses from defined contribution plans amounted to T€ 8,955 (2012: T€ 9,179).

The **average number of employees** with the proportional inclusion of all participation companies is as follows:

Average number of employees	2013	2012
White-collar-workers	28,091	28,295
Blue-collar-workers	45,009	45,715
Total	**73,100**	**74,010**

(5) Other operating expenses

Other operating expenses of T€ 857,292 (2012: T€ 938,158) 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€ 44,163 (2012: T€ 40,976) are included.

Other operating expenses include losses from exchange rate differences in the amount of T€ 18,588 (2012: T€ 26,265).

Indemnity payments in the amount of T€ 43,000 were included in other operating expenses in the previous year, due to the arbitration proceedings with Cemex. The arbitration court ruled that the cancellation of the contract on the purchase of Cemex activities in Hungary and Austria was against the law. STRABAG's appeal against this ruling has been dismissed.

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

T€	2013	2012
Income from investments in associates	10,050	12,863
Expenses arising from investments in associates	-4,266	-22,080
Share of profit or loss of associates	**5,784**	**-9,217**

(7) Net income from investments

T€	2013	2012
Investment income	45,072	30,387
Expenses arising from investments	-30,687	-7,224
Gains on the disposal and write-up of investments	1,102	532
Impairment of investments	-16,305	-17,845
Losses on the disposal of investments	-141	-1,502
Net income from investments	**-959**	**4,348**

(8) Depreciation and amortisation expense

Depreciations and impairments are represented in the consolidated statement of fixed assets. In the year under report impairments on intangible assets and on property, plant and equipment to the amount of T€ 24,939 (2012: T€ 18,405) were made. Impairment on goodwill amounts to T€ 3,985 (2012: T€ 10,077). The goodwill impairments involve mainly the activities of a company in the field of communication systems in Austria in the segment International + Special Divisions.

(9) Net interest income

T€	2013	2012
Interests and similar income	66,716	73,145
Interests and similar charges	-98,256	-123,871
Net interest income	**-31,540**	**-50,726**

Included in interests and similar charges are interest components from the allocation of severance payment and pension provisions amounting to T€ 21,424 (2012: T€ 25,695), security impairment losses of T€ 946 (2012: T€ 1,009) as well as currency losses of T€ 6,952 (2012: T€ 24,876).

Included in interests and similar income are gains from exchange rates amounting to T€ 19,990 (2012: T€ 13,124) and interest components from the plan assets for pension provisions in the amount of T€ 3,645 (2012: T€ 4,454).

(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:

T€	2013	2012
Current taxes	109,863	98,156
Deferred taxes	-36,085	-51,734
Income tax expense	**73,778**	**46,422**

The following tax components are recognised directly in equity in the statement of comprehensive income:

T€	2013	2012
Change in hedging reserves	-6,366	5,345
Actuarial gains/losses	374	18,487
Fair value of financial instruments under IAS 39	-24	-404
Total	**-6,016**	**23,428**

The reasons for the difference between the Austrian corporate income tax rate of 25 % valid in 2013 and the actual consolidated tax rate are as follows:

T€	2013	2012
Profit before tax	**230,038**	**156,460**
Theoretical tax expenditure 25 %	57,509	39,115
Differences to foreign tax rates	-2,685	-6,754
Change in tax rates	306	-688
Non-tax-deductible expenses	7,004	8,910
Tax-free earnings	-4,977	-8,719
Tax effects of results from associates	12	1,509
Depreciation of goodwill/capital consolidation	-1,964	7,190
Additional tax payments/tax refund	6,911	-1,696
Change of valuation adjustment on deferred tax assets	9,719	8,022
Others	1,943	-467
Recognised income tax	**73,778**	**46,422**

(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.

	2013	2012
Number of shares outstanding as at 1.1.	114,000,000	114,000,000
Number of shares bought back	-11,400,000	-10,912,340
Number of shares outstanding as at 31.12.	102,600,000	103,087,660
Profit or loss attributable to equity holders of the parent (consolidated profit/loss) T€	113,558	60,631
Weighted number of shares outstanding during the year	102,716,850	104,083,238
Earnings per share €	**1.11**	**0.58**

NOTES ON THE 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 in the 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:

T€	31.12.2013	31.12.2012
STRABAG Cologne[1]	178,803	178,803
Czech Republic S+O	66,329	72,331
STRABAG Poland	63,259	64,507
Germany N+W	45,487	46,421
Sweden N+W	18,438	19,034
Züblin	14,938	14,938
Special divisions Austria	13,020	16,515
STRABAG Switzerland	14,973	15,227
Construction materials	13,407	13,995
Gebr. von der Wettern Group	9,700	10,090
Other	22,236	19,648
Goodwill	**460,590**	**471,509**

The comparison of the book values with the recoverable amounts of the cash-generating units determined by the annual impairment test showed a need for goodwill impairment of T€ 3,985 (2012: T€ 10,077).

CAPITALISED DEVELOPMENT COSTS

At the balance sheet date, development costs in the amount of T€ 10,402 (2012: T€ 18,422) were capitalised as intangible assets. In the 2013 financial year, development costs in the amount of T€ 5,424 (2012: T€ 6,000) were incurred, of which T€ 1,242 (2012: T€ 1,950) were capitalised.

LEASING

Due to existing finance leasing contracts, the following book values are included in property, plant and equipment assets as at the balance sheet date:

T€	31.12.2013	31.12.2012
Property leasing	24,986	27,451
Machinery leasing	1,446	18,604
Total	**26,432**	**46,055**

1) Is composed of goodwill from CGU STRABAG Cologne North + West in the amount of T€ 117,698 and CGU STRABAG Cologne South + East in the amount of T€ 61,105.

Offset against these are liabilities arising from the present value of leasing obligations amounting to T€ 22,503 (2012: T€ 43,101).

The terms of the finance leases for property are between four and 20 years, while those for machinery are between two and eight years.

The following payment obligations will arise from financial leases in subsequent financial years:

	Present values		Minimum Payments	
T€	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Term up to one year	2,021	8,577	3,122	11,091
Term between one and five years	12,467	25,690	15,212	29,631
Term over five years	8,015	8,834	9,194	10,679
Total	**22,503**	**43,101**	**27,528**	**51,401**

The reconciliation of minimum lease payments with payables relating to finance leases recognised as at 31 December is as follows.

T€	31.12.2013	31.12.2012
Minimum lease payments 31.12.	**27,528**	**51,401**
Interest	-4,968	-8,361
Currency translation	-57	61
Finance leases 31.12.	**22,503**	**43,101**

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 2013 amount to T€ 95,314 (2012: T€ 96,832).

Payment obligations arising from operating lease agreements in subsequent business years are represented as follows:

T€	31.12.2013	31.12.2012
Term up to one year	75,538	75,379
Term between one and five years	136,992	148,368
Term over five years	43,629	51,572
Total	**256,159**	**275,319**

RESTRICTIONS ON PROPERTY, PLANT AND EQUIPMENT/PURCHASE OBLIGATIONS

As at the balance sheet date there were T€ 56,656 (2012: T€ 109,960) 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€ 2,576 (2012: T€ 21,470).

(13) Investment property

The development of investment property is shown in the consolidated statement of fixed assets. The fair value of investment property amounts to T€ 39,528 as at 31 December 2013. The fair value was determined using internal reports based on a discounted cash flow analysis or by employing the fair value of development land at market prices.

The rental income from investment property in the 2013 financial year amounted to T€ 6,259 (2012: T€ 7,440) and direct operating expenses totalled T€ 8,660 (2012: T€ 7,532). In the financial year, as in the year before, no direct expenses were incurred from unlet investment property. Additionally, gains from asset disposals in the amount of T€ 668 (2012: T€ 2,195) were achieved. No impairment was made in the financial year 2013 (2012: T€ 0).

The internal reports are to be classified as Level 3 methods of measurements and build on data that are also based on values that cannot be observed in the market.

(14) Financial assets

Detailed information on the group's investments (shares of more than 20 %) can be found in the list of participations.

The development of the financial assets in the financial year was as follows:

T€	Balance as at 1.1.2013	Currency translation	Change in scope of consoli-dation	Additions	Transfers	Disposal	Impairment/ Write-up	Balance as at 31.12.2013
Investments in associates	**379,122**	**-183**	**0**	**5,669**	**-2,464**	**-10,548**	**0**	**371,596**
Investments in subsidiaries	101,493	-96	7,855	12,488	3,264	-6,065	-9,906	109,033
Loans to subsidiaries	173	0	0	0	-9	-1	0	163
Participation companies	100,612	-418	-216	4,602	-791	-6,281	-6,386	91,122
Loans to participation companies	10,907	1	0	5,742	0	-107	0	16,543
Securities	35,317	-24	0	86	0	-39	-1	35,339
Other loans	1,790	0	0	39	0	-653	0	1,176
Other financial assets	**250,292**	**-537**	**7,639**	**22,957**	**2,464**	**-13,146**	**-16,293**	**253,376**

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):

T€	2013	2012
Total assets as at 31.12.	3,766,513	3,485,399
Total liabilities as at 31.12.	3,160,960	2,877,334
Revenue	1,066,090	983,736
Profit for the period	22,811	-62,230

(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:

T€	Balance as at 1.1.2013	Currency translation	Change in scope of consolidation	Other Changes	Balance as at 31.12.2013
Property, plant and equipment and intangible assets	10,200	-179	0	-1,251	8,770
Financial assets	978	-14	0	660	1,624
Inventories	6,701	-9	-2,669	4,925	8,948
Trade and other receivables	10,808	-996	0	3,969	13,781
Provisions	189,911	-1,033	-151	-16,165	172,562
Liabilities	4,120	-265	0	8,913	12,768
Tax loss carryforward	213,883	-20	0	-1,480	212,383
Deferred tax assets	**436,601**	**-2,516**	**-2,820**	**-429**	**430,836**
Netting out of deferred tax assets and liabilities of the same tax authorities	-238,982	0	0	25,434	-213,548
Deferred tax assets netted out	**197,619**	**-2,516**	**-2,820**	**25,005**	**217,288**

T€	Balance as at 1.1.2013	Currency translation	Change in scope of consolidation	Other Changes	Balance as at 31.12.2013
Property, plant and equipment and intangible assets	-60,054	57	0	13,739	-46,258
Financial assets	-9,765	0	0	4,318	-5,447
Inventories	-62,023	0	0	11,717	-50,306
Trade and other receivables	-151,577	179	0	13,262	-138,136
Provisions	0	0	0	-3,176	-3,176
Liabilities	0	0	0	-9,602	-9,602
Deferred tax liabilities	**-283,419**	**236**	**0**	**30,258**	**-252,925**
Netting out of deferred tax assets and liabilities of the same tax authorities	238,982	0	0	-25,434	213,548
Deferred tax liabilities netted out	**-44,437**	**236**	**0**	**4,824**	**-39,377**

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 T€ 14,306 (2012: T€ 53,377).

No deferred tax assets were made for differences in book value on the assets side and tax losses carried forward of T€ 842,842 (2012: T€ 869,925), as their effectiveness as final tax relief is not sufficiently assured.

Of the non-capitalised loss carryforwards, T€ 779,746 (2012: T€ 800,766) have unrestricted use.

(16) Inventories

T€	31.12.2013	31.12.2012
Construction materials, auxiliary supplies and fuel	321,384	332,597
Offshore wind projects	181,156	174,912
Finished buildings and goods	163,471	232,236
Unfinished buildings and goods	335,331	176,838
Development land	71,475	59,288
Payments made	32,161	55,686
Inventories	**1,104,978**	**1,031,557**

In the financial year, impairment in the amount of T€ 9,746 (2012: T€ 10,732) was recognised on inventories excluding construction materials, auxiliary supplies and fuel. T€ 43,733 (2012: T€ 53,234) of the inventories excluding construction materials, auxiliary supplies and fuel were reported with the net realisable value.

For qualifying assets, interest on borrowings was recognised in the amount of T€ 2,436 (2012: T€ 4,886).

(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€ -38,493 (2012: T€ -61,199) 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€ 585,105 (2012: T€ 630,311), classified either as a current or non-current liability depending on the term. The resulting interest expense is recognised in other operating income.

Receivables and other assets are comprised as follows:

	31.12.2013			31.12.2012		
T€	**Total**	**Thereof current**	**Thereof non-current**	**Total**	**Thereof current**	**Thereof non-current**
Receivables from concession arrangements	**805,271**	**24,643**	**780,628**	**805,352**	**22,785**	**782,567**
Receivables from construction contracts	5,087,917	5,087,917	0	4,758,302	4,758,302	0
Advances received	-4,128,730	-4,128,730	0	-3,823,135	-3,823,135	0
Net receivable from construction contracts	959,187	959,187	0	935,167	935,167	0
Other trade receivables	1,535,957	1,463,381	72,576	1,383,932	1,292,506	91,426
Advances paid to subcontractors	40,690	40,690	0	53,652	53,652	0
Receivables from consortia	234,387	234,387	0	254,144	254,144	0
Trade receivables	**2,770,221**	**2,697,645**	**72,576**	**2,626,895**	**2,535,469**	**91,426**
Non-financial assets	**56,020**	**56,020**	**0**	**52,749**	**52,749**	**0**
Income tax receivables	**43,044**	**35,066**	**7,978**	**65,632**	**53,623**	**12,009**
Receivables from subsidiaries	204,504	204,504	0	145,042	145,036	6
Receivables from participation companies	113,415	109,337	4,078	162,197	158,789	3,408
Other financial assets	224,910	200,339	24,571	248,679	216,269	32,410
Other financial assets total	**542,829**	**514,180**	**28,649**	**555,918**	**520,094**	**35,824**

The **receivables from construction contracts** as at the balance sheet date are represented as follows:

T€	**31.12.2013**	**31.12.2012**
All contracts in progress at balance sheet date		
Costs incurred at balance sheet date	8,577,054	9,294,609
Profits arising at balance sheet date	410,019	389,511
Accumulated losses	-413,720	-378,307
Less receivables recognised under liabilities	-3,485,436	-4,547,511
Receivables from construction contracts	**5,087,917**	**4,758,302**

Receivables from construction contracts amounting to T€ 3,485,436 (2012: T€ 4,547,511) 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. As a rule these retentions are, however, redeemed by collateral (bank or group guarantees).

In the reporting period, impairment on other trade receivables developed as follows:

T€	2013	2012
Other trade receivables before impairment as at 1.1.	**1,673,294**	**1,512,040**
Impairment		
As at 1.1.	**128,108**	**136,138**
Currency translation	-2,226	2,115
Changes in scope of consolidation	-445	330
Allocation/utilisation[1]	11,900	-10,475
As at 31.12.	**137,337**	**128,108**
Book value of other trade receivables as at 31.12.	**1,535,957**	**1,383,932**

(18) Cash and cash equivalents

T€	31.12.2013	31.12.2012
Securities	7,820	12,472
Cash on hand	3,254	5,917
Bank deposits	1,700,894	1,356,566
Cash and cash equivalents	**1,711,968**	**1,374,955**

The cash and cash equivalents include assets abroad in the amount of T€ 16,785 (2012: T€ 8,757), subject to the restriction that they may only be transferred to another country following official completion of the construction order.

Moreover, in construction projects executed through consortia there are cash and cash equivalents whose use can only be determined jointly with other partner companies. Of the cash and cash equivalents, T€ 10,510 (2012: T€ 15,529) are pledged as collateral (see also item 24).

(19) Equity

The fully paid in share capital amounts to € 114,000,000 and is divided into 113,999,997 no-par bearer shares and three registered shares.

As at 31 December 2013, STRABAG SE had acquired 11,400,000 bearer shares equalling 10 % of the share capital. The corresponding value of the share capital amounts to € 11,400,000. The acquisition took place between July 2011 and May 2013. The average purchase price per share was € 20.79.

The management board has been 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 management board has also been authorised until 15 June 2017, in accordance with Section 65 Paragraph 1b of the Austrian Stock Corporation Act, 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 (Section 228 Paragraph 3 of the Austrian Business Enterprise Code) or third parties acting on behalf of the company.

1) Contains reclassifications amounting to T€ 0 (2012: T€ -12,018)

The management board has been authorised, with approval from the supervisory board, until 15 June 2017, to issue financial instruments within the meaning of Section 174 of the Austrian Stock Corporation Act (AktG), in particular convertible bonds, income bonds and profit participation rights with a total nominal value of up to € 1,000,000,000.00 which may also confer subscription and/or exchange rights for the acquisition of up to 50,000,000 shares of the company and/or may be designed in such a way that they can be issued as equity. This can be done also in several tranches and in different combinations and indirectly by way of a guarantee for the issue of financial instruments through an associate or related entity of the company with conversion rights on shares of the company. For the servicing, the management board may use the conditional capital or own shares. The issue amount and issue conditions, as well as the possible exclusion of the shareholders' subscription rights for the issued financial instruments, are to be determined by the management board with the approval of the supervisory board.

Also approved was a conditional increase of the share capital of the company pursuant to Section 159 Paragraph 2 No. 1 of the Austrian Stock Corporation Act (AktG) by up to € 50,000,000.00 through the issue of up to 50,000,000 new bearer shares with no face value (no-par shares) for issue to creditors of financial instruments within the meaning of the authorisation granted to the management board, provided the creditors of financial instruments exercise their subscription and/or exchange rights for shares of the company. The issue amount and the exchange ratio are to be determined based on recognised financial mathematical methods and the price of the shares of the company in a recognised pricing procedure. The newly issued shares of the conditional capital increase carry a dividend entitlement corresponding to that of the shares traded on the stock market at the time of the issue. The management board is authorised, with the approval of the supervisory board, to establish the further details of the implementation of the conditional capital increase. The supervisory board is authorised to pass resolution on any amendments to the Articles of Association resulting from the issue of shares within the scope of the conditional capital.

Details as to the development of 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 at 31 December divided by the balance sheet total as at 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 at 31 December 2013 amounted to 30.7 % (2012: 31.2 %). With this equity base, the STRABAG Group will be able to participate increasingly in tenders for public-private partnership (PPP) projects. This 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.

(20) Provisions

T€	Balance as at 1.1.2013	Currency translation	Change in scope of consolidation	Additions	Disposals	Impairment	Balance as at 31.12.2013
Provisions for severance payments	79,908	0	66	0	0	1,578	78,396
Provisions for pensions	429,923	-462	-24	0	0	7,194	422,243
Construction-related provisions	377,416	-3,571	-219	96,826	2,003	75,556	392,893
Personnel-related provisions	88,123	-140	82	6,805	249	27,316	67,305
Other provisions	50,463	-94	264	4,235	6,099	14,862	33,907
Non-current provisions	**1,025,833**	**-4,267**	**169**	**107,866**	**8,351**	**126,506**	**994,744**
Construction-related provisions	295,590	-4,562	421	192,650	9,274	196,186	278,639
Personnel-related provisions[1]	150,131	-1,439	192	151,651	1,058	126,712	172,765
Other provisions	219,487	-2,395	-756	230,996	13,810	189,102	244,420
Current provisions	**665,208**	**-8,396**	**-143**	**575,297**	**24,142**	**512,000**	**695,824**
Total	**1,691,041**	**-12,663**	**26**	**683,163**	**32,493**	**638,506**	**1,690,568**

The **actuarial assumptions** as at 31 December 2013 (in brackets as at 31 December 2012) used to calculate provisions for severance payments and pensions are represented as follows:

	Severance payments	Pension obligation Austria	Pension obligation Germany	Pension obligation Switzerland
Biometric tables	AVÖ 2008	AVÖ 2008	Dr. Klaus Heubeck	BVG 2010
Discounting rate (%)	3.50	3.50	3.50	2.35
	(2012: 3.75)	(2012: 3.75)	(2012: 3.75)	(2012: 1.90)
Salary increase (%)	2.00	0.00	2.25	2.00
	(2012: 2.00)	(2012: 0.00)	(2012: 2.25)	(2012: 2.00)
Future pension increase (%)	dependent on contractual	dependent on contractual	dependent on contractual	0.25
	adaptation	adaptation	adaptation	(2012: 0.25)
Retirement age for men	62	65	67	65
	(2012: 62)	(2012: 65)	(2012: 67)	(2012: 65)
Retirement age for women	62	60	67	64
	(2012: 62)	(2012: 60)	(2012: 67)	(2012: 64)

All other parameters remaining equal, a change in the discount rate by +/- 0.5 percentage points, a change in the salary increase by +/- 0.25 percentage points as well as a change in the pension increase by +/- 0.25 percentage points would have the following impact on the amount of the provisions for severance payments and pension obligations:

	Change in discounting rate		Change in salary increase		Change in future pension increase	
Change T€[2]	**-0.5 %-points**	**+0.5 %-points**	**-0.25 %-points**	**+0.25 %-points**	**-0.25 %-points**	**+0.25 %-points**
Severance payments	-3,572	3,304	1,712	-1,772	n.a.	n.a.
Pension obligations	-24,662	22,229	61	-62	8,433	-8,974

1) In the other personnel-related provisions plan assets in the amount of T€ 7,970 (2012: T€ 13,763) are deducted.

2) Sign: - increase of obligation, + decrease of obligation

Provisions for severance payments show the following development:

T€	2013	2012
Present value of the defined benefit obligation as at 1.1.	**79,908**	**70,438**
Changes in scope of consolidation	66	539
Current service costs	2,586	3,087
Interest costs	2,442	2,885
Severance payments	-6,058	-6,015
Actuarial gains/losses arising from experience adjustments	-2,232	1,190
Actuarial gains/losses arising from changes in the discount rate	1,684	7,784
Present value of the defined benefit obligation as at 31.12.	**78,396**	**79,908**

The development of the provisions for pensions is shown below:

T€	2013	2012
Present value of the defined benefit obligation as at 1.1.	**634,304**	**586,294**
Changes in scope of consolidation/currency translation	-3,429	8,154
Current services costs	19,185	17,157
Interest costs	18,982	22,810
Pension payments	-41,146	-62,579
Actuarial gains/losses arising from experience adjustments	-2,930	1,336
Actuarial gains/losses arising from changes in the discount rate	4,688	61,132
Present value of the defined benefit obligation as at 31.12.	**629,654**	**634,304**

The plan assets for pension provisions developed as follows in the year under report:

T€	2013	2012
Fair value of the plan assets as at 1.1.	**204,381**	**202,085**
Changes to the scope of consolidation/currency translation	-2,943	6,605
Income from plan assets	3,645	4,454
Contributions	14,562	14,673
Pension payments	-14,164	-31,007
Acturial gains/losses	1,930	7,571
Fair value of the plan assets as at 31.12.	**207,411**	**204,381**

The plan assets consist of the following risk groups:

T€	31.12.2013	31.12.2012
Shares[1)]	21,454	21,722
Bonds[1)]	84,010	93,669
Cash	37,400	29,258
Investment funds	5,096	3,731
Real estate	6,813	6,923
Liability insurance	51,675	47,172
Other assets	963	1,906
Total	**207,411**	**204,381**

The plan assets involve almost exclusively the assets of the pension foundation of STRABAG AG, Switzerland. Any investments in this regard are subject to the applicable laws and regulations governing the supervision of foundations. Capital investments are to be chosen by trained experts in such a way as to guarantee the investment goal of revenue-generating and risk-minimising asset management while taking into consideration security, risk distribution, returns and the liquidity to fulfil the pension purposes. The assets are to be invested to 80 % in nominal investments such as cash and receivables in a fixed monetary amount and to 20 % in real investments such as stocks and real estate.

The contributions in the following year amounts to T€ 6,680.

1) All stocks and bonds are traded in an active market.

ASSET-LIABILITY MATCHING STRATEGY

Pension payments in Switzerland are provided by pension foundations with funds dedicated to this purpose, while payments in Austria and in Germany are covered by readily available cash and cash equivalents as well as securities.

The actual return on plan assets amounted to T€ 6,057 (2012: T€ 7,748) in the financial year.

The following amounts for pension and severance provisions were recognised in the **income statement**:

T€	2013	2012
Current service cost	21,771	20,244
Interest cost	21,424	25,695
Return on plan assets	3,645	4,454

The **development of the defined benefit obligation** for pension and severance provisions was as follows:

T€	31.12.2013	31.12.2012
Present value of the defined benefit obligation (severance provisions) = net defined benefit liability	78,396	79,908
Present value of the defined benefit obligation (pension provision)	629,654	634,304
Fair value of plan assets (pension provision)	-207,411	-204,381
Net defined benefit liability (pension provision)	422,243	429,923
Net defined benefit liability	**500,639**	**509,831**

The **actuarial adjustments** to pension and severance provisions are represented as follows:

T€	31.12.2013	31.12.2012
Adjustments of severance provisions	-548	8,974
Adjustments of pension provisions	-172	54,897
Adjustments	**-720**	**63,871**

The maturity profile of the benefit payments from the net defined benefit liability as at 31 December 2013 is as follows:

T€	<1 year	1 – 5 years	6 – 20 years	>20 years
Provisions for severance payments	3,947	18,878	63,533	12,853
Provisions for pensions	28,611	143,357	327,679	204,748

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 expenses for personnel downsizing measures. Other provisions include provisions for damages and litigations and restructuring.

(21) Liabilities

T€	31.12.2013 Total	31.12.2013 Thereof current	31.12.2013 Thereof non-current	31.12.2012 Total	31.12.2012 Thereof current	31.12.2012 Thereof non-current
Bonds	582,500	7,500	575,000	477,500	95,000	382,500
Bank borrowings	1,117,697	359,309	758,388	1,129,383	280,425	848,958
Liabilities from finance leases	22,503	2,021	20,482	43,101	8,577	34,524
Other liabilities	0	0	0	0	0	0
Financial liabilities	**1,722,700**	**368,830**	**1,353,870**	**1,649,984**	**384,002**	**1,265,982**
Receivables from construction contracts[1]	-3,485,436	-3,485,436	0	-4,547,511	-4,547,511	0
Advances received	4,030,764	4,030,764	0	5,077,581	5,077,581	0
Net liabilities from construction contracts	545,328	545,328	0	530,070	530,070	0
Other trade payables	2,085,763	2,037,229	48,534	1,981,392	1,920,386	61,006
Payables to consortia	353,494	353,494	0	273,663	273,663	0
Trade payables	**2,984,585**	**2,936,051**	**48,534**	**2,785,125**	**2,724,119**	**61,006**
Non-financial liabilities	**392,997**	**391,600**	**1,397**	**369,760**	**368,432**	**1,328**
Income tax liabilities	**97,281**	**97,281**	**0**	**71,248**	**71,248**	**0**
Payables to subsidiaries	122,214	122,214	0	68,639	68,639	0
Payables to participation companies	29,705	21,347	8,358	20,072	15,409	4,663
Other financial liabilities	242,594	223,086	19,508	274,843	246,176	28,667
Other financial liabilities total	**394,513**	**366,647**	**27,866**	**363,554**	**330,224**	**33,330**

In order to secure liabilities to banks, real securities amounting to T€ 309,353 (2012: T€ 205,526) have been booked.

(22) Contingent liabilities

The company has accepted the following guarantees:

T€	31.12.2013	31.12.2012
Guarantees without financial guarantees	903	903

(23) 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 at 31 December 2013 are performance bonds in the amount of € 2.2 billion (2012: € 2.1 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 is qualified as non-financial.

(24) 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:

T€	31.12.2013	31.12.2012
Securities	7,820	12,472
Cash on hand	3,254	5,917
Bank deposits	1,700,894	1,356,566
Restricted cash abroad	-16,758	-8,757
Pledge of cash and cash equivalents	-10,510	-15,529
Cash and cash equivalents	**1,684,700**	**1,350,669**

The cash flow from operating activities in the reporting year contains the following items:

T€	2013	2012
Interest paid	64,890	71,667
Interest received	44,707	58,314
Taxes paid	66,933	141,699
Dividends received	25,870	31,857

(25) 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 on a regular basis. These include especially financial liabilities such as bank borrowings, bonds, liabilities arising from financial leases and trade payables. Initial recognition is carried out in principle using settlement date accounting.

The financial assets 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.

The **financial instruments** as at the balance sheet date were as follows:

T€	Measurement category according to IAS 39	31.12.2013 Carrying value	31.12.2013 Fair value	31.12.2012 Carrying value	31.12.2012 Fair value
Assets					
Investments in subsidiaries	AfS[1)]	109,033		101,493	
Participation companies	AfS[1)]	91,122		100,612	
Loans to subsidiaries	L&R	163		173	
Loans to participation companies	L&R	16,543		10,907	
Other loans	L&R	1,176		1,790	
Trade receivables	L&R	2,770,222		2,626,895	
Receivables from concession arrangements	L&R	843,765		866,550	
Other financial assets	L&R	540,964		554,351	
Cash and cash equivalents	L&R	1,704,148		1,362,483	
Valuation at historical costs		**6,077,136**		**5,625,254**	
Securities	AfS	35,339	35,339	35,317	35,317
Cash and cash equivalents	AfS	7,820	7,820	12,472	12,472
Derivatives held for hedging purposes		-36,628	-36,628	-59,632	-59,632
Valuation at fair value		**6,531**	**6,531**	**-11,843**	**-11,843**
Liabilities					
Financial liabilities	FLaC	-1,722,700	-1,756,085	-1,649,984	-1,671,524
Trade payables	FLaC	-2,439,257		-2,255,055	
Other financial liabilities	FLaC	-389,049		-355,913	
Valuation at historical costs		**-4,551,006**	**-1,756,085**	**-4,260,952**	**-1,671,524**
Derivatives held for hedging purposes		-5,464	-5,464	-7,641	-7,641
Valuation at fair value		**-5,464**	**-5,464**	**-7,641**	**-7,641**
Total		**1,527,197**	**-1,755,018**	**1,344,818**	**-1,691,008**
Measurement categories					
Loans and receivables (L&R)		5,876,981		5,423,149	
Available for sale (AfS)		243,314	43,159	249,894	47,789
Financial liabilities measured at amortised costs (FLaC)		-4,551,006	-1,756,085	-4,260,952	-1,671,524
Derivatives held for hedging purposes		-42,092	-42,092	-67,273	-67,273
Total		**1,527,197**	**-1,755,018**	**1,344,818**	**-1,691,008**

No special disclosure of the fair value of financial instruments is represented if the carrying amount is a reasonable approximation of fair value.

Cash and cash equivalents, trade receivables and other receivables have for the most part short remaining terms. Accordingly, their carrying 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 as far as market values were not available.

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 leases are measured at the present value of the payments associated with them and under consideration of the relevant applicable market parameters as far as market values were not available. The fair value of the financial liabilities would qualify as a Level 1 measurement at T€ 603,276 and as a Level 2 measurement at T€ 1,152,809.

T€ 10,510 (2012: T€ 15,529) of cash and cash equivalents, T€ 2,744 (2012: T€ 2,684) of securities and T€ 11,206 (2012: T€ 11,708) of other financial instruments were pledged as collateral for liabilities.

1) Measurement is at cost as these are unlisted equity instruments whose fair value cannot be reliably determined.

The non-recourse liabilities related to receivables from concession arrangements are hedged using the income from receivables from concession arrangements.

The financial instruments recognised at fair value, classified by method of measurement (Level 1 to Level 3), are as follows.

Level 1: In measurement at market prices, the assets and liabilities are measured at the quoted prices in an active market for identical assets and liabilities.

Level 2: The measurement based on observable market inputs takes into account not only market prices but also directly or indirectly observable data.

Level 3: Other methods of measurement also consider data that are not observable on the markets.

The **fair values as at 31 December 2013** for financial instruments were measured as follows:

T€	Level 1	Level 2	Total
Assets			
Securities	35,339	0	35,339
Cash and cash equivalents	7,820	0	7,820
Derivatives held for hedging purposes	0	-36,628	-36,628
Total	**43,159**	**-36,628**	**6,531**
Liabilities			
Derivatives held for hedging purposes	0	-5,464	-5,464
Total	**0**	**-5,464**	**-5,464**

The **fair value as at 31 December 2012** for financial instruments were measured as follows:

T€	Level 1	Level 2	Total
Assets			
Securities	35,317	0	35,317
Cash and cash equivalents	12,472	0	12,472
Derivatives held for hedging purposes	0	-59,632	-59,632
Total	**47,789**	**-59,632**	**-11,843**
Liabilities			
Derivatives held for hedging purposes	0	-7,641	-7,641
Total	**0**	**-7,641**	**-7,641**

During the financial year 2013, there were no transfers between the levels.

FINANCIAL INSTRUMENTS IN LEVEL 1

The fair value is determined on the basis of quoted prices in an active market. An active market exists if the prices are regularly established and readily available to the market participant. The quoted market price for the financial instruments presented in Level 1 corresponds to the bid price as at 31 December 2013.

FINANCIAL INSTRUMENTS IN LEVEL 2

These financial instruments are not traded in an active market. They involve exclusively derivatives concluded for hedging purposes in the group. The fair value is determined using methods of measurement on the basis of observable market data. Specifically, measurement is made using interest yield and currency curves in proportion to the term of the derivative.

At the end of the reporting period, the STRABAG Group had no financial instruments classified in Level 3.

As at **31 December 2013**, the following **derivatives** existed which are not offsettable but which can be set off in case of insolvency.

T€	31.12.2013			31.12.2012		
Bank	**Assets**	**Liabilities**	**Total**	**Assets**	**Liabilities**	**Total**
Bayerische Landesbank	2	-314	**-312**	108	-109	**-1**
Commerzbank AG	1,359	-1,231	**128**	455	-1,277	**-822**
Credit Agricole Corp. & Investment	154	-68	**86**	257	-232	**25**
Deutsche Bank AG	0	0	**0**	8	-142	**-134**
Erste Group Bank AG	0	0	**0**	18	0	**18**
ING Bank N.V.	5	0	**5**	0	0	**0**
Landesbank Baden-Württemberg	0	-2,165	**-2,165**	0	-3,176	**-3,176**
Raiffeisen Bank International	0	-2	**-2**	226	-258	**-32**
SEB AG	62	-1,658	**-1,596**	214	-2,420	**-2,206**
Republic of Hungary	-38,493	0	**-38,493**	-61,199	0	**-61,199**
UniCredit Bank Austria AG	283	-26	**257**	281	-27	**254**
Total	**-36,628**	**-5,464**	**-42,092**	**-59,632**	**-7,641**	**-67,273**

The **net income effects of the financial instruments** according to valuation categories are as follows:

	2013				2012			
T€	**L&R**	**AfS**	**FLaC**	**Derivate**	**L&R**	**AfS**	**FLaC**	**Derivate**
Interest	41,887	0	-68,933	0	51,581	0	-72,293	0
Interest from receivables from concession arrangements	68,670	0	-25,653	-8,465	70,925	0	-27,359	-9,030
Result from securities	0	4,390	0	0	0	786	0	0
Impairment losses	-45,776	-15,541	116	0	-42,099	-17,600	0	-692
Disposal losses/profits	0	617	0	0	0	1,857	0	0
Gains from derecognition of liabilities and payments of written off receivables	0	0	6,239	0	18	0	7,239	0
Net income recognised in profit or loss	**64,781**	**-10,534**	**-88,231**	**-8,465**	**80,425**	**-14,957**	**-92,413**	**-9,722**
Value changes recognised directly in equity[1)]	0	256	0	32,545	0	-1,724	0	-26,942
Net income	**64,781**	**-10,278**	**-88,231**	**24,080**	**80,425**	**-16,681**	**-92,413**	**-36,664**

Dividends and income from investments shown in net income from investments are part of operating income and therefore not part of 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 are carried in net income from investments if they are investments in subsidiaries or participation companies, otherwise in net interest income.

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.

1) Excluding derivatives from associated companies in the amount of T€ -491 (2012: T€ -2,474).

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 bonds issued by STRABAG SE amounting to a total of T€ 575,000.

As at 31 December 2013, following hedging transactions existed:

	31.12.2013		31.12.2012	
T€	**Nominal value**	**Market value**	**Nominal value**	**Market value**
Interest rate swaps	707,334	-43,443	778,680	-68,327

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

Currency	Carrying value 31.12.2013 T€	Weighted average interest rate 2013 %
EUR	1,001,293	0.37
PLN	194,295	2.68
CZK	127,798	0.54
HUF	96,064	2.85
Others	281,444	1.46
Total	**1,700,894**	**0.99**

BANK BORROWINGS

Currency	Carrying value 31.12.2013 T€	Weighted average interest rate 2013 %
EUR	1,090,913	2.09
Others	26,784	4.16
Total	**1,117,697**	**2.14**

Had the interest rate level at 31 December 2013 been higher by 100 basispoints, then the profit before tax would have been higher by T€ 8,968 (2012: T€ 5,787) and the equity at 31 December 2013 would have been higher by T€ 44,525 (2012: T€ 47,341). 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 as 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 affected.

The internal financing of companies within the group using different functional currencies resulted in an earnings-relevant currency risk.

This applies in particular to orders in Eastern Europe and Scandinavia which are concluded in euro. The planned proceeds are received in the currency of the order while a substantial part of the associated costs is made in the local currency.

In order to limit the remaining currency risk and secure the calculation, derivative financial instruments were transacted. As at **31 December 2013,** the following hedging transactions existed for the **underlying transactions mentioned**[1)] below:

T€ Currency	Expected cash flows 2014	Expected cash flows 2015	Total	Positive market value of the hedging transaction	Negative market value of the hedging transaction
AED	26,702	21,080	47,782	1,215	0
HUF	35,348	0	35,348	0	-24
PLN	34,089	0	34,089	67	0
Others	58,478	0	58,478	583	-490
Total	**154,617**	**21,080**	**175,697**	**1,865**	**-514**

As at **31 December 2012,** the following hedging transactions existed for the **underlying transactions mentioned**[1)] below:

T€ Currency	Expected cash flows 2013	Expected cash flows 2014	Total	Positive market value of the hedging transaction	Negative market value of the hedging transaction
PLN	119,562	2,300	121,862	1,566	-422
CZK	52,234	0	52,234	116	-60
Others	89,998	0	89,998	488	-634
Total	**261,794**	**2,300**	**264,094**	**2,170**	**-1,116**

Of the derivative financial instruments classified as cash flow hedges as at 31 December 2012, T€ -1,273 were shifted from equity and recognised in the consolidated income statement in the 2013 financial year (2012: T€ 1,907). The resulting deferred tax income amounted to T€ 242 (2012: tax expense of T€ -362).

Development of the important **currencies in the group:**

Currency	Exchange rate 31.12.2013: 1 € =	Average rate 2013: 1 € =	Exchange rate 31.12.2012: 1 € =	Average rate 2012: 1 € =
HUF	297.0400	297.9333	292.3000	288.2142
CZK	27.4270	26.0270	25.1510	25.1395
PLN	4.1543	4.2134	4.0740	4.1677
HRK	7.6265	7.5785	7.5575	7.5261
CHF	1.2276	1.2291	1.2072	1.2044

Essentially, the Polish zloty, the Czech crown, the Hungarian forint and the Swedish crown are affected by revaluation (devaluation). The following table shows the hypothetical changes in profit before tax and equity if the euro in the year 2013 had been revalued or devalued by 10 % in relation to another currency:

	Revaluation euro of 10 %		Devaluation euro of 10 %	
T€ Currency	Change in profit before tax	Change in equity	Change in profit before tax	Change in equity
PLN	8,403	8,403	-8,403	-8,403
HUF	-5,757	-5,757	5,757	5,757
CHF	-7,285	-7,285	7,285	7,285
CZK	7,811	7,811	-7,811	-7,811
Others	-6,482	-4,374	6,482	4,374

1) Not entirely represented as Hedge Accounting

The following table shows the hypothetical changes in profit before tax and equity if the euro in the year 2012 had been revalued or devalued by 10 % in relation to another currency:

T€	Revaluation euro of 10 %		Devaluation euro of 10 %	
Currency	Change in profit before tax	Change in equity	Change in profit before tax	Change in equity
PLN	11,430	11,200	-11,430	-11,200
HUF	-315	-315	315	315
CHF	-6,867	-6,867	6,867	6,867
CZK	9,065	9,065	-9,065	-9,065
Others	-4,700	-4,700	4,700	4,700

The calculation is based on original and derivative foreign currency holdings in non-functional currency as at 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, without cash and cash equivalents, as at the balance sheet date is T€ 4,371,697 (2012: T€ 4,238,457) and corresponds to the book values presented in the balance sheet. Thereof T€ 2,770,221 (2012: T€ 2,626,895) involve trade receivables. Receivables from construction contracts and receivables from 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€ 1,535,957 (2012: T€ 1,383,933), only insignificant amounts 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 client.

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 of T€ 59,199 (2012: T€ 56,019).

Financial assets are impaired item by item if the book value of the financial assets is higher than the present value of the future cash flows. 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 € 6.7 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. In 2010 a bond of € 100 million with a term to maturity of five years and in the years 2011, respectively 2012, bonds of € 175 million, respectively € 100 million, each with a term to maturity of seven years were issued. In May 2013, STRABAG issued a further bond in the amount of € 200 million with a term to maturity of seven years. The annual coupon interest of the bond amounts to 3.00 %. The corporate bond from the year 2008 in the amount of € 75 million was paid in June 2013. Depending on the market situation and the appropriate need, further bond issuances are planned.

The following **payment obligations** arise from the financial liabilities (interest payments based on interest rate as at 31 December and redemption) for the subsequent years:

Payment obligations as at 31 December 2013

T€	Carrying values 31.12.2013	Cash flows 2014	Cash flows 2015–2018	Cash flows after 2018
Bonds	582,500	30,702	353,500	316,250
Bank borrowings	1,117,697	389,132	409,656	452,873
Liabilities from finance leases	22,503	3,122	15,212	9,194
Financial liabilities	**1,722,700**	**422,956**	**778,368**	**778,317**

Payment obligations as at 31 December 2012

T€	Carrying values 31.12.2012	Cash flows 2013	Cash flows 2014–2017	Cash flows after 2017
Bonds	477,500	117,658	166,346	291,813
Bank borrowings	1,129,383	311,539	454,725	530,862
Liabilities from finance leases	43,101	11,091	29,631	10,679
Financial liabilities	**1,649,984**	**440,288**	**650,702**	**833,354**

The trade payables and the other liabilities (see item 21) essentially lead to cash outflows in line with the maturity at the amount of the book values.

(26) 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.

The internal reporting in the STRABAG SE Group is based on management board areas, which also represent the segments. The settlement between the single segments is made at arm's length prices.

The segment North + West bundles the construction activities in Germany, Poland, Benelux and Scandinavia as well the ground engineering, hydraulic engineering and construction activities in the offshore wind sector.

The segment South + East comprises the railway structures activities as well as the construction activities in Austria, Switzerland, Hungary, Czech Republic, Slovakia, Adriatic, Rest of Europe and Russia and neighbouring countries and environmental technology business, and selected real estate development activities, primarily in Austria.

The segment International + Special Divisions includes the international construction activities, tunnelling, services, real estate development and infrastructure development as well as the construction materials business.

In addition, there are the central divisions and central staff divisions, which handle services in the areas of accounting, group financing, technical development, machine management, quality management, logistics, legal affairs, contract management etc. These services are included in the segment Other.

SEGMENT REPORTING FOR THE FINANCIAL YEAR 2013

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS Financial Statements	Group
Output volume	**6,021,112**	**4,593,358**	**2,822,408**	**136,194**		**13,573,072**
Revenue	**5,524,427**	**4,466,028**	**2,458,683**	**26,516**	**0**	**12,475,654**
Inter-segment revenue	137,515	22,918	324,461	797,435		
EBIT	**72,536**	**138,234**	**69,575**	**64**	**-18,832**	**261,577**
thereof share of profit or loss of associates	7,447	0	-1,663	0	0	5,784
Interest and similar income	0	0	0	66,716	0	66,716
Interest expense and similar charges	0	0	0	-98,256	0	-98,256
Profit before tax	**72,536**	**138,234**	**69,575**	**-31,476**	**-18,832**	**230,037**
Investments in property, plant and equipment, and in intangible assets	0	0	717	386,644	0	387,361
Depreciation and amortisation	200	421	7,066	425,650	0	433,337
thereof extraordinary depreciation and amortisation	200	290	3,495	24,939	0	28,924

SEGMENT REPORTING FOR THE FINANCIAL YEAR 2012

T€	North + West	South + East	International + Special Divisions	Other	Reconciliation to IFRS Financial Statements	Group
Output volume	**6,237,167**	**4,755,738**	**2,924,860**	**124,831**		**14,042,596**
Revenue	**5,509,526**	**4,792,430**	**2,661,292**	**19,985**	**0**	**12,983,233**
Inter-segment revenue	187,139	48,720	356,262	814,324		
EBIT	**-51,317**	**148,885**	**126,933**	**-1,975**	**-15,340**	**207,186**
thereof share of profit or loss of associates	6,540	0	-15,757	0	0	-9,217
Interest and similar income	0	0	0	73,145	0	73,145
Interest expense and similar charges	0	0	0	-123,871	0	-123,871
Profit before tax	**-51,317**	**148,885**	**126,933**	**-52,701**	**-15,340**	**156,460**
Investments in property, plant and equipment, and in intangible assets	0	0	0	458,283	0	458,283
Depreciation and amortisation	5,803	4,416	3,993	386,956	0	401,168
thereof extraordinary depreciation and amortisation	5,803	4,275	0	18,404	0	28,482

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 with EBIT in regards to profit before tax in the consolidated financial statements in terms of the investment result.

Other minor differences result from entries in other consolidations.

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

T€	2013	2012
Net income from investments	-10,826	-8,700
Other consolidations	-8,006	-6,640
Total	**-18,832**	**-15,340**

BREAKDOWN OF REVENUE BY GEOGRAPHIC REGION

T€	2013	2012
Germany	5,713,680	5,686,722
Austria	2,151,455	2,278,299
Rest of Europe	4,135,817	4,463,875
Rest of World	474,702	554,337
Revenue	**12,475,654**	**12,983,233**

Presentation of revenue by region is done according to the company’s registered place of business.

(27) 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.

As at 31 December 2013, core shareholder Rasperia Trading Limited held an 18.8 % interest in STRABAG SE as well as one registered share. As at 15 January 2014, a call option was exercised for the acquisition of a further 0.6 % of the shares. The option allowing Rasperia to buy back the remaining 5.6 % of the former interest from the other core shareholders expires in July 2014. A syndicate agreement remains in effect between the core shareholders.

Arm’s-length finance and insurance transactions exist with the Raiffeisen Holding NÖ-Wien Group and the UNIQA Group.

HASELSTEINER GROUP

The Haselsteiner Group holds investments in various areas such as banks, real estate and infrastructure. The portfolio also includes investments in healthcare and the cultural area.

The business relations between STRABAG SE and the companies of the Haselsteiner Group during the financial year are presented below.

T€	2013	2012
Work and services performed	9,116	28,818
Work and services received	7,838	10,334
Receivables as at 31.12.	16,372	22,167
Liabilities as at 31.12.	539	953

Basic Element

The Basic Element Group, a group with numerous industrial holdings, among other things in the area of construction, construction 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 € 268 million. The contract was signed in 2010. The construction works began in 2011 and were completed in 2014. By 31 December 2013, services amounting to € 256 million had been provided and STRABAG received advanced payments of € 244 million in return.

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 has the right to refrain from the purchase and to demand reimbursement of the deposit of € 70 million, if the parties fail to agree on a final purchase price following a due diligence process. Until then, STRABAG will receive payments made on arm's length based on the amount of the prepayment.

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 2013 financial year amounted to T€ 7,685 (2012: T€ 7,586). Other services in the amount of T€ 519 (2012: T€ 762) were obtained from the IDAG Group.

Furthermore, revenues of about T€ 4,707 (2012: about T€ 1,380) were made with IDAG Immobilienbeteiligung u. -Development GmbH in the 2013 financial year. At the balance sheet date of 31 December 2013, the STRABAG SE Group had receivables from rental deposits amounting to around T€ 22,059 (2012: T€ 20,919) 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 2013 revenues of T€ 56,563 (2012: T€ 122,161) 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 Europe. The joint activities aim at maintaining a commensurate cement supply in the group's core countries. In 2013, STRABAG procured cement services worth about T€ 20,067 (2012: T€ 16,883) from Lafarge. As at the balance sheet date, there were liabilities to Lafarge Cement CE Holding GmbH in the amount of T€ 107 (2012: T€ 267).

The **business transactions with the other associates** can be presented as follows:

T€	2013	2012
Work and services performed	79,420	81,494
Work and services received	33,138	33,683
Receivables as at 31.12.	28,879	12,707
Liabilities as at 31.12.	646	41

The business transactions with the management board members and employees of 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 were of minor significance in the year under report and the previous year.

The total remuneration including any severance and pension payments, as well as other long-term payments for employees of the first management level amounted to T€ 14,418 (2012: T€ 17,939) in the year under report. Of this amount, T€ 14,066 (2012: T€ 17,630) is attributable to the current remuneration and T€ 352 (2012: T€ 309) to severance and pension payments.

(28) Notes on the management and supervisory boards

MANAGEMENT BOARD

Dr. Hans Peter Haselsteiner (CEO until 14 June 2013)
Dr. Thomas Birtel (CEO since 15 June 2013)
Mag. Christan Harder
Dipl.-Ing. Dr. Peter Krammer
Mag. Hannes Truntschnig
Dipl.-Ing. Siegfried Wanker

SUPERVISORY BOARD

Dr. Alfred Gusenbauer (Chairman)
Mag. Erwin Hameseder (Vice Chairman)
Mag. Hannes Bogner (since 14 June 2013)
Andrei Elinson
Mag. Kerstin Gelbmann
Dr. Gottfried Wanitschek (until 14 June 2013)
Ing. Siegfried Wolf

Dipl.-Ing. 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€ 4,199 (2012: T€ 2,590). The severance payments for management board members amount to T€ 8 (2012: T€ 17).

The remunerations for the supervisory board members in the amount of T€ 135 (2012: T€ 135) are included in the expenses. Neither the management board members nor the supervisory board members of STRABAG SE received advances or loans.

(29) Other notes

The expenses for the auditor, KPMG Austria AG, incurred in the financial year amount to T€ 1,240 (2012: T€ 1,196) of which T€ 1,121 (2012: T€ 1,084) were for the audit of the consolidated financial statements (including the audit of separate financial statements of group companies) and T€ 119 (2012: T€ 111) for other services.

(30) 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 2013 will take place on 28 April 2014.

(31) Events after the balance sheet date

The political developments in Ukraine since February 2014 are having no significant influence on the situation of the STRABAG Group from today's perspective. The company generates less than 1 % of its annual output volume in Ukraine. In Russia, the group expects to generate less than 3 % of its output volume in 2014. As construction is an export non-intensive industry in which most of the services are provided locally, and the STRABAG Group provides its services almost exclusively for private clients, the company does not expect the political developments to have any immediate impact on its business in Russia.

Villach, 11 April 2014

Management Board

Dr. Thomas Birtel
CEO
Responsibility Central Divisions and Central Staff Divisions (except BRVZ)
as well as Divisions 3L RANC[1] and 3M RANC

Mag. Christian Harder
CFO
Responsibility Central Division BRVZ

Dipl.-Ing. Dr. Peter Krammer
Responsibility Segment North + West

Mag. Hannes Truntschnig
Responsibility Segment
International + Special Divisions

Dipl.-Ing. Siegfried Wanker
Responsibility Segment South + East
(except Divisions 3L RANC and 3M RANC)

1) RANC = Russia and neighbouring countries

Company	Residence	Consoli-dation[1]	Direct stake %
"A-WAY Infrastrukturprojektentwicklungs- und -betriebs GmbH"	Spittal an der Drau	VK	100.00
"Crnagoraput" AD, Podgorica	Podgorica	VK	95.32
"DOMIZIL" Bauträger GmbH	Vienna	VK	100.00
"Filmforum am Bahnhof" Errichtungs- und Betriebsgesellschaft m.b.H.	Vienna	VK	100.00
"Granite Mining Industries" Sp.z o.o.	Braslau	NK	100.00
"Kabelwerk" Bauträger GmbH	Vienna	NK	25.00
"LSH"-Fischer Baugesellschaft m.b.H.	Linz	NK	100.00
"Mineral 2000" EOOD	Sofia	NK	100.00
"Northern Capital Express" Limited Liability Company	Moscow	NK	25.00
"PUTEVI" A.D. CACAK	Cacak	VK	85.02
"SBS Strabag Bau Holding Service GmbH"	Spittal an der Drau	VK	100.00
"Strabag Azerbaijan" L.L.C.	Baku	VK	100.00
"Strabag" d.o.o. Podgorica	Podgorica	NK	100.00
"Wiener Heim" Wohnbaugesellschaft m.b.H.	Vienna	VK	100.00
"Wohngarten Sensengasse" Bauträger GmbH	Vienna	VK	55.00
"Zentrum Puntigam" Errichtungs- und Betriebsgesellschaft m.b .H.	Vienna	NK	50.00
"Zipp Ukraine"	Cholmok	NK	100.00
2.Züblin Vorrats GmbH	Stuttgart	NK	100.00
A.S.T. Bauschuttverwertung GmbH & Co KG	Klagenfurt	NK	66.67
A.S.T. Bauschuttverwertung GmbH	Klagenfurt	NK	66.67
AB Frischbeton Gesellschaft m.b.H.	Vienna	NK	100.00
ABO Asphalt-Bau Oeynhausen GmbH	Oeynhausen	NK	22.50
ABR Abfall Behandlung und Recycling GmbH	Schwadorf	VK	100.00
ADI Asphaltmischwerke Donau-Iller GmbH & Co. KG i.L.	Inzigkofen	NK	63.21
ADI Asphaltmischwerke Donau-Iller Verwaltungsgesellschaft mit beschränkter Haftung i.L.	Inzigkofen	NK	63.20
AFRITOL (PROPRIETARY) LIMITED	Pretoria	NK	100.00
AGS Asphaltgesellschaft Stuttgart GmbH & Co.Kommanditgesellschaft	Stuttgart	NK	40.00
AGS Asphaltgesellschaft Stuttgart Verwaltungs-GmbH	Stuttgart	NK	40.00
AKA Zrt.	Budapest	VK	100.00
AKA-FinCo Zrt.	Budapest	NK	100.00
AKA-HoldCo Zrt.	Budapest	NK	100.00
Akilore Grundstücksverwaltungsges. mbH & Co. Vermietungs KG	Wiesbaden	NK	94.00
AL SRAIYA - STRABAG Road & Infrastructure WLL	Doha	NK	49.00
A-Lanes A15 Holding B.V.	Nieuwegein	EK	24.00
A-Lanes Management Services B.V.	Utrecht	NK	25.00
Al-Hani General Construction Inc.	Tripolis	NK	60.00
Alpines Hartschotterwerk GmbH	Leinfelden-Echterdingen	VK	100.00
AMA Asphalt-Mischwerke GmbH	Königsbrunn	NK	45.00
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H.& Co.KG	Zistersdorf	NK	40.00
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H.	Zistersdorf-Maustrenk	NK	40.00
AMB Asphaltmischwerke Bodensee GmbH & Co KG	Singen (Hohentwiel)	EK	24.80
AMG Asphaltmischwerk Gunskirchen Gesellschaft m.b.H.	Linz	NK	33.33
AMG-Asphaltmischwerk Gunskirchen Gesellschaft m.b.H. & Co.KG	Linz	NK	33.33
AMH Asphaltmischwerk Hauneck GmbH & Co. KG	Hauneck	EK	50.00
AMH Asphaltmischwerk Hauneck Verwaltungs GmbH	Hauneck	NK	50.00
AMH Asphaltmischwerk Hellweg GmbH	Erwitte	EK	30.50
AML - Asphaltmischwerk Limberg Gesellschaft m.b.H.	Limberg	NK	50.00
AMS-Asphaltmischwerk Süd Gesellschaft m.b.H.	Linz	NK	35.00
AMSS Asphaltmischwerke Sächsische Schweiz GmbH & Co. KG	Dresden	NK	24.00
AMSS Asphaltmischwerke Sächsische Schweiz Verwaltungs GmbH	Dresden	NK	24.00
AMWE-Asphaltmischwerke GmbH & Co. KG in Schwerin	Consrade	NK	49.00
AMWE-Asphaltmischwerke GmbH	Schwerin	NK	49.00
Anton Beirer Hartsteinwerke GmbH & Co KG	Pinswang	NK	50.00
ANTREPRIZA DE REPARATII SI LUCRARI A R L CLUJ S.A.	Cluj-Napoca	VK	98.59
Arena Development	Hasselt	NK	50.00

1) VK … Consolidated companies
EK … Companies included at-equity
NK … Not consolidated companies

Company	Residence	Consoli-dation[1]	Direct stake %
ASAMER Baustoff Holding Wien GmbH & Co.KG	Vienna	NK	30.00
ASAMER Baustoff Holding Wien GmbH	Vienna	NK	30.00
ASB Bau GmbH & Co KG	Inzigkofen	NK	50.00
ASB Transportbeton GmbH & CO.KG	Osterweddingen	NK	50.00
Asesorías de Ingenería y Construcciones Ltda.	Santiago	NK	100.00
ASF Frästechnik GmbH & Co KG	Kematen	NK	40.00
ASF Frästechnik GmbH	Kematen	NK	40.00
Asfalt Slaski Wprinz Sp.z o.o.	Warschau	NK	100.00
ASG INVEST N.V.	Genk	NK	25.00
ASIA Center Kft.	Budapest	VK	100.00
Asphalt & Beton GmbH	Spittal an der Drau	VK	100.00
Asphalt Straßenbau Verwaltungs-GmbH	Inzigkofen	NK	50.00
Asphaltmischwerk Bendorf GmbH & Co. KG	Bendorf	NK	49.00
Asphaltmischwerk Bendorf Verwaltung GmbH	Bendorf	NK	49.00
Asphaltmischwerk Betriebsgesellschaft m.b.H. & Co KG	Rauchenwarth	NK	20.00
Asphaltmischwerk Betriebsgesellschaft m.b.H.	Rauchenwarth	NK	20.00
Asphaltmischwerk Bodensee Verwaltungs GmbH	Singen (Hohentwiel)	NK	24.80
Asphaltmischwerk Greinsfurth GmbH & Co OG	Amstetten	NK	33.33
Asphaltmischwerk Greinsfurth GmbH	Amstetten	NK	33.33
Asphaltmischwerk Rieder Vomperbach GmbH& Co KG	Innsbruck	NK	60.00
Asphaltmischwerk Rieder Vomperbach GmbH	Innsbruck	NK	60.00
Asphaltmischwerk Zeltweg Gesellschaft m.b.H.	Steyr	NK	100.00
Asphalt-Mischwerke-Hohenzollern GmbH & Co. KG	Inzigkofen	EK	36.50
Asphalt-Mischwerke-Hohenzollern VerwaltungsgesmbH	Inzigkofen	NK	36.50
ASTRA-BAU Gesellschaft m.b.H. Nfg. OG	Bergheim	NK	50.00
AStrada Development SRL	Bucharest	NK	70.00
Atlas Tower GmbH & Co. KG	Cologne	VK	100.00
AUSTRIA ASPHALT GmbH & Co OG	Spittal an der Drau	VK	100.00
AUSTRIA ASPHALT GmbH	Spittal an der Drau	NK	100.00
AUT Grundstücksverwaltungsgesellschaft mbH	Stuttgart	NK	40.00
Autocesta Zagreb-Macelj d.o.o.	Krapina	EK	51.00
A-WAY ITE Zrt.	Újhartyán	NK	50.00
AWB Asphaltmischwerk Büttelborn GmbH & Co. KG	Büttelborn	NK	50.00
AWB Asphaltmischwerk Büttelborn Verwaltungs-Gesellschaft mit beschränkter Haftung	Büttelborn	NK	50.00
AWK Asphaltmischwerk Könnern GmbH	Könnern	NK	26.25
AWM Asphaltwerk Mötschendorf Gesellschaft m.b.H.	Graz	NK	50.00
AWM Asphaltwerk Mötschendorf GmbH & Co.KG	Graz	NK	50.00
AWR Asphalt-Werke Rhön GmbH	Röthlein	NK	24.90
B + R Baustoff-Handel und -Recycling Köln GmbH	Cologne	NK	100.00
BA GebäudevermietungsgmbH	Vienna	NK	29.00
BASALT-KÖZÉPKÖ Köbányák Kft	Uzsa	NK	25.14
Bau Holding Beteiligungs AG	Spittal an der Drau	VK	100.00
Bauer Deponieerschließungs- und Verwertungsgesellschaft m.b.H. in Liqu.	Vienna	NK	100.00
Baugesellschaft "Negrelli" Ges.m.b.H.	Vienna	NK	100.00
Baugesellschaft Nowotnik GmbH	Nörvenich	VK	100.00
Baukontor Gaaden Gesellschaft m.b.H.	Gaaden	VK	100.00
Baumann & Burmeister GmbH	Halle/Saale	VK	100.00
Bauträgergesellschaft Olande mbH	Hamburg	NK	51.00
Bauunternehmung Ohneis Gesellschaft mit beschränkter Haftung	Straubing	VK	100.00
Bayerische Asphaltmischwerke Gesellschaft mit beschränkter Haftung	Hofolding	NK	48.29
Bayerische Asphaltmischwerke GmbH & Co.KG für Straßenbaustoffe	Hofolding	EK	48.33
BAYSTAG GmbH	Wildpoldsried	NK	100.00
Baytürk Grup Insaat Ithalat, Ihracat ve Ticaret Limited Sirketi	Ankara	NK	100.00
BBO Bauschuttaufbereitung Verwaltungsgesellschaft mbH	Steißlingen	NK	33.33
BBO Bodensee/Hegau Bauschuttaufbereitung GmbH & Co. KG	Steißlingen	NK	22.22

1) VK … Consolidated companies
EK … Companies included at-equity
NK … Not consolidated companies

Company	Residence	Consoli-dation[1)]	Direct stake %
BBO Bodenseekreis Bauschuttaufbereitung GmbH & Co. KG	Steißlingen	NK	25.00
BBS Baustoffbetriebe Sachsen GmbH	Hartmannsdorf	VK	100.00
becker bau GmbH	Bornhöved	VK	100.00
Beijing Züblin Equipment Production Co., Ltd.	Beijing	NK	100.00
Betobeja Empreendimentos Imobiliarios, Lda	Beja	NK	100.00
Beton AG Bürglen	Bürglen TG	NK	65.60
Beton Pisek spol. s.r.o.	Pisek	NK	50.00
Betun Cadi SA	Trun	NK	35.00
BHG Bitumen Adria d.o.o.	Zagreb	NK	100.00
BHG Bitumen d.o.o. Beograd	Belgrad	NK	100.00
BHG Bitumen Kft.	Budapest	VK	100.00
BHG Bitumenhandelsgesellschaft mbH	Hamburg	VK	100.00
BHG COMERCIALIZARE BITUM S.R.L.	Bucharest	NK	100.00
BHG CZ s.r.o.	Ceské Budejovice	VK	100.00
BHG SK s.r.o.	Bratislava	NK	100.00
BHG Sp.z o.o.	Pruszkow	VK	100.00
BHV GmbH Brennstoffe - Handel - Veredelung	Lünen	NK	100.00
Bitumen Handelsgesellschaft m.b.H. & Co KG	Loosdorf	VK	100.00
Bitumen Handelsgesellschaft m.b.H.	Vienna	NK	100.00
Bitumenka-Asfalt d.o.o. i.L.	Sarajevo	NK	51.00
BITUNOVA Baustofftechnik Gesellschaft m.b.H.	Spittal an der Drau	VK	100.00
BITUNOVA GmbH	Düsseldorf	VK	100.00
Bitunova Kft.	Budapest	VK	100.00
Bitunova Romania SRL	Bucharest	VK	100.00
BITUNOVA Sp.z o.o.	Warszawa	VK	100.00
BITUNOVA spol. s r.o.	Jihlava	VK	100.00
BITUNOVA spol. s r.o.	Zvolen	VK	100.00
BITUNOVA UKRAINA TOW	Brovary	NK	60.00
Blees-Kölling-Bau GmbH	Cologne	VK	100.00
BLUMENFELD Liegenschaftsverwaltungs GmbH	Vienna	VK	100.00
BMTI - Baumaschinentechnik International GmbH & Co. KG	Cologne	VK	100.00
BMTI - Tehnica Utilajelor Pentru Constructii SRL	Bucharest	NK	100.00
BMTI Benelux bvba	Antwerp	NK	100.00
BMTI CR s.r.o.	Brünn	VK	100.00
BMTI d.o.o. Beograd	Novi Beograd	NK	100.00
BMTI d.o.o.	Zagreb	NK	100.00
BMTI GmbH	Erstfeld	VK	100.00
BMTI Kft.	Budapest	VK	100.00
BMTI SK, s.r.o.	Bratislava	NK	100.00
BMTI Sp.z o.o.	Pruszkow	VK	100.00
BMTI Verwaltung GmbH	Cologne	NK	100.00
BMTI-Baumaschinentechnik International GmbH	Trumau	VK	100.00
Bodensee - Moränekies Gesellschaft mit beschränkter Haftung & Co. Kommanditgesellschaft Tettnang	Tettnang	EK	33.33
BOHEMIA ASFALT, s.r.o.	Sobeslav	VK	100.00
Böhm Stadtbaumeister & Gebäudetechnik GmbH	Vienna	VK	100.00
BPM Bau Prozess Management GmbH	Vienna	NK	100.00
BRANDNER Wasserbau GmbH	Kollmitzberg	NK	100.00
Breitenthaler Freizeit Beteiligungsgesellschaft mbH	Breitenthal	NK	50.00
Breitenthaler Freizeit GmbH & Co. KG	Breitenthal	NK	50.00
BrennerRast GmbH	Vienna	VK	100.00
BrennerWasser GmbH	Vienna	NK	100.00
BRF Tyresö View 1	Tyresö	VK[2)]	100.00
Brnenska Obalovna, s.r.o.	Brünn	NK	50.00
BRVZ Bau- Rechen- u. Verwaltungszentrum Gesellschaft m.b.H.	Spittal an der Drau	VK	100.00

1) VK … Consolidated companies
EK … Companies included at-equity
NK … Not consolidated companies
2) The presentation of interests is done using the economic approach; the interests as defined by civil law may deviate from this presentation.

Company	Residence	Consolidation[1]	Direct stake %
BRVZ Bau- Rechen- und Verwaltungszentrum GmbH & Co. KG	Cologne	VK	100.00
BRVZ Bau-, Rechen- und Verwaltungszentrum AG	Erstfeld	VK	100.00
BRVZ Benelux bvba	Antwerp	NK	100.00
BRVZ center za racunovodstvo in upravljanje d.o.o.	Ljubljana	VK	100.00
BRVZ d.o.o. Beograd	Novi Beograd	NK	100.00
BRVZ d.o.o.	Zagreb	VK	100.00
BRVZ EOOD	Sofia	NK	100.00
BRVZ Kft.	Budapest	VK	100.00
BRVZ s.r.o.	Bratislava	VK	100.00
BRVZ s.r.o.	Prague	VK	100.00
BRVZ SERVICII & ADMINISTRARE SRL	Bucharest	VK	100.00
BRVZ Sp.z o.o.	Pruszkow	VK	100.00
BRVZ SRL	Bologna	NK	100.00
BRVZ Sweden AB	Kumla	VK	100.00
BRVZ Verwaltung GmbH	Cologne	NK	100.00
BRVZ-Contabilidade, Organizacao,Representacao e Administracao de Empresas,S.U.,Lda	Lisbon	NK	100.00
BRW Baustoff-Recycling GmbH & Co KG	Wesseling	NK	25.00
BSB Betonexpress Verwaltungsges.mbH	Berlin	NK	100.00
BS-Baugeräte-Service GmbH & Co.KG i.I.	Augsburg	NK	25.00
BS-Baugeräte-Service Verwaltungsgesellschaft mbH i.I.	Augsburg	NK	25.00
BSS Tunnel- & Montanbau GmbH i.L.	Bern	NK	100.00
Bug-AluTechnic GmbH	Vienna	VK	100.00
BULGARIA ASFALT EOOD	Sofia	NK	100.00
Büro Campus Deutz Torhaus GmbH	Cologne	NK	100.00
Büro-Center Ruppmannstraße GmbH	Stuttgart	NK	50.00
BUSINESS BOULEVARD Errichtungs- und Betriebs GmbH	Vienna	NK	100.00
BVHS Betrieb und Verwaltung von Hotel- und Sportanlagen GmbH	Berlin	NK	100.00
C.S.K.K. 2009. Kft.	Budapest	NK	30.00
Campus Eggenberg Immobilienprojekt GmbH	Graz	VK	60.00
Carb SA	Brasov	VK	99.47
Center Communication Systems GmbH	Mägenwil	NK	100.00
Center Communication Systems GmbH	Vienna	VK	100.00
Center Communication Systems SPRL	Diegem	NK	100.00
Center Systems Deutschland GmbH	Berlin	NK	100.00
CESTAR d.o.o.	Slavonski Brod	VK	74.90
Chustskij Karier	Zakarpatska	VK	95.96
CLS Construction Legal Services GmbH	Cologne	VK	100.00
CLS Construction Legal Services GmbH	Vienna	NK	100.00
CLS CONSTRUCTION SERVICES s. r. o.	Bratislava	NK	100.00
CLS CONSTRUCTION SERVICES s.r.o.	Prague	NK	100.00
CLS Kft.	Budapest	NK	100.00
CLS Legal Sp.z o.o.	Pruszkow	NK	100.00
Clubdorf Sachrang Betriebs GmbH	Cologne	NK	100.00
Coldmix B.V.	Son en Breugel	NK	100.00
Constrovia Construcao Civil e Obras Publicas Lda.	Lisbon	NK	95.00
Cosima Grundstücksverwaltungsgesellschaft mbH & Co. Objekt Beta KG	Pullach i. Isartal	NK	94.00
Cottbuser Frischbeton GmbH	Cottbus	NK	100.00
Crna Glava Seona d.o.o.	Nasice	NK	51.00
CROATIA ASFALT d.o.o.	Zagreb	NK	100.00
CSE Centrum-Stadtentwicklung GmbH i.L.	Cologne	NK	50.00
Dalnicni stavby Praha, a.s.	Prague	VK	100.00
DAM Deutzer Asphaltmischwerke GmbH & Co. KG	Cologne	NK	40.44
DAM Deutzer Asphaltmischwerke Verwaltungs-GmbH	Cologne	NK	40.44
DARWO TRADING NO 14 (PTY) LIMITED	Pretoria	NK	50.00

1) VK … Consolidated companies
EK … Companies included at-equity
NK … Not consolidated companies

Company	Residence	Consoli-dation[1]	Direct stake %
DBR Döbelner Baustoff und Recycling GmbH i.L.	Taucha	NK	50.00
Demirtürk Uluslararasi Insaat, Ithalat, Ihracat ve Ticaret Sirketi	Ankara	NK	100.00
Deutsche Asphalt GmbH	Cologne	VK	100.00
Diabaswerk Nesselgrund GmbH & Co KG	Floh-Seligenthal	NK	20.00
Diabaswerk Nesselgrund Verwaltungs-GmbH	Floh-Seligenthal	NK	20.00
Diabaswerk Saalfelden Gesellschaft m.b.H.	Saalfelden	VK	100.00
DIMMOPLAN Verwaltungs GmbH	Stuttgart	NK	100.00
DIRECTROUTE (FERMOY) CONSTRUCTION LIMITED	Dublin	NK	25.00
DIRECTROUTE (LIMERICK) CONSTRUCTION LIMITED	Fermoy	NK	40.00
DIRECTROUTE (LIMERICK) HOLDINGS LIMITED	Fermoy	EK	20.00
Dreßler Bauträger GmbH & Co. "Erlenbach"-Objekt KG	Aschaffenburg	NK	50.00
DRP, d.o.o.	Ljubljana	VK	100.00
DRUMCO SA	Timisoara	NK	70.00
DYWIDAG & Partner LLC	Oman	NK	65.00
Dywidag (Malaysia) Sdn. Bhd.	Kuala Lumpur	NK	100.00
DYWIDAG Bau GmbH	Munich	VK	100.00
Dywidag Construction Corporation	Vancouver	NK	100.00
Dywidag Insaat Limited Sirketi	Ankara	NK	100.00
DYWIDAG International GmbH	Munich	VK	100.00
Dywidag LNG Korea Chusikhoesa	Seoul	NK	100.00
DYWIDAG Romania S.R.L	Bucharest	NK	100.00
Dywidag Saudi Arabia Co. Ltd.	Jubail	VK	100.00
DYWIDAG Schlüsselfertig und Ingenieurbau GmbH	Munich	NK	100.00
DYWIDAG Verwaltungsgesellschaft mbH	Munich	NK	50.00
DYWIDAG-Holding GmbH	Cologne	VK	100.00
DYWIDAG-Service-GmbH Gebäude- und Anlagenmanagement	Bad Hersfeld	NK	100.00
E S B Kirchhoff GmbH	Leinfelden-Echterdingen	VK	100.00
E.S.T.M. KFT	Budapest	NK	100.00
Eberhard Pöhner Unternehmen für Hoch- und Tiefbau GmbH	Bayreuth	VK	100.00
Eberhardt Bau-Gesellschaft mbH	Berlin	VK	100.00
Eckstein Holding GmbH	Spittal an der Drau	VK	100.00
ECS European Construction Services GmbH	Mörfelden-Walldorf	VK	100.00
Ed. Züblin AG	Stuttgart	VK	57.26
EDEN Jizni roh s.r.o.	Prague	NK	100.00
Edificio Bauvorbereitungs- und Bauträgergesellschaft mb.H.	Vienna	NK	100.00
Eduard Hachmann Gesellschaft mit beschränkter Haftung	Lunden	VK	100.00
EFKON AG	Raaba	VK	98.14
EFKON ASIA SDN. BHD.	Kuala Lumpur	NK	100.00
EFKON AUSTRALIA PTY LTD	Victoria Point	NK	100.00
EFKON Bulgaria OOD	Sofia	NK	80.00
EFKON COLOMBIA LTDA	Bogota	NK	100.00
EFKON Germany GmbH	Berlin	NK	100.00
EFKON INDIA Pvt. Ltd.	Mumbai	VK	100.00
EFKON Road Pricing Limited	London	NK	100.00
EFKON ROMANIA S.R.L.	Bucharest	NK	76.00
EFKON SOUTH AFRICA (PTY) LTD	Pretoria	VK	100.00
EFKON SOUTHERN AFRICA (PROPRIETARY) LIMITED	Pretoria	NK	30.00
EFKON USA, INC.	Dallas	NK	100.00
Eichholz Eivel GmbH	Berlin	VK	100.00
Eisen Blasy Reutte GmbH	Reutte	NK	50.00
Emprese Constructora, Züblin Peru S.A.C.	Lima	NK	99.97
Entwicklung Quartier am Mailänder Platz Beteiligungsgesellschaft mbH	Hamburg	NK	50.00
Entwicklung Quartier am Mailänder Platz Management GmbH	Hamburg	NK	50.00
Entwicklung Quartier am Mailänder Platz Nr. 1 GmbH & Co. KG	Hamburg	NK	48.08
Entwicklung Quartier am Mailänder Platz Nr. 2 GmbH & Co. KG	Hamburg	NK	48.08

1) VK … Consolidated companies
EK … Companies included at-equity
NK … Not consolidated companies

Company	Residence	Consolidation[1]	Direct stake %
Entwicklung Quartier am Mailänder Platz Nr. 3 GmbH & Co. KG	Hamburg	NK	48.08
Eraproject Immobilien-, Projektentwicklung und Beteiligungsverwaltung GmbH	Berlin	NK	100.00
Erlaaer Straße Liegenschaftsverwertungs-GmbH	Vienna	NK	100.00
ERMATEC Maschinen Technische Anlagen Gesellschaft m.b.H.	Vienna	NK	100.00
Errichtungsgesellschaft Strabag Slovensko s.r.o.	Bratislava-Ruzinov	VK	100.00
Erste Nordsee-Offshore-Holding GmbH	Pressbaum	VK	51.00
Eslarngasse 16 GmbH	Vienna	NK	75.00
ETG Erzgebirge Transportbeton GmbH	Freiberg	VK	60.00
EURO SERVICES Catering & Cleaning GmbH	Mörfelden-Walldorf	NK	100.00
EUROASFALT d.o.o.	Zagreb	NK	100.00
EUROTEC ANGOLA, LDA	Luanda	NK	100.00
EVN S.r.l.	Rom	NK	100.00
Exploitatie Maatschappij A-Lanes A15 B.V.	Nieuwegein	NK	33.33
F. Kirchhoff GmbH	Leinfelden-Echterdingen	VK	100.00
F. Kirchhoff Silnice s.r.o. likvidaci	Prague	NK	100.00
F. Kirchhoff Straßenbau GmbH	Leinfelden-Echterdingen	VK	100.00
F. KIRCHHOFF SYSTEMBAU GmbH	Münsingen	VK	100.00
F. Lang u. K. Menhofer Baugesellschaft m.b.H. & Co. KG	Wiener Neustadt	VK	100.00
Fachmarktzentrum Arland Errichtungs- und Vermietungsgesellschaft mbH	Vienna	NK	100.00
Fachmarktzentrum Kielce Projekt GmbH	Berlin	NK	100.00
Facility Management Holding RF GmbH	Vienna	NK	100.00
Fahrleitungsbau GmbH	Essen	VK	100.00
Fastighets AB Botvid	Stockholm	NK	51.00
FDZ Grundstücksverwaltung GmbH & Co. Objekt Stuttgart-Möhringen KG	Mainz	NK	94.00
FLOGOPIT d.o.o. Beograd	Novi Beograd	NK	100.00
Forum Mittelrhein Beteiligungsgesellschaft mbH	Hamburg	NK	51.00
Forum Mittelrhein Koblenz Generalübernehmergesellschaft mbH & Co.KG	Oststeinbek	VK	51.00
Forum Mittelrhein Koblenz Kultur GmbH & Co. KG	Hamburg	VK	51.00
Freo Projektentwicklung Berlin GmbH	Berlin	NK	50.10
FRISCHBETON s.r.o.	Prague	VK	100.00
Frischbeton Wachau GmbH & CO.KG	Wachau	NK	45.00
Frissbeton Kft.	Budapest	VK	100.00
FUSSENEGGER Hochbau und Holzindustrie GmbH	Dornbirn	NK	100.00
G15 Projekt GmbH	Baar	NK	100.00
Gama Strabag Construction Limited	Dublin	NK	40.00
Gartensiedlung Lackenjöchel Liegenschaftsverwertungs GmbH	Vienna	NK	100.00
Gaul GmbH	Sprendlingen	VK	100.00
GBS Gesellschaft für Bau und Sanierung mbH	Leuna	NK	100.00
Gebr. von der Wettern Gesellschaft mit beschränkter Haftung	Cologne	VK	100.00
GFR remex Baustoffaufbereitung GmbH & Co. KG, Krefeld	Krefeld	NK	100.00
GFR remex Baustoffaufbereitung Verwaltungs-GmbH Krefeld	Krefeld	NK	100.00
GN-Anläggningar AB	Stockholm	NK	100.00
Goldeck Bergbahnen GmbH	Spittal an der Drau	VK	100.00
Grandemar SA	Cluj-Napoca	NK	41.27
GRASTO d.o.o.	Ljubljana	NK	99.85
Griproad Spezialbeläge und Baugesellschaft mbH	Cologne	VK	100.00
Grundstücksgesellschaft Kaiserplatz Aachen Adalbertstraße GmbH & Co. KG	Hamburg	NK	50.00
GTE-Gebäude-Technik-Energie-Betriebs- und Verwaltungsgesellschaft m.b.H. & Co. KG.	Vienna	NK	62.00
GTE-Gebäude-Technik-Energie-Betriebs- und Verwaltungsgesellschaft m.b.H.	Vienna	NK	61.00
GUS Gußasphaltwerk GmbH & Co KG	Stuttgart	NK	50.00
GUS Gußasphaltwerk Verwaltungs GmbH	Stuttgart	NK	50.00
GVD Versicherungsvermittlungen - Dienstleistungen GmbH	Cologne	NK	100.00
H S Hartsteinwerke GmbH	Pinswang	NK	50.00
Harald Zweig Bautenschutz G.m.b.H.	Essen	NK	100.00
Heidelberger Beton Donau-Iller GmbH & Co. KG	Elchingen	NK	30.00

1) VK … Consolidated companies
EK … Companies included at-equity
NK … Not consolidated companies

Company	Residence	Consolidation[1]	Direct stake %
Heidelberger Beton Donau-Iller Verwaltungs-GmbH	Unterelchingen	NK	30.20
HEILIT + WOERNER BAU GmbH	Vienna	NK	100.00
HEILIT Umwelttechnik GmbH	Düsseldorf	VK	100.00
HEILIT Umwelttechnik S.R.L.	Orhei	NK	100.00
Heilit+Woerner Bau GmbH	Munich	VK	100.00
HEILIT+WOERNER Sp. z o.o.	Breslau	VK	100.00
Heimfeld Terrassen GmbH	Cologne	VK	100.00
Helmus Straßen-Bau GmbH	Vechta	VK	100.00
HEOS Berufsschulen Hamburg GmbH & Co. KG	Hamburg	NK	50.00
Heptan Grundstücksverwaltungsgesellschaft mbH & Co Vermietungs-KG	Mainz	NK	94.00
Hermann Kirchner Bauunternehmung GmbH	Bad Hersfeld	VK	100.00
Hermann Kirchner Hoch- und Ingenieurbau GmbH	Bad Hersfeld	VK	100.00
Hillerstraße - Jungstraße GmbH	Vienna	NK	75.00
HK-Rohstoff & Umwelttechnik GmbH & Co. KG	Hildesheim	NK	50.00
HOTEL SCHLOSS SEEFELS BESITZ- UND MANAGEMENT GMBH	Techelsberg a. W.	NK	30.00
HOTEL VIA Kft.	Budapest	NK	43.00
Hrusecka Obalovna, s.r.o.	Hrusky	NK	80.00
I.C.S. "STRABAG" S.R.L.	Chisinau	NK	100.00
IBV - Immobilien Besitz- und Verwaltungsgesellschaft mbH Werder	Cologne	NK	99.00
IGM Vukovina d.o.o.	Vukovina b.b.	NK	100.00
Ilbau GmbH Deutschland	Berlin	VK	100.00
Ilbau Liegenschaftsverwaltung GmbH	Hoppegarten	VK	100.00
Ilbau Liegenschaftsverwaltung GmbH	Spittal an der Drau	VK	100.00
Immorent Oktatási Kft.	Budapest	NK	20.00
Industrial Engineering and Contracting Co. S.A.R.L. (INDECO) i.L.	Beirut	NK	50.00
Industrielles Bauen Betreuungsgesellschaft mbH	Stuttgart	NK	100.00
Industrija Gradevnog materijala ostra d.o.o.	Zagreb	NK	100.00
InfoSys Informationssysteme GmbH	Spittal an der Drau	VK	94.90
Innsbrucker Nordkettenbahnen Betriebs GmbH	Innsbruck	VK	51.00
Intelligent Traffic Systems Asia	Selangor	NK	100.00
Intolligent Toll Road Management Pvt. Ltd.	Mumbai	NK	50.00
I-PAY CLEARING SERVICES Pvt. Ltd.	Mumbai	VK	74.00
ITC Engineering GmbH & Co. KG	Stuttgart	NK	50.00
JCO s.r.o.	Ceske Budejovice	NK	50.00
Jernhusen Stockholm 122 AB	Stockholm	NK	50.00
JHP spol. s.r.o.	Prague	VK	100.00
JOSEF MOEBIUS CONSTRUCOES E ENGENHARIA CIVIL LTDA.	Sao Paulo	NK	100.00
Josef Riepl Unternehmen für Ingenieur- und Hochbau GmbH	Regensburg	VK	100.00
JUKA Justizzentrum Kurfürstenanlage GmbH	Cologne	VK	100.00
Jumbo Betonpumpen Service GmbH & Co.KG	Limbach-Oberfrohna	NK	50.00
Jumbo Betonpumpen Verwaltungs GmbH	Limbach-Oberfrohna	NK	50.00
JV HEILIT Umwelttechnik-BioPlanta S.R.L.	Orhei	NK	98.00
KAB Kärntner Abfallbewirtschaftung GmbH	Klagenfurt	NK	36.25
KAB Straßensanierung GmbH & Co KG	Spittal an der Drau	VK	50.60
KAB Straßensanierung GmbH	Spittal an der Drau	NK	50.60
Kamen-Ingrad gradnja i rudarstvo d.o.o. u likvidaciji	Zagreb	NK	51.00
KAMENOLOM MALI CARDAK d.o.o.	Zagreb	NK	100.00
KAMENOLOMY CR s.r.o.	Ostrava - Svinov	VK	100.00
Kanzel Steinbruch Dennig Gesellschaft mit beschränkter Haftung	Gratkorn	VK	75.00
Karlovarske silnice, a.s.	Ceske Budejovice	NK	100.00
KASERNEN Projektentwicklungs- und Beteiligungs GmbH	Vienna	NK	24.90
Kelet Aszfalt Kft.	Eger	NK	100.00
KIAG AG	Kreuzlingen	NK	100.00
Kies- und Betonwerk AG Sedrun	Sedrun	NK	35.00
Kiesabbau Gämmerler-Hütwohl GmbH & Co. Aug Kommanditgesellschaft	Königsdorf	NK	50.00

1) VK … Consolidated companies
EK … Companies included at-equity
NK … Not consolidated companies

Company	Residence	Consoli-dation[1]	Direct stake %
Kiesabbau Gämmerler-Hütwohl GmbH & Co. Grube Grafing KG	Königsdorf	NK	50.00
Kiesabbau Gämmerler-Hütwohl GmbH&Co. Grube Leitzinger Au KG	Königsdorf	NK	50.00
Kiesabbau Gämmerler-Hütwohl Verwaltungs- GmbH	Königsdorf	NK	50.00
Kiesgesellschaft Karsee Beteiligungs-GmbH	Immenstaad am Bodensee	NK	50.00
Kiesgesellschaft Karsee GmbH & Co. KG	Immenstaad am Bodensee	NK	50.00
Kieswerk Diersheim GmbH	Rheinau/Baden	NK	60.00
Kieswerk Ohr GmbH	Cologne	NK	100.00
Kieswerk Rheinbach Gesellschaft mit beschränkter Haftung	Cologne	NK	50.00
Kieswerk Rheinbach GmbH & Co Kommanditgesellschaft	Rheinbach	EK	50.00
Kieswerke Schray GmbH & Co. KG	Steißlingen	EK	50.00
Kieswerke Schray Verwaltungs GmbH	Steißlingen	NK	50.00
Kirchhoff + Schleith Beteiligungs-GmbH	Steißlingen	NK	50.00
Kirchhoff + Schleith Straßenbau GmbH & Co. KG	Steißlingen	NK	50.00
Kirchner & Völker Bauunternehmung GmbH	Erfurt	VK	100.00
Kirchner Baugesellschaft m.b.H.	Spittal an der Drau	NK	100.00
Kirchner PPP Service GmbH	Bad Hersfeld	NK	100.00
Kirchner Romania s.r.l.	Bucharest	NK	100.00
Klinik für Psychosomatik und psychiatrische Rehabilitation GmbH	Spittal an der Drau	NK	30.00
KMG - KLIPLEV MOTORWAY GROUP A/S	Copenhagen	VK	100.00
KÖKA Kft.	Budapest	VK	100.00
Königswall Invest B.V.	AK Den Haag	NK	100.00
KRAL ASFALT Sp.z o.o.	Konstantynow Lodzki	NK	50.00
KSH Kalkstein Heiterwang GmbH & Co KG	Pinswang	NK	30.00
KSH Kalkstein Heiterwang GmbH	Pinswang	NK	30.00
KSR - Kamenolomy SR, s.r.o.	Zvolen	VK	100.00
Lafarge Cement CE Holding GmbH	Vienna	EK	30.00
LAS Lauterhofener Asphalt und Straßenbau Gesellschaft mbH i.L.	Lauterhofen	NK	100.00
Latasfalts SIA	Milzkalne	NK	100.00
Leonhard Moll Hoch- und Tiefbau GmbH	Munich	VK	100.00
Leonhard Moll Tiefbau GmbH	Munich	NK	100.00
Liberecka Obalovna s.r.o.	Liberec	NK	50.00
Lieferasphalt Gesellschaft m.b.H. & Co OG, Viecht	Viecht	NK	66.50
Lieferasphalt Gesellschaft m.b.H. & Co. OG	Maria Gail	NK	60.00
Lieferasphalt Gesellschaft m.b.H.& Co.OG, Zirl	Vienna	NK	50.00
Lieferasphalt Gesellschaft m.b.H.	Vienna	NK	50.00
Lieferbeton Simmern GmbH & Co. KG	Simmern/Hunsrück	NK	50.00
Lieferbeton Simmern Verwaltungs-GmbH	Simmern/Hunsrück	NK	50.00
LIMET Beteiligungs GmbH & Co. Objekt Köln KG	Cologne	VK	94.00
LIMET Beteiligungs GmbH	Cologne	VK	100.00
Linnetorp AB	Sjöbo	NK	100.00
Linzer Schlackenaufbereitungs- und vertriebsgesellschaft m.b.H.	Linz	NK	33.33
LISAG Linzer Splitt- und Asphaltwerk GmbH. & CO KG	Linz	NK	50.00
LISAG Linzer Splitt- und Asphaltwerk GmbH.	Linz	NK	50.00
LPRD (LESZCZYNSKIE PRZEDSIEBIORSTWO ROBOT DROGOWO)-MOSTOWYCH Sp.z o.o.	Leszno	NK	98.70
Ludwig Voss GmbH	Cuxhaven	VK	100.00
M5 Beteiligungs GmbH	Vienna	VK	100.00
M5 Holding GmbH	Vienna	VK	100.00
Magyar Bau Holding Zrt.	Budapest	NK	100.00
MAK Mecsek Autopalya Koncesszios Zrt.	Budapest	EK	30.00
MASZ M6 Kft.	Budapest	NK	100.00
MAV Mineralstoff - Aufbereitung und - Verwertung GmbH	Krefeld	VK	50.00
MAV Mineralstoff - Aufbereitung und Verwertung Lünen GmbH	Lünen	VK	100.00
Mazowieckie Asfalty Sp.z o.o.	Pruszkow	NK	100.00
Mecsek Autopalya-üzemeltetö Zrt.	Budapest	NK	25.00

1) VK … Consolidated companies
EK … Companies included at-equity
NK … Not consolidated companies

Company	Residence	Consoli-dation[1]	Direct stake %
MERK Timber GmbH	Aichach	VK	100.00
Messe City Köln Beteiligungsgesellschaft mbH	Hamburg	NK	50.00
Messe City Köln GmbH & Co. KG	Hamburg	NK	50.00
MesseCity Köln Generalübernehmer GmbH & Co. KG	Oststeinbek	NK	50.00
MIEJSKIE PRZEDSIEBIORSTWO ROBOT DROGOWYCH Sp.z o.o.	Bialystok	NK	100.00
MIGU-Asphalt-Baugesellschaft m.b.H.	Lustenau	NK	50.00
Mikrobiologische Abfallbehandlungs GmbH	Schwadorf	NK	51.00
Milet Ditzingen Beteiligungsgesellschaft mbH	Heidelberg	NK	49.00
Milet Ditzingen Objektgesellschaft mbH & Co. KG	Heidelberg	NK	48.71
Mineral Abbau GmbH	Spittal an der Drau	VK	100.00
Mineral Baustoff GmbH	Cologne	VK	100.00
MINERAL IGM d.o.o.	Zapuzane	VK	100.00
Mineral Kop doo Beograd	Belgrad	NK	100.00
Mineral Polska Sp. z.o.o.	Czarny Bor	VK	100.00
MINERAL ROM S.R.L.	Brasov	NK	100.00
Mischek Bauträger Service GmbH	Vienna	NK	100.00
Mischek Leasing eins Gesellschaft m.b.H.	Vienna	NK	100.00
Mischek Systembau GmbH	Vienna	VK	100.00
Mister Recrutamento Lda.	Lisbon	NK	100.00
MiTTaG spol. s.r.o.	Prague	VK	100.00
MLT Maschinen Logistik Technik GmbH & Co. KG	Nesse-Apfelstädt	NK	50.00
MLT Verwaltungs GmbH	Nesse-Apfelstädt	NK	50.00
Mobil Baustoffe AG	Steinhausen	NK	100.00
MOBIL Baustoffe GmbH	Munich	VK	100.00
MOBIL Baustoffe GmbH	Reichenfels	VK	100.00
Mobil Concrete Qatar W.L.L.	Doha	NK	98.00
MOBIL-CONCRETE OOD	Sofia	NK	50.00
Möbius Construction Ukraine Ltd	Odessa	VK	100.00
Möbius Wasserbau GmbH	Hamburg	NK	100.00
MOEBIUS-Bau Polska EMO Baczewscy Spolka Jawna	Szczecin	NK	50.00
Moser & C. SRL	Bruneck	NK	50.00
MSO Mischanlagen GmbH Ilz & Co KG	Ilz	NK	52.81
MSO Mischanlagen GmbH Pinkafeld & Co KG	Pinkafeld	NK	52.67
MSO Mischanlagen GmbH	Ilz	NK	33.33
MUST Razvoj projekata d.o.o.	Zagreb	NK	100.00
N.V. STRABAG Belgium S.A.	Antwerp	VK	100.00
N.V. STRABAG Benelux S.A.	Antwerp	VK	100.00
Na belidle s.r.o.	Prague	VK	100.00
Natursteinwerke im Nordschwarzwald NSN GmbH & Co. KG	Mühlacker	EK	25.00
Natursteinwerke im Nordschwarzwald NSN Verwaltungsgesellschaft mit beschränkter Haftung	Mühlacker	NK	25.00
NE Sander Eisenbau GmbH	Sande	VK	100.00
NE Sander Immobilien GmbH	Sande	VK	100.00
NEUE REFORMBAU Gesellschaft m.b.H.	Vienna	NK	100.00
Nimab Anläggning AB	Sjöbo	NK	100.00
Nimab Entreprenad AB	Sjöbo	VK	100.00
Nimab Fastigheter AB	Sjöbo	NK	100.00
Nimab Support AB	Sjöbo	NK	100.00
NIOG Projektentwicklungs-GmbH & Co. KG	Hamburg	NK	50.00
NIOG Verwaltung GmbH	Hamburg	NK	50.00
Norsk Standardselskap 154 AS	Oslo	NK	100.00
Northern Energy GAIA I. GmbH	Aurich	VK	100.00
Northern Energy GAIA II. GmbH	Aurich	VK	100.00
Northern Energy GAIA III. GmbH	Aurich	VK	100.00
Northern Energy GAIA IV. GmbH	Aurich	VK	100.00

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Company	Residence	Consolidation[1]	Direct stake %
Northern Energy GAIA V. GmbH	Aurich	VK	100.00
Northern Energy GlobalTech II. GmbH	Aurich	VK	100.00
Northern Energy OWP Albatros GmbH	Aurich	VK	100.00
Northern Energy OWP West GmbH	Aurich	VK	100.00
Northern Energy SeaStorm I. GmbH	Aurich	VK	100.00
Northern Energy SeaStorm II. GmbH	Aurich	VK	100.00
Northern Energy SeaWind I. GmbH	Aurich	VK	100.00
Northern Energy SeaWind II. GmbH	Aurich	VK	100.00
Northern Energy SeaWind III GmbH	Aurich	VK	100.00
Northern Energy SeaWind IV. GmbH	Aurich	VK	100.00
NR Bau- u. Immobilienverwertung GmbH	Berlin	NK	100.00
NUOVO MERCATO GIANICOLENSE SRL	Bologna	NK	40.00
Nyugat Aszfalt Kft.	Györ	NK	100.00
OAT - Bohr- und Fugentechnik Gesellschaft m.b.H.	Spittal an der Drau	VK	51.00
OAT Kft.	Budapest	VK	100.00
OAT s.r.o.	Prague	VK	100.00
OAT spol. s.r.o.	Bratislava	VK	100.00
OBIT GmbH	Berlin	NK	100.00
ODEN Anläggning Fastighets AB	Stockholm	NK	100.00
ODEN Entreprenad Fastighets AB	Stockholm	NK	100.00
ODEN Maskin Fastighets AB	Stockholm	NK	100.00
Oder Havel Mischwerke GmbH & Co. KG	Berlin	EK	33.33
ODRA-ASFALT Sp. z o.o.	Szczecin	NK	33.33
Offshore Services Cuxhaven GmbH	Cologne	NK	100.00
Offshore Wind Logistik GmbH	Stuttgart	VK	100.00
OFIM HOLDINGS LIMITED	Cardiff	NK	46.25
Onezhskaya Mining Company LLC	Petrozavodsk	NK	59.00
Ontwikkelingscombinatie Maasmechelen N.V.	Antwerp	NK	50.00
OOO "Dywidag"	Moscow	NK	100.00
OOO "EFKON"	Moscow	NK	100.00
OOO "Möbius"	St. Petersburg	NK	75.00
OOO "SAT"	Moscow	NK	100.00
OOO "Strabag Straßenbau"	Moscow	NK	100.00
OOO "Strabag Sued"	Moscow	NK	100.00
OOO "STRATON"	Sotschi	NK	50.00
OOO "TPA Gesellschaft für Qualitätssicherung und Innovation"	Moscow	NK	100.00
OOO BMTI	Moscow	NK	100.00
OOO CLS Construction Legal Services	Moscow	NK	100.00
OOO STRABAG PFS	Moscow	NK	100.00
OOO Züblin Russia	Ufa	NK	100.00
OOO Züblin	Moscow	NK	100.00
Osttiroler Asphalt Hoch- und Tiefbauunternehmung GmbH	Lavant i. Osttirol	VK	80.00
PAM Pongauer Asphaltmischanlagen GmbH & Co KG	St. Johann im Pongau	NK	50.00
PAM Pongauer Asphaltmischanlagen GmbH	St. Johann im Pongau	NK	50.00
PANSUEVIA GmbH & Co. KG	Jettingen-Scheppach	EK	50.00
PANSUEVIA Service GmbH & Co. KG	Jettingen-Scheppach	EK	50.00
PARK SERVICE HÜFNER GmbH + Co. KG	Stuttgart	NK	48.44
Passivhaus Kammelweg Bauträger GmbH	Vienna	NK	100.00
PBOiUT Slask Sp. z o.o.	Katowice	VK	60.98
PEKA Entwicklungsgesellschaft Kurfürstenanlage GmbH	Cologne	VK	100.00
PH Bau Erfurt GmbH	Erfurt	NK	100.00
Philman Holdings Co.	Philippinen	NK	20.00
PNM, d.o.o.	Ljubljana	NK	100.00
POLSKI ASFALT Sp.z o.o.	Kraków	NK	100.00
Poltec Sp.z o.o.	Braslau	NK	100.00

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NK … Not consolidated companies

Company	Residence	Consoli-dation[1]	Direct stake %
Pomgrad Inzenjering d.o.o.	Split	VK	100.00
PPP Conrad-von-Ense-Schule GmbH	Bad Hersfeld	NK	100.00
PPP Management GmbH	Cologne	NK	100.00
PPP Schulen Kreis Düren GmbH	Bad Hersfeld	NK	100.00
PPP Schulen Monheim am Rhein GmbH	Bad Hersfeld	NK	100.00
PPP SchulManagement Witten GmbH & Co. KG	Cologne	NK	100.00
PPP SeeCampus Niederlausitz GmbH	Bad Hersfeld	NK	100.00
Preduzece za puteve "Zajecar" a.D.Zajecar	Zajecar	VK	100.00
Preusse Baubetriebe Gesellschaft mit beschränkter Haftung	Hamburg	VK	100.00
PRID-CIECHANOW Sp.z o.o.	Ciechanow	NK	100.00
PRO Liegenschaftsverwaltungs- und Verwertungsgesellschaft m.b.H.	Vienna	NK	100.00
Projekt Elbpark GmbH & Co. KG	Cologne	VK	100.00
Projekt Elbpark Verwaltungs GmbH	Cologne	NK	100.00
Projektgesellschaft Willinkspark GmbH	Cologne	NK	100.00
Prottelith Produktionsgesellschaft mbH	Liebenfels	NK	52.00
PRZEDSIEBIORSTWO ROBOT DROGOWYCH Sp.z o.o. W LIKWIDACJI	Choszczno	NK	100.00
PWG-Bau Pfersee Wohn- und Gewerbebauträger GmbH & Co.KG	Munich	NK	50.00
PWG-Bau Pfersee Wohn-und Gewerbebauträger Verwaltungs GmbH	Munich	NK	50.00
Pyhrn Concession Holding GmbH	Cologne	VK	100.00
PZC SPLIT d.d.	Split	VK	95.37
QMP Generalübernehmer GmbH & Co. KG	Oststeinbek	NK	50.00
RAE Recycling Asphaltwerk Eisfeld GmbH & Co KG	Eisfeld	NK	37.50
RAE Recycling Asphaltwerk Eisfeld Verwaltungs-GmbH	Eisfeld	NK	37.50
Raiffeisen evolution project development GmbH	Vienna	EK	20.00
RAM Regensburger Asphalt-Mischwerke GmbH & Co KG	Barbing	NK	44.33
Rapp GmbH & Co. KG	Steinheim am Albuch	NK	20.00
Rapp Verwaltungs-GmbH	Steinheim am Albuch	NK	20.00
Raststation A 3 GmbH	Vienna	VK	100.00
Raststation A 6 GmbH	Vienna	VK	100.00
Rathaus-Carrée Saarbrücken Grundstücksentwicklungs Gesellschaft mbH i.L.	Cologne	NK	24.97
Rathaus-Carrée Saarbrücken Grundstücksentwicklungsgesellschaft mbH & Co.KG	Cologne	NK	25.00
RBS Rohrbau-Schweißtechnik Gesellschaft m.b.H.	Linz	VK	100.00
RE Wohnungseigentumserrichtungs GmbH	Vienna	NK	75.00
Regensburger Asphalt-Mischwerke GmbH	Barbing	NK	44.33
REMEX Coesfeld Gesellschaft für Baustoffaufbereitung mbH	Dülmen-Buldern	NK	50.00
REPASS-SANIERUNGSTECHNIK GMBH Korrosionsschutz und Betoninstandsetzung	Munderkingen	VK	100.00
Reutlinger Asphaltmischwerk Verwaltungs GmbH	Reutlingen	NK	50.00
Rezidencie Machnac, s.r.o.	Bratislava	NK	50.00
RFM Asphaltmischwerk GmbH & Co KG	Traiskirchen	NK	33.33
RFM Asphaltmischwerk GmbH.	Wienersdorf-Oeynhausen	NK	33.33
RGL Rekultivierungsgesellschaft Langentrog mbH	Langenargen	NK	80.00
Rheinbacher Asphaltmischwerk Gesellschaft mit beschränkter Haftung	Rheinbach	NK	50.00
Rheinbacher Asphaltmischwerk GmbH & Co. Kommanditgesellschaft für Straßenbaustoffe i.L.	Rheinbach	NK	50.00
Rhein-Regio Neuenburg Projektentwicklung GmbH	Neuenburg am Rhein	NK	90.00
Rieder Asphaltgesellschaft m.b.H. & Co. KG.	Ried im Zillertal	NK	50.00
Rieder Asphaltgesellschaft m.b.H.	Ried im Zillertal	NK	50.00
Rimex Gebäudemanagement GmbH	Ulm	VK	100.00
RKH Rheinkies Hitdorf GmbH & Co. KG i.L.	Bergheim	NK	33.33
RKH Rheinkies Hitdorf Verwaltungs GmbH i.L.	Bergheim	NK	33.33
ROBA Kieswerk Merseburg GmbH i.L.	Merseburg	NK	100.00
ROBA Transportbeton GmbH	Cologne	VK	100.00
ROBA-Neuland Beton GmbH & Co. KG	Hamburg	NK	50.00
Robert Kieserling Industriefußboden Gesellschaft mit beschränkter Haftung	Hamburg	VK	100.00
Rohstoff & Umwelttechnik Verwaltungs GmbH	Hildesheim	NK	50.00

1) VK … Consolidated companies
EK … Companies included at-equity
NK … Not consolidated companies

Company	Residence	Consoli-dation[1)]	Direct stake %
Romania Asfalt s.r.l.	Bucharest	NK	100.00
RST Rail Systems and Technologies GmbH	Barleben	NK	82.00
RVB Gesellschaft für Recycling, Verwertung und Beseitigung von Abfällen mbH	Kelheim	NK	100.00
S.U.S. Abflussdienst Gesellschaft m.b.H.	Vienna	NK	100.00
Salzburger Lieferasphalt GmbH & Co OG	Sulzau	NK	20.00
SAM Sindelfinger Asphalt-Mischwerke GmbH & Co KG	Sindelfingen	NK	20.00
SAO BRVZ Ltd	Moscow	VK	100.00
SAT REABILITARE RECICLARE S.R.L.	Cluj-Napoca	NK	100.00
SAT s.r.o.	Prague	VK	100.00
SAT SANIRANJE cesta d.o.o.	Zagreb	NK	100.00
SAT SLOVENSKO s.r.o.	Bratislava	NK	100.00
SAT Sp.z o.o.	Olawa	VK	100.00
SAT Straßensanierung GmbH	Cologne	VK	100.00
SAT Ukraine	Brovary	NK	100.00
SAT Útjavító Kft.	Budapest	NK	100.00
SAV Südniedersächsische Aufbereitung und Verwertung Verwaltungs GmbH	Hildesheim	NK	50.00
Schlackenkontor Bremen GmbH	Bremen	NK	25.00
Schotter- und Kies-Union GmbH & Co. KG	Leipzig	NK	57.90
Schotter- und Kies-Union Verwaltungsgesellschaft mbH	Hirschfeld	NK	100.00
SCHOTTERWERK EDLING GESELLSCHAFT M.B.H.	Klagenfurt	NK	74.00
SEF Netz-Service GmbH	Munich	NK	100.00
SF Bau vier GmbH	Vienna	VK	100.00
SF-Ausbau GmbH	Freiberg	VK	100.00
SF-BAU-Grundstücksgesellschaft "ABC-Bogen" mbH	Cologne	NK	100.00
Shanghai Changjiang-Züblin Construction&Engineering Co.Ltd.	Shanghai	VK	75.00
Sindelfinger Asphalt-Mischwerke GmbH	Sindelfingen	NK	20.00
SMB Construction International GmbH	Sengenthal	NK	50.00
SOOO "STRABAG Engineering Center"	Minsk	NK	60.00
SOWI - Investor - Bauträger GmbH	Innsbruck	NK	33.33
SPK - Errichtungs- und Betriebsges.m.b.H.	Spittal an der Drau	NK	100.00
Spolecne obalovny, s r.o.	Prague	NK	50.00
SPPD Sp. z o.o.	Pruszkow	NK	100.00
SRE Erste Vermögensverwaltung GmbH	Cologne	NK	100.00
SRE Zweite Vermögensverwaltung GmbH	Cologne	NK	100.00
SRK Kliniken Beteiligungs GmbH	Vienna	NK	25.00
STA Asphaltmischwerk Strahlungen GmbH	Strahlungen	NK	24.90
stahl + verbundbau gesellschaft für industrielles bauen m.b.H.	Dreieich	NK	30.00
Staßfurter Baubetriebe GmbH	Staßfurt	VK	100.00
Steffes-Mies GmbH	Sprendlingen	VK	100.00
Steinbruch Mauterndorf Gesellschaft m.b.H.	St. Michael/Lungau	NK	50.00
Steinbruch Spittergrund GmbH	Erfurt	EK	50.00
Stephan Beratungs-GmbH	Linz am Rhein	NK	30.00
Stephan Holzbau GmbH	Stuttgart	VK	100.00
STHOI Co., Ltd.	Bangkok	NK	49.00
Storf Hoch- und Tiefbaugesellschaft m.b.H.	Reutte	VK	100.00
STR Irodaház Kft.	Budapest	NK	100.00
STR Lakasepitö Kft.	Budapest	NK	100.00
STRABAG - ZIPP Development s.r.o.	Bratislava	NK	100.00
STRABAG (B) Sdn Bhd	Bandar Seri Begawan	NK	100.00
Strabag a.s.	Prague	VK	100.00
STRABAG A/S	Trige	NK	100.00
STRABAG AB	Stockholm	VK	100.00
STRABAG ABU DHABI LLC	Abu Dhabi	VK	100.00
STRABAG AG	Cologne	VK	93.63
STRABAG AG	Spittal an der Drau	VK	100.00

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EK … Companies included at-equity
NK … Not consolidated companies

Company	Residence	Consoli-dation[1]	Direct stake %
STRABAG AG	Zürich	VK	100.00
STRABAG Algerie EURL	Alger	NK	100.00
STRABAG Általános Építö Kft.	Budapest	VK	100.00
STRABAG Anlagentechnik GmbH	Cologne	VK	100.00
STRABAG Anlagentechnik GmbH	Thalgau	VK	100.00
STRABAG Asset GmbH	Cologne	VK	100.00
STRABAG AUSTRALIA PTY LTD	BRISBANE	NK	100.00
STRABAG B.V.	Vlaardingen	VK	100.00
STRABAG Bau GmbH	Vienna	VK	100.00
STRABAG Baustoffaufbereitung und Recycling GmbH	Düsseldorf	NK	51.00
STRABAG Beteiligungen International AG	Spittal/Drau	NK	100.00
STRABAG Beton GmbH & Co. KG	Berlin	VK	100.00
STRABAG Construction Co., Ltd.	Bangkok	NK	49.00
STRABAG Construction Nigeria	Ikeja	NK	100.00
STRABAG d.o.o. Beograd	Novi Beograd	VK	100.00
STRABAG d.o.o. Sarajevo	Sarajevo	NK	100.00
Strabag d.o.o.	Zagreb	VK	100.00
STRABAG Dredging GmbH	Hamburg	NK	100.00
STRABAG DROGI WOJEWODZKIE Sp. z o.o.	Pruszków	NK	100.00
STRABAG Dubai LLC	Dubai	NK	100.00
STRABAG EAD	Sofia	VK	100.00
STRABAG Energy Technologies GmbH	Vienna	VK	100.00
STRABAG Facility Management GmbH	Nürnberg	VK	100.00
STRABAG FACILITY MANAGEMENT S.R.L.	Bucharest	NK	100.00
STRABAG Gorzów Wielkopolski Sp.z o.o.	Gorzów Wielkopolski	NK	49.00
STRABAG gradbene storitve d.o.o.	Ljubljana	VK	100.00
STRABAG Holding GmbH	Vienna	VK	100.00
STRABAG HYDROTECH SP z o.o.	Szczecin	NK	100.00
Strabag Inc.	Toronto	VK	100.00
STRABAG India Private Limited	Maharashtra	NK	100.00
STRABAG Industries (Thailand) Co.,Ltd.	Bangkok	NK	100.00
STRABAG Infrastruktur Development	Moscow	NK	100.00
STRABAG Infrastrukturprojekt GmbH	Bad Hersfeld	VK	100.00
STRABAG Installations pour l'Environnement SARL	Champagne au mont d'or	NK	100.00
Strabag International Benin SARL	Benin	NK	100.00
Strabag International Corporation	Buena Vista	NK	100.00
STRABAG International GmbH	Cologne	VK	100.00
STRABAG Invest GmbH	Vienna	NK	51.00
Strabag Kiew TOW	Kiew	NK	100.00
STRABAG Krankenhaus Errichtungs- und BetriebsgmbH	Vienna	NK	100.00
Strabag Liegenschaftsverwaltung GmbH	Linz	VK	100.00
STRABAG Offshore Wind GmbH	Stuttgart	VK	100.00
Strabag Oktatási PPP Kft.	Budapest	NK	30.00
STRABAG OMAN L.L.C.	Muscat	VK	100.00
STRABAG OW EVS GmbH	Hamburg	NK	51.00
STRABAG Oy	Helsinki	VK	100.00
STRABAG Pipeline- und Rohrleitungsbau GmbH	Regensburg	VK	100.00
STRABAG Projektentwicklung GmbH	Cologne	VK	100.00
STRABAG Projektutveckling AB	Stockholm	VK[2]	100.00
STRABAG Property and Facility Services a.s.	Prague	VK	100.00
STRABAG Property and Facility Services d.o.o.	Zagreb	NK	100.00
STRABAG Property and Facility Services GmbH	Münster	VK	100.00
STRABAG Property and Facility Services GmbH	Vienna	VK	100.00
STRABAG Property and Facility Services s.r.o.	Bratislava	NK	55.00
Strabag Property and Facility Services Sp.z.o.o.	Pruszkow	NK	100.00

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2) The presentation of interests is done using the economic approach; the interests as defined by civil law may deviate from this presentation.

Company	Residence	Consoli-dation[1]	Direct stake %
STRABAG Property and Facility Services Zrt.	Budapest	VK	51.00
Strabag Qatar W.L.L.	Qatar	VK	100.00
STRABAG Rail AB	Kumla	NK	100.00
STRABAG Rail Fahrleitungen GmbH	Berlin	VK	100.00
STRABAG Rail GmbH	Lauda-Königshofen	VK	100.00
STRABAG RAIL POLSKA Sp.z o.o.	Breslau	VK	100.00
STRABAG Ray Ltd. Sti.	Ankara	NK	100.00
STRABAG Real Estate GmbH	Cologne	VK	100.00
STRABAG Residential Property Services GmbH	Berlin	NK	99.51
Strabag RS d.o.o.	Banja Luka	NK	100.00
STRABAG S.A.S.	Bogota D.C.	NK	100.00
STRABAG S.p.A.	Bologna	VK	100.00
STRABAG s.r.o.	Bratislava	VK	100.00
Strabag Saudi Arabia	Khobar	NK	50.00
STRABAG Sh.p.k.	Tirana	NK	100.00
STRABAG SIA	Milzkalne	NK	82.08
STRABAG Sp.z o.o.	Pruszkow	VK	100.00
Strabag SpA	Santiago	VK	100.00
STRABAG Sportstättenbau GmbH	Dortmund	VK	100.00
Strabag srl	Bucharest	VK	100.00
STRABAG Sverige AB	Stockholm	VK	100.00
STRABAG Umweltanlagen GmbH	Dresden	VK	100.00
STRABAG Unterstützungskasse GmbH	Cologne	VK	100.00
STRABAG Vasútépítö Kft.	Budapest	VK	100.00
STRABAG Wasserbau GmbH	Hamburg	VK	100.00
STRABAG Wasserbau Scandinavia AB	Täby	NK	100.00
Strabag Zrt.	Budapest	VK	100.00
STRABAG-HIDROINZENJERING d.o.o	Split	VK	100.00
Strabag-Mert Kkt.	Budapest	NK	50.00
STRABAG-MML Kft.	Budapest	VK	100.00
STRABAG-PROJEKT 2 Sp.z o.o.	Pruszkow	NK	100.00
STRABAG-PROJEKT Sp.z o.o.	Pruszkow	NK	100.00
STRABIL STRABAG Bildung im Lauenburgischen GmbH	Cologne	NK	100.00
Straktor Bau Aktien Gesellschaft	Kifisia	NK	50.00
Stratebau GmbH	Regensburg	VK	100.00
STRAVIA Kft.	Budapest	NK	25.00
STRIBA Protonentherapiezentrum Essen GmbH	Cologne	NK	50.00
Südprojekt A-Modell GmbH & Co. KG	Bad Hersfeld	NK	100.00
Südprojekt A-Modell Verwaltung GmbH	Bad Hersfeld	NK	100.00
Syrena Immobilien Holding Aktiengesellschaft	Spittal an der Drau	NK	50.00
Szentesi Vasútépítö Kft	Budapest	VK	100.00
SZYBKI TRAMWAY Sp. z o.o.	Pruszkow	NK	100.00
T S S Technische Sicherheits-Systeme Gesellschaft mit beschränkter Haftung	Cologne	VK	100.00
TBG Ceske Budejovice spol. s.r.o.	Budweis	NK	50.00
TBG Frissbeton Kft.	Pecs	NK	50.00
TBG Transportbeton Saalfeld GmbH & Co.KG	Saalfeld/Saale	NK	28.33
TBG Transportbeton Saalfeld Verwaltungs-GmbH	Saalfeld/Saale	NK	28.33
TBG-STRABAG d.o.o.	Zagreb	NK	50.00
TDE Mitteldeutsche Bergbau Service GmbH	Espenhain	NK	35.00
TETRA Telekommunikation - Service GmbH	Vienna	NK	100.00
TH 116 GmbH & Co. KG	Cologne	NK	100.00
THE INTOLLIGENT LIMITED	Dublin	NK	100.00
Thüringer Straßenwartungs- und Instandhaltungsgesellschaft mbH & Co. KG	Apfelstädt	EK	50.00
Tierra Chuquicamata SpA	Santiago	NK	50.00
TOLLINK (PROPRIERTARY) LIMITED	Pretoria	NK	100.00

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NK … Not consolidated companies

Company	Residence	Consolidation[1]	Direct stake %
TolLink Pakistan (Private) Limited	Islamabad	NK	60.00
TOO STRABAG Kasachstan	Astana	NK	100.00
Torkret GmbH	Stuttgart	VK	100.00
TOW BRVZ	Kiew	NK	100.00
TPA CR, s.r.o.	Ceske Budejovice	VK	100.00
TPA EOOD	Sofia	NK	100.00
TPA Gesellschaft für Qualitätssicherung und Innovation GmbH	Erstfeld	NK	100.00
TPA Gesellschaft für Qualitätssicherung und Innovation GmbH	Vienna	VK	100.00
TPA GmbH	Cologne	VK	100.00
TPA HU Kft.	Budapest	VK	100.00
TPA odrzavanje kvaliteta i inovacija d.o.o.	Zagreb	VK	100.00
TPA Societate pentru asigurarea calitatii si inovatii SRL	Bucharest	VK	100.00
TPA Sp.z o.o.	Pruszkow	VK	100.00
TPA Spolocnost pre zabezpecenie kvality a inovacie s.r.o.	Bratislava	VK	100.00
TPA za obezbedenje kvaliteta i inovacije d.o.o. Beograd	Novi Beograd	VK	100.00
Transportbetonwerk Hirschlanden GmbH & Co KG	Ditzingen	NK	30.00
Transportbetonwerk Hirschlanden Verwaltungs GmbH	Ditzingen	NK	30.00
Trema Engineering 2 sh p.k.	Tirana	VK	51.00
Treuhandbeteiligung B		NK	100.00
Treuhandbeteiligung H		VK[2]	100.00
Treuhandbeteiligung M		NK	100.00
Treuhandbeteiligung Mo		NK	100.00
Triplus Beton GmbH & Co KG	Zell am See	NK	50.00
Triplus Beton GmbH	Zell am See	NK	50.00
TSI VERWALTUNGS GMBH	Apfelstädt	NK	50.00
TyresöHandel AB	Stockholm	NK	100.00
TyresöHandel Holding AB	Stockholm	NK	100.00
TyresöView1 AB	Stockholm	NK	100.00
TyresöView1 Holding AB	Stockholm	VK	100.00
UAB "Strabag Baltija"	Klaipeda	NK	100.00
UAB "STRABAG Wasserbau"	Klaipeda	NK	100.00
ULTRA Transportbeton GmbH & Co KG	Neu-Ulm	NK	29.00
ULTRA Transportbeton VerwaltungsGmbH	Neu-Ulm	NK	29.00
UND-FRISCHBETON s.r.o.	Kosice	NK	75.00
Universitätszentrum Althanstraße Erweiterungsgesellschaft m.b.H.	Vienna	NK	100.00
Unterstützungseinrichtung für die Angestellten der ehemaligen Bau-Aktiengesellschaft "Negrelli" Gesellschaft m.b.H.	Vienna	NK	50.00
Valarea SAS	Lyon	NK	100.00
VAM-Valentiner Asphaltmischwerk Gesellschaft m.b.H. & Co.KG	Linz	NK	75.00
VAM-Valentiner Asphaltmischwerk Gesellschaft m.b.H.	Linz	NK	75.00
VARNA EFKON OOD	Varna	NK	52.00
VCO - Vychodoceska obalovna, s r.o	Hradec Kralove	NK	33.33
Verbundplan Birecik Isletme Ltd.	Birecik	NK	25.00
Vereinigte Asphaltmischwerke Gesellschaft m.b.H. & Co KG	Spittal an der Drau	NK	50.00
Vereinigte Asphaltmischwerke Gesellschaft m.b.H.	Spittal an der Drau	NK	50.00
Verwaltung Forum Mittelrhein Koblenz Generalübernehmergesellschaft mbH	Oststeinbek	NK	51.00
Verwaltung Grundstücksgesellschaft Kaiserplatz Aachen Adalbertstraße GmbH	Hamburg	NK	50.00
Verwaltung MesseCity Köln Generalübernehmer GmbH	Oststeinbek	NK	50.00
Verwaltung QMP Generalübernehmer GmbH	Osteinbek	NK	50.00
Verwaltungsgesellschaft ROBA-Neuland Beton m.b.H.	Hamburg	NK	50.00
Viamont DSP a.s.	Usti nad Labem	VK	100.00
VIANOVA - Bitumenemulsionen GmbH	Fürnitz	NK	24.90
VIANOVA SLOVENIJA d.o.o.	Logatec	NK	50.00
Viedenska brana s.r.o.	Bratislava	VK	100.00
VIOLA PARK Immobilienprojekt GmbH	Vienna	VK	75.00

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EK … Companies included at-equity
NK … Not consolidated companies

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Company	Residence	Consoli-dation[1]	Direct stake %
VKG-Valentiner Kieswerk Gesellschaft m.b.H.	Linz	NK	50.00
Vojvodinaput-Pancevo a.d. Pancevo	Pancevo	VK	82.07
Walter Group International Philippines, Inc.	Philippinen	NK	26.00
WBA - Walter Birgel Asphaltbau Gesellschaft mit beschränkter Haftung i.L.	Leipzig	NK	85.00
WIBAU Holding GmbH	Linz	NK	37.83
Windkraft FiT GmbH	Hamburg	VK	100.00
WMB Drogbud Sp.z o.o.	Lubojenka	NK	51.00
WMW Weinviertler Mischwerk Gesellschaft m.b.H. & Co KG	Zistersdorf	NK	33.33
WMW Weinviertler Mischwerk Gesellschaft m.b.H.	Zistersdorf	NK	33.33
Wohnbau Tafelgelände Beteiligungs-GmbH	Munich	NK	25.00
Wohnbau Tafelgelände GmbH & Co. KG	Munich	NK	25.00
Wohnbauträgergesellschaft Objekt "Freising - Westlich der Jagdstraße" mbH	Cologne	NK	100.00
Wohnen am Krautgarten Bauträger GmbH	Vienna	NK	100.00
Wolfer & Goebel Bau GmbH	Stuttgart	VK	100.00
Wollhaus HN GmbH & Co. KG	Cologne	NK	100.00
WTG Walhalla Transportbeton GmbH	Regensburg	NK	22.20
Xaver Bachner GmbH	Straubing	VK	100.00
Z.I.P.O.S. d.o.o.	Antunovac	NK	50.00
Zaklad Surowcow Drogowych "Walmor" Sp.z o.o.	Warschau	NK	48.08
ZAO "Strabag"	Moscow	VK	100.00
Z-Bau GmbH	Magdeburg	VK	100.00
ZDE Projekt Oberaltenallee GmbH	Hamburg	NK	100.00
ZDE Sechste Vermögensverwaltung GmbH	Cologne	VK	100.00
ZDE Siebte Vermögensverwaltung GmbH	Cologne	NK	100.00
Z-Design EOOD	Sofia	NK	100.00
Zentrum Rennweg S-Bahn Immobilienentwicklung GmbH	Vienna	NK	100.00
Zezelivskij karier TOW	Zezelev	VK	99.36
ZG1 s.r.o.	Bratislava	NK	100.00
ZIPP BRATISLAVA spol. sr.o.	Bratislava	VK	100.00
ZIPP Brno s.r.o.	Brünn	NK	50.00
ZIPP REAL, a.s.	Brünn	NK	50.00
ZS Real Estate AG	Opfikon	NK	99.80
Züblin A/S	Trige	VK	100.00
Züblin AS	Oslo	NK	100.00
Züblin Australia Pty Ltd	Perth	NK	100.00
Züblin Bulgaria EOOD	Sofia	NK	100.00
Züblin Chimney and Refractory GmbH	Cologne	VK	100.00
Züblin Construction L.L.C.	Abu Dhabi	NK	100.00
Züblin Engineering Consulting (Shanghai) Co., Ltd.	Shanghai	NK	100.00
Züblin Gebäudetechnik GmbH	Erlangen	VK	100.00
Züblin Ground and Civil Engineering LLC	Dubai	VK	100.00
Züblin Holding GesmbH	Vienna	VK	100.00
Züblin Holding Thailand Co. Ltd.	Bangkok	NK	79.35
Züblin Hrvatska d.o.o.	Zagreb	NK	100.00
Züblin Inc.	Saint John/NewBrunswick	VK	100.00
Züblin International GmbH Chile SpA	Santiago de Chile	VK	100.00
Züblin International GmbH	Stuttgart	VK	100.00
Züblin International Malaysia Sdn. Bhd.	Kuala Lumpur	NK	100.00
Züblin International Qatar LLC	Doha	EK	49.00
Züblin Ireland Limited	Dublin	NK	100.00
Züblin Kft.	Budapest	VK	100.00
Züblin Nederland BV	Vlaardingen	VK	100.00
Züblin Projektentwicklung GmbH	Stuttgart	VK	100.00
Züblin Romania S.R.L.	Bucharest	VK	100.00
Züblin Scandinavia AB	Stockholm	VK	100.00

1) VK … Consolidated companies
EK … Companies included at-equity
NK … Not consolidated companies

Company	Residence	Consolidation[1]	Direct stake %
Züblin Services GmbH	Stuttgart	NK	100.00
Züblin Sp. z o.o.	Poznan	VK	100.00
Züblin Spezialtiefbau Ges.m.b.H.	Vienna	VK	100.00
Züblin Spezialtiefbau GmbH	Stuttgart	VK	100.00
Züblin Stahlbau GmbH	Hosena	VK	100.00
Züblin stavebni spol s.r.o.	Prague	VK	100.00
Züblin Thailand Co. Ltd.	Bangkok	NK	100.00
Züblin Umwelttechnik GmbH	Stuttgart	VK	100.00
Züblin Wasserbau GmbH	Berlin	VK	100.00
Zucotec - Sociedade de Construcoes Lda.	Lisbon	VK	100.00
Zweite Nordsee-Offshore-Holding GmbH	Pressbaum	VK	51.00

1) VK … Consolidated companies
EK … Companies included at-equity
NK … Not consolidated companies

GROUP MANAGEMENT REPORT

ECONOMIC RESPONSIBILITY

Important events

JANUARY

STRABAG postpones investments in Offshore Wind

STRABAG postpones its planned investments in the field of gravity-based foundations technology for offshore wind until further notice. The company had planned to spend several hundred million euros over the next few years on the construction of a factory and on special ships to transport self-developed concrete gravity foundations for offshore wind plants. STRABAG's 51 % stake in 14 project companies to develop offshore wind farms remains unaffected by the decision.

FEBRUARY

STRABAG and Rio Tinto enter into exclusive partnership in tunneling

The cooperation of STRABAG with the global mining company Rio Tinto is divided into two phases: From 2012 until 2014, STRABAG will carry out field trials at selected construction sites using new excavation systems and technologies and will optimise the systems. After the successful completion of the field trials STRABAG could exclusively carry out Rio Tinto projects using the new systems for a period of five years.

MARCH

Züblin expands timber construction activities and acquires Metsä Wood Merk GmbH, Aichach

Church in Cologne, © Architekten Sauerbruch Hutton

The German STRABAG subsidiary Ed. Züblin AG, Stuttgart, is selectively expanding its range of services in the field of structural timber engineering in Germany: Following the successful integration into the corporate group of Stephan Holzbau GmbH, Gaildorf, and of the operations of Merk-Project GmbH, Züblin also agreed the acquisition of Metsä Wood Merk GmbH, Aichach, now Merk Timber GmbH. Metsä Wood Merk GmbH, a subsidiary of Finland's Metsä Group, is a specialist in the manufacture of large-format cross-laminated timber panels. In 2012, the company had about 100 employees and generated revenues of € 21 million.

STRABAG acquires transportation infrastructures activities of Janssen de Jong Groep

STRABAG AG, Cologne, has acquired the transportation infrastructures activities of Netherlands-based Janssen de Jong Groep B.V. via its Dutch subsidiary STRABAG B.V. The acquisition will be merged into the STRABAG corporate group. The transaction includes the takeover of the approximately 120 employees as well as all equipment and production facilities of the corporate entities Janssen de Jong Infra, De Asfaltfabriek, Ippel and Infra Quality Support.

STRABAG successfully completes Niagara Tunnel Project

After more than seven years of construction, the STRABAG-executed Niagara Tunnel Project was put into operation on 22 March 2013. In the presence of representatives from client Ontario Power Generation, local construction consultants Hatch Mott MacDonald/Hatch Acres and Austrian construction group STRABAG, the tunnel's outlet gate was opened to allow the flow of water through the 10.1 km water supply tunnel near the famous waterfalls on the Niagara River. Following an unhindered 24-hour flow, the € 900 million project of the century was regarded as complete.

Construction of Niagara Tunnel Project

APRIL

EFKON awarded major orders in Germany & Malaysia

EFKON AG – an Austrian subsidiary of STRABAG SE headquartered in Graz/Raaba – reports two new large orders in Germany and Malaysia with a value in the double-digit million euro range. The company received a follow-up order for the delivery of On-Board Modules for the satellite-based truck tolling system in Germany and a large order in Malaysia comprising the delivery of 250,000 electronic toll collection units (OBUs).

New building for Brandenburg state government to be built by STRABAG as PPP

Rendering of government building in Potsdam

After four years of tendering, the Brandenburg State Office for Property and Construction has awarded the contract for the planning, construction and operation of a government building in Potsdam to STRABAG Real Estate GmbH. The project with a volume of € 82 million will be executed as a public-private partnership over a period of 30 years, not including the nearly two-year period of construction.

STRABAG plans pumped-storage plant in Thuringia, Germany

Thuringia's Ministry of Economic Affairs has announced that it is planning the construction of a pumped-storage plant in Thuringia together with the STRABAG Group and future investors. After in-depth examination of two sites, current plans envision a pumped-storage plant with a capacity of 640 MW at the Ellrich site and another one with a capacity of 380 MW at Leutenberg/Probstzella – the latter would be enough to annually supply more than 220,000 households with electricity.

MAY

STRABAG SE issues € 200 million corporate bond

STRABAG SE issued a € 200 million corporate bond. The fixed-interest bond with a face value of € 1,000 has a term to maturity of seven years and a coupon of 3.00 % p.a. The issue price has been set at 101.407 %.

STRABAG subsidiary building A4 motorway in Poland

A consortium led by STRABAG subsidiary Heilit+Woerner Sp. z o.o. has been awarded the contract from Poland's General Directorate for National Roads and Highways (GDDKiA) to complete the 35 km long section of the A4 motorway between Krzyż and Dębica Pustynia. The contract value amounts to € 236 million, 50 % of which is Heilit+Woerner's share.

JUNE

Thomas Birtel new CEO of STRABAG SE

With the end of the Annual General Meeting on 14 June 2013, Dr. Hans Peter Haselsteiner resigned from the management board. In the future, he will support the management board as an authorised representative in matters concerning the group's internationalisation and strategic orientation. Dr. Thomas Birtel succeeded him as new CEO of STRABAG SE.

Züblin builds new facility for 15 clinics and institutes in Jena

Rendering of new Jena University Hospital, © Woerner & Partner

Jena University Hospital and Ed. Züblin AG as general contractor signed the contract for the construction of the second section of Thuringia's university clinic. By the year 2018, the new buildings to be erected will offer around 49,000 m² of usable space for 15 clinics and institutes, with 710 beds and twelve operating rooms, as well as research and teaching facilities. The total project volume amounts to € 316 million.

JULY

STRABAG merges Swiss group companies

The STRABAG Group has undergone enormous growth in Switzerland over the past few years with the acquisitions of Brunner Erben AG, Astrada AG, Egolf AG, Meyerhans AG and Baunova AG. In order to achieve a homogeneous presence on the Swiss market, these group companies were merged into STRABAG AG, Switzerland, effective retroactively to 1 January 2013. Eggstein AG, which had already been merged into STRABAG AG, Switzerland, in 2010 and which had been renamed Eggstein Swissboring, is now doing business under the STRABAG brand. Under the merger, STRABAG AG, Switzerland, assumed the assets and liabilities of the acquired companies. STRABAG SE continues to hold 100 % of the shares of its subsidiary STRABAG AG, Switzerland.

STRABAG lands new orders internationally worth € 230 million

Four new contracts have increased the order backlog of the STRABAG Group until July 2013 by more than € 230 million. Those projects include the construction of a flood protection dam for € 92 million in Oman, two road construction projects in Oman with a total contract value of € 28 million, production of concrete sleepers for railway construction worth € 88 million in Thailand, as well as planning and construction of an LNG tank in Brunei, worth € 23 million.

Züblin constructs office complex for € 95 million at Stuttgart Airport

Ed. Züblin AG, Stuttgart constructs the building "New Office Airport Stuttgart" on behalf of client Flughafen Stuttgart GmbH. The contract value of the office ensemble, which is being built under a partnership arrangement with a guaranteed maximum price and upon completion will be leased almost entirely to management consulting firm Ernst & Young as its German headquarters, stands at about € 95 million.

Rendering of office ensemble, © Flughafen Stuttgart

AUGUST

Züblin is building tunnel for € 250 million on new Wendlingen–Ulm rail line

Through its German subsidiary, Ed. Züblin AG of Stuttgart, STRABAG has been awarded a large contract by the Deutsche Bahn AG, with an order volume of € 250 million, 60 % of which is Ed. Züblin AG's share. The construction of the 5.9 km tunnel from the Swabian Jura to the tracks of Ulm Central Station will last four-and-a-half years.

SEPTEMBER

Züblin officially awarded the contract to build a cultural quarter in Dresden

Rendering of cultural quarter in Dresden, © moka-studio

Ed. Züblin AG will act as main contractor and build the centrally located cultural quarter for around € 70 million on a vacant plot of land of a former power station until the summer of 2016. The contract involves the renovation of the former machine hall, the construction of a new seven-storey building, the renovation of an existing four-storey building and the demolition and construction of a new two-storey workshop.

STRABAG is developing and building infrastructure highlight Orgelpipan 6 in Stockholm

Swedish STRABAG Projektutveckling will develop the multi-functional building "Orgelpipan 6" at Stockholm's Citybanan Commuter Station, Sweden's largest and busiest railway terminal. The investment volume is in the triple-digit million euro range. Completion of the project – which will include apartments, a hotel, shopping and servicing facilities – is planned for December 2015.

STRABAG to build Bosnian motorway between Svilaj and Odžak

A consortium led by STRABAG AG won the contract to build the Svilaj-Odžak section of the international motorway corridor 5c in Bosnia. Works on the 10.4 km long section – which already started in October 2013 – include the construction of the roadway, the border crossing at Svilaj, the Svilaj toll station, two service areas and two motorway exits. Completion is scheduled for December 2014. The contract value amounts to a total of € 84 million, 50 % of which is STRABAG's share.

Züblin expands Allianz Campus Unterföhring

Acting as general contractor, Ed. Züblin AG was awarded the contract to expand Allianz Campus Unterföhring near Munich. In a consortium together with Munich-based Dobler Metallbau GmbH, it will construct the new building with a gross floor area of 58,000 m². The contract has a value of approx. € 100 million; Züblin's share amounts to 90 %. A DGNB gold certification for the new building is aimed at. A precertification has already been awarded. Completion is planned for autumn of 2015.

Rendering of Allianz Campus, © Auer + Weber + Assoziierte

Züblin awarded large building construction contract in Denmark

Züblin A/S, a Danish subsidiary of the STRABAG SE Group, was awarded the contract to build the "Bryghus", a six-storey multi-use building on the site of a former brewery at the Copenhagen waterfront. The value of the contract amounts to about € 140 million. Construction time is scheduled from autumn 2013 to autumn 2017.

Züblin is testing the new ground engineering sealing method "BioSealing"

Züblin Spezialtiefbau Österreich engaged in the "BioSealing" joint industry project, a European joint project to further investigate the principle of operation of bacteria for the sealing of underground leaks in the ground and in buildings. In total nine companies will invest € 400,000 in the coming years.

OCTOBER

STRABAG SE bonds listed in the new Corporates Prime segment of Vienna Stock Exchange

Since 1 October 2013, bonds of STRABAG SE are listed in the Corporates Prime segment of the Vienna Stock Exchange's bond trading platform. This new segment comprises bonds from issuers in non-financial sectors with the aim of increasing the transparency of and providing more effective publicity for Austrian bonds and their issuers. The participating companies agree to provide potential bonds buyers with standardised information about their bonds.

STRABAG awarded tender for section of motorway M4 in Hungary

STRABAG will build the third section of the Hungarian motorway M4 between Abony and Fegyvernek for about € 106 million. The section has a length of 13.2 km and is part of the 233 km long motorway which links Budapest to the Ukrainian border.

NOVEMBER

Highway construction contracts of more than € 300 million in Slovakia

A consortium led by STRABAG signed the contract to build the approx. 10 km long section of the R2 expressway between Pstruša and Kriváň in Slovakia. The contract value amounts to € 178 million, of which STRABAG a.s. holds a 40 % share. A few weeks later, as part of a consortium STRABAG was awarded the contract to build an 11 km long section of the D1 motorway in northern Slovakia between Hricovské Podhradie and Lietavská Lúcka. The order has a total value of € 427 million, of which STRABAG s.r.o. will receive about € 140 million. The construction works comprise eleven bridges, two tunnels as well as all access roads.

STRABAG to build 100 km of desert road in Oman


Sinaw–Duqm connecting road

STRABAG Oman, LLC was awarded the contract to build a 100 km section of the 400 km long road between the city of Sinaw and the industrial zone in Duqm in southern Oman. The project value amounts to € 88 million.

DECEMBER

STRABAG is modernising 42 km section of railway in Romania

As part of a consortium, STRABAG AG has been awarded the contract to modernise the 42.2 km long railway section between Vintu de Jos and Simeria in western Romania near the city of Sibiu. The contract value amounts to € 317 million, of which STRABAG will carry out works with a volume of at least € 66 million in the area of track construction, civil engineering, earth works and road construction.

STRABAG is building McArthurGlen Designer Outlet Vancouver Airport

STRABAG SE is building a designer outlet centre near Vancouver International Airport (YVR), Canada, for Vancouver Airport Authority and McArthur-Glen, Europe's leading owner, developer and manager of designer outlets. McArthurGlen Designer Outlet Vancouver Airport foresees the construction of more than 65,000 m² (35,000 m² gross leas-able area) in a prime location on YVR land for more than CAD 100 million (around € 70 million).

Country report

INTENSIFICATION OF INTERNATIONAL BUSINESS TO FURTHER DIVERSIFY THE COUNTRY RISK

Following our clients

Despite the strong presence in its home markets of Austria and Germany, STRABAG sees itself as a European-based company. The group has been active in Central and Eastern Europe for several decades. On the one hand, it is a tradition for the company to follow its clients into new markets. On the other hand, the existing country network with local management and established organisational structures makes it possible to export the technology and equipment and to use them in new regions at low cost and effort. In order to diversify the country risk even further, and to profit from the market opportunities in other parts of the world, STRABAG intends to intensify especially its international business, i.e. its activities in countries outside of Europe. The company expects its international business to grow to at least 10 % of the output volume by 2016.

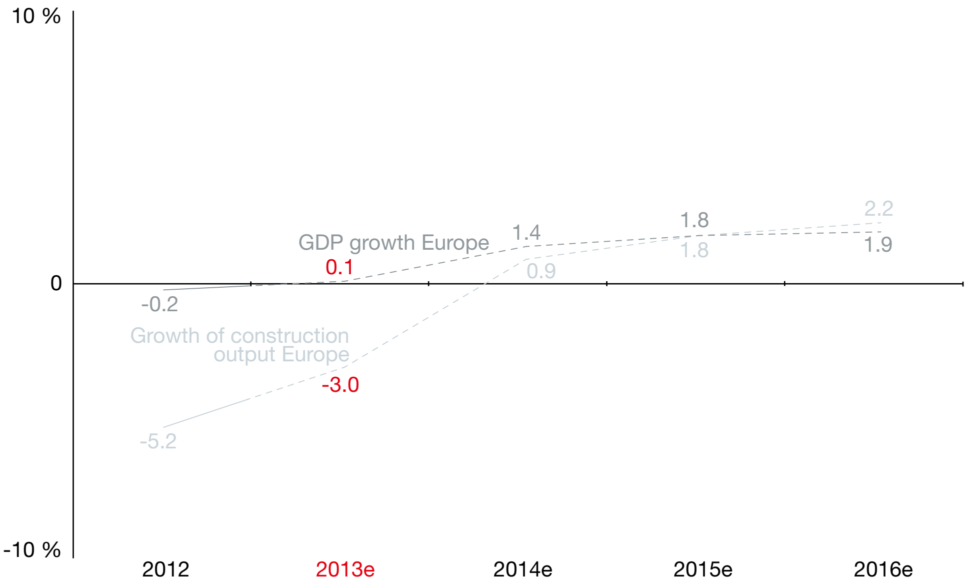
In the 2013 financial year, STRABAG SE generated an output volume of € 13.6 billion. The relatively low decline by 3 % over the previous year can be explained by weather-related effects at the start of the year. The group's core markets revealed quite different developments: as STRABAG is a broadly positioned group, the expected market-related decline in Poland following the end of the construction boom there and project-related reductions in Canada, Benelux and Romania were nearly balanced out by increases in e.g. Hungary, Austria and Africa.

OUTPUT VOLUME BY COUNTRY

€ mln.	2013	% of total output volume 2013	2012	% of total output volume 2012	Δ %	Δ absolute
Germany	5,789	43	5,779	41	0	10
Austria	1,982	15	1,888	13	5	94
Poland	787	6	1,139	8	-31	-352
Czech Republic	645	5	646	5	0	-1
Russia and neighbouring countries	561	4	527	4	6	34
Scandinavia	510	4	579	4	-12	-69
Hungary	496	4	393	3	26	103
Benelux	400	3	456	3	-12	-56
Switzerland	386	3	425	3	-9	-39
Slovakia	340	3	400	3	-15	-60
Middle East	323	2	305	2	6	18
Romania	322	2	372	3	-13	-50
The Americas	263	2	348	2	-24	-85
Italy	168	1	157	1	7	11
Africa	165	1	125	1	32	40
Croatia	134	1	130	1	3	4
Asia	103	1	111	1	-7	-8
Rest of Europe	81	0	83	1	-2	-2
Slovenia	67	0	81	1	-17	-14
Serbia	31	0	72	0	-57	-41
Bulgaria	20	0	27	0	-26	-7
Total	**13,573**	**100**	**14,043**	**100**	**-3**	**-470**

BUILDING PRODUCTION IN EUROPE CONTINUES DOWNWARD TREND[1)]

GROWTH COMPARISON CONSTRUCTION VS. GDP EUROPE



Despite the economic recovery in the US and in the emerging markets, the upswing of the European economy was delayed. After a decline in the previous year, the gross domestic product (GDP) of the 19 Euroconstruct countries stagnated in 2013. As a result, the outlook for private consumption, the labour market and income development remain subdued. Nevertheless, the experts at Euroconstruct expect the economy to grow again at the low rate of 1.4 % already in 2014.

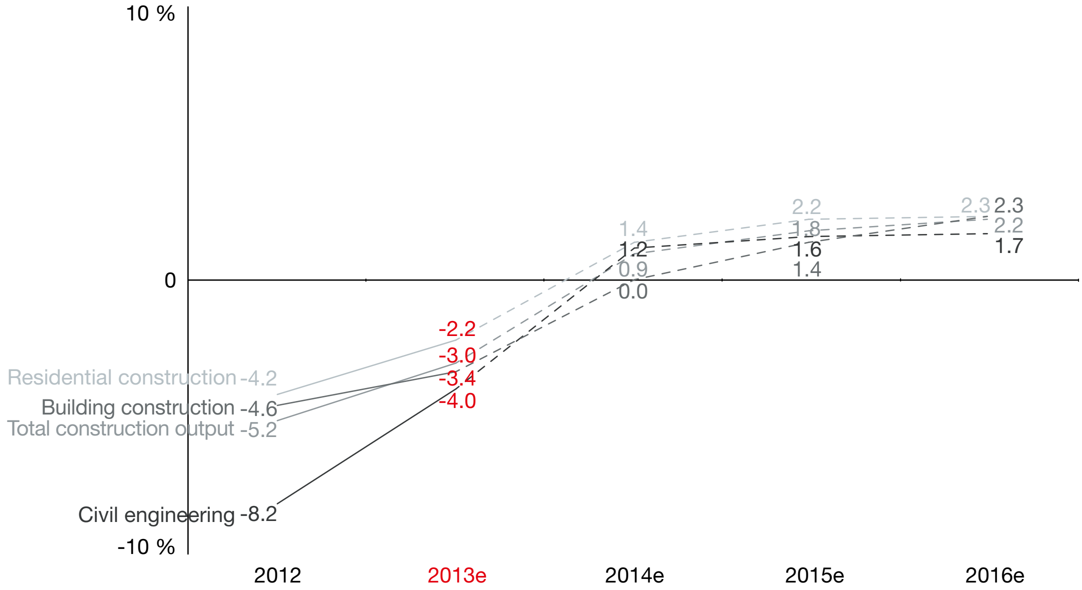
With a decline of 3.0 %, the development of the European construction sector in 2013 again was significantly worse than the economy as a whole. The strongest losses were registered in the countries of Northern and Southern Europe. The reasons for the continuous pressure on the European construction sector include the sovereign debt crisis in several countries as well as the austerity pressure on public budgets and insecurities regarding the future economic development. The situation of the construction industry should improve slightly in 2014, however, as Euroconstruct currently forecasts growth of 0.9 %.

The sovereign debt crisis put a damper especially on the prospects for civil engineering, while the weak macroeconomic environment, the high unemployment and the lack of consumer confidence clouded the outlook for residential construction and the other building construction. While an upswing for residential construction and civil engineering is already expected in 2014, building construction is unlikely to receive new impetus until 2015 with the stabilisation of the macroeconomic environment in Europe.

1) All growth forecasts as well as the particular national construction volumes are taken from the Euroconstruct and EECFA winter 2013 reports. The indicated market share data are based on the data from the year 2012.

DECLINE IN ALL AREAS OF THE CONSTRUCTION SECTOR – BUT THE LOWEST POINT HAS ALREADY BEEN REACHED

DEVELOPMENT OF CONSTRUCTION SECTOR EUROPE

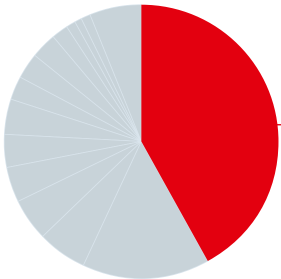


Residential construction remained greatly affected by the weak European economy in 2013. The banks also were more restrictive in the granting of mortgage loans. Against this backdrop, the sector lost another 2.2 % in the reporting period, although it fell less strongly than building construction and civil engineering. A country-by-country comparison shows that the development remained diversified: while the countries of Central and Northern Europe – above all German-speaking Europe – reported largely positive development, Spain and Portugal continued to register percentage losses in double-digit territory. With a minus of 9.4 %, residential construction in Eastern Europe shrank significantly more strongly overall than in Western Europe (-1.9 %). Starting in 2014, the experts at Euroconstruct forecast low growth of 1.4 % for the 19 member states.

Building construction – and above all commercial and office construction – was also greatly affected by the weak economic performance in Europe in the period under review. In total, the construction volume in this field shrank by 3.4 % in 2013. The development was especially negative in Southern Europe and only a few countries elsewhere were able to report growth. Against the backdrop of a stabilisation of the macroeconomic environment, however, new impetus is expected for this segment in the years to come. A return to growth will likely follow a temporary period of stagnation in 2015, with a trend toward stronger growth in Central and Eastern Europe, compared to Western Europe.

The restrained economic development and the restrictive fiscal policy of the European states are most strongly reflected in the **civil engineering** sector. Drastic spending cuts led to shifts, reductions or even withdrawals of projects in the field of transportation infrastructures. This resulted in a continuous decline of the construction output in civil engineering, which reached its highest point in 2012 with a minus of 8.2 % and continued into 2013 with a decline of 4.0 %. Particularly affected were the countries of Central and Eastern Europe, where the decline reached 11.9 % in the period under review. In view of Europe's economic recovery, however, a turnaround is already expected in 2014: the experts at Euroconstruct expect to see growth again this year with a plus of 1.2 %. Here, too, the growth in Central and Eastern Europe will likely be higher than in Western Europe because of the region's great need to catch up and due to the allocation of EU funds.

GERMANY



Overall construction volume:	€ 275.51 billion
GDP growth:	2013e: 0.4 % / 2014e: 1.8 %
Construction growth:	2013e: 0.3 % / 2014e: 2.7 %

Although the weak economies in the European sales markets kept Germany's 2013 GDP growth at 0.4 % and thus below the previous year's value, the general underlying conditions for the German economy developed favourably over the course of the year. Particularly the low interest rates and the advantageous credit conditions delivered expansive impulses. The increase in private consumption due to rising real incomes should also lead to renewed growth of the GDP in 2014 – Euroconstruct expects a plus of 1.8 %.

After a difficult 2012, the construction output in Germany fell even further in the first quarter of 2013 due in particular to weather-related production shutdowns. Over the course of the year, however, the sector slowly recovered to end 2013 with a slight plus of 0.3 %. Residential construction in particular profited from the real income growth and the favourable financing conditions gaining 1.0 %. Home ownership should remain attractive as an investment alternative so that growth of 2.6 % is already expected for the year to come.

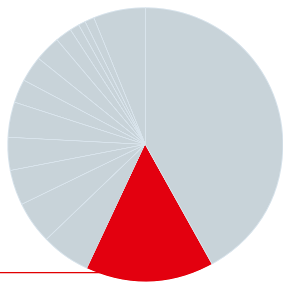
After a drop in 2013, the field of building construction is expected to gain momentum due to the improved sales and profit expectations among the companies. Substantial impetus can be expected from the areas of industrial and warehouse buildings as well as from shopping centres. In this segment, too, renewed growth of 2.4 % is already forecast for 2014.

Following a decline of 4.5 % in 2012, the field of civil engineering recovered in the period under review. On the one hand, it was possible to make up for weather-related losses; on the other hand, additional volume was generated from the clean-up works related to flood damage. This development should continue thanks to the € 5 billion immediate action programme for transportation infrastructures that was agreed in the new coalition agreement – as a result, the civil engineering output is expected to grow by 3.4 % in 2014.

With a market share of 2.1 %, STRABAG is the market leader in Germany. The share of the German road construction market amounts to 9.4 %. With € 5,788.81 million, about 43 % of the group's output volume was generated in the home market of Germany. Most of the output volume comes from the segment North + West. Property and facility services provided in Germany are assigned to the segment International + Special Divisions.

The planned investments in the field of offshore wind were postponed indefinitely by STRABAG due to the adverse political and organisational environment.

AUSTRIA



Overall construction volume:	€ 32.59 billion
GDP growth:	2013e: 0.4 % / 2014e: 1.7 %
Construction growth:	2013e: 0.5 % / 2014e: 1.2 %

Against the backdrop of the global economic recovery, the Austrian economy can expect to see slight yet stable improvement. The structural problems in the euro area, however, led to a weakening of the global growth impulses. On balance, therefore, the Austrian GDP grew by only 0.4 % in 2013. While exports and investment activities were on the up, consumption growth remained below expectations. However, the GDP is expected to gain another 1.7 % in 2014.

The construction sector has always been considered a stabilising element in the Austrian economy, and moderate growth is expected here for the coming years as well. One uncertainty, however, is the future course of the new government. The construction sector grew by 0.5 % overall in 2013 and growth of 1.2 % is expected for 2014.

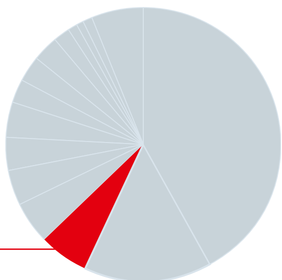
The Austrian residential construction market underwent relatively strong growth in 2013 with a plus of 2.0 %, in particular in the greater Vienna area. The positive demographic development, the low interest rates and the increase of real estate prices encouraged this development. However, a downward trend in the granting of building permissions will likely result in a weaker expansion in new building construction in the years to come.

Against the backdrop of the low economic growth, building construction shrank by 1.1 % in the reporting period. Especially affected were office and industrial buildings. Thanks to positive impulses from the export-oriented industry, however, the experts at Euroconstruct expect to see a general recovery and slight growth of 0.5 % in 2014.

In response to the so-called stability pact – the Austrian government's consolidation project – and the resulting postponement of infrastructure projects, the situation in the civil engineering segment worsened once more with the volume shrinking by 0.6 % in 2013. Investments in rail infrastructure were especially affected by this development. The continued development in the years 2014 and 2015 will greatly depend on large infrastructure projects. In these years, the civil engineering market should again grow by 1.2 % and 1.3 %, respectively.

In 2013, STRABAG generated a total of 15 % of the group output volume, or € 1,981.50 million, in its home market of Austria. Along with Germany and Poland, Austria thus remains one of the group's top three markets. STRABAG generates 5.8 % of total output volume in Austria. In the field of road construction, the market share amounts to 15.9 %.

POLAND



Overall construction volume:	€ 45.98 billion
GDP growth:	2013e: 1.2 % / 2014e: 2.3 %
Construction growth:	2013e: -8.9 % / 2014e: 3.5 %

After years of high growth, GDP gains in Poland slowed to 1.2 % in 2013. The reasons for this were, on the one hand, the difficult economic situation of the most important Polish trade partners – above all in the euro area – and, on the other hand, the decline of private consumption in the wake of the high level of unemployment. At the same time, public-sector investments financed out of the EU Structural Funds fell back. With the recent inflow of EU funds in the years 2014–2020, however, the GDP should see renewed stronger growth in the years to come.

With a decline of 8.9 %, the Polish construction industry reacted strongly to the end of the construction boom and the macroeconomic slowdown. However, a return to growth of 3.5 % is being forecast for 2014 – although the overcapacities in the market are unlikely to be completely reduced by that time.

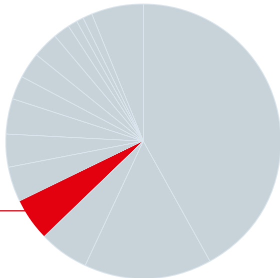
Due to higher interest rates, more restrictive lending and lower household incomes, the residential construction market shrank by 7.7 % in 2013. It is expected, however, that this area will grow slightly especially in the second half of 2014. This expectation is based above all on changes in the construction laws that are supposed to result in stronger funding for new housing and in lower interest rates for housing loans. All in all, growth of 2.9 % should thus again be possible in 2014.

After two strong years of growth, the expectations in building construction had to be adjusted downward. Both the EU funds as well as private funds were exhausted. Especially affected by this negative development were public buildings and the office segment. These areas are expected to stagnate further through 2014 or to achieve just minor growth of 1.3 %, respectively. Building construction should grow significantly once more starting in 2015.

The drastic budget cuts by the Polish government led to a decline in the civil engineering volume by 16.5 % in 2013. Infrastructure spending was especially hard hit. A recovery is forecast already for 2014.

In Poland, STRABAG is the number two in the construction sector with a market share of 2.5 % and market leader in transportation infrastructures with 8.5 %. The country contributed € 787.30 million, or 6 %, to the group's total output volume in 2013, making it STRABAG's third-largest market.

CZECH REPUBLIC



Overall construction volume:	€ 17.45 billion
GDP growth:	2013e: -1.5 % / 2014e: 0.8 %
Construction growth:	2013e: -8.2 % / 2014e: -4.2 %

The Czech economy continued its downward trend due to the weak domestic demand in the period under review and shrank by 1.5 %. An additional strain came in the form of the government's austerity measures. The budget deficit could be held in check, but this was done at the expense of economic growth. In view of the GDP growth of 0.8 % that has been forecast for 2014, fiscal policies should become less restrictive, however.

With a decline of 8.2 %, the Czech construction output shrank significantly more strongly than the economy as a whole. The sector has thus steadily lost in volume since 2008 – and is likely to continue to do so: a slight recovery of the construction market is not expected until 2016. The unstable political situation is also having a negative impact on the sector and makes it more difficult to give meaningful forecasts.

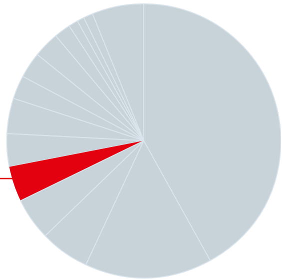
In 2013, residential construction was hardest hit by the ongoing recession with a decline of 15.3 %. The high prices weighed on the already weak demand, and the increase of the value added tax had a negative effect on household demand. Starting with next year, however, the declines should already be less strong.

The building construction market remained affected by high insecurities among investors in 2013; in fact, private investments practically came to a standstill. At the same time, state-financed projects were strongly affected by the government's strict austerity measures. EU subsidies and grants remain the main source for financing in this area, although these funds are currently available only to a limited degree. All in all, building construction fell by 4.5 % in the period under report. Euroconstruct does not expect slight growth again until the year 2015.

The civil engineering business suffered the most from the decline in public investments. This segment has grown negatively since the implementation of austerity measures in 2010 and lost another 9.2 % in the reporting period. Here, too, the political insecurities are a hindrance to private investments.

STRABAG is the number two on the market in the Czech Republic. With an output volume of € 644.66 million, some 5 % of the group's total output volume was accounted for by the Czech market in 2013. The share of the overall construction market amounts to 3.7 %; in road construction the group even holds 16.5 %.

RUSSIA AND NEIGHBOURING COUNTRIES (RANC)



RUSSIA

Overall construction volume:	€ 161.50 billion
GDP growth:	2013e: 2.4 % / 2014e: 3.7 %
Construction growth:	2013e: 4.4 % / 2014e: 4.6 %

UKRAINE

Overall construction volume:	€ 9.43 billion
GDP growth:	2013e: 1.0 % / 2014e: 3.0 %
Construction growth:	2013e: -7.1 % / 2014e: 5.8 %

The Russian economy grew by 2.4 % in 2013, somewhat more weakly than in the year before. In view of the economic recovery, however, the economic growth should again climb to 3.7 % in 2014. The construction sector in 2013 was marked, among other things, by the preparations for the Olympic Games in Sochi. In general, it rose by 4.4 % and growth of 4.6 % is forecast for the year to come.

After a crisis-related decline in the years 2008–2010, the residential construction market, which is responsible for around 35 % of the entire construction volume, has grown continuously since 2011 and reached a plus of 4.5 % in the reporting period. Further growth is expected in the years to come.

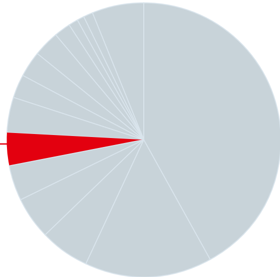
Other building construction has also registered positive growth since 2011 – the high point was reached in 2011 with a plus of 15.4 %. The sub-segments of commercial and retail, which account for more than 40 %, represent the largest and fastest-growing share: by 2015, annual growth of 5.0–6.6 % is expected here. In the years to come, the experts at Euroconstruct expect growth of 4.0–4.8 % for offices and 3.0–3.3 % for industrial buildings.

In the area of civil engineering, several large projects are currently in preparation. Russia plans to build more than 14,000 km of roads by 2020 and construction is to begin on a high-speed railway network nearly 1,600 km in length between 2013 and 2015. The construction volume in the railway segment is likely to grow by 4.0–8.0 % as a result.

After a decline of the economic performance in the previous year, the economy in Ukraine stagnated in the reporting period with a plus of just 0.2 %. In view of the current political uncertainties in Ukraine, reliable forecasts are neither possible for the general economic climate nor for the development of the construction sector. STRABAG is not active nationwide in Ukraine, merely operating in limited-time engagements on a project-by-project basis. The output volume generated by the company in Ukraine in 2013 amounted to less than 1 % of the annual group output volume.

STRABAG generated an output volume of € 561.30 million in Russia and its neighbouring countries (RANC) in 2013. The share of the total group output volume in the reporting period reached 4.0 %. In the region, STRABAG is almost exclusively active in building construction and civil engineering. The year 2013 was marked by the works related to the Olympic Village in Sochi, which is why the company expects a lower output volume in the RANC region for subsequent years.

SCANDINAVIA



SWEDEN

Overall construction volume:	€ 31.28 billion
GDP growth:	2013e: 1.1 % / 2014e: 2.6 %
Construction growth:	2013e: -0.4 % / 2014e: 1.6 %

DENMARK

Overall construction volume:	€ 26.18 billion
GDP growth:	2013e: 0.3 % / 2014e: 1.7 %
Construction growth:	2013e: 2.4 % / 2014e: 3.3 %

FINLAND

Overall construction volume:	€ 28.93 billion
GDP growth:	2013e: -0.3 % / 2014e: 1.1 %
Construction growth:	2013e: -2.7 % / 2014e: 0.5 %

NORWAY

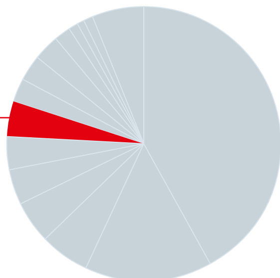
Overall construction volume:	€ 47.14 billion
GDP growth:	2013e: 1.7 % / 2014e: 2.7 %
Construction growth:	2013e: 3.7 % / 2014e: 3.6 %

The Scandinavian economies exhibited heterogeneous development during the period under review. While Sweden and Norway developed positively with GDP growth above the one-percent mark, the GDP in Denmark remained nearly unchanged. With a minus of 0.3 %, Finland failed to make it out of recession in 2013. All in all, more significant growth rates are first expected in these countries in 2014.

In terms of construction output, the four economies are also quite distinct. Denmark was able to recover in 2013 with growth of 2.4 %, while Sweden – not least due to a lower volume in residential construction – registered another decline with -0.4 %. A difference in trends could also be seen in Finland (-2.7 %) and Norway (3.7 %), though STRABAG's low level of activity on these markets make them of only minor importance for the group.

The output volume of STRABAG in Scandinavia amounted to € 510.07 million in 2013. The main activities included infrastructure and residential construction in Sweden. For some time now, STRABAG has put a stronger focus on proprietary project developments.

HUNGARY



Overall construction volume:	€ 7.4 billion
GDP growth:	2013e: 0.3 % / 2014e: 1.3 %
Construction growth:	2013e: 1.3 % / 2014e: 7.4 %

With low economic growth of 0.3 %, Hungary managed to get out of recession in the year under review. This slight recovery, however, remains fraught with insecurities as the economic upswing primarily depends on EU funds and state investments.

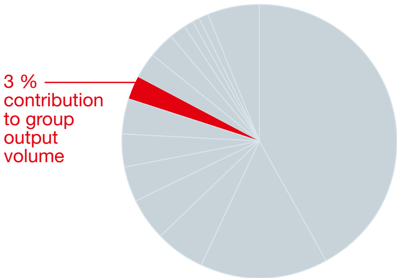
After seven years of negative growth, Hungary's construction output returned to growth in 2013 with a plus of 1.3 %. This development was driven above all by building construction and civil engineering, while the residential construction market shrank by another 11.0 % in 2013. On the basis of higher EU funds, Euroconstruct expects renewed significant growth of 7.4 % for Hungary's overall construction output in 2014.

As mentioned, building construction managed to reverse the trend in 2013 and grew by 5.0 % – and it should be possible to maintain a similar level in the coming year as well. This growth was driven primarily by EU funds, while private investment activity continued to stagnate. The financing of public buildings will remain dependent on these funds and the government's budget policy.

Civil engineering also grew by 5.0 % during the period under report. This can be explained among other things by the so-called Wekerle Plan that was passed in August 2012, which aims at re-launching postponed projects and at a more efficient use of EU funds. On this basis, it was possible to double the number of large infrastructure projects in comparison to the previous year; some 20 large-volume transportation projects should be completed by May 2014. Further growth in civil engineering is also expected in the years to come.

STRABAG noticed the improvement in the Hungarian construction sector in 2013 as well, as it was awarded the contract for two larger infrastructure projects. With an output volume of € 495.94 million, STRABAG is the leading provider on the Hungarian construction market. The company's share of the market as a whole reached 5.3 %; in road construction, STRABAG generates 11.1 % of the overall output volume.

BENELUX



BELGIUM

Overall construction volume:	€ 38.87 billion
GDP growth:	2013e: 0.1 % / 2014e: 1.1 %
Construction growth:	2013e: -1.3 % / 2014e: 1.2 %

NETHERLANDS

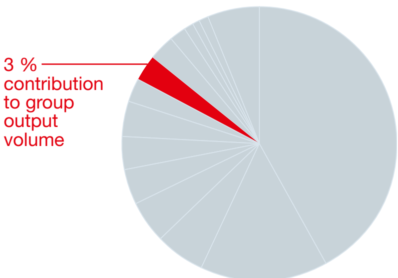
Overall construction volume:	€ 62.51 billion
GDP growth:	2013e: -1.3 % / 2014e: 0.5 %
Construction growth:	2013e: -5.0 % / 2014e: 0.4 %

The economies in the Benelux countries tended toward negative growth in 2013. While the Netherlands slid into recession with a GDP minus of 1.3 %, the Belgian economy stagnated with a minimal plus of 0.1 %. However, the experts at Euroconstruct expect an economic recovery already in 2014.

With a decline of the construction output by 5.0 %, the Dutch construction sector developed significantly worse than the economy as a whole. The negative development – all three sub-segments of the construction sector were equally affected – was a result of the weak private consumption, a drop in real estate prices and restrictive state budget measures. Construction output in Belgium fell less strongly, though it still lost 1.3 %, as a positive development in building construction was only partially able to make up for declines in residential construction and civil engineering. For the years to come, Euroconstruct expects renewed growth of the construction output in both markets, with a trend toward stronger growth in the Netherlands.

STRABAG achieved an output volume of € 399.66 million in the Benelux countries in 2013.

SWITZERLAND



Overall construction volume:	€ 52.38 billion
GDP growth:	2013e: 1.9 % / 2014e: 2.1 %
Construction growth:	2013e: 2.8 % / 2014e: 3.6 %

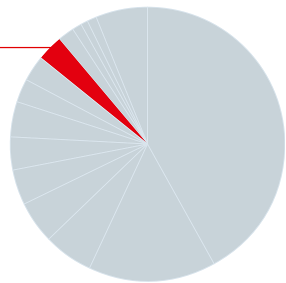
Driven by strong domestic consumption, the economic development in Switzerland was positive in every respect. Thanks to the renewed rise of industrial production and encouraged by a friendlier European environment, the GDP grew by 1.9 % in 2013. In the years to come, the growth rates should pick up more significantly once again. Switzerland's economic development continued to profit in 2013 from the strong growth of the construction industry, which gained 2.8 % in the year under review. The strongest factor driving growth was, as in the past, the residential construction market. The order books in the construction industry remain full for the future thanks to the positive demand, high immigration, low unemployment and favourable financing situation. Growth in residential construction is expected to reach 5.0 % in 2014.

In building construction, growth was registered in particular with hospitals and with educational and research facilities. After a plus of 1.0 % in this sector, however, the growth is expected to remain moderate for the years to come. While renovation works dominated during the times of the financial crisis, new building construction has again started to grow. In the coming years, these two segments should more or less balance one another out.

In civil engineering, the output volume grew by 6.3 % in 2013. The main factor driving this growth was the Gotthard Tunnel, the 50 km north-south link through the Alps. Following completion of this project, however, lower growth rates are expected for the coming years. Moreover, the further development will depend greatly on upcoming political decisions – such as an increase of the motorway toll or the further financing of the railway network.

Switzerland contributed € 386.22 million, or 3 %, to the group's total output volume in 2013. STRABAG's market share amounts to around 0.8 % overall and 3.0 % in the sub-segment of civil engineering.

SLOVAKIA



Overall construction volume: € 4.60 billion
GDP growth: 2013e: 0.8 % / 2014e: 2.2 %
Construction growth: 2013e: -7.8 % / 2014e: -0.8 %

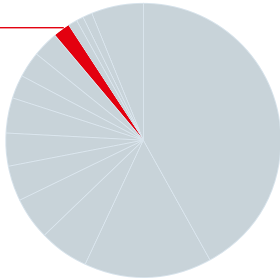
Slovakia's economy once again lost momentum in 2013 with GDP growth of just 0.8 %. The growth of the Slovak economy remains highly dependent on foreign demand; nevertheless, domestic consumption also made a contribution in 2013. In the years to come, the Slovak economy should see a return to stronger growth.

The negative trend in the Slovak construction industry continued in 2013 despite the generally positive economic environment. Substantial factors contributing to this development were the continuous low domestic demand as well as financing difficulties – including difficulties related to the supply of EU funds. All in all, the construction output shrank by 7.8 % against this backdrop in 2013. The residential construction market in particular was held back by the weak and uncertain income situation and by the continued high unemployment. In comparison, the field of building construction, which represents more than half of the entire construction output, suffered from the ongoing weak demand from private investors and fell back by 12.0 % in 2013. A continuation of the downward trend is expected for 2014, with a slight upswing starting in the year 2015.

After a strong decline in the previous year, 2013 brought the first signs of recovery in civil engineering. The segment lost only 2.0 % during the period under review – after 25.5 % in the previous year. Thanks to the implementation of long-delayed road construction projects, growth of 10.6 % is forecast for the year 2014. In the long term, the situation should improve again significantly as the need for modern infrastructure is continuously on the rise. The financing of such projects, however, is highly dependent on the supply of EU funds.

STRABAG was not so strongly affected by the collapse in the construction sector in the past financial year as the company generates a large portion of its output volume in Slovakia in civil engineering. In this segment, the company landed two large infrastructure projects at the end of 2013. With a market share of 8.7 % and an output volume of € 340.42 million in 2013, STRABAG is the market leader in Slovakia. In road construction, STRABAG's share even reaches 15.8 %. Slovakia contributed 3 % to the group's total output volume in 2013.

ROMANIA



Overall construction volume:	€ 17.90 billion
GDP growth:	2013e: 1.6 % / 2014e: 2.2 %
Construction growth:	2013e: 2.9 % / 2014e: 5.8 %

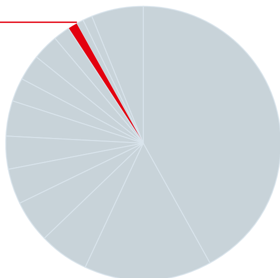
The Romanian economy expanded by 1.6 % in 2013, more strongly than in the previous year. This positive trend should continue to accelerate in the years to come until growth reaches about 3.0 % by 2016.

The increasing private and public demand should also deliver positive impetus for the construction sector. After a plus of 2.9 % in 2013, growth of 5.8 % is expected for 2014. In the reporting period, all segments of the construction industry exhibited positive growth rates. While residential construction grew by 3.0 %, building construction profited with growth of 3.9 % in part due to the fact that multinational corporations are increasingly discovering Romania as an attractive location in which to do business.

Since 2009, the civil engineering market has become steadily more important for the Romanian construction market, today accounting for nearly half of the overall construction volume. After growth of 2.3 %, both the upcoming elections as well as the increased use of EU subsidies and grants should provide for an increase in the civil engineering volume by 7.1 % in 2014.

With an output volume of € 321.83 million, corresponding to a market share of 2.1 %, STRABAG took second place on the Romanian construction market in the year 2013. In road construction, the share amounts to a comparable 2.5 %. The rather lively business for the company in Romania can be explained by several large projects in transportation infrastructures that were executed in the past few years.

ITALY



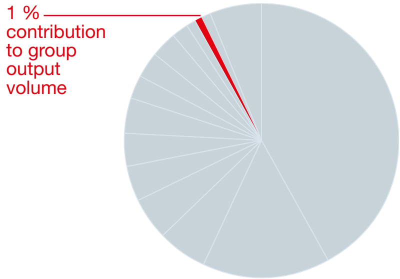
Overall construction volume:	€ 172.15 billion
GDP growth:	2013e: -1.9 % / 2014e: 0.7 %
Construction growth:	2013e: -3.3 % / 2014e: -0.3 %

The recession of the Italian economy continued in 2013 with a decline of the economic performance by 1.9 %. First indications that the trend was reversing came up during the second half of the year, however, and economic researchers expect growth of 0.7 % in 2014 as a result.

The entire Italian construction sector was hard hit by the economic crisis. The construction volume fell by 3.3 % in the year under report and a minus of 0.3 % is forecast for 2014. Residential construction shrank by 2.4 % in 2013, experiencing a decline for the seventh year in a row. However, a return to growth – albeit a small one – with a plus of 0.4 % is expected here for 2014. The rest of building construction is unlikely to undergo any sustained recovery before 2015. This segment registered a decline of 5.3 % in 2013 and can expect a minus of 0.9 % in 2014. The situation in the civil engineering market is similar: the volume fell by 2.9 % in 2013 and a decline of 1.1 % has been forecast for 2014. A small plus is not expected until 2015.

STRABAG's output volume in Italy amounted to € 168.32 million in 2013. The company is mainly active in tunnelling and road construction in the north of the country, which is why most of the output volume is included in the segment International + Special Divisions.

CROATIA



Overall construction volume:	€ 3.12 billion
GDP growth:	2013e: -0.7 % / 2014e: 0.5 %
Construction growth:	2013e: -4.3 % / 2014e: -2.1 %

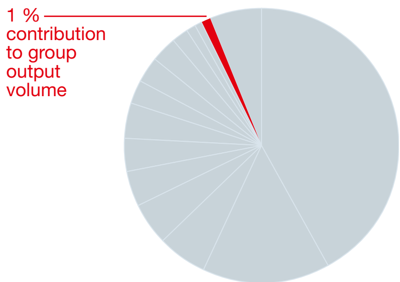
The Croatian economy – like the country's construction industry – continued to suffer from the ongoing weakness of the European economy. The 2013 GDP exhibited a decline of 0.7 %. Although the outlook for the coming years is again slightly positive – GDP growth of 0.5 % is expected for 2014 –, the difficult financing situation is unlikely to improve in the medium-term for private or public investors. Moreover, the rising unemployment and declining real incomes will continue to slow private consumption.

Despite the negative overall outlook for the Croatian construction industry, individual sectors developed significantly better than the industry as a whole in the past financial year. Against the backdrop of a massive investment programme in infrastructure, civil engineering in particular grew by 6.2 % in the reporting period. For the years 2014 and 2015, the growth is even expected to reach 9.0 % and 14.7 %, respectively. As of 2015, EU subsidies and grants in particular should make a substantial contribution to growth.

By comparison, the residential construction market fell by 13.4 % during the period under review and is even expected to lose 15.6 % in 2014. These losses are primarily due to the massive oversupply of new housing. A slight recovery of the market – beginning with a very low level – is not expected until 2015 at the earliest. Building construction remains weak too. After a loss of 9.2 % in the year 2013, a minus of 6.6 % is expected for 2014.

As market leader, STRABAG achieved an output volume of € 133.45 million in Croatia in the year 2013. Its market share stands at 4.2 % and 7.4 % in the sub-segment of transportation infrastructures.

SLOVENIA, SERBIA, BULGARIA AND REST OF EUROPE



SLOVENIA

Overall construction volume:	€ 1.46 billion
GDP growth:	2013e: -2.4 % / 2014e: -0.2 %
Construction growth:	2013e: -6.0 % / 2014e: 19.7 %

SERBIA

Overall construction volume:	€ 2.04 billion
GDP growth:	2013e: 2.0 % / 2014e: 3.0 %
Construction growth:	2013e: -9.1 % / 2014e: 10.0 %

BULGARIA

Overall construction volume:	€ 6.04 billion
GDP growth:	2013e: 1.0 % / 2014e: 2.1 %
Construction growth:	2013e: -0.2 % / 2014e: -5.6 %

Slovenia

Slovenia's GDP shrank by 2.4 % as the country's economy continued to suffer from the consequences of the economic crisis in 2013. Growth is not expected until the year 2015. The ongoing economic difficulties are also affecting the Slovenian construction industry. After declines in double-digit percentage territory in the previous years, the minus of 6.0 % in 2013 is still no reason to speak of a recovery. In view of the low basis, however, growth of already 19.7 % is expected for the year to come.

Residential construction fell back by 16.8 % in 2013 and is expected to shrink by another

3.7 % in the current year. A slight plus is not expected here until 2015. The building construction volume for the period under review was also 14.9 % below the previous year's value but should recover already in 2014 with a plus of 8.5 %. Civil engineering gained 1.1 % in 2013. The realisation of several large projects could lead to considerable growth of 28.5 % in 2014, which could also form the basis for the expected growth of the overall construction output. This forecast, however, must be viewed sceptically as public financing could be influenced by state austerity measures.

STRABAG generated an output volume of € 67.40 million in Slovenia in 2013, placing it among the top three construction companies in the country. STRABAG holds a 5.6 % share of the market as a whole and 3.1 % in transportation infrastructures.

Serbia

Serbia has had to contend with considerable structural and financial deficits since the beginning of the economic and financial crisis. The economic performance of the country has been fluctuating relatively strongly – including noticeable GDP declines in the years 2009 (-3.5 %) and 2012 (-1.7 %). In 2013, however, the Serbian economy exhibited signs of recovery with growth of 2.0 % as a result of state investments in the export economy and in infrastructure as well as reforms in the public administration. A further improvement is expected for the years to come.

While the Serbian construction sector had grown in 2011 and 2012 due, above all, to state incentives in residential construction and investments in civil engineering, a noticeable decline, at minus 9.1 % of the construction output was registered in 2013. According to Euroconstruct, however, this trend should reverse already in 2014 not least due to the recovery of the economy and in response to state investments.

The residential construction market probably hit bottom in the year 2013, and the turnaround in the economy as a whole as well as the positive developments on the labour markets and in household incomes should bring this sector back on a growth path by 2015 at the latest. After a low in 2013, a reversal of the trend is also expected in building construction. In civil engineering, Euroconstruct expects to see double-digit growth rates – after a pause in 2013 – due to the realisation of several large infrastructure projects in rail, road and pipeline construction.

STRABAG achieved an output volume of € 31.26 million on the Serbian market in 2013.

Bulgaria

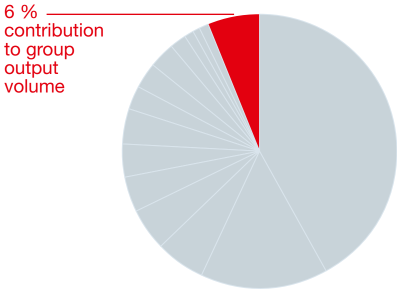
After a strong GDP decline of 5.5 % in 2009, the Bulgarian economy has only slowly recovered with growth rates between 0.4 % and 1.8 %. In 2013, GDP growth also only barely reached the one percent mark. A significant contribution driving this slightly positive trend comes from exports to the EU, with additional positive impetus expected from the increasing exports to non-EU countries as well as from growing domestic demand. As a result, economic growth of 2.1 % should be possible in 2014.

The Bulgarian construction industry has not yet recovered from the enormous losses of the past few years. After a slight drop of 0.2 % in 2013, the sector is expected to shrink by 5.6 % in 2014. The residential construction market should recover slowly after a strong decline of 5.0 % in 2013, but the uncertain economic situation, high unemployment and weak income development continue to negatively impact home ownership demand.

The building construction segment stood out positively in 2013 with growth of 10.2 %, while the construction output in civil engineering decreased by 4.3 %. In this segment, the completion of a number of road projects will be a damper on future growth, so that Euroconstruct even expects a minus of 9.8 % in 2014. A shift in priorities in favour of public transport could cushion this decline in subsequent years.

STRABAG generated an output volume of € 19.77 million on the Bulgarian market in 2013.

MIDDLE EAST, THE AMERICAS, AFRICA, ASIA



In addition to its main markets in Europe, the STRABAG Group also operates in individual non-European regions in order to be less dependent on the economic underlying conditions of individual markets. Internationally, the group has been present in Asia, Canada, Chile, Africa and the Middle East for many years and decades. All in all, these regions generated € 853.70 million, or 6 % of the group's total output volume in 2013, a share that could rise to at least 10 % in the coming years.

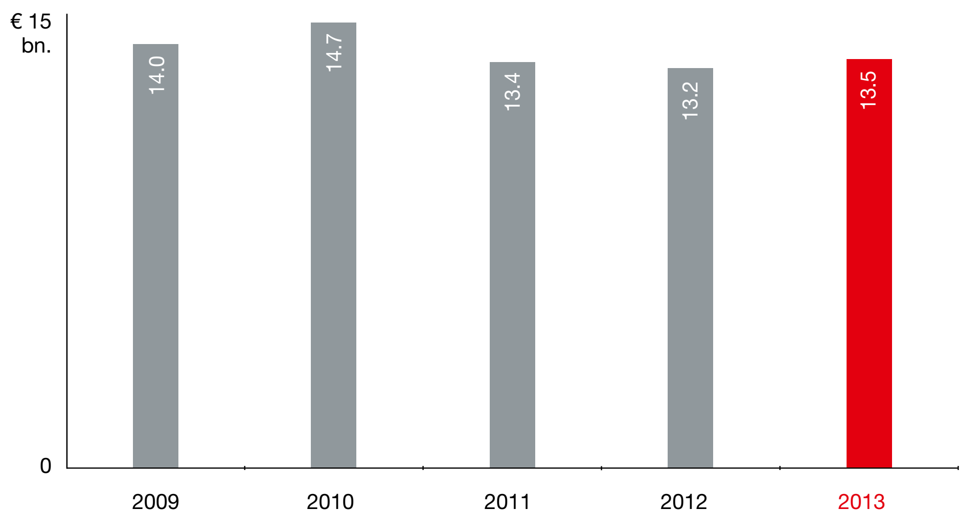
In the non-European markets, STRABAG is usually active as a general contractor through direct export. The focus in these regions is on civil engineering, industrial and infrastructure projects and tunnelling – areas in which high technological expertise is required. Milestones from the past include the research and development partnership with Rio Tinto in tunnelling, several road construction orders in Oman and the contract to build a designer outlet centre for McArthurGlen in Canada. STRABAG's activities in non-European countries are included – with a few minor exceptions – in the segment International + Special Divisions.

Order backlog

ORDER BACKLOG OF STRABAG SE BY SEGMENT AS AT 31 DECEMBER 2013

€ mln.	Total 2013	North + West	South + East	International + Special Divisions	Other	Total 2012	Δ Group %	Δ Group absolute
Germany	5,052	3,853	182	1,009	8	4,544	11	508
Austria	1,503	6	1,088	408	1	1,466	3	37
Italy	1,256	3	1	1,252	0	1,351	-7	-95
The Americas	640	57	1	582	0	416	54	224
Poland	605	531	53	20	1	700	-14	-95
Scandinavia	585	573	10	2	0	434	35	151
Middle East	585	12	28	545	0	596	-2	-11
Hungary	573	0	560	13	0	326	76	247
Slovakia	445	0	439	6	0	331	34	114
Czech Republic	364	0	355	8	1	499	-27	-135
Benelux	351	288	6	57	0	555	-37	-204
Russia and neighbouring countries	317	104	212	1	0	635	-50	-318
Romania	308	0	300	8	0	326	-6	-18
Switzerland	217	10	159	48	0	268	-19	-51
Slovenia	151	0	151	0	0	144	5	7
Rest of Europe	139	14	104	21	0	78	78	61
Africa	134	0	22	112	0	236	-43	-102
Asia	112	0	4	108	0	163	-31	-51
Croatia	77	0	75	2	0	113	-32	-36
Bulgaria	35	0	35	0	0	14	150	21
Serbia	21	0	21	0	0	8	163	13
Total	**13,470**	**5,451**	**3,806**	**4,202**	**11**	**13,203**	**2**	**267**

DEVELOPMENT OF ORDER BACKLOG



The order backlog as at 31 December 2013 grew slightly by 2 % to € 13.5 billion and covers around one year's worth of output volume. The geographic focus shifted somewhat here: large projects such as the Olympic Village in Russia and orders in Benelux had been completed in 2013. In exchange, a large number of new building construction orders in Germany bolstered the order backlog by more than € 500 million.

CONSTRUCTION SITES INCLUDED IN THE ORDER BACKLOG AS AT 31 DECEMBER 2013

Category	Number of construction sites	as % of number of construction sites	Order backlog € mln.	as % of order backlog
small orders (€ 0–15 mln.)	15,007	98	4,983	37
medium-sized orders (€ 15–50 mln.)	214	1	2,660	20
large orders (> € 50 mln.)	94	1	5,827	43
Total	**15,315**	**100**	**13,470**	**100**

Part of risk management

The overall order backlog is comprised of 15,315 individual projects. More than 15,000 of these are small projects with a volume of up to € 15 million each. They account for 37 % of the order backlog; a further 20 % are medium-sized projects with order volumes between € 15 million and € 50 million; 43 % 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 as at 31 December 2013 added up to 22 % of the order backlog, compared to 24 % at the end of 2012.

THE TEN LARGEST PROJECTS CURRENTLY IN PROGRESS AS AT 31 DECEMBER 2013

Country	Project	Order backlog € mln.	as % of total order backlog
Italy	Pedemontana motorway	1,015	7.5
Chile	Alto Maipo hydropower complex	372	2.8
Austria	Koralm Tunnel, Section 2	324	2.4
Germany	Stuttgart 21, underground railway station	314	2.3
United Arab Emirates	STEP wastewater systems	189	1.4
Germany	Jena University Hospital	164	1.2
Germany	Upper West Berlin	161	1.2
Germany	Albabstieg Tunnel	149	1.1
Italy	Grosseto–Siena expressway	107	0.8
Poland	S8 Opacz–Paszków	106	0.8
Total		**2,903**	**21.6**

Impact on changes to the scope of consolidation

In the 2013 financial year, 21 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 € 47.53 million to the group revenue and € -1.72 million to the net income after minorities. As a result of first-time inclusions, current and non-current assets increased by € 28.11 million, current and non-current liabilities by € 13.71 million.

Financial performance

In the 2013 financial year, STRABAG SE generated an **output volume** of € 13.6 billion. The relatively low decline by 3 % over the previous year can be explained by weather-related effects at the start of the year. The group's core markets revealed quite different developments: as STRABAG is a broadly positioned group, the expected market-related decline in Poland following the end of the construction boom there and project-related reductions in Canada, Benelux and Romania were nearly balanced out by increases in e.g. Hungary, Austria and Africa.

The consolidated **group revenue** for the 2013 financial year amounted to € 12,475.65 million, which corresponds to a decrease of 4 %. The ratio of revenue to construction output remained unchanged at 92 %. The segment North + West contributed 44 %, South + East 36 % and International + Special Divisions 20 % to the revenue.

The **changes in inventories** involve mainly the real estate project development business, which was conducted as actively as in the past. The **own work capitalised** remained at a very low level.

The **expenses for materials, consumables and services used** decreased more strongly than the revenue, falling by 5 % to € 8,204.35 million, while the **employee benefits expense** was down just 2 % to € 2,998.65 million. In total, however, the ratio of these two items versus revenue remained unchanged at 90 % as in the past two years.

The strong decline of the **other operating expenses** (-9 %) can be explained by the previous year's inclusion of damage compensation payments related to an arbitration ruling on a failed acquisition. The **other operating income**, which generally also rises or falls with revenue, increased in the past financial year despite the lower revenue. This was in part due to the somewhat higher income from asset disposals. The item also includes income from the fully consolidated concession companies.

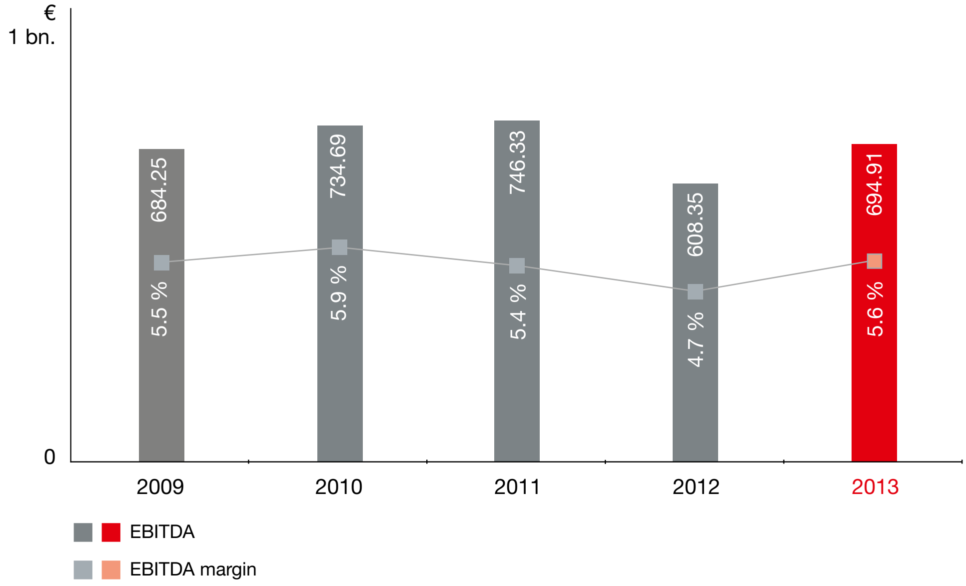
EXPENSES

€ mln.	2013	2012	Δ %
Materials, consumables and services used	8,204.35	8,655.10	-5
Employee benefits expense	2,998.65	3,051.78	-2
Other operating expenses	857.29	938.16	-9
Depreciation and amortisation	433.34	401.17	8

The **share of profit or loss of associates** moved into positive territory in the 2013 financial year, namely from € -9.22 million to € 5.78 million. This item was especially influenced by the investment in a cement joint venture and in a project development company which had contributed to a negative result in 2012. The **net income from investments**, composed of the dividends and expenses of many smaller companies or financial investments, slipped slightly into negative territory, however.

As the 2013 results were no longer burdened by damage compensation payments related to a failed acquisition or by missing revenue for services already rendered in Central and Eastern Europe, the **earnings before interest, taxes, depreciation and amortisation** (EBITDA) grew by 14 % to € 694.91 million and the EBITDA margin rose from 4.7 % to 5.6 %. Cost developments related to large projects in hydraulic engineering, in the Netherlands and in Sweden, as well as the competitive pressure in railway construction, continued to impact earnings, however.

DEVELOPMENT OF EBITDA UND EBITDA MARGIN



For its international business, the company had invested in specialty equipment that is now being depreciated over just a few years of construction. Together with the **depreciation and amortisation of plant and equipment** in the fields of railway construction and in hydraulic engineering, the total depreciation and amortisation expense grew by 8 %. The goodwill impairment contained in this item was nearly unchanged at € 3.99 million in 2013 after € 10.08 million in the year 2012. This resulted in an increase in the **earnings before interest and taxes** (EBIT) by 26 % to € 261.58 million and an EBIT margin of 2.1 % versus 1.6 % in the previous year.

Effective tax rate: 32.1 %

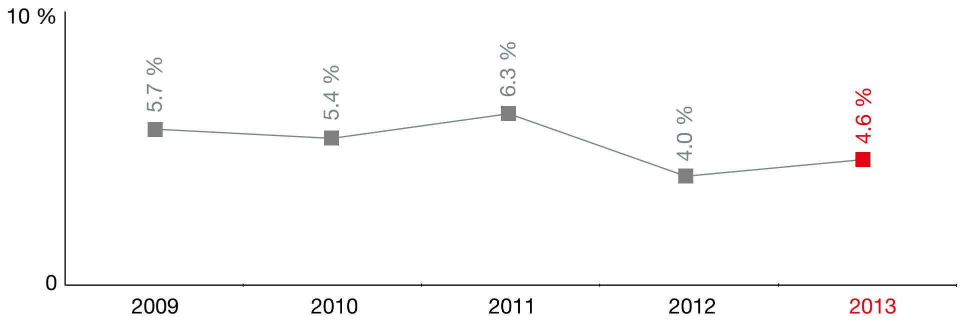
While negative exchange rate differences amounting to € 11.75 million had still been registered in 2012, the net interest income in the past financial year now contained positive foreign currency effects of € 13.04 million. The result was a net interest income of € -31.54 million compared to € -50.73 million the previous year. This corresponds to a 47 % increase in the profit before tax. The income taxes were thus calculated at € 73.78 million, with a resulting tax rate of 32.1 %.

Earnings per share: € 1.11

Earnings owed to minority shareholders amounted to € 42.70 million. The **net income after minorities** thus came to € 113.56 million in 2013, 87 % higher than in the previous year. The number of weighted outstanding shares decreased due to the – now concluded – buyback of own shares from 104,083,238 to 102,716,850, so that the earnings per share increased by 90 % to € 1.11.

The **return on capital employed** (ROCE)[1)] improved to 4.6 % after the low of 4.0 % in the previous year.

DEVELOPMENT OF ROCE



1) ROCE = (net income + interest on debt – interest tax shield (25 %)) / (average group equity + interest-bearing debt)

Financial position and cash flows

BALANCE SHEET

€ mln.	2013	% of balance sheet total	2012	% of balance sheet total
Non-current assets	4,416.30	42	4,546.46	45
Current assets	6,144.50	58	5,591.23	55
Equity	3,238.77	31	3,162.54	31
Non-current liabilities	2,465.79	23	2,431.92	24
Current liabilities	4,856.23	46	4,543.23	45
Total	**10,560.79**	**100**	**10,137.69**	**100**

The **balance sheet total** of STRABAG SE increased by 4 % to € 10,560.79 million. This was in large part due to the unusually high increase of the cash and cash equivalents from € 1,374.96 million to € 1,711.97 million, resulting in a shift toward current assets. Conspicuous on the liabilities side is the stable **equity ratio** at the high level of 30.7 % (2012: 31.2 %) and the higher non-current liabilities as a result of the bond that was issued in the past financial year.

KEY BALANCE SHEET FIGURES

	2009	2010	2011	2012	2013
Equity ratio (%)	32.2	31.1	30.3	31.2	30.7
Net debt (€ mln.)	-596.23	-669.04	-267.81	154.55	-73.73
Gearing ratio (%)	-19.2	-20.7	-8.5	4.9	-2.3
Capital employed (€ mln.)	5,042.87	5,235.74	5,336.45	5,322.35	5,462.11

Unlike the previous year, but as had been usual in the years before that, a **net cash position** of € 73.73 million was reported as at 31 December 2013. This can be explained by the higher level of cash and cash equivalents.

CALCULATION OF NET DEBT

€ mln.	2009	2010	2011	2012	2013
Financial liabilities	1,509.16	1,559.15	1,731.96	1,649.98	1,722.70
Severance provisions	70.48	69.36	70.44	79.91	78.40
Pension provisions	364.16	374.79	384.21	429.92	422.24
Non-recourse debt	-757.08	-719.89	-754.18	-630.31	-585.11
Cash and cash equivalents	-1,782.95	-1,952.45	-1,700.24	-1,374.96	-1,711.97
Total	**-596.23**	**-669.04**	**-267.81**	**154.55**	**-73.73**

With a nearly unchanged cash flow from earnings of € 513.03 million, the **cash flow from operating activities** shot up 158 % to € 693.70 million. This was due to the uncharacteristically high project-related prepayments, which will fall back over the course of the year. The **cash flow from investing activities** could be contained by 26 % at € -332.38 million. The purchase of specialty equipment needed for certain projects was shifted in part to 2014, and enterprise acquisitions took place to only a minor extent. The **cash flow from financing activities** was significantly less negative – settling at € -6.49 million instead of € -176.26 million – for two reasons: first, the previous year had been characterised by a significant repayment of bank borrowings and, second, another bond was issued in the 2013 financial year, albeit with a volume of € 200 million compared to € 100 million in the year before.

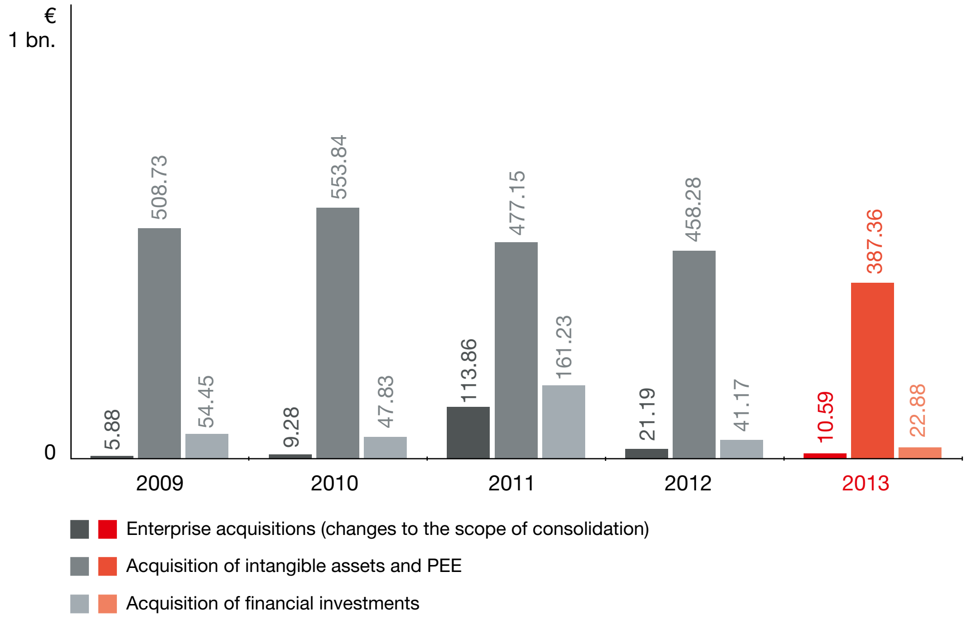
Capital expenditures

STRABAG had forecast capital expenditures (cash flow from investing activities) in the amount of approximately € 475 million for the 2013 financial year. In the end, the net capital expenditures totalled € 332.38 million and so remained clearly under budget. The gross investments (CAPEX) before subtraction of proceeds from asset disposals stood at € 420.83 million. This figure includes **expenditures on intangible assets and on property, plant and equipment** of € 387.36 million, the **purchase of financial assets** in the amount of € 22.88 million and **enterprise acquisitions** (changes to the scope of consolidation) of € 10.59 million.

About € 250 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 the project-based nature of STRABAG's business: in 2013, the group invested in equipment for large tunnelling projects in Austria and in the international business in particular as well as in the home market of Germany in general.

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 € 433.34 million. This figure also includes goodwill impairment in the amount of € 3.99 million.

COMPOSITION OF CAPEX



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 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.

Total credit line for cash and surety loans: € 6.7 billion

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

The medium- and long-term liquidity needs have so far also been covered by the issue of **corporate bonds.** STRABAG SE (and its predecessor FIMAG) has regularly issued bonds on the Austrian market since 2002. In the 2013 financial year, STRABAG successfully issued a € 200 million tranche with a coupon of 3.00 % and a term to maturity of seven years. The proceeds from the issue, which were used for general business purposes, help STRABAG to maintain its financing structure. At present, this leaves four bonds of STRABAG SE with a total volume of € 575 million on the market.

In order to diversify the financing structure, STRABAG SE placed its first **bonded loan** in the amount of € 140 million in the 2012 financial year. This long-term debt financing instrument is in many ways similar to a bond, with an important difference being that bonded loans are issued directly to institutional investors without using an organised capital market, i.e. an exchange.

The existing liquidity of € 1.7 billion assures the group's liquidity needs. Nevertheless, further bond issues or a refinancing of existing financing instruments are planned, depending on the market situation, in order to maintain a high level of liquidity reserves in the future and to take advantage of favourable market conditions.

STRABAG SE has a total credit line for cash and surety loans in the amount of € 6.7 billion. The credit lines include a **syndicated surety credit line** in the amount of € 2.0 billion and a revolving **syndicated cash credit line** of € 0.4 billion with a term until 2017. The group also has bilateral credit lines with banks. With a high degree of diversification, STRABAG creates an adequate risk spread in the provision of the credit lines and secures its comfortable liquidity position.

In June 2013, S&P again confirmed its BBB- rating and stable outlook for STRABAG SE. Explaining its decision, S&P cited the leading market position in transportation infrastructures in Central and Eastern Europe, the well-diversified and vertically integrated business, the good access to raw materials and the group's adequately high liquidity.

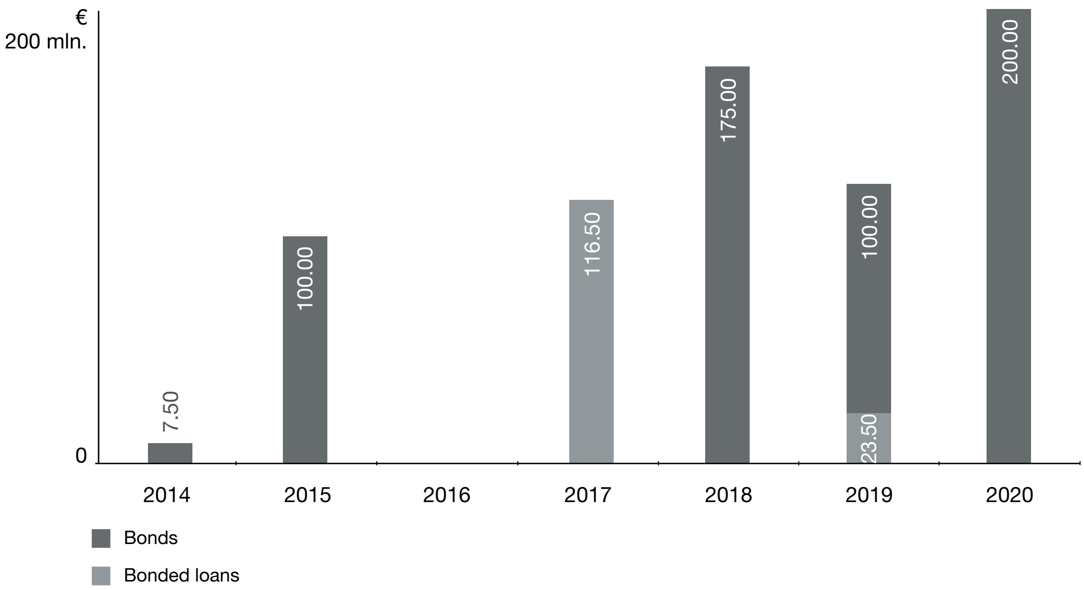
KEY FIGURES TREASURY

	2009	2010	2011	2012	2013
Interest and other income (€ mln.)	78.33	78.71	112.31	73.15	66.72
Interest and other expense (€ mln.)	-98.22	-98.39	-103.77	-123.87	-98.26
EBIT/net interest income (x)	-14.2	-15.2	39.2	-4.1	-8.3
Net debt/EBITDA (x)	-0.9	-0.9	-0.4	0.3	-0.1

PAYMENT OBLIGATIONS

€ mln.	Book value 31 December 2013
Bonds	582.50
Bank borrowings	1,117.70
Liabilities from finance leases	22.50
Total	**1,722.70**

PAYMENT PROFILE OF BONDS AND BONDED LOANS



Segment report

OVERVIEW OF THE FOUR SEGMENTS WITHIN THE GROUP

The business of STRABAG SE is divided into four segments, of which there are three operative segments North + West, South + East and International + Special Divisions, and segment Other, which encompasses the group's service companies and central staff divisions.

The segments are comprised as follows:

NORTH + WEST
Management board responsibility:
Peter Krammer
Germany, Poland, Benelux, Scandinavia, Ground Engineering, Hydraulic Engineering, Offshore Wind

SOUTH + EAST
Management board responsibility:
Siegfried Wanker
Austria, Switzerland, Hungary, Czech Republic, Slovakia, Adriatic, Rest of Europe, Railway Structures, Environmental Technology, Real Estate Development
Management board responsibility:
Thomas Birtel
Russia and neighbouring countries

INTERNATIONAL + SPECIAL DIVISIONS
Management board responsibility:
Hannes Truntschnig
International, Tunnelling, Services, Real Estate Development, Infrastructure Development, Construction Materials

OTHER
Management board responsibility:
Thomas Birtel and Christian Harder
Service companies

Construction projects are assigned to one of the segments (see chart below). Of course, 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 geographic segment, but the concession part is assigned to the concessions unit of International + Special Divisions. 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.

With only a few exceptions, we offer our services in all areas of the construction industry in the individual European markets in which we operate and cover the entire construction value chain. Our services include:

	North + West	South + East	International + Special Divisions
Residential Construction	✓	✓	
Commercial and Industrial Facilities	✓	✓	✓
Public Buildings	✓	✓	✓
Production of Prefabricated Elements	✓	✓	✓
Civil Engineering	✓	✓	✓
Bridges	✓	✓	✓
Power Plants	✓	✓	✓
Environmental Technology		✓	
Railway Structures		✓	
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 Materials	✓	✓	✓
Ground Engineering	✓		
Offshore Wind	✓		✓
Tunnelling			✓
Real Estate Development		✓	✓
Infrastructure Development			✓
Operation/Maintenance/Marketing of PPP Projects			✓
Property and Facility Services			✓

SEGMENT NORTH + WEST BENEFITS FROM BUILDING CONSTRUCTION IN GERMANY

The segment North + West executes construction services of nearly any kind and size with a focus on Germany, Poland, the Benelux countries and Scandinavia. Ground and hydraulic engineering as well as offshore wind can also be found in this segment.

€ mln.	2013	2012	Δ 2012–2013 %	Δ 2012–2013 absolute
Output volume	6,021.11	6,237.17	-3	-216.06
Revenue	5,524.43	5,509.53	0	14.90
Order backlog	5,451.26	4,826.52	13	624.74
EBIT	72.54	-51.32	n.a.	123.86
EBIT margin % of revenue	1.3	-0.9		
Employees	22,695	25,108	-10	-2,413

OUTPUT VOLUME NORTH + WEST

€ mln.	2013	2012	Δ 2012–2013 %	Δ 2012–2013 absolute
Germany	4,269	4,185	2	84
Poland	669	777	-14	-108
Scandinavia	508	575	-12	-67
Benelux	308	329	-6	-21
Russia and neighbouring countries	141	88	60	53
Switzerland	35	35	0	0
Rest of Europe	22	33	-33	-11
Austria	21	18	17	3
Slovenia	10	19	-47	-9
The Americas	9	131	-93	-122
Italy	7	9	-22	-2
Middle East	7	5	40	2
Asia	5	7	-29	-2
Romania	4	6	-33	-2
Hungary	3	16	-81	-13
Africa	3	1	200	2
Serbia	0	3	-100	-3
Total	**6,021**	**6,237**	**-3**	**-216**

Result with clear turn into positive territory

The segment North + West generated an output volume of € 6,021.11 million in the 2013 financial year, 3 % below the previous year's level. This is mostly due to the significant market- and weather-related declines in Poland, which after Germany is the second-biggest geographic market in this segment. The **revenue** remained nearly unchanged at € 5,524.43 million. The **earnings before interest and taxes** (EBIT) moved into positive territory with € 72.54 million. An especially positive contribution came from the business in German building construction. Improved year-on-year results were also registered in Poland and in transportation infrastructures and the construction materials business in Germany. The cost developments with large projects in hydraulic engineering, a transportation infrastructures project in the Netherlands and a building construction project in Sweden still remain a burden, however.

Order backlog up by 13 % thanks to German building construction projects

In comparison, several new large orders helped raise the order backlog to € 5,451.26 million, an increase of 13 % versus the previous year. Particularly positive developments were registered in building construction in Germany: STRABAG subsidiary Ed. Züblin AG assumed the construction of the Upper West high-rise complex in Berlin for € 106 million and was awarded the construction contract for a section of Thuringia's new university clinic in Jena with a project value of more than € 170 million. In Germany, the company was also awarded the contracts to build an office building at the Stuttgart Airport for around € 95 million, to establish a cultural quarter in Dresden for € 70 million, and to expand the Allianz Campus in Unterföhring near Munich with a volume of € 100 million (share 90 %). In Denmark, Ed. Züblin AG was chosen to build the multi-use Bryghus building at the Copenhagen waterfront for € 140 million. In Poland, STRABAG companies recently began construction of sections of the A4 and S8 highways. In Sweden, it was possible to acquire the Orgelpipan project, in a prime location in Stockholm, comprising hotels, offices and a residential unit. Finally, a regular client has commissioned the group to build the McArthurGlen Designer Outlet Vancouver Airport in Canada.

Number of employees down due to business shifting

The number of employees was down by 10 % to 22,695 in response to the shifting of activities in Chile into the segment International + Special Division. At the same time, an expansion of the workforce in Germany was countered by an expected market-related reduction of the blue-collar and white-collar workforce in Poland.

Investments in timber construction and in the Netherlands

The company invested in areas with growth potential in 2013: Ed. Züblin AG expanded its range of services in the field of structural timber engineering with the acquisition of Merk Timber GmbH (formerly Metsä Wood Merk GmbH), a German manufacturer of cross-laminated timber; STRABAG B.V. took over the employees, equipment and production facilities of the transportation infrastructures activities of Janssen de Jong Groep in the Netherlands.

Outlook: output volume expected to remain at high level of € 6 billion in 2014

The management board expects an output volume of € 6.0 billion in the segment North + West in the 2014 financial year. Further economic stimulus is being provided in **Germany** by the favourable financing conditions and the positive labour market situation. As a result, building construction and civil engineering showed very positive development; the STRABAG Group started the year 2014 with an order backlog that will cover most of the output volume being forecast for the coming year. The future is likely to bring rising subcontractor prices with stable construction materials prices, however. In the German transportation infrastructures business, policymakers have recognised the investment backlog in public-sector infrastructure, so that a number of tenders are expected which could have a positive impact on the market from the second half of 2014. STRABAG benefits from the fact that its strong decentralised structure in the mass market allows it to respond flexibly to regional fluctuations in demand on the part of the public sector.

The end of the construction boom in **Poland** was clearly reflected in the output volume of the segment in 2013. Momentum is expected starting in 2014, however: more than 700 km of expressways are planned for realisation in Poland between 2014 and 2020, co-financed in part by the EU.

Scandinavia, which accounts for 8 % of the segment output, is the third-largest region in North + West, with Sweden and Denmark making the most significant contributions to the output volume of just over € 500 million. Both the overall economic environment and the market for tunnelling and infrastructure projects continue to remain stable. Especially in the Stockholm region, the coming years will see the realisation of a number of large infrastructure projects and housing developments. Increasing competitive pressure is expected, however, as internationally operating construction groups are likely to enter this market.

SELECTED PROJECTS NORTH + WEST

Country	Project	Order backlog € mln.	Percentage of total group order backlog %
Germany	Stuttgart 21, underground railway station	314	2.33
Germany	New university clinic, Jena	164	1.22
Germany	Upper West high-rise complex, Berlin	107	0.79
Poland	S8 Opacz–Paszków	106	0.79
Denmark	Bryghus multi-use building, Copenhagen	92	0.68
Germany	Aquis, Aachen	90	0.67
Germany	Allianz Campus, Unterföhring	83	0.62

SEGMENT SOUTH + EAST CHARACTERISED BY PRICE PRESSURE

The geographic focus of the segment South + East is on Austria, Switzerland, Hungary, the Czech Republic, Slovakia, Russia and neighbouring countries as well as on the region South-East Europe. Railway structures, environmental technology as well as selected real estate development activities are also handled within this segment.

€ mln.	2013	2012	Δ 2012–2013 %	Δ 2012–2013 absolute
Output volume	4,593.36	4,755.74	-3	-162.38
Revenue	4,466.03	4,792.43	-7	-326.40
Order backlog	3,805.48	4,326.12	-12	-520.64
EBIT	138.23	148.89	-7	-10.66
EBIT margin % of revenue	3.1	3.1		
Employees	21,089	22,699	-7	-1,610

OUTPUT VOLUME SOUTH + EAST

€ mln.	2013	2012	Δ 2012–2013 %	Δ 2012–2013 absolute
Austria	1,630	1,573	4	57
Czech Republic	546	532	3	14
Russia and neighbouring countries	410	432	-5	-22
Hungary	402	293	37	109
Germany	336	339	-1	-3
Switzerland	325	351	-7	-26
Slovakia	301	360	-16	-59
Romania	285	315	-10	-30
Croatia	114	111	3	3
Poland	51	232	-78	-181
Slovenia	47	49	-4	-2
Rest of Europe	46	42	10	4
Serbia	29	66	-56	-37
Bulgaria	17	24	-29	-7
Middle East	15	7	114	8
Africa	12	0	n.a.	12
Asia	8	7	14	1
Italy	6	13	-54	-7
The Americas	6	6	0	0
Benelux	5	2	150	3
Scandinavia	2	2	0	0
Total	**4,593**	**4,756**	**-3**	**-163**

Output volume, revenue and result in decline

The output volume in the segment South + East decreased to € 4,593.36 million in 2013, down 3 % versus the previous year. A decisive factor was, among other things, the internal shifting of the building construction activities in Poland into the segment North + West. Meanwhile, on a more positive note, growth of the output volume was reported in Hungary and the Czech Republic. The **revenue** decreased more strongly than the output volume, dropping by 7 % to € 4,466.03 million. The **earnings before interest and taxes** (EBIT) also fell by 7 % to € 138.23 million. Decisive factors behind this development included amongst others the continued considerable competitive pressure in railway construction. The successful result-improvement programme of the environmental technology business influenced the EBIT positively, however.

Order backlog down due to completion of large Russian project

The segment's order backlog fell by 12 % to € 3,805.48 million. This was due to the completion of the large Olympic Village project in Russia, the aforementioned shifting process in Poland and the market-related decline in the Czech Republic. A recovery of the order situation can be seen in Slovakia and in Hungary, on the other hand, where work began on two new motorway projects in each country in 2013. And in Bosnia, a consortium including STRABAG secured the tender to build the Svilaj–Odžak section of the international motorway corridor 5c.

Fewer employees in nearly all markets

Corresponding to the lower order backlog, the number of employees in the segment decreased by 7 % to 21,089; a declining workforce was registered in nearly all markets, however.

Outlook: continued high price pressure in transportation infrastructures

It should be possible to generate an output volume of € 4.7 billion in the segment South + East in the current financial year. In general, the price pressure in transportation infrastructures in Central and Eastern Europe will continue. A lack of financing, especially in the **Czech Republic**, in **Romania** and in the **Adriatic region**, means that very few large public-sector projects are being awarded at this time – with a resulting tougher competition on the price. A more positive outlook, on the other hand, is offered by transportation infrastructures in **Slovakia**, where several large motorway and expressway projects are currently being tendered, as well as in the area of building construction for private clients in Slovakia and the Czech Republic.

Austria, with a contribution of 35 % to the segment output the largest market in South + East, paints a mixed picture: From today's perspective, the shifting competitive landscape resulting from a competitor's market departure is unlikely to result in a reduction of margin pressure in the transportation infrastructures business or in the Austrian states – where Upper Austria and Carinthia are particularly affected. In the greater Vienna area, meanwhile, STRABAG continues to see itself faced with a stable environment in which it was possible to selectively acquire certain construction projects from the departed competitor.

In **Hungary**, stabilisation is becoming apparent at a low level: investments from international industrial groups are growing slightly and the long-awaited large projects in road construction are now finally coming up for tender. Older projects continued to have a negative impact in 2013, however.

In the **RANC** region, acquisition efforts are shifting from building construction in metropolitan areas in Russia to industrial projects as well as projects with special know-how requirements in countries such as Turkmenistan and Kazakhstan, where a STRABAG subsidiary was recently awarded the contract for concrete works for the Astana–Karaganda motorway section.

In **Switzerland**, STRABAG merged a large portion of its companies in 2013 so that a homogeneous brand presence is now possible. The reorganisation, which is now largely complete, had become necessary due to the strong growth experienced by the group in Switzerland in the past few years.

The **railway structures** business will remain characterised by overcapacities and a distorted competitive landscape in Germany; additionally, the long winter means that large equipment was hardly used this year.

SELECTED PROJECTS SOUTH + EAST

Country	Project	Order backlog € mln.	Percentage of total group order backlog %
Hungary	M4 motorway section Abony–Fegyvernek	106	0.79
Russia	Kauchuk residential complex	105	0.78
Slovenia	Ljubljana waste treatment facility	91	0.67
Slovakia	R2 expressway Pstruša–Kriváň	71	0.53
Czech Republic	Road I/11 Rudna	63	0.46
Romania	Modernisation of DN67B	58	0.43
Romania	Rail line Vințu de Jos–Simeria	54	0.40
Romana	ELI-NP laser project research facility	52	0.39

INTERNATIONAL + SPECIAL DIVISIONS VOLATILE AS USUAL

The segment International + Special Divisions includes, on the one hand, the field of tunnelling. The concessions business, on the other hand, represents a further important area of business, with global project development activities in transportation infrastructures in particular. Regardless of where the services are rendered, our construction materials business, including our dense network of construction materials operations but with the exception of asphalt, also belongs to this segment. 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. Additionally, most of the services in non-European markets are also bundled in the International + Special Divisions segment.

€ mln.	2013	2012	Δ 2012–2013 %	Δ 2012–2013 absolute
Output volume	2,822.41	2,924.86	-4	-102.45
Revenue	2,458.68	2,661.29	-8	-202.61
Order backlog	4,202.28	4,038.33	4	163.95
EBIT	69.58	126.93	-45	-57.35
EBIT margin % of revenue	2.8	4.8		
Employees	23,575	20,426	15	3,149

OUTPUT VOLUME INTERNATIONAL + SPECIAL DIVISIONS

€ mln.	2013	2012	Δ 2012–2013 %	Δ 2012–2013 absolute
Germany	1,127	1,196	-6	-69
Middle East	301	293	3	8
Austria	295	268	10	27
The Americas	248	211	18	37
Italy	155	135	15	20
Africa	150	124	21	26
Czech Republic	93	109	-15	-16
Asia	90	96	-6	-6
Hungary	86	80	8	6
Benelux	85	124	-31	-39
Poland	52	118	-56	-66
Slovakia	37	39	-5	-2
Romania	31	50	-38	-19
Switzerland	22	35	-37	-13
Croatia	19	18	6	1
Rest of Europe	11	8	38	3
Slovenia	10	13	-23	-3
Russia and neighbouring countries	7	5	40	2
Bulgaria	2	2	0	0
Serbia	1	1	0	0
Total	**2,822**	**2,925**	**-4**	**-103**

Result nearly halved

In the volatile segment International + Special Divisions, the output volume fell by 4 % to € 2,822.41 million in the 2013 financial year. The greatest share of the output volume was again generated in the markets of Germany, the Middle East and Austria. A decline was registered in the **revenue** by 8 % to € 2,458.68 million. The **earnings before interest and taxes** (EBIT) were nearly halved to € 69.58 million. This development is due to the typically volatile business in the segment, particularly in the international business and in tunnelling.

Order backlog up thanks to large project in Chile

The order backlog grew by 4 % to € 4,202.28 million: new projects were recorded in Chile, where an especially large increase in the order backlog was registered, in Thailand and in Oman, and the order books were further padded in the home market of Germany by the contract to build a new government building in Potsdam under a public-private partnership (PPP) arrangement. In Germany, the STRABAG subsidiary Ed. Züblin AG was also awarded the contract to build a tunnel on the new Wendlingen–Ulm rail line for € 250 million (Ed. Züblin AG's share of the contract amounts to 60 %). In Canada, the group will build the McArthurGlen Designer Outlet Vancouver Airport. At the same time, however, a number of large projects were completed in e.g. Africa, in Austria and in Benelux.

Employees: Chile brings +15 %

The number of employees grew by a considerable 15 % to 23,575. This can be explained with the organisational adjustment and subsequent shifting of staff in Chile from the segment North + West into the segment International + Special Divisions and with several orders in Africa.

Outlook: Challenging environment with margin pressure in the core markets

The output volume of the segment International + Special Divisions should remain unchanged at € 2.8 billion in 2014. The earnings are expected to remain satisfactory, even if the price level is ruinously low in some areas. STRABAG has observed that competition in **tunnelling** in Austria, in Germany and in Switzerland is increasingly being carried out on the price.

The market for **concession projects** in Europe also remains a challenging one. In this business field, STRABAG is currently working on offers in Belgium, Bosnia-Herzegovina, Ireland, Romania, Germany or Croatia. Competitive pressure is on the rise and, especially in Eastern Europe, the sector is facing political and financial hurdles.

Significant earnings contributions, on the other hand, are expected from the business field **real estate development** in the year 2014, in particular as a result of the planned sales of construction projects that were completed in 2013. It is also planned to further expand the project development activities in Central and Eastern Europe and in Sweden. **PPP building construction** still benefits from the continued large investment needs on the part of the public sector. The market for PPP measures in building construction therefore has a chance to further grow in comparison to the restrained development of the previous year, especially as this constellation makes it possible for the client to realise efficiency advantages from an integrated solutions approach, i.e. from the observation of lifecycle costs. STRABAG is moreover in a position to completely cover all specifications in this area, thanks to the inclusion of specialist providers from within the group such as **STRABAG Property and Facility Services**. In particular the activities in property management of this service subsidiary contributed to stable development in 2013; STRABAG had acquired a residential property management company and has been able to develop this business within the group.

The price pressure in the European core markets requires STRABAG to diversify more broadly internationally. In addition to selected countries in East Africa, the foreign markets currently being worked by the company include Oman, the United Arab Emirates, Qatar and Saudi Arabia. In Canada – the Niagara Tunnel Project was successfully concluded here in March –, Colombia and the United Kingdom, STRABAG has been working on new order opportunities in the area of concession and infrastructure projects. Looking at specific construction segments, the conclusion of a partnership agreement with mining company Rio Tinto marked the group's consolidation of the **mining business**. STRABAG is also offering specialty construction services around the world in **pipe jacking** (a tunnelling technique), in **test track construction** and in the field of **liquefied natural gas** (LNG).

The **construction materials business** will continue to put pressure on the margins of the segment, as the market for concrete is stagnating at a very low level. In Bulgaria, therefore, STRABAG has already ended its engagement in this business field. In many countries, the situation with stone and gravel continues to be modest at best, and the situation in the cement business is also not expected to improve in the short term due to the stagnation in terms of quantities. The developments in bitumen emulsion/road maintenance are satisfactory.

SELECTED PROJECTS INTERNATIONAL + SPECIAL DIVISIONS

Country	Project	Order backlog € mln.	Percentage of total group order backlog %
Italy	Pedemontana motorway	1,015	7.54
Chile	Alto Maipo hydropower complex	372	2.76
Austria	Koralm Tunnel, Section 2	293	2.18
United Arab Emirates	STEP wastewater systems	187	1.39
Germany	Albabstieg Tunnel	149	1.10
Italy	Grosseto–Siena expressway	107	0.80
Chile	Candelaria Mine 2011	93	0.69
Oman	Road Sinaw–Duqm	87	0.65
Oman	Duqm port facility	77	0.57

OTHER (INCLUDES SERVICE COMPANIES AND CENTRAL STAFF DIVISIONS)

This segment encompasses the group's service companies and central staff divisions.

€ mln.	2013	2012	Δ 2012–2013 %	Δ 2012–2013 absolute
Output volume	136.19	124.83	9	11.36
Revenue	26.51	19.98	33	6.53
Order backlog	10.66	11.96	-9	-1.03
EBIT	0.06	-1.97	n.a.	2.03
EBIT margin % of revenue	0.2	-9.9		
Employees	5,741	5,777	-1	-36

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 is 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 ARE COUNTERED THROUGH DIVERSIFICATION

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 MANAGED THROUGH PRICE COMMISSIONS AND TARGET/PERFORMANCE COMPARISONS

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 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: ACTIVE LIQUIDITY AND ACCOUNTING RECEIVABLES MANAGEMENT

See also Corporate Governance Report

Under financial risks, STRABAG understands risks in financial matters and in accounting, including instances of manipulation. Special attention is paid to the **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.

VALUES & COMPLIANCE

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 item 25 Financial Instruments.

ORGANISATIONAL RISKS RELATED TO HUMAN RESOURCES AND IT

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 AS AN IMPORTANT COMPETITIVE FACTOR

PEOPLE & WORKPLACE

See chapter "People at STRABAG"

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: SECTOR-TYPICAL MINORITY HOLDINGS OF MIXING PLANTS

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 **sector-typical minority holdings**. With these companies, economies of scope are at the fore.

POLITICAL RISK: INTERRUPTIONS AND DISPOSSESSION POSSIBLE

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 SYSTEM 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. On this basis, the STRABAG Group set up a company-wide risk management system according to generally accepted principles.

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

Internal audit report in the Corporate Governance Report

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. In addition, 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 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 summarised 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.

Human resources

PEOPLE & WORKPLACE

In 2013, STRABAG SE employed an average of 73,100 people in all countries in which it operates (2012: 74,010), of which 28,091 were white-collar and 45,009 were blue-collar workers. With a minus of 1 %, the **number of employees** was down only slightly. Large changes in several entities almost completely balanced each other out: on the one hand, the workforce was reduced for market reasons in Poland; on the other hand, new large-scale projects in non-European markets and in Germany resulted in a plus of nearly 1,600 jobs.

In the past financial year, 1,118 blue-collar apprentices (2012: 1,129) and 255 white-collar trainees (2012: 259) were in **training** with the group. Additionally, 45 technical trainees and 10 commercial **trainees** were employed as at 31 December 2013.

The percentage of **women** among group employees averaged 13.6 % (2012: 13.4 %), in group management it was 8.6 % (2012: 8.7 %). With these figures, the company has only partially reached its goal of annually raising the percentage of women within the group.

Research and development

MISSION & VISION

As a technology group for construction services, the STRAGAG Group does business in a rapidly changing environment. The increasing advances in technology, closer dovetailing with other industries, and continuously growing competitive pressure present the company with enormous challenges. To remain competitive in the long term, the company must come to understand the impact of these developments on its core business and introduce the necessary measures to secure an advantage over the competition. The focus is therefore on an increasing **technological orientation** and on **systematic innovation management**.

On the one hand, the STRABAG Group has for years been cooperating with international universities and research institutions. On the other hand, it sees its internal research and development units as giving it a strategic competitive advantage: in overall charge of the planning and execution of research and development projects within the STRABAG Group are the two central divisions **Zentrale Technik** (ZT) and Gesellschaft zur Optimierung von Technischen Prozessen, Arbeitssicherheit und Qualität (TPA), both of which report directly to the CEO.

ZT is organised as a central division with **750** highly qualified **employees** at 21 locations. It provides services in the areas of tunnelling, civil and structural engineering, and turnkey construction along the entire construction process: from the early acquisition stage and bid processing to execution planning and site management, ZT offers innovative solutions with regard to construction materials technology, construction management and construction physics, and software solutions. Central topics for innovation activities are sustainable construction and renewable energy. Among other things, the employees at ZT develop methods and tools to control the impact that construction activities have on the environment.

TPA is the STRABAG Group's competence centre for quality management and materials-related research and development. Its main tasks include ensuring the quality of the construction materials, structures and services as well as the safety of the processes, and developing and reviewing standards for the handling and processing of construction materials. With lean management, TPA also holds competences for the efficient planning of supply and production chains. TPA has about **900 employees** at 130 locations in more than 20 countries, making it one of Europe's largest private laboratory companies.

STRABAG'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. The company has developed products and solutions in the electronic toll collection segment for multi-lane traffic flow and has already introduced these onto the market. The research focus last year was on the topics of mobile and portable enforcement, microwave communications and image acquisition systems. The technology company headquartered in Raaba near Graz, Austria, is seeing a lot of international demand and was able to achieve an export ratio of 95 % in 2013.

In addition to specific research projects at the group's units and subsidiaries, a large part of the research and development activities takes place at ongoing construction projects – especially involving tunnelling, construction engineering and ground engineering. During construction in these areas, new challenges or concrete questions often arise which require new technological processes or innovative solutions and which contribute to the group's research, development and innovation activity.

The STRABAG Group spent about € 20 million (2012: about € 17 million) on research, development and innovation activities during the 2013 financial year.

Environment

ECOLOGICAL RESPONSIBILITY

Ecological responsibility has been a topic within the group for years and is also anchored in the corporate strategy. As a provider of construction services, STRABAG's activities cause dust and noise and alter the environment. As a zero-emissions construction site will not be a reality in the foreseeable future, it is the company's aim to **limit the negative impact on the environment** that results from our core business **to a minimum**. To this end, continuous investments are made in processes and technologies to increase the energy efficiency and reduce the environmental impact. For STRABAG, ecological responsibility begins with the planning of buildings and structures and continues through to their construction and services.

More information about ecological responsibility is available at csr.strabag.com (not audited by KPMG)

ENERGY MANAGEMENT HELPS TO LOWER COSTS

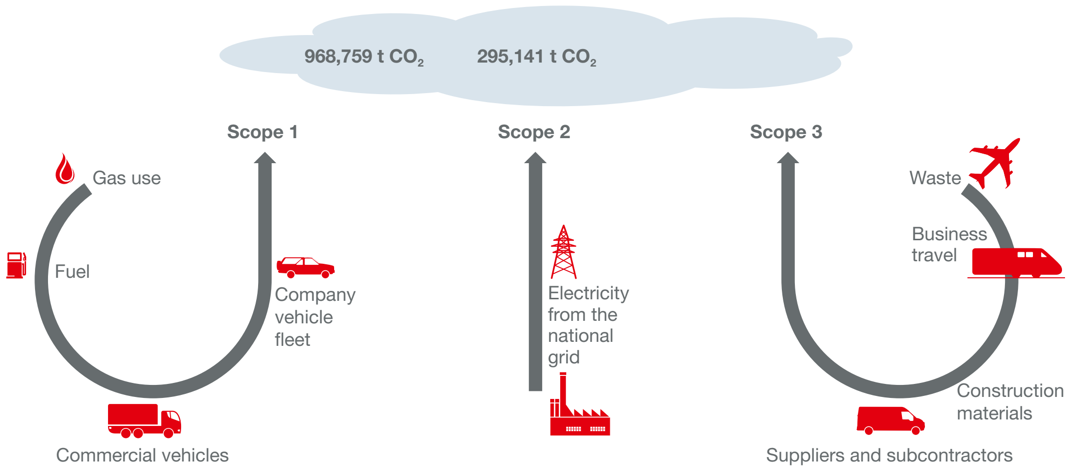
The topic of energy is of great importance for the STRABAG Group not only for ecological but also for economic reasons. Energy management is an instrument with which it is possible to reduce energy use and, consequently, energy costs within the group over the long term. This requires operational objectives regarding energy use and CO_2 emissions as well as the development and realisation of corresponding measures. Pilot projects on this topic have already been implemented at several of the group's operating entities in recent years.

The **energy costs** for the companies within STRABAG SE's scope of consolidation amounted to nearly **€ 342.73 million** in 2013 (2012: € 347.13 million). Without measures to increase energy efficiency, energy costs can be expected to rise in response to price hikes and legislative changes in the next few years. In 2012, therefore, the company launched a comprehensive energy management programme that made its first progress in 2013 with the **reduction of energy use by 1.2 %**. STRABAG's energy management includes the sum of all measures that are planned or are being implemented to guarantee a minimum use of energy for the required performance. Attempts are made to influence organisational and technical processes, and the group's employees are sensitised to the goal of improving energy efficiency. The positive results of such an energy management can be seen in the reduction of energy costs, the increased potential for tax savings, and the protection of the environment as a result of reduced emissions.

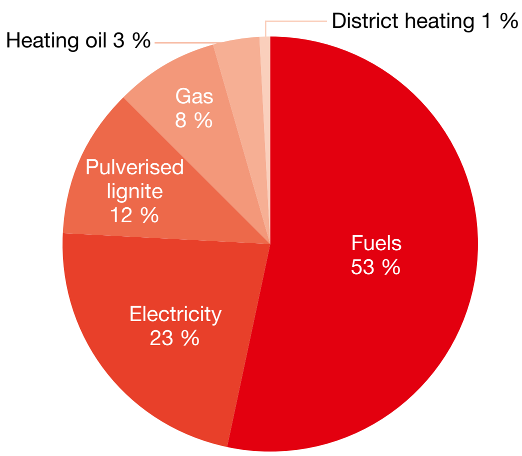
DECLINE OF CO_2 EMISSIONS IN 2013

As in previous years, the carbon footprint for the 2013 financial year refers to the group's full scope of consolidation and includes emissions caused in 60 countries. Within the group, a total of **1,263,900 tonnes of CO_2 were emitted** during the year under report. This represents a **decline of 2 %** or more than 24,400 tonnes of CO_2 in a year-on-year comparison. The emissions are reported separately for Scopes 1 and 2 as defined by the Greenhouse Gas Protocol. With 53 %, the highest proportion of CO_2 emissions – as in the previous year – resulted from the use of fuels, almost exclusively diesel, within the group. This was followed by electricity and pulverised lignite with 23 % and 12 %, respectively. Germany, Poland and Austria caused the greatest share of these emissions (54 %). This shows that energy consumption is proportional to the generated output volume: with 63 %, these countries are also responsible for the greatest share of the group's output volume in 2013.

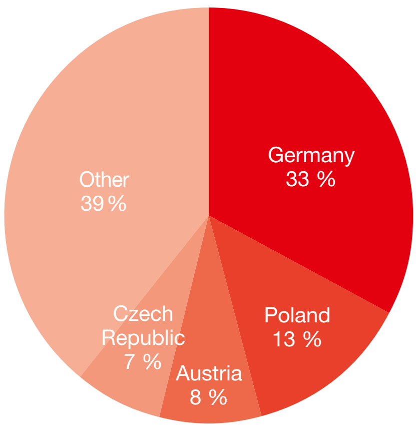
EMISSIONS OF THE STRABAG GROUP FOR THE YEAR 2013



CO_2 EMISSIONS BY ENERGY SOURCE



CO_2 EMISSIONS BY COUNTRY



CARBONTRACKER UNDER CONTINUOUS DEVELOPMENT

The energy data for the group are generated by the CarbonTracker software that was developed internally in 2012. CarbonTracker involves the automatic and **systematic calculation of energy and carbon data** contained within the available group databases. After using the CarbonTracker to calculate the group's carbon footprint for 2012, the objective for the coming years was to refine the calculation system so that an exact, up-to-date carbon footprint for each organisational unit can be determined. Some of these goals were already realised in 2013, such as the redesign of the input mask in order to enter the data more easily as well as the new ability to fully track changes through an archiving system capable of filtering by time of change and user. The software is web-based to allow access to the CarbonTracker via the group's intranet system.

ENERGY USE WITHIN THE GROUP[1]

	Unit	2010	2011	2012	2013
Electricity	MWh	499,945	499,146	486,033	497,943
Fuel	thousands of litres	212,614	241,433	245,660	252,718
Gas	heating value in MWh	705,973	658,356	565,048	560,507
Heating oil	thousands of litres	25,836	21,644	17,790	16,053
Pulverised lignite	tonnes	51,452	84,318	79,107	69,602

Following data collection, the focus was on data analysis. In order to make the energy and resource use within the STRABAG Group comparable, the company is working on a so-called "energy atlas" which will depict the energy flows by country and organisational entity. Using key performance indicators that show the energy use and CO_2 emissions of individual facilities and units, it will be possible to develop appropriate efficiency measures and to review their effectiveness. These data are to serve as a basis for the definition of concrete energy targets in the future.

1) Changes in the energy values over past publications result from the ongoing development of the system of data collection.
The presentation deviates from the usual presentation of a five-year period as data are only available starting from the year 2010.

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 Insurance Group AG, UNIQA Beteiligungs-Holding GmbH, UNIQA Österreich Versicherungen AG, UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H., Raiffeisen Versicherung AG) and Rasperia Trading Limited (controlled by Oleg Deripaska), as shareholder groups 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 11,400,000 no-par shares (10 % of the share capital) effective 31 December 2013 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 2013:

- Haselsteiner Familien-Privatstiftung ... 28.6 %
- Raiffeisen-Holding Niederösterreich-Wien reg. Gen.m.b.H. (Raiffeisen Group)..... 14.9 %
- UNIQA Versicherungen AG (UNIQA Group)................................... 14.7 %
- Rasperia Trading Limited .... 18.8 %

In addition to its 18.8 % interest, core shareholder Rasperia Trading Limited also holds an option, valid until 15 July 2014, to buy a further 6.2 % of STRABAG SE from the other core shareholder groups mentioned above.

In exercising the authorisation by the 7th Annual General Meeting from 10 June 2011 and the renewed authorisation by the 8th Annual General Meeting from 15 June 2012 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 2013 acquired 14,000,000 no-par shares, corresponding to 10 % of the share capital (see also item 7).

The remaining shares of the share capital of STRABAG SE, amounting to about 13.0 % 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, in accordance with Sec 169 of the Austrian Stock Corporation Act (AktG), was authorised by resolution of the 5th Annual General Meeting of 19 June 2009 and with approval by 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 (in this case also to the partial or full exclusion of the shareholders' subscription rights).

The management board, in accordance with Sec 174 Para 2 of the Austrian Stock Corporation Act (AktG), was further authorised by resolution of the 8th Annual General Meeting of 15 June 2012 and with the approval of the supervisory board to issue financial instruments within the meaning of Sec 174 of the Austrian Stock Corporation Act (AktG) – in particular convertible bonds, income bonds and profit participation rights – with a total nominal value of up to € 1,000,000,000, which may also confer subscription and/or exchange rights for the acquisition of up to 50,000,000 shares of the company and/or may be designed in such a way that they can be issued as equity, also in several tranches and in different combinations, up to five years inclusive from the day of this resolution, also indirectly by way of a guarantee for the issue of financial instruments through an associate or related entity of the company with conversion rights on shares of the company.

The management board was also authorised by resolution of this Annual General Meeting, 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 twelve months from 10 July 2012 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.

8. With the exception of the agreements over a syndicated surety loan and a syndicated cash credit line, 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.

Related parties

Business transactions with related parties are described in item 27 of the Notes.

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.

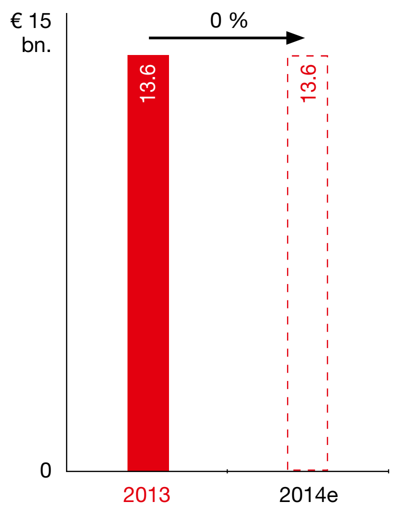
Construction on the underground is being carried out by a joint venture (JV) of Bilfinger SE (formerly Bilfinger Berger SE), Wayss & Freytag Ingenieurbau AG and a group company. The JV is led by Bilfinger SE on the technical side and by Wayss & Freytag Ingenieurbau AG on the commercial side. Through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

The cause of the collapse remains unknown. The public prosecutor's office began an investigation – initially against persons unknown – with three separate experts into possible negligent homicide and endangerment in construction. Two independent proceedings are being conducted by the District Court in Cologne: one to collect evidence as to the cause of the accident and another to establish the damage to the buildings and archives. To prevent a possible lapse of potential claims, the independent proceedings against the JV Nord-Süd-Stadtbahn Köln, Los Süd, were extended to included additional natural persons and legal entities associated with the construction project. This extension is purely for formal reasons and is not connected to any new insights as to the cause of the accident. A model of the building is currently being built to help determine the cause and the damages, with completion expected no sooner than 2014. The model is to help clarify whether there were any mistakes or errors associated with the diaphragm wall set up by the JV.

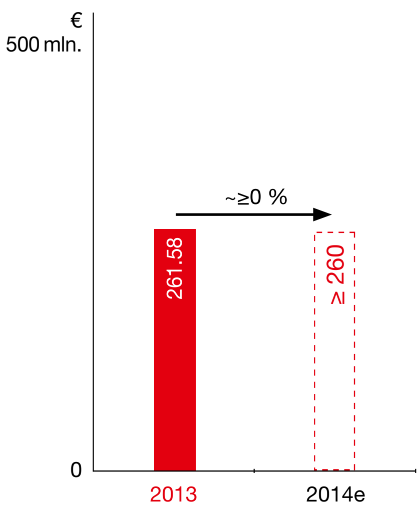
Merely for the purpose of extending the statute of limitations, the public prosecutor's office in December 2013 opened proceedings against approximately 100 persons associated closely or loosely with the project. This purely precautionary measure does not represent any statement as to the cause of the accident; in this respect, it remains to be seen what the final result of the investigation of the site and the expert report reveal. We continue to believe that this project will not result in any significant damages for the company.

Outlook

OUTPUT OUTLOOK



EBIT OUTLOOK



More information about the individual markets in the country report

As STRABAG is highly diversified regionally and by construction segments, the movements in the individual **markets** should more or less balance each other out in the year to come:

While the price pressure continues in transportation infrastructures in Germany, affordable financing conditions present STRABAG with solid demand in building construction in this country. The picture is similar in Austria – in both of these home markets, therefore, the company expects a stable yet highly competitive situation. Poland, the third largest country for STRABAG in terms of output volume, was, as expected, affected by the end of the construction boom, but first impulses in infrastructure construction should be seen again at the end of 2014 thanks to the new EU budgets. A lack of financing in the Czech Republic, Romania and the Adriatic region means that very few large public-sector projects are being awarded at this time – with a resulting tougher competition on the price. A more positive outlook, on the other hand, is offered by transportation infrastructures in Slovakia, where several large motorway and expressway projects are currently being tendered, as well as in the area of building construction in Slovakia and the Czech Republic.

Detailed outlook in the segment reports

In summary, the STRABAG SE management board expects the **output volume** to remain more or less unchanged versus 2013 at € 13.6 billion. This will likely be composed of € 6.0 billion from the segment North + West, € 4.7 billion from the segment South + East and € 2.8 billion from the segment International + Special Divisions. The rest can be allotted to Other. The segment composition thus remains largely unchanged in comparison to 2013.

Due to the necessary purchase of project-related specialty equipment, the **net investments** (cash flow from investing activities) are expected to rise from € 332.38 million in 2013 to around € 350 million in 2014.

The management board expects an **EBIT** of at least € 260 million for the current financial year, which corresponds to the forecast value of 2013. Although the realisation of the measures proposed by the internal STRABAG 2013ff task force is beginning to show first successes, STRABAG faces a challenging environment in 2014 with higher price pressure in the European infrastructure construction sector. On the other hand, the company is registering continued solid conditions in building construction for the private sector.

In the subsequent years, the focus will continue to be less on growth of the output volume than on improving the profitability. From today's perspective, the STRABAG SE management board expects the output volume and the revenue to grow again as of 2016 at the earliest. Until then, a strict risk management as well as organisational measures to increase cost efficiency should lead to improved margins. The company aims for an **EBIT margin** of 3 % in the **medium term**.

Events after the reporting period

The political developments in Ukraine since February 2014 are having no significant influence on the situation of the STRABAG Group from today's perspective. The company generates less than 1 % of its annual output volume in Ukraine. In Russia, the group expects to generate less than 3 % of its output volume in 2014. As construction is an export non-intensive industry in which most of the services are provided locally, and the STRABAG Group provides its services almost exclusively for private clients, the company does not expect the political developments to have any immediate impact on its business in Russia.

AUDITOR'S REPORT

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of

STRABAG SE,
Villach, Austria,

for the year from 1 January 2013 to 31 December 2013. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2013, 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 fiscal year 2013 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, and the additional requirements pursuant to section 245a UGB (Austrian Business Enterprise Code). 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 Austrian Standards on Auditing, as well as in accordance with International Standards on Auditing, 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 judgement, 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 at 31 December 2013 and of its financial performance and its cash flows for the year from 1 January to 31 December 2013 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 Business Enterprise 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 Business Enterprise Code) are appropriate.

Linz, 11 April 2014

KPMG Austria AG
Wirtschaftprüfungs- und Steuerberatungsgesellschaft

Dr. Helge Löffler
Austrian Chartered Accountants

Mag. Peter Humer
Austrian Chartered Accountants

This report is a translation of the original report in German, which is solely valid. Publication of the financial statements together with our auditor's opinion may only be made if the financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Business Enterprise Code) applies.

Individual financial statements 2013

STRABAG
SOCIETAS EUROPAEA

Balance sheet as at 31 December 2013

Assets	31.12.2013 €	31.12.2012 T€
A. Non-current assets:		
I. Property, plant and equipment:		
Other facilities, furniture and fixtures and office equipment	**969,729.15**	**975**
II. Financial assets:		
1. Investments in subsidiaries	2,217,254,382.60	2,143,546
2. Loans to subsidiaries	99,756,885.00	108,000
2. Investments in participation companies	23,583,718.99	25,803
3. Own shares	236,978,341.46	228,115
4. Other loans	1,101,397.24	1,717
	2,578,674,725.29	**2,507,181**
	2,579,644,454.44	**2,508,156**
B. Current Assets:		
I. Accounts receivable and other assets:		
1. Trade receivables	628,327.06	516
2. Receivables from subsidiaries	717,950,041.23	632,654
3. Receivables from participation companies	6,139,559.43	6,132
4. Other receivables and assets	95,603,891.61	100,897
	820,321,819.33	**740,199**
II. Cash assets, including bank accounts	185,448.52	9,125
	820,507,267.85	**749,324**
C. Accruals and deferrals	**9,091,328.00**	**7,448**
Total	**3,409,243,050.29**	**3,264,929**

Equity and liabilities	31.12.2013 €	31.12.2012 T€
A. Equity:		
I. Share capital	**114,000,000.00**	**114,000**
II. Capital reserves (committed)	**2,148,047,129.96**	**2,148,047**
III. Retained earnings:		
1. Legally required reserves	72,672.83	73
2. Voluntary reserves	64,934,787.53	34,824
	65,007,460.36	**34,896**
IV. Reserve for own shares	**236,978,341.46**	**228,115**
V. Unappropriated net profit (thereof profit brought forward € 2,280,000.00; previous year: T€ 5,908)	**51,300,000.00**	**22,800**
	2,615,332,931.78	**2,547,859**
B. Provisions:		
1. Provisions for severance payments	290,457.00	316
2. Provisions for taxes	13,361,814.89	13,362
3. Other provisions	27,328,333.00	15,164
	40,980,604.89	**28,841**
C. Accounts payable:		
1. Bonds	575,000,000.00	450,000
2. Bank borrowings	140,000,104.59	198,441
3. Trade payables	2,167,932.35	1,916
4. Payables to subsidiaries	9,873,966.78	11,469
5. Other payables (thereof taxes € 369,779.83; previous year: T€ 40; thereof social security liabilities € 14,206.62; previous year: T€ 25)	25,887,509.90	26,403
	752,929,513.62	**688,229**
Total	**3,409,243,050.29**	**3,264,929**
Contingent liabilities	320,611,515.32	253,639

Income statement for the 2013 financial year

	2013 €	2012 T€
1. Revenue (Sales)	59,233,587.19	56,826
2. Other operating income	11,590,101.55	2,273
3. Cost of materials and services:		
a) Materials	-38,800.30	-75
b) Services	-13,337,095.78	-16,083
	-13,375,896.08	**-16,158**
4. Employee benefits (Personnel expense):		
a) Salaries	-5,327,778.97	-2,259
b) Severance payments and contributions to employee benefit plans	-8,334.57	-114
c) Statutory social security contributions, as well as payroll-related and other mandatory contributions	-239,548.37	-450
d) Other social expenditure	-164,784.15	-141
	-5,740,446.06	**-2,965**
5. Depreciation	-5,376.87	-5
6. Other operating expenses:		
a) Taxes other than those included in item 15	-210,103.33	-95
b) Miscellaneous	-25,223,206.03	-63,455
	-25,433,309.36	**-63,549**
7. Subtotal of items 1 through 6 **(operating result)**	**26,268,660.37**	**-23,578**
8. Income from investments (thereof from subsidiaries € 105,389,706.99; previous year: T€ 77,028)	105,389,706.99	85,405
9. Other interest and similar income (thereof from subsidiaries € 34,926,639.73; previous year: T€ 27,478)	35,866,194.85	28,693
10. Income from disposal and write-up of financial assets and marketable securities	323.04	279
11. Expenses related to financial assets and marketable securities:		
a) Depreciation of investments in subsidiaries	-29,324,108.72	-4,673
b) Depreciation (other)	-3,258,096.42	0
c) Expenses from subsidiaries	-1,084,391.42	-46,320
d) Miscellaneous	-11,874,188.96	0
	-45,540,785.52	**-50,994**
12. Interest and similar expenses (thereof from subsidiaries € 971,802.05; previous year: T€ 75)	-32,802,213.36	-30,369
13. Subtotal of item 8 through 12 **(financial result)**	**62,913,226.00**	**33,014**
14. Results from ordinary business activities	**89,181,886.37**	**9,436**
15. Taxes on income and gains:		
a) Income tax	-169,176.84	-27
b) Tax allocation	-1,018,353.99	-2,776
	-1,187,530.83	**-2,803**
16. Net income for the year	**87,994,355.54**	**6,633**
17. Dissolution of retained earnings (voluntary reserves)	0.00	10,259
18. Allocation to retained earnings (voluntary reserves)	-38,974,355.54	0
19. Profit for the period	**49,020,000.00**	**16,892**
20. Profit brought forward	2,280,000.00	5,908
21. Unappropriated net profit	**51,300,000.00**	**22,800**

NOTES TO THE 2013 FINANCIAL STATEMENTS OF STRABAG SE, VILLACH

I. Application of Austrian business enterprise code

These 2013 financial statements were prepared in accordance with the Austrian Business Enterprise Code (UGB).

The income statement was prepared in report form using the nature of expense method.

Additional information was provided in the notes as far as was necessary to ensure a true and fair view of the financial position, financial performance and cash flows.

The company is the topmost parent company of the companies within the scope of consolidation of STRABAG SE, Villach. The consolidated financial statements are deposited with the Landes- als Handelsgericht Klagenfurt (District and Commercial Court Klagenfurt).

The company is a large corporation (Kapitalgesellschaft) as defined by Section 221 of the Austrian Business Enterprise Code (UGB).

II. Accounting policies

The financial statements were prepared in accordance with the "principles of orderly accounting" and following the general norm of presenting a true and fair view of the financial position, financial performance and cash flows.

The financial statements were prepared in conformity with the "principle of completeness".

The valuation premise adopted is that of a going concern.

Individual assets and liabilities were valued in accordance with the "principle of individual valuation".

The financial statements were prepared in accordance with the "principle of prudence" by only reporting profit which was realised on the balance sheet date.

All recognisable risks and impending losses which occurred in 2013 or an earlier financial year were taken into consideration.

The previously applied valuation method was kept.

Property, plant and equipment are valued at historical cost less accumulated depreciation.

Low-value assets are depreciated in full in the year in which they are acquired.

Extraordinary depreciation is undertaken where it is necessary to apply the lower value method.

Financial assets are valued at historical cost or a lesser value if one is attributable.

The company has not exercised its option to capitalise deferred taxes in accordance with Section 198 Paragraph 10 of the Austrian Business Enterprise Code.

Trade and other receivables are reported at nominal value. The valuation of foreign currency receivables follows the strict "lowest value principle".

Individual value adjustments are made for recognisable risks.

All recognisable risks and impending losses were taken into account in the calculation of provisions in accordance with the legal framework.

The provisions for severance payments were calculated using recognised financial mathematical principles, an interest rate of 3.0 % (previous year: 3.5 %), and a retirement age of 62 for women (previous year: 62) and 62 for men (previous year: 62).

Liabilities are valued at the amount repayable. Foreign currency liabilities are valued in accordance with the "highest value principle".

III. Notes to the balance sheet

NON-CURRENT ASSETS

The non-current assets are itemised and their changes in the year under report are recorded in the Statement of Changes in Non-Current Assets. (Appendix 1 to the notes).

Due to long-term rentals, letting and leasing, the use of property, plant and equipment not shown in the balance sheet results in an obligation of € 6,757,794.06 (previous year: T€ 6,638) for the 2014 financial year. The sum of all obligations for the next five years is € 33,788,970.30 (previous year: T€ 33,189).

Information on investments can be found in the list of Participations (Appendix 2 to the notes).

ACCOUNTS RECEIVABLES AND OTHER ASSETS

The following trade and other receivables have a remaining term of more than one year:

	31.12.2013	31.12.2012
	€	T€
Receivables from subsidiaries	270,000,667.97	264,400
Receivables from participation companies	872,084.01	0
Other receivables and other assets	19,456,000.00	18,556
Total	**290,328,751.98**	**282,956**

All other reported trade and other receivables have a remaining term of up to one year.

Receivables from subsidiaries involve cash-clearing, financing, routine clearing, the calculation of group allocations and transfers of profits.

The item "Other receivables and other assets" includes income of € 614,670.97 (previous year: T€ 172) which will be cash effective after the balance sheet date.

EQUITY

The fully paid in share capital amounts to € 114,000,000.00 and is divided into 113,999,997 no-par bearer shares and three registered shares.

The management board has been 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 management board has also been authorised until 15 June 2017, in accordance with Section 65 Paragraph 1b of the Austrian Stock Corporation Act, 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 (Section 228 Paragraph 3 of the Austrian Business Enterprise Code) or third parties acting on behalf of the company.

The management board has been authorised, with approval from the supervisory board, until 15 June 2017, to issue financial instruments within the meaning of Section 174 of the Austrian Stock Corporation Act (AktG), in particular convertible bonds, income bonds and profit participation rights with a total nominal value of up to € 1,000,000,000.00 which may also confer subscription and/or exchange rights for the acquisition of up to 50,000,000 shares of the company and/or may be designed in such a way that they can be issued as equity. This can be done also in several tranches and in different combinations and indirectly by way of a guarantee for the issue of financial instruments through an associate or related entity of the company with conversion rights on shares of the company. For the servicing, the management board may use the conditional capital or own shares. The issue amount and issue conditions, as well as the possible exclusion of the shareholders' subscription rights for the issued financial instruments, are to be determined by the management board with the approval of the supervisory board.

Also approved was a conditional increase of the share capital of the company pursuant to Section 159 Paragraph 2 No. 1 of the Austrian Stock Corporation Act (AktG) by up to € 50,000,000.00 through the issue of up to 50,000,000 new bearer shares with no face value (no-par shares) for issue to creditors of financial instruments within the meaning of the authorisation granted to the management board, provided the creditors of financial instruments exercise their subscription and/or exchange rights for shares of the company. The issue amount and the exchange ratio are to be determined based on recognised financial mathematical methods and the price of the shares of the company in a recognised pricing procedure. The newly issued shares of the conditional capital increase carry a dividend entitlement corresponding to that of the shares traded on the stock market at the time of the issue. The management board is authorised, with the approval of the supervisory board, to establish the further details of the implementation of the conditional capital increase. The supervisory board is authorised to pass resolution on any amendments to the Articles of Association resulting from the issue of shares within the scope of the conditional capital

As at 31 December 2013, STRABAG SE had acquired 11,400,000 bearer shares equalling 10 % of the share capital. The corresponding value of the share capital amounts to € 11,400,000. The acquisition took place between July 2011 and May 2013. The average purchase price per share was € 20.79.

PROVISIONS

Other provisions were made for profit sharing, investment risks and claims.

ACCOUNTS PAYBLE

€	Remaining term < one year	Remaining term > one year	Remaining term > five years	Book value	Real securities
1. Bonds	0.00	275,000,000.00	300,000,000.00	575,000,000.00	0.00
Previous year in T€	*75,000*	*100,000*	*275,000*	*450,000*	*0*
2. Bank borrowings	104.59	116,500,000.00	23,500,000.00	140,000,104.59	0.00
Previous year in T€	*58,441*	*116,500*	*23,500*	*198,441*	*0*
3. Trade payables	2,167,932.35	0.00	0.00	2,167,932.35	0.00
Previous year in T€	*1,916*	*0*	*0*	*1,916*	*0*
4. Payables to subsidiaries	9,873,966.78	0.00	0.00	9,873,966.78	0.00
Previous year in T€	*11,469*	*0*	*0*	*11,469*	*0*
5. Other payables	25,072,912.31	814,597.59	0.00	25,887,509.90	0.00
Previous year in T€	*25,024*	*1,379*	*0*	*26,403*	*0*
Total	**37,114,916.03**	**392,314,597.59**	**323,500,000.00**	**752,929,513.62**	**0.00**
Previous year in T€	*171,850*	*217,879*	*298,500*	*688,229*	*0*

Payables to subsidiaries involve routine clearing as well as the clearing of tax allocation.

The item “Other payables” includes costs of € 16,388,735.17 (previous year: T€ 14,795) which will be cash effective after the balance sheet date.

CONTINGENT LIABILITIES

The contingent liabilities which must be shown in the balance sheet in accordance with Section 199 of the Austrian Business Enterprise Code (UGB) involve exclusively guarantee and indemnity liabilities.

The contingent liabilities reported include € 278,525,718.45 (previous year: T€ 234,898) in contingent liabilities for affiliated companies.

The company has made an unlimited warranty statement for the benefit of BRVZ Bau- Rechen- u. Verwaltungszentrum Gesellschaft m.b.H., Spittal an der Drau, whereby is commited to fulfil the obligations from the financial futures contracts concluded by the BRVZ Bau- Rechen- u. Verwaltungszentrum Gesellschaft m.b.H., Spittal an der Drau, if necessary.

Performance bonds in the amount of € 386,992,273.68 (previous year: T€ 194,316) exist for construction projects of subsidiaries.

IV. Notes to the income statement

REVENUE (SALES)

	2013 €	2012 T€
Domestic revenue	26,798,880.75	25,673
Foreign revenue	32,434,706.44	31,153
Total	**59,233,587.19**	**56,826**

EMPLOYEE BENEFITS (PERSONNEL EXPENSE)

The company employed on the average 5 employees during the year (previous year: 6 employees).

100 % of the expenses for severance payments were recognised for management board members.

An amount of € 33,665.57 (previous year: T€ 91) for contributions to employee benefit plans is included in the severance payment expenses.

The salaries of the management board members in the 2013 financial year amounted to T€ 4,199 (previous year: T€ 2,590).

Supervisory board member salaries in the period under review amounted to € 135,000.00 (previous year: T€ 135).

OTHER OPERATING EXPENSE

The other operating expenses reported mainly include impairments of receivables, surety fees, legal and advisory costs, travel and advertising costs, insurance costs and other general administrative expenses.

EXPENSES RELATED TO FINANCIAL ASSETS AND MARKETABLE SECURITIES

Losses on the disposal of financial assets with an amount of € 668,500.00 (previous year T€ 45,660) is included in the item expenses from subsidiaries.

TAXES ON INCOME AND GAINS

The amount for active deferred taxes pursuant to Section 198 Paragraph 10 of the Austrian Business Enterprise Code (UGB) which may be capitalised is € 0,00 (previous year: T€ 0) because there is no additional tax expense except the minimum tax due to the fiscal losses of the company.

The reported tax expenses involve tax allocations to group members, corporate income tax and foreign tax expenses.

V. MISCELLANEOUS

The company is a group parent under Section 9 Paragraph 8 of the Austrian Corporate Income Tax Act (KStG) of 1988 as amended by BGBl. I 180/2004. Tax adjustments (both positive and negative allocations) between the group parent and the company were arranged in the form of tax allocation agreements.

An agreement was concluded with BRVZ Bau- Rechen- u. Verwaltungszentrum Gesellschaft m.b.H., Spittal an der Drau, covering financial and management accounting, operating and cost accounting, payroll accounting, cash management, insurance management and facility management.

The members of the management and supervisory boards are listed separately (Appendix 3 to the notes).

The expenses for the auditor, KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Linz, for the financial year amount to € 630,500.00 (previous year: T€ 620), of which € 58,000.00 (previous year: T€ 57) are for the audit of the financial statements, € 530,000.00 (previous year: T€ 520) for other audit services and € 42,500.00 (previous year: T€ 43) for miscellaneous services.

Villach, 11 April 2014

Management Board

Dr. Thomas Birtel

Mag. Christian Harder

Dipl.-Ing. Dr. Peter Krammer

Mag. Hannes Truntschnig

Dipl.-Ing. Siegfried Wanker

Appendix 1 to the notes: Statement of Changes in Non-Current Assets

Appendix 2 to the notes: List of Participations

Appendix 3 to the notes: Management and Supervisory Board

Statement of changes in Non-Current assets as of 31 December 2013

€	Acquisition and production costs Balance 1.1.2013	Additions	Disposals
I. Tangible Assets:			
Other facilities, furniture and fixtures and office equipment	**1,140,556.36**	**191.50**	**1,291.18**
II. Financial Assets:			
1. Investments in subsidiaries	2,185,985,871.59	103,082,866.10	101,010.13
2. Loans to subsidiaries	108,000,000.00	5,791,885.00	14,035,000.00
3. Investments in participation companies	34,254,181.58	1,038,642.83	500,000.00
4. Own shares	228,115,014.03	8,863,327.43	0.00
5. Other loans	1,716,714.37	38,763.44	654,080.57
	2,558,071,781.57	**118,815,484.80**	**15,290,090.70**
Total	**2,559,212,337.93**	**118,815,676.30**	**15,291,381.88**

Balance 31.12.2013	Accumulated depreciation	Carrying values 31.12.2013	Carrying values 31.12.2012	Depreciation for the period
1,139,456.68	**169,727.53**	**969,729.15**	**974,914.52**	**5,376.87**
2,288,967,727.56	71,713,344.96	2,217,254,382.60	2,143,543,276.35	29,324,108.72
99,756,885.00	0.00	99,756,885.00	108,000,000.00	0.00
34,792,824.41	11,209,105.42	23,583,718.99	25,803,173.58	3,258,096.42
236,978,341.46	0.00	236,978,341.46	228,115,014.03	0.00
1,101,397.24	0.00	1,101,397.24	1,716,714.37	0.00
2,661,597,175.67	**82,922,450.38**	**2,578,674,725.29**	**2,507,178,178.33**	**32,582,205.14**
2,662,736,632.35	**83,092,177.91**	**2,579,644,454.44**	**2,508,153,092.85**	**32,587,582.01**

List of Participations (20.00 % interest minimum)

Name and residence of the company T€	Interest %	Equity/negative equity[1]	Result of the last financial year[2]
Investments in subsidiaries:			
AKA-FinCo Zrt., Budapest	100.00	15[3]	-4[3]
AKA-HoldCo Zrt., Budapest	100.00	15[3]	-4[3]
Asphalt & Beton GmbH, Spittal an der Drau	100.00	1,238	626
“A-WAY Infrastrukturprojektentwicklungs- und -betriebs GmbH”, Spittal an der Drau	100.00	1,366	1,284
Bau Holding Beteiligungs AG, Spittal an der Drau	65.00	1,038,742	-9,721
Baukontor Gaaden Gesellschaft m.b.H., Gaaden	100.00	1,929	191
BHG Bitumen d.o.o. Beograd, Belgrad	100.00	203	28
BHG Sp.z o.o., Pruszkow	100.00	314	92
CESTAR d.o.o., Slavonski Brod	74.90	2,852	210
CLS Construction Legal Services GmbH, Köln	100.00	25	0
CLS Construction Legal Services GmbH, Wien	100.00	174[3]	138[3]
CLS CONSTRUCTION SERVICES s. r. o., Bratislava	100.00	26	12
CLS CONSTRUCTION SERVICES s.r.o., Prag	100.00	0	8
CLS Kft., Budapest	100.00	122	35
CLS Legal Sp.z o.o., Pruszkow	100.00	277	7
DRP, d.o.o., Ljubljana	100.00	837	451
Ed. Züblin AG, Stuttgart	57.26	164,531	24,736
Errichtungsgesellschaft Strabag Slovensko s.r.o., Bratislava-Ruzinov	100.00	979	499
Erste Nordsee-Offshore-Holding GmbH, Pressbaum	51.00	39,829	-175
EVN S.r.l., Rom	100.00	89[5]	-11[5]
Facility Management Holding RF GmbH, Wien	100.00	78[3]	-3[3]
Flogopit d.o.o., Novi Beograd	100.00	-16	-31
G15 Projekt GmbH, Baar	100.00	40	9
GRASTO d.o.o., Ljubljana	99.85	3,971	127
Ilbau Liegenschaftsverwaltung GmbH, Hoppegarten	99.99	118,011	-32,709
Kamen-Ingrad gradnja i rudarstvo d.o.o. u likvidaciji, Zagreb	51.00	[4]	[4]
Karlovarske silnice, a. s., Ceske Budejovice	100.00	2,355	18
KMG - KLIPLEV MOTORWAY GROUP A/S, Kopenhagen	100.00	1,368	718
LPRD (LESZCZYNSKIE PRZEDSIEBIORSTWO ROBOT DROGOWO)-MOSTOWYCH Sp.z o.o., Leszno	57.29	6,503	306
Mazowieckie Asfalty Sp.z o.o., Pruskow	100.00	-16[3]	-3[3]
Mikrobiologische Abfallbehandlungs GmbH, Schwadorf	51.00	1,162[3]	440[3]
Mineral Abbau GmbH, Spittal an der Drau	100.00	-458	0
MINERAL ROM S.R.L., Brasov	26.87	-2,537	-456
Norsk Standardselskap 154 AS, Oslo	100.00	-1[3]	-3[3]
Onezhskaya Mining Company LLC, Petrozavodsk	59.00	-5,179	-1,875
OOO CLS Construction Legal Services, Moskau	100.00	227	110
OOO “SAT”, Moskau	100.00	706	-57
Panadria mreza autocesta d.o.o. (formerly CROATIA ASFALT d.o.o.), Zagreb	100.00	1	-2
PBOiUT Slask Sp. z o.o., Katowice	60.98	1,907	-421
PNM, d.o.o., Ljubljana	100.00	9	0
Prottelith Produktionsgesellschaft mbH, Liebenfels	52.00	-2,294[3]	66[3]
PRZEDSIEBIORSTWO ROBOT DROGOWYCH Sp.z o.o. W LIKWIDACJI, Choszczno	100.00	[4]	[4]
SAT REABILITARE RECICLARE S.R.L., Cluj-Napoca	100.00	461	374
SAT SANIRANJE cesta d.o.o., Zagreb	100.00	618	402

1) according to § 224 Para 3 UGB
2) net income / loss of the year
3) Financial statements as of 31.12.2012
4) no statement according to § 241 Para 2 UGB
5) Financial statements as of 30.09.2012

Name and residence of the company	Interest %	Equity/negative equity[1)]	Result of the last financial year[2)]
T€			
Investments in subsidiaries:			
SAT SLOVENSKO s.r.o., Bratislava	100.00	1,276	190
SAT Ukraine, Brovary	100.00	1,934[3)]	-32[3)]
"SBS Strabag Bau Holding Service GmbH", Spittal an der Drau	100.00	319,748	45,582
SF Bau vier GmbH, Wien	100.00	-5	-7
SOOO "STRABAG Engineering Center", Minsk	60.00	92[3)]	3[3)]
STR Irodaház Kft., Budapest	100.00	3,572[3)]	-235[3]
STRABAG A/S, Trige	100.00	-751[3)]	-729[3)]
STRABAG AG, Köln	74.80	480,902	68,322
STRABAG AG, Zürich	100.00	33,940	-20,903
"Strabag Azerbaijan" L.L.C., Baku	100.00	-26,506	-11,941
STRABAG Beteiligungen International AG, Spittal an der Drau	100.00	998	2
STRABAG Infrastruktur Development, Moskau	100.00	87	141
STRABAG Installations pour l´Environenment SARL, Champagne	100.00	122[3)]	17[3)]
STRABAG Invest GmbH, Wien	51.00	-415[3)]	-2[3)]
STRABAG Oy, Helsinki	100.00	1,454	-667
STRABAG Property and Facility Services a.s., Prag	100.00	3,094	42
STRABAG Ray Ltd. Sti., Ankara	99.00	305[3)]	271[3)]
STRABAG Real Estate GmbH, Köln	84.50	27,014	5,898
Strabag RS d.o.o., Banja Luka	100.00	-219[3)]	-45[3)]
STRABAG Sh.p.k., Tirana	100.00	21[3)]	-20[3)]
STRABAG-HIDROINZENJERING d.o.o., Split	100.00	2,820	-230
"STRABAG" d.o.o. Podgorica, Podgorica	100.00	1,491[3)]	515[3)]
TOO STRABAG Kasachstan, Almaty	100.00	-381[3)]	-249[3)]
Treuhandbeteiligung MO	100.00	[4)]	[4)]
Zweite Nordsee-Offshore-Holding GmbH, Pressbaum	51.00	77,336	-289
Investments in participation companies:			
A-Lanes A15 Holding B.V., Nieuwegein	24.00	[4)]	[4)]
ASAMER Baustoff Holding Wien GmbH, Wien	20.00	[4)]	[4)]
ASAMER Baustoff Holding Wien GmbH & Co. KG, Wien	20.00	[4)]	[4)]
DYWIDAG Verwaltungsgesellschaft mbH, München	50.00	[4)]	[4)]
Klinik für Psychosomatik und psychiatrische Rehabilitation GmbH, Spittal an der Drau	30.00	[4)]	[4)]
Moser & C. SRL, Bruneck	50.00	[4)]	[4)]
OOO "STRATON", Sotschi	50.00	[4)]	[4)]
SRK Kliniken Beteiligungs GmbH, Wien	25.00	[4)]	[4)]
Straktor Bau Aktien Gesellschaft, Kifisia	50.00	[4)]	[4)]
Syrena Immobilien Holding Aktiengesellschaft, Spittal an der Drau	50.00	[4)]	[4)]

1) according to § 224 Para 3 UGB

2) net income / loss of the year

3) Financial statements as of 31.12.2012

4) no statement according to § 241 Para 2 UGB

5) Financial statements as of 30.09.2012

Management and Supervisory Board

Management Board:

Dr. Hans Peter H a s e l s t e i n e r (until 14 June 2013)
Dr. Thomas B i r t e l (CEO)
Mag. Christian H a r d e r (since 1 January 2013)
Dipl.-Ing. Dr. Peter K r a m m e r
Mag. Hannes T r u n t s c h n i g
Dipl.-Ing. Siegfried W a n k e r

Supervisory Board:

Dr. Alfred G u s e n b a u e r (Chairman)
Mag. Erwin H a m e s e d e r (Vice Chairman)
Andrey E l i n s o n
Mag. Kerstin G e l b m a n n
Dr. Gottfried W a n i t s c h e k (until 14 June 2013)
Ing. Siegfried W o l f
Mag. Hannes B o g n e r (since 14 June 2013)

Dipl.-Ing. Andreas B a t k e (works council)
Miroslav C e r v e n y (works council)
Magdolna P. G y u l a i n e (works council)
Wolfgang K r e i s (works council)
Gerhard S p r i n g e r (works council)

GROUP MANAGEMENT REPORT

ECONOMIC RESPONSIBILITY

Important events

JANUARY

STRABAG postpones investments in Offshore Wind

STRABAG postpones its planned investments in the field of gravity-based foundations technology for offshore wind until further notice. The company had planned to spend several hundred million euros over the next few years on the construction of a factory and on special ships to transport self-developed concrete gravity foundations for offshore wind plants. STRABAG's 51 % stake in 14 project companies to develop offshore wind farms remains unaffected by the decision.

FEBRUARY

STRABAG and Rio Tinto enter into exclusive partnership in tunneling

The cooperation of STRABAG with the global mining company Rio Tinto is divided into two phases: From 2012 until 2014, STRABAG will carry out field trials at selected construction sites using new excavation systems and technologies and will optimise the systems. After the successful completion of the field trials STRABAG could exclusively carry out Rio Tinto projects using the new systems for a period of five years.

MARCH

Züblin expands timber construction activities and acquires Metsä Wood Merk GmbH, Aichach

Church in Cologne, © Architekten Sauerbruch Hutton

The German STRABAG subsidiary Ed. Züblin AG, Stuttgart, is selectively expanding its range of services in the field of structural timber engineering in Germany: Following the successful integration into the corporate group of Stephan Holzbau GmbH, Gaildorf, and of the operations of Merk-Project GmbH, Züblin also agreed the acquisition of Metsä Wood Merk GmbH, Aichach, now Merk Timber GmbH. Metsä Wood Merk GmbH, a subsidiary of Finland's Metsä Group, is a specialist in the manufacture of large-format cross-laminated timber panels. In 2012, the company had about 100 employees and generated revenues of € 21 million.

STRABAG acquires transportation infrastructures activities of Janssen de Jong Groep

STRABAG AG, Cologne, has acquired the transportation infrastructures activities of Netherlands-based Janssen de Jong Groep B.V. via its Dutch subsidiary STRABAG B.V. The acquisition will be merged into the STRABAG corporate group. The transaction includes the takeover of the approximately 120 employees as well as all equipment and production facilities of the corporate entities Janssen de Jong Infra, De Asfaltfabriek, Ippel and Infra Quality Support.

STRABAG successfully completes Niagara Tunnel Project

After more than seven years of construction, the STRABAG-executed Niagara Tunnel Project was put into operation on 22 March 2013. In the presence of representatives from client Ontario Power Generation, local construction consultants Hatch Mott MacDonald/Hatch Acres and Austrian construction group STRABAG, the tunnel's outlet gate was opened to allow the flow of water through the 10.1 km water supply tunnel near the famous waterfalls on the Niagara River. Following an unhindered 24-hour flow, the € 900 million project of the century was regarded as complete.

Construction of Niagara Tunnel Project

APRIL

EFKON awarded major orders in Germany & Malaysia

EFKON AG – an Austrian subsidiary of STRABAG SE headquartered in Graz/Raaba – reports two new large orders in Germany and Malaysia with a value in the double-digit million euro range. The company received a follow-up order for the delivery of On-Board Modules for the satellite-based truck tolling system in Germany and a large order in Malaysia comprising the delivery of 250,000 electronic toll collection units (OBUs).

New building for Brandenburg state government to be built by STRABAG as PPP

Rendering of government building in Potsdam

After four years of tendering, the Brandenburg State Office for Property and Construction has awarded the contract for the planning, construction and operation of a government building in Potsdam to STRABAG Real Estate GmbH. The project with a volume of € 82 million will be executed as a public-private partnership over a period of 30 years, not including the nearly two-year period of construction.

STRABAG plans pumped-storage plant in Thuringia, Germany

Thuringia's Ministry of Economic Affairs has announced that it is planning the construction of a pumped-storage plant in Thuringia together with the STRABAG Group and future investors. After in-depth examination of two sites, current plans envision a pumped-storage plant with a capacity of 640 MW at the Ellrich site and another one with a capacity of 380 MW at Leutenberg/Probstzella – the latter would be enough to annually supply more than 220,000 households with electricity.

MAY

STRABAG SE issues € 200 million corporate bond

STRABAG SE issued a € 200 million corporate bond. The fixed-interest bond with a face value of € 1,000 has a term to maturity of seven years and a coupon of 3.00 % p.a. The issue price has been set at 101.407 %.

STRABAG subsidiary building A4 motorway in Poland

A consortium led by STRABAG subsidiary Heilit+Woerner Sp. z o.o. has been awarded the contract from Poland's General Directorate for National Roads and Highways (GDDKiA) to complete the 35 km long section of the A4 motorway between Krzyż and Dębica Pustynia. The contract value amounts to € 236 million, 50 % of which is Heilit+Woerner's share.

JUNE

Thomas Birtel new CEO of STRABAG SE

With the end of the Annual General Meeting on 14 June 2013, Dr. Hans Peter Haselsteiner resigned from the management board. In the future, he will support the management board as an authorised representative in matters concerning the group's internationalisation and strategic orientation. Dr. Thomas Birtel succeeded him as new CEO of STRABAG SE.

Züblin builds new facility for 15 clinics and institutes in Jena

Rendering of new Jena University Hospital, © Woerner & Partner

Jena University Hospital and Ed. Züblin AG as general contractor signed the contract for the construction of the second section of Thuringia's university clinic. By the year 2018, the new buildings to be erected will offer around 49,000 m² of usable space for 15 clinics and institutes, with 710 beds and twelve operating rooms, as well as research and teaching facilities. The total project volume amounts to € 316 million.

JULY

STRABAG merges Swiss group companies

The STRABAG Group has undergone enormous growth in Switzerland over the past few years with the acquisitions of Brunner Erben AG, Astrada AG, Egolf AG, Meyerhans AG and Baunova AG. In order to achieve a homogeneous presence on the Swiss market, these group companies were merged into STRABAG AG, Switzerland, effective retroactively to 1 January 2013. Eggstein AG, which had already been merged into STRABAG AG, Switzerland, in 2010 and which had been renamed Eggstein Swissboring, is now doing business under the STRABAG brand. Under the merger, STRABAG AG, Switzerland, assumed the assets and liabilities of the acquired companies. STRABAG SE continues to hold 100 % of the shares of its subsidiary STRABAG AG, Switzerland.

STRABAG lands new orders internationally worth € 230 million

Four new contracts have increased the order backlog of the STRABAG Group until July 2013 by more than € 230 million. Those projects include the construction of a flood protection dam for € 92 million in Oman, two road construction projects in Oman with a total contract value of € 28 million, production of concrete sleepers for railway construction worth € 88 million in Thailand, as well as planning and construction of an LNG tank in Brunei, worth € 23 million.

Züblin constructs office complex for € 95 million at Stuttgart Airport

Ed. Züblin AG, Stuttgart constructs the building "New Office Airport Stuttgart" on behalf of client Flughafen Stuttgart GmbH. The contract value of the office ensemble, which is being built under a partnership arrangement with a guaranteed maximum price and upon completion will be leased almost entirely to management consulting firm Ernst & Young as its German headquarters, stands at about € 95 million.

Rendering of office ensemble, © Flughafen Stuttgart

AUGUST

Züblin is building tunnel for € 250 million on new Wendlingen–Ulm rail line

Through its German subsidiary, Ed. Züblin AG of Stuttgart, STRABAG has been awarded a large contract by the Deutsche Bahn AG, with an order volume of € 250 million, 60 % of which is Ed. Züblin AG's share. The construction of the 5.9 km tunnel from the Swabian Jura to the tracks of Ulm Central Station will last four-and-a-half years.

SEPTEMBER

Züblin officially awarded the contract to build a cultural quarter in Dresden

Rendering of cultural quarter in Dresden, © moka-studio

Ed. Züblin AG will act as main contractor and build the centrally located cultural quarter for around € 70 million on a vacant plot of land of a former power station until the summer of 2016. The contract involves the renovation of the former machine hall, the construction of a new seven-storey building, the renovation of an existing four-storey building and the demolition and construction of a new two-storey workshop.

STRABAG is developing and building infrastructure highlight Orgelpipan 6 in Stockholm

Swedish STRABAG Projektutveckling will develop the multi-functional building "Orgelpipan 6" at Stockholm's Citybanan Commuter Station, Sweden's largest and busiest railway terminal. The investment volume is in the triple-digit million euro range. Completion of the project – which will include apartments, a hotel, shopping and servicing facilities – is planned for December 2015.

STRABAG to build Bosnian motorway between Svilaj and Odžak

A consortium led by STRABAG AG won the contract to build the Svilaj-Odžak section of the international motorway corridor 5c in Bosnia. Works on the 10.4 km long section – which already started in October 2013 – include the construction of the roadway, the border crossing at Svilaj, the Svilaj toll station, two service areas and two motorway exits. Completion is scheduled for December 2014. The contract value amounts to a total of € 84 million, 50 % of which is STRABAG's share.

Züblin expands Allianz Campus Unterföhring

Acting as general contractor, Ed. Züblin AG was awarded the contract to expand Allianz Campus Unterföhring near Munich. In a consortium together with Munich-based Dobler Metallbau GmbH, it will construct the new building with a gross floor area of 58,000 m². The contract has a value of approx. € 100 million; Züblin's share amounts to 90 %. A DGNB gold certification for the new building is aimed at. A precertification has already been awarded. Completion is planned for autumn of 2015.

Rendering of Allianz Campus, © Auer + Weber + Assoziierte

Züblin awarded large building construction contract in Denmark

Züblin A/S, a Danish subsidiary of the STRABAG SE Group, was awarded the contract to build the "Bryghus", a six-storey multi-use building on the site of a former brewery at the Copenhagen waterfront. The value of the contract amounts to about € 140 million. Construction time is scheduled from autumn 2013 to autumn 2017.

Züblin is testing the new ground engineering sealing method "BioSealing"

Züblin Spezialtiefbau Österreich engaged in the "BioSealing" joint industry project, a European joint project to further investigate the principle of operation of bacteria for the sealing of underground leaks in the ground and in buildings. In total nine companies will invest € 400,000 in the coming years.

OCTOBER

STRABAG SE bonds listed in the new Corporates Prime segment of Vienna Stock Exchange

Since 1 October 2013, bonds of STRABAG SE are listed in the Corporates Prime segment of the Vienna Stock Exchange's bond trading platform. This new segment comprises bonds from issuers in non-financial sectors with the aim of increasing the transparency of and providing more effective publicity for Austrian bonds and their issuers. The participating companies agree to provide potential bonds buyers with standardised information about their bonds.

STRABAG awarded tender for section of motorway M4 in Hungary

STRABAG will build the third section of the Hungarian motorway M4 between Abony and Fegyvernek for about € 106 million. The section has a length of 13.2 km and is part of the 233 km long motorway which links Budapest to the Ukrainian border.

NOVEMBER

Highway construction contracts of more than € 300 million in Slovakia

A consortium led by STRABAG signed the contract to build the approx. 10 km long section of the R2 expressway between Pstruša and Kriváň in Slovakia. The contract value amounts to € 178 million, of which STRABAG a.s. holds a 40 % share. A few weeks later, as part of a consortium STRABAG was awarded the contract to build an 11 km long section of the D1 motorway in northern Slovakia between Hricovské Podhradie and Lietavská Lúcka. The order has a total value of € 427 million, of which STRABAG s.r.o. will receive about € 140 million. The construction works comprise eleven bridges, two tunnels as well as all access roads.

STRABAG to build 100 km of desert road in Oman

Sinaw–Duqm connecting road

STRABAG Oman, LLC was awarded the contract to build a 100 km section of the 400 km long road between the city of Sinaw and the industrial zone in Duqm in southern Oman. The project value amounts to € 88 million.

DECEMBER

STRABAG is modernising 42 km section of railway in Romania

As part of a consortium, STRABAG AG has been awarded the contract to modernise the 42.2 km long railway section between Vintu de Jos and Simeria in western Romania near the city of Sibiu. The contract value amounts to € 317 million, of which STRABAG will carry out works with a volume of at least € 66 million in the area of track construction, civil engineering, earth works and road construction.

STRABAG is building McArthurGlen Designer Outlet Vancouver Airport

STRABAG SE is building a designer outlet centre near Vancouver International Airport (YVR), Canada, for Vancouver Airport Authority and McArthur-Glen, Europe's leading owner, developer and manager of designer outlets. McArthurGlen Designer Outlet Vancouver Airport foresees the construction of more than 65,000 m² (35,000 m² gross leas-able area) in a prime location on YVR land for more than CAD 100 million (around € 70 million).

Country report

INTENSIFICATION OF INTERNATIONAL BUSINESS TO FURTHER DIVERSIFY THE COUNTRY RISK

Following our clients

Despite the strong presence in its home markets of Austria and Germany, STRABAG sees itself as a European-based company. The group has been active in Central and Eastern Europe for several decades. On the one hand, it is a tradition for the company to follow its clients into new markets. On the other hand, the existing country network with local management and established organisational structures makes it possible to export the technology and equipment and to use them in new regions at low cost and effort. In order to diversify the country risk even further, and to profit from the market opportunities in other parts of the world, STRABAG intends to intensify especially its international business, i.e. its activities in countries outside of Europe. The company expects its international business to grow to at least 10 % of the output volume by 2016.

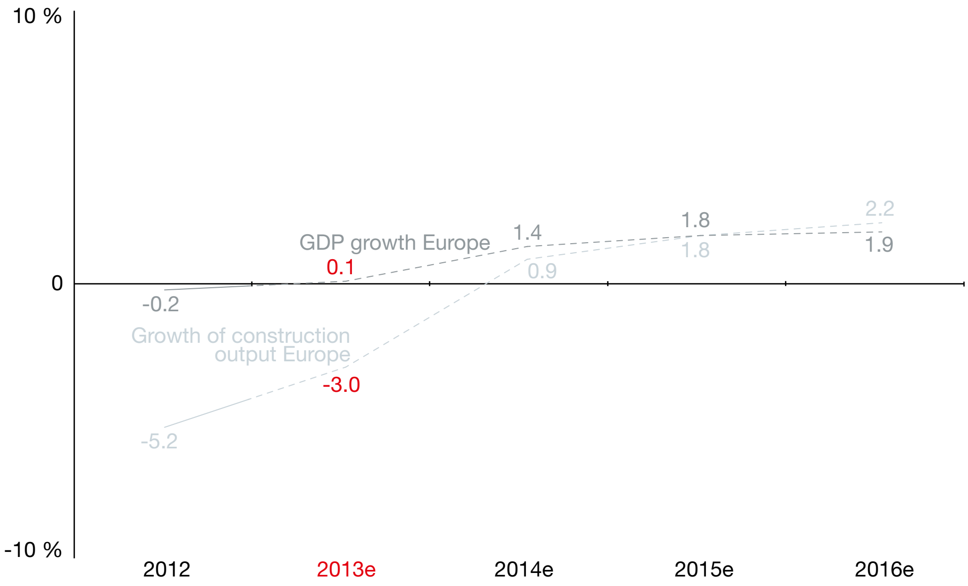
In the 2013 financial year, STRABAG SE generated an output volume of € 13.6 billion. The relatively low decline by 3 % over the previous year can be explained by weather-related effects at the start of the year. The group's core markets revealed quite different developments: as STRABAG is a broadly positioned group, the expected market-related decline in Poland following the end of the construction boom there and project-related reductions in Canada, Benelux and Romania were nearly balanced out by increases in e.g. Hungary, Austria and Africa.

OUTPUT VOLUME BY COUNTRY

€ mln.	2013	% of total output volume 2013	2012	% of total output volume 2012	Δ %	Δ absolute
Germany	5,789	43	5,779	41	0	10
Austria	1,982	15	1,888	13	5	94
Poland	787	6	1,139	8	-31	-352
Czech Republic	645	5	646	5	0	-1
Russia and neighbouring countries	561	4	527	4	6	34
Scandinavia	510	4	579	4	-12	-69
Hungary	496	4	393	3	26	103
Benelux	400	3	456	3	-12	-56
Switzerland	386	3	425	3	-9	-39
Slovakia	340	3	400	3	-15	-60
Middle East	323	2	305	2	6	18
Romania	322	2	372	3	-13	-50
The Americas	263	2	348	2	-24	-85
Italy	168	1	157	1	7	11
Africa	165	1	125	1	32	40
Croatia	134	1	130	1	3	4
Asia	103	1	111	1	-7	-8
Rest of Europe	81	0	83	1	-2	-2
Slovenia	67	0	81	1	-17	-14
Serbia	31	0	72	0	-57	-41
Bulgaria	20	0	27	0	-26	-7
Total	**13,573**	**100**	**14,043**	**100**	**-3**	**-470**

BUILDING PRODUCTION IN EUROPE CONTINUES DOWNWARD TREND[1)]

GROWTH COMPARISON CONSTRUCTION VS. GDP EUROPE



Despite the economic recovery in the US and in the emerging markets, the upswing of the European economy was delayed. After a decline in the previous year, the gross domestic product (GDP) of the 19 Euroconstruct countries stagnated in 2013. As a result, the outlook for private consumption, the labour market and income development remain subdued. Nevertheless, the experts at Euroconstruct expect the economy to grow again at the low rate of 1.4 % already in 2014.

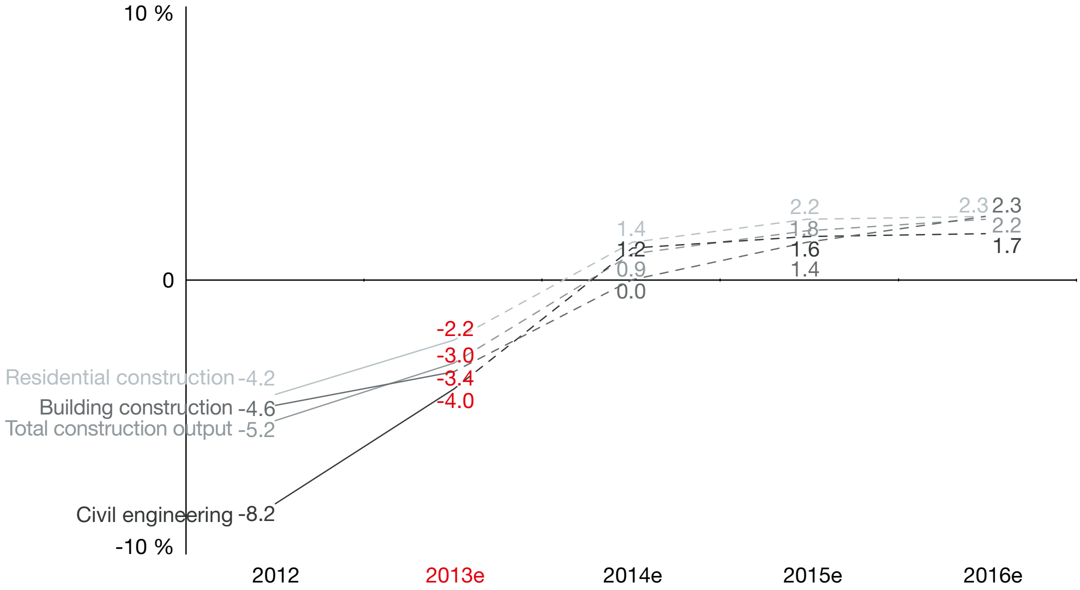
With a decline of 3.0 %, the development of the European construction sector in 2013 again was significantly worse than the economy as a whole. The strongest losses were registered in the countries of Northern and Southern Europe. The reasons for the continuous pressure on the European construction sector include the sovereign debt crisis in several countries as well as the austerity pressure on public budgets and insecurities regarding the future economic development. The situation of the construction industry should improve slightly in 2014, however, as Euroconstruct currently forecasts growth of 0.9 %.

The sovereign debt crisis put a damper especially on the prospects for civil engineering, while the weak macroeconomic environment, the high unemployment and the lack of consumer confidence clouded the outlook for residential construction and the other building construction. While an upswing for residential construction and civil engineering is already expected in 2014, building construction is unlikely to receive new impetus until 2015 with the stabilisation of the macroeconomic environment in Europe.

1) All growth forecasts as well as the particular national construction volumes are taken from the Euroconstruct and EECFA winter 2013 reports. The indicated market share data are based on the data from the year 2012.

DECLINE IN ALL AREAS OF THE CONSTRUCTION SECTOR – BUT THE LOWEST POINT HAS ALREADY BEEN REACHED

DEVELOPMENT OF CONSTRUCTION SECTOR EUROPE

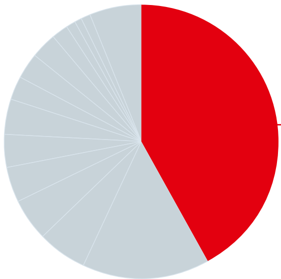


Residential construction remained greatly affected by the weak European economy in 2013. The banks also were more restrictive in the granting of mortgage loans. Against this backdrop, the sector lost another 2.2 % in the reporting period, although it fell less strongly than building construction and civil engineering. A country-by-country comparison shows that the development remained diversified: while the countries of Central and Northern Europe – above all German-speaking Europe – reported largely positive development, Spain and Portugal continued to register percentage losses in double-digit territory. With a minus of 9.4 %, residential construction in Eastern Europe shrank significantly more strongly overall than in Western Europe (-1.9 %). Starting in 2014, the experts at Euroconstruct forecast low growth of 1.4 % for the 19 member states.

Building construction – and above all commercial and office construction – was also greatly affected by the weak economic performance in Europe in the period under review. In total, the construction volume in this field shrank by 3.4 % in 2013. The development was especially negative in Southern Europe and only a few countries elsewhere were able to report growth. Against the backdrop of a stabilisation of the macroeconomic environment, however, new impetus is expected for this segment in the years to come. A return to growth will likely follow a temporary period of stagnation in 2015, with a trend toward stronger growth in Central and Eastern Europe, compared to Western Europe.

The restrained economic development and the restrictive fiscal policy of the European states are most strongly reflected in the **civil engineering** sector. Drastic spending cuts led to shifts, reductions or even withdrawals of projects in the field of transportation infrastructures. This resulted in a continuous decline of the construction output in civil engineering, which reached its highest point in 2012 with a minus of 8.2 % and continued into 2013 with a decline of 4.0 %. Particularly affected were the countries of Central and Eastern Europe, where the decline reached 11.9 % in the period under review. In view of Europe's economic recovery, however, a turnaround is already expected in 2014: the experts at Euroconstruct expect to see growth again this year with a plus of 1.2 %. Here, too, the growth in Central and Eastern Europe will likely be higher than in Western Europe because of the region's great need to catch up and due to the allocation of EU funds.

GERMANY



Overall construction volume:	€ 275.51 billion
GDP growth:	2013e: 0.4 % / 2014e: 1.8 %
Construction growth:	2013e: 0.3 % / 2014e: 2.7 %

Although the weak economies in the European sales markets kept Germany's 2013 GDP growth at 0.4 % and thus below the previous year's value, the general underlying conditions for the German economy developed favourably over the course of the year. Particularly the low interest rates and the advantageous credit conditions delivered expansive impulses. The increase in private consumption due to rising real incomes should also lead to renewed growth of the GDP in 2014 – Euroconstruct expects a plus of 1.8 %.

After a difficult 2012, the construction output in Germany fell even further in the first quarter of 2013 due in particular to weather-related production shutdowns. Over the course of the year, however, the sector slowly recovered to end 2013 with a slight plus of 0.3 %. Residential construction in particular profited from the real income growth and the favourable financing conditions gaining 1.0 %. Home ownership should remain attractive as an investment alternative so that growth of 2.6 % is already expected for the year to come.

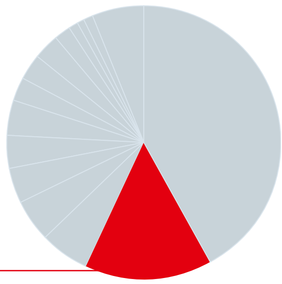
After a drop in 2013, the field of building construction is expected to gain momentum due to the improved sales and profit expectations among the companies. Substantial impetus can be expected from the areas of industrial and warehouse buildings as well as from shopping centres. In this segment, too, renewed growth of 2.4 % is already forecast for 2014.

Following a decline of 4.5 % in 2012, the field of civil engineering recovered in the period under review. On the one hand, it was possible to make up for weather-related losses; on the other hand, additional volume was generated from the clean-up works related to flood damage. This development should continue thanks to the € 5 billion immediate action programme for transportation infrastructures that was agreed in the new coalition agreement – as a result, the civil engineering output is expected to grow by 3.4 % in 2014.

With a market share of 2.1 %, STRABAG is the market leader in Germany. The share of the German road construction market amounts to 9.4 %. With € 5,788.81 million, about 43 % of the group's output volume was generated in the home market of Germany. Most of the output volume comes from the segment North + West. Property and facility services provided in Germany are assigned to the segment International + Special Divisions.

The planned investments in the field of offshore wind were postponed indefinitely by STRABAG due to the adverse political and organisational environment.

AUSTRIA



Overall construction volume:	€ 32.59 billion
GDP growth:	2013e: 0.4 % / 2014e: 1.7 %
Construction growth:	2013e: 0.5 % / 2014e: 1.2 %

Against the backdrop of the global economic recovery, the Austrian economy can expect to see slight yet stable improvement. The structural problems in the euro area, however, led to a weakening of the global growth impulses. On balance, therefore, the Austrian GDP grew by only 0.4 % in 2013. While exports and investment activities were on the up, consumption growth remained below expectations. However, the GDP is expected to gain another 1.7 % in 2014.

The construction sector has always been considered a stabilising element in the Austrian economy, and moderate growth is expected here for the coming years as well. One uncertainty, however, is the future course of the new government. The construction sector grew by 0.5 % overall in 2013 and growth of 1.2 % is expected for 2014.

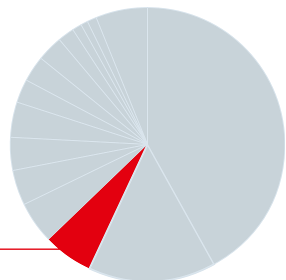
The Austrian residential construction market underwent relatively strong growth in 2013 with a plus of 2.0 %, in particular in the greater Vienna area. The positive demographic development, the low interest rates and the increase of real estate prices encouraged this development. However, a downward trend in the granting of building permissions will likely result in a weaker expansion in new building construction in the years to come.

Against the backdrop of the low economic growth, building construction shrank by 1.1 % in the reporting period. Especially affected were office and industrial buildings. Thanks to positive impulses from the export-oriented industry, however, the experts at Euroconstruct expect to see a general recovery and slight growth of 0.5 % in 2014.

In response to the so-called stability pact – the Austrian government's consolidation project – and the resulting postponement of infrastructure projects, the situation in the civil engineering segment worsened once more with the volume shrinking by 0.6 % in 2013. Investments in rail infrastructure were especially affected by this development. The continued development in the years 2014 and 2015 will greatly depend on large infrastructure projects. In these years, the civil engineering market should again grow by 1.2 % and 1.3 %, respectively.

In 2013, STRABAG generated a total of 15 % of the group output volume, or € 1,981.50 million, in its home market of Austria. Along with Germany and Poland, Austria thus remains one of the group's top three markets. STRABAG generates 5.8 % of total output volume in Austria. In the field of road construction, the market share amounts to 15.9 %.

POLAND



Overall construction volume:	€ 45.98 billion
GDP growth:	2013e: 1.2 % / 2014e: 2.3 %
Construction growth:	2013e: -8.9 % / 2014e: 3.5 %

After years of high growth, GDP gains in Poland slowed to 1.2 % in 2013. The reasons for this were, on the one hand, the difficult economic situation of the most important Polish trade partners – above all in the euro area – and, on the other hand, the decline of private consumption in the wake of the high level of unemployment. At the same time, public-sector investments financed out of the EU Structural Funds fell back. With the recent inflow of EU funds in the years 2014–2020, however, the GDP should see renewed stronger growth in the years to come.

With a decline of 8.9 %, the Polish construction industry reacted strongly to the end of the construction boom and the macroeconomic slowdown. However, a return to growth of 3.5 % is being forecast for 2014 – although the overcapacities in the market are unlikely to be completely reduced by that time.

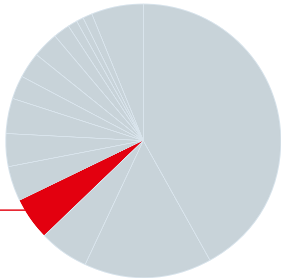
Due to higher interest rates, more restrictive lending and lower household incomes, the residential construction market shrank by 7.7 % in 2013. It is expected, however, that this area will grow slightly especially in the second half of 2014. This expectation is based above all on changes in the construction laws that are supposed to result in stronger funding for new housing and in lower interest rates for housing loans. All in all, growth of 2.9 % should thus again be possible in 2014.

After two strong years of growth, the expectations in building construction had to be adjusted downward. Both the EU funds as well as private funds were exhausted. Especially affected by this negative development were public buildings and the office segment. These areas are expected to stagnate further through 2014 or to achieve just minor growth of 1.3 %, respectively. Building construction should grow significantly once more starting in 2015.

The drastic budget cuts by the Polish government led to a decline in the civil engineering volume by 16.5 % in 2013. Infrastructure spending was especially hard hit. A recovery is forecast already for 2014.

In Poland, STRABAG is the number two in the construction sector with a market share of 2.5 % and market leader in transportation infrastructures with 8.5 %. The country contributed € 787.30 million, or 6 %, to the group's total output volume in 2013, making it STRABAG's third-largest market.

CZECH REPUBLIC



Overall construction volume:	€ 17.45 billion
GDP growth:	2013e: -1.5 % / 2014e: 0.8 %
Construction growth:	2013e: -8.2 % / 2014e: -4.2 %

The Czech economy continued its downward trend due to the weak domestic demand in the period under review and shrank by 1.5 %. An additional strain came in the form of the government's austerity measures. The budget deficit could be held in check, but this was done at the expense of economic growth. In view of the GDP growth of 0.8 % that has been forecast for 2014, fiscal policies should become less restrictive, however.

With a decline of 8.2 %, the Czech construction output shrank significantly more strongly than the economy as a whole. The sector has thus steadily lost in volume since 2008 – and is likely to continue to do so: a slight recovery of the construction market is not expected until 2016. The unstable political situation is also having a negative impact on the sector and makes it more difficult to give meaningful forecasts.

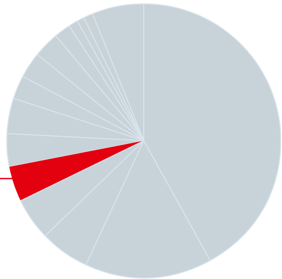
In 2013, residential construction was hardest hit by the ongoing recession with a decline of 15.3 %. The high prices weighed on the already weak demand, and the increase of the value added tax had a negative effect on household demand. Starting with next year, however, the declines should already be less strong.

The building construction market remained affected by high insecurities among investors in 2013; in fact, private investments practically came to a standstill. At the same time, state-financed projects were strongly affected by the government's strict austerity measures. EU subsidies and grants remain the main source for financing in this area, although these funds are currently available only to a limited degree. All in all, building construction fell by 4.5 % in the period under report. Euroconstruct does not expect slight growth again until the year 2015.

The civil engineering business suffered the most from the decline in public investments. This segment has grown negatively since the implementation of austerity measures in 2010 and lost another 9.2 % in the reporting period. Here, too, the political insecurities are a hindrance to private investments.

STRABAG is the number two on the market in the Czech Republic. With an output volume of € 644.66 million, some 5 % of the group's total output volume was accounted for by the Czech market in 2013. The share of the overall construction market amounts to 3.7 %; in road construction the group even holds 16.5 %.

RUSSIA AND NEIGHBOURING COUNTRIES (RANC)



RUSSIA

Overall construction volume:	€ 161.50 billion
GDP growth:	2013e: 2.4 % / 2014e: 3.7 %
Construction growth:	2013e: 4.4 % / 2014e: 4.6 %

UKRAINE

Overall construction volume:	€ 9.43 billion
GDP growth:	2013e: 1.0 % / 2014e: 3.0 %
Construction growth:	2013e: -7.1 % / 2014e: 5.8 %

The Russian economy grew by 2.4 % in 2013, somewhat more weakly than in the year before. In view of the economic recovery, however, the economic growth should again climb to 3.7 % in 2014. The construction sector in 2013 was marked, among other things, by the preparations for the Olympic Games in Sochi. In general, it rose by 4.4 % and growth of 4.6 % is forecast for the year to come.

After a crisis-related decline in the years 2008–2010, the residential construction market, which is responsible for around 35 % of the entire construction volume, has grown continuously since 2011 and reached a plus of 4.5 % in the reporting period. Further growth is expected in the years to come.

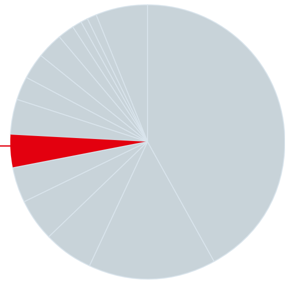
Other building construction has also registered positive growth since 2011 – the high point was reached in 2011 with a plus of 15.4 %. The sub-segments of commercial and retail, which account for more than 40 %, represent the largest and fastest-growing share: by 2015, annual growth of 5.0–6.6 % is expected here. In the years to come, the experts at Euroconstruct expect growth of 4.0–4.8 % for offices and 3.0–3.3 % for industrial buildings.

In the area of civil engineering, several large projects are currently in preparation. Russia plans to build more than 14,000 km of roads by 2020 and construction is to begin on a high-speed railway network nearly 1,600 km in length between 2013 and 2015. The construction volume in the railway segment is likely to grow by 4.0–8.0 % as a result.

After a decline of the economic performance in the previous year, the economy in Ukraine stagnated in the reporting period with a plus of just 0.2 %. In view of the current political uncertainties in Ukraine, reliable forecasts are neither possible for the general economic climate nor for the development of the construction sector. STRABAG is not active nationwide in Ukraine, merely operating in limited-time engagements on a project-by-project basis. The output volume generated by the company in Ukraine in 2013 amounted to less than 1 % of the annual group output volume.

STRABAG generated an output volume of € 561.30 million in Russia and its neighbouring countries (RANC) in 2013. The share of the total group output volume in the reporting period reached 4.0 %. In the region, STRABAG is almost exclusively active in building construction and civil engineering. The year 2013 was marked by the works related to the Olympic Village in Sochi, which is why the company expects a lower output volume in the RANC region for subsequent years.

SCANDINAVIA



SWEDEN

Overall construction volume:	€ 31.28 billion
GDP growth:	2013e: 1.1 % / 2014e: 2.6 %
Construction growth:	2013e: -0.4 % / 2014e: 1.6 %

DENMARK

Overall construction volume:	€ 26.18 billion
GDP growth:	2013e: 0.3 % / 2014e: 1.7 %
Construction growth:	2013e: 2.4 % / 2014e: 3.3 %

FINLAND

Overall construction volume:	€ 28.93 billion
GDP growth:	2013e: -0.3 % / 2014e: 1.1 %
Construction growth:	2013e: -2.7 % / 2014e: 0.5 %

NORWAY

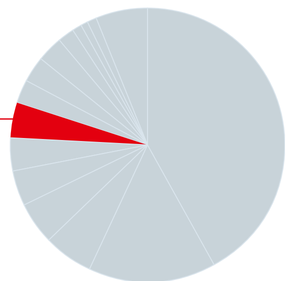
Overall construction volume:	€ 47.14 billion
GDP growth:	2013e: 1.7 % / 2014e: 2.7 %
Construction growth:	2013e: 3.7 % / 2014e: 3.6 %

The Scandinavian economies exhibited heterogeneous development during the period under review. While Sweden and Norway developed positively with GDP growth above the one-percent mark, the GDP in Denmark remained nearly unchanged. With a minus of 0.3 %, Finland failed to make it out of recession in 2013. All in all, more significant growth rates are first expected in these countries in 2014.

In terms of construction output, the four economies are also quite distinct. Denmark was able to recover in 2013 with growth of 2.4 %, while Sweden – not least due to a lower volume in residential construction – registered another decline with -0.4 %. A difference in trends could also be seen in Finland (-2.7 %) and Norway (3.7 %), though STRABAG's low level of activity on these markets make them of only minor importance for the group.

The output volume of STRABAG in Scandinavia amounted to € 510.07 million in 2013. The main activities included infrastructure and residential construction in Sweden. For some time now, STRABAG has put a stronger focus on proprietary project developments.

HUNGARY



Overall construction volume:	€ 7.4 billion
GDP growth:	2013e: 0.3 % / 2014e: 1.3 %
Construction growth:	2013e: 1.3 % / 2014e: 7.4 %

With low economic growth of 0.3 %, Hungary managed to get out of recession in the year under review. This slight recovery, however, remains fraught with insecurities as the economic upswing primarily depends on EU funds and state investments.

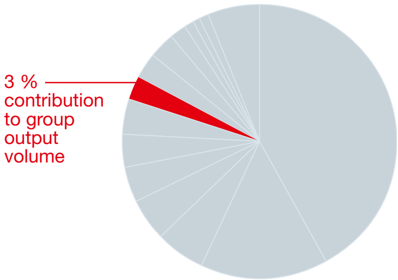
After seven years of negative growth, Hungary's construction output returned to growth in 2013 with a plus of 1.3 %. This development was driven above all by building construction and civil engineering, while the residential construction market shrank by another 11.0 % in 2013. On the basis of higher EU funds, Euroconstruct expects renewed significant growth of 7.4 % for Hungary's overall construction output in 2014.

As mentioned, building construction managed to reverse the trend in 2013 and grew by 5.0 % – and it should be possible to maintain a similar level in the coming year as well. This growth was driven primarily by EU funds, while private investment activity continued to stagnate. The financing of public buildings will remain dependent on these funds and the government's budget policy.

Civil engineering also grew by 5.0 % during the period under report. This can be explained among other things by the so-called Wekerle Plan that was passed in August 2012, which aims at re-launching postponed projects and at a more efficient use of EU funds. On this basis, it was possible to double the number of large infrastructure projects in comparison to the previous year; some 20 large-volume transportation projects should be completed by May 2014. Further growth in civil engineering is also expected in the years to come.

STRABAG noticed the improvement in the Hungarian construction sector in 2013 as well, as it was awarded the contract for two larger infrastructure projects. With an output volume of € 495.94 million, STRABAG is the leading provider on the Hungarian construction market. The company's share of the market as a whole reached 5.3 %; in road construction, STRABAG generates 11.1 % of the overall output volume.

BENELUX



BELGIUM

Overall construction volume:	€ 38.87 billion
GDP growth:	2013e: 0.1 % / 2014e: 1.1 %
Construction growth:	2013e: -1.3 % / 2014e: 1.2 %

NETHERLANDS

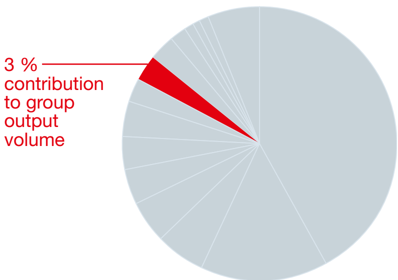
Overall construction volume:	€ 62.51 billion
GDP growth:	2013e: -1.3 % / 2014e: 0.5 %
Construction growth:	2013e: -5.0 % / 2014e: 0.4 %

The economies in the Benelux countries tended toward negative growth in 2013. While the Netherlands slid into recession with a GDP minus of 1.3 %, the Belgian economy stagnated with a minimal plus of 0.1 %. However, the experts at Euroconstruct expect an economic recovery already in 2014.

With a decline of the construction output by 5.0 %, the Dutch construction sector developed significantly worse than the economy as a whole. The negative development – all three sub-segments of the construction sector were equally affected – was a result of the weak private consumption, a drop in real estate prices and restrictive state budget measures. Construction output in Belgium fell less strongly, though it still lost 1.3 %, as a positive development in building construction was only partially able to make up for declines in residential construction and civil engineering. For the years to come, Euroconstruct expects renewed growth of the construction output in both markets, with a trend toward stronger growth in the Netherlands.

STRABAG achieved an output volume of € 399.66 million in the Benelux countries in 2013.

SWITZERLAND



Overall construction volume:	€ 52.38 billion
GDP growth:	2013e: 1.9 % / 2014e: 2.1 %
Construction growth:	2013e: 2.8 % / 2014e: 3.6 %

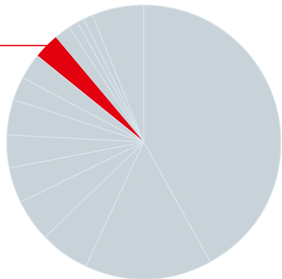
Driven by strong domestic consumption, the economic development in Switzerland was positive in every respect. Thanks to the renewed rise of industrial production and encouraged by a friendlier European environment, the GDP grew by 1.9 % in 2013. In the years to come, the growth rates should pick up more significantly once again. Switzerland's economic development continued to profit in 2013 from the strong growth of the construction industry, which gained 2.8 % in the year under review. The strongest factor driving growth was, as in the past, the residential construction market. The order books in the construction industry remain full for the future thanks to the positive demand, high immigration, low unemployment and favourable financing situation. Growth in residential construction is expected to reach 5.0 % in 2014.

In building construction, growth was registered in particular with hospitals and with educational and research facilities. After a plus of 1.0 % in this sector, however, the growth is expected to remain moderate for the years to come. While renovation works dominated during the times of the financial crisis, new building construction has again started to grow. In the coming years, these two segments should more or less balance one another out.

In civil engineering, the output volume grew by 6.3 % in 2013. The main factor driving this growth was the Gotthard Tunnel, the 50 km north-south link through the Alps. Following completion of this project, however, lower growth rates are expected for the coming years. Moreover, the further development will depend greatly on upcoming political decisions – such as an increase of the motorway toll or the further financing of the railway network.

Switzerland contributed € 386.22 million, or 3 %, to the group's total output volume in 2013. STRABAG's market share amounts to around 0.8 % overall and 3.0 % in the sub-segment of civil engineering.

SLOVAKIA



Overall construction volume:	€ 4.60 billion
GDP growth:	2013e: 0.8 % / 2014e: 2.2 %
Construction growth:	2013e: -7.8 % / 2014e: -0.8 %

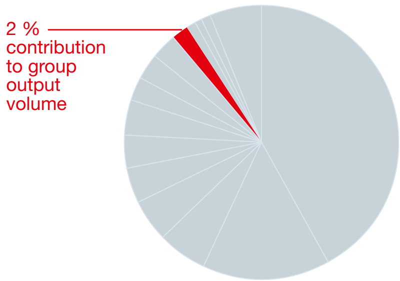
Slovakia's economy once again lost momentum in 2013 with GDP growth of just 0.8 %. The growth of the Slovak economy remains highly dependent on foreign demand; nevertheless, domestic consumption also made a contribution in 2013. In the years to come, the Slovak economy should see a return to stronger growth.

The negative trend in the Slovak construction industry continued in 2013 despite the generally positive economic environment. Substantial factors contributing to this development were the continuous low domestic demand as well as financing difficulties – including difficulties related to the supply of EU funds. All in all, the construction output shrank by 7.8 % against this backdrop in 2013. The residential construction market in particular was held back by the weak and uncertain income situation and by the continued high unemployment. In comparison, the field of building construction, which represents more than half of the entire construction output, suffered from the ongoing weak demand from private investors and fell back by 12.0 % in 2013. A continuation of the downward trend is expected for 2014, with a slight upswing starting in the year 2015.

After a strong decline in the previous year, 2013 brought the first signs of recovery in civil engineering. The segment lost only 2.0 % during the period under review – after 25.5 % in the previous year. Thanks to the implementation of long-delayed road construction projects, growth of 10.6 % is forecast for the year 2014. In the long term, the situation should improve again significantly as the need for modern infrastructure is continuously on the rise. The financing of such projects, however, is highly dependent on the supply of EU funds.

STRABAG was not so strongly affected by the collapse in the construction sector in the past financial year as the company generates a large portion of its output volume in Slovakia in civil engineering. In this segment, the company landed two large infrastructure projects at the end of 2013. With a market share of 8.7 % and an output volume of € 340.42 million in 2013, STRABAG is the market leader in Slovakia. In road construction, STRABAG's share even reaches 15.8 %. Slovakia contributed 3 % to the group's total output volume in 2013.

ROMANIA



Overall construction volume:	€ 17.90 billion
GDP growth:	2013e: 1.6 % / 2014e: 2.2 %
Construction growth:	2013e: 2.9 % / 2014e: 5.8 %

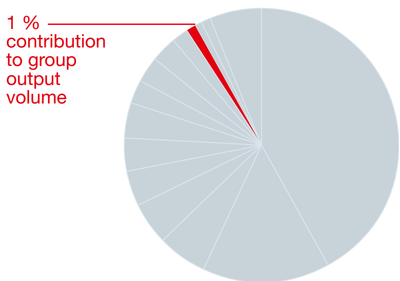
The Romanian economy expanded by 1.6 % in 2013, more strongly than in the previous year. This positive trend should continue to accelerate in the years to come until growth reaches about 3.0 % by 2016.

The increasing private and public demand should also deliver positive impetus for the construction sector. After a plus of 2.9 % in 2013, growth of 5.8 % is expected for 2014. In the reporting period, all segments of the construction industry exhibited positive growth rates. While residential construction grew by 3.0 %, building construction profited with growth of 3.9 % in part due to the fact that multinational corporations are increasingly discovering Romania as an attractive location in which to do business.

Since 2009, the civil engineering market has become steadily more important for the Romanian construction market, today accounting for nearly half of the overall construction volume. After growth of 2.3 %, both the upcoming elections as well as the increased use of EU subsidies and grants should provide for an increase in the civil engineering volume by 7.1 % in 2014.

With an output volume of € 321.83 million, corresponding to a market share of 2.1 %, STRABAG took second place on the Romanian construction market in the year 2013. In road construction, the share amounts to a comparable 2.5 %. The rather lively business for the company in Romania can be explained by several large projects in transportation infrastructures that were executed in the past few years.

ITALY



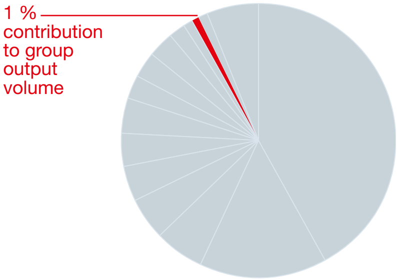
Overall construction volume:	€ 172.15 billion
GDP growth:	2013e: -1.9 % / 2014e: 0.7 %
Construction growth:	2013e: -3.3 % / 2014e: -0.3 %

The recession of the Italian economy continued in 2013 with a decline of the economic performance by 1.9 %. First indications that the trend was reversing came up during the second half of the year, however, and economic researchers expect growth of 0.7 % in 2014 as a result.

The entire Italian construction sector was hard hit by the economic crisis. The construction volume fell by 3.3 % in the year under report and a minus of 0.3 % is forecast for 2014. Residential construction shrank by 2.4 % in 2013, experiencing a decline for the seventh year in a row. However, a return to growth – albeit a small one – with a plus of 0.4 % is expected here for 2014. The rest of building construction is unlikely to undergo any sustained recovery before 2015. This segment registered a decline of 5.3 % in 2013 and can expect a minus of 0.9 % in 2014. The situation in the civil engineering market is similar: the volume fell by 2.9 % in 2013 and a decline of 1.1 % has been forecast for 2014. A small plus is not expected until 2015.

STRABAG's output volume in Italy amounted to € 168.32 million in 2013. The company is mainly active in tunnelling and road construction in the north of the country, which is why most of the output volume is included in the segment International + Special Divisions.

CROATIA



Overall construction volume:	€ 3.12 billion
GDP growth:	2013e: -0.7 % / 2014e: 0.5 %
Construction growth:	2013e: -4.3 % / 2014e: -2.1 %

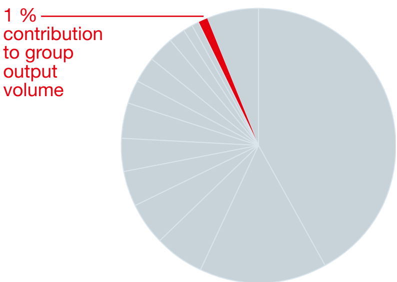
The Croatian economy – like the country's construction industry – continued to suffer from the ongoing weakness of the European economy. The 2013 GDP exhibited a decline of 0.7 %. Although the outlook for the coming years is again slightly positive – GDP growth of 0.5 % is expected for 2014 –, the difficult financing situation is unlikely to improve in the medium-term for private or public investors. Moreover, the rising unemployment and declining real incomes will continue to slow private consumption.

Despite the negative overall outlook for the Croatian construction industry, individual sectors developed significantly better than the industry as a whole in the past financial year. Against the backdrop of a massive investment programme in infrastructure, civil engineering in particular grew by 6.2 % in the reporting period. For the years 2014 and 2015, the growth is even expected to reach 9.0 % and 14.7 %, respectively. As of 2015, EU subsidies and grants in particular should make a substantial contribution to growth.

By comparison, the residential construction market fell by 13.4 % during the period under review and is even expected to lose 15.6 % in 2014. These losses are primarily due to the massive oversupply of new housing. A slight recovery of the market – beginning with a very low level – is not expected until 2015 at the earliest. Building construction remains weak too. After a loss of 9.2 % in the year 2013, a minus of 6.6 % is expected for 2014.

As market leader, STRABAG achieved an output volume of € 133.45 million in Croatia in the year 2013. Its market share stands at 4.2 % and 7.4 % in the sub-segment of transportation infrastructures.

SLOVENIA, SERBIA, BULGARIA AND REST OF EUROPE



SLOVENIA

Overall construction volume:	€ 1.46 billion
GDP growth:	2013e: -2.4 % / 2014e: -0.2 %
Construction growth:	2013e: -6.0 % / 2014e: 19.7 %

SERBIA

Overall construction volume:	€ 2.04 billion
GDP growth:	2013e: 2.0 % / 2014e: 3.0 %
Construction growth:	2013e: -9.1 % / 2014e: 10.0 %

BULGARIA

Overall construction volume:	€ 6.04 billion
GDP growth:	2013e: 1.0 % / 2014e: 2.1 %
Construction growth:	2013e: -0.2 % / 2014e: -5.6 %

Slovenia

Slovenia's GDP shrank by 2.4 % as the country's economy continued to suffer from the consequences of the economic crisis in 2013. Growth is not expected until the year 2015. The ongoing economic difficulties are also affecting the Slovenian construction industry. After declines in double-digit percentage territory in the previous years, the minus of 6.0 % in 2013 is still no reason to speak of a recovery. In view of the low basis, however, growth of already 19.7 % is expected for the year to come.

Residential construction fell back by 16.8 % in 2013 and is expected to shrink by another

3.7 % in the current year. A slight plus is not expected here until 2015. The building construction volume for the period under review was also 14.9 % below the previous year's value but should recover already in 2014 with a plus of 8.5 %. Civil engineering gained 1.1 % in 2013. The realisation of several large projects could lead to considerable growth of 28.5 % in 2014, which could also form the basis for the expected growth of the overall construction output. This forecast, however, must be viewed sceptically as public financing could be influenced by state austerity measures.

STRABAG generated an output volume of € 67.40 million in Slovenia in 2013, placing it among the top three construction companies in the country. STRABAG holds a 5.6 % share of the market as a whole and 3.1 % in transportation infrastructures.

Serbia

Serbia has had to contend with considerable structural and financial deficits since the beginning of the economic and financial crisis. The economic performance of the country has been fluctuating relatively strongly – including noticeable GDP declines in the years 2009 (-3.5 %) and 2012 (-1.7 %). In 2013, however, the Serbian economy exhibited signs of recovery with growth of 2.0 % as a result of state investments in the export economy and in infrastructure as well as reforms in the public administration. A further improvement is expected for the years to come.

While the Serbian construction sector had grown in 2011 and 2012 due, above all, to state incentives in residential construction and investments in civil engineering, a noticeable decline, at minus 9.1 % of the construction output was registered in 2013. According to Euroconstruct, however, this trend should reverse already in 2014 not least due to the recovery of the economy and in response to state investments.

The residential construction market probably hit bottom in the year 2013, and the turnaround in the economy as a whole as well as the positive developments on the labour markets and in household incomes should bring this sector back on a growth path by 2015 at the latest. After a low in 2013, a reversal of the trend is also expected in building construction. In civil engineering, Euroconstruct expects to see double-digit growth rates – after a pause in 2013 – due to the realisation of several large infrastructure projects in rail, road and pipeline construction.

STRABAG achieved an output volume of € 31.26 million on the Serbian market in 2013.

Bulgaria

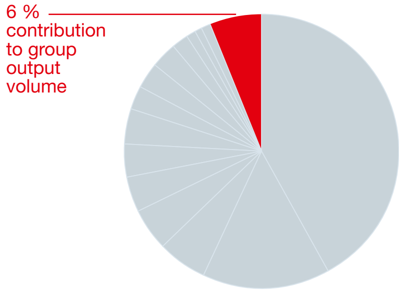
After a strong GDP decline of 5.5 % in 2009, the Bulgarian economy has only slowly recovered with growth rates between 0.4 % and 1.8 %. In 2013, GDP growth also only barely reached the one percent mark. A significant contribution driving this slightly positive trend comes from exports to the EU, with additional positive impetus expected from the increasing exports to non-EU countries as well as from growing domestic demand. As a result, economic growth of 2.1 % should be possible in 2014.

The Bulgarian construction industry has not yet recovered from the enormous losses of the past few years. After a slight drop of 0.2 % in 2013, the sector is expected to shrink by 5.6 % in 2014. The residential construction market should recover slowly after a strong decline of 5.0 % in 2013, but the uncertain economic situation, high unemployment and weak income development continue to negatively impact home ownership demand.

The building construction segment stood out positively in 2013 with growth of 10.2 %, while the construction output in civil engineering decreased by 4.3 %. In this segment, the completion of a number of road projects will be a damper on future growth, so that Euroconstruct even expects a minus of 9.8 % in 2014. A shift in priorities in favour of public transport could cushion this decline in subsequent years.

STRABAG generated an output volume of € 19.77 million on the Bulgarian market in 2013.

MIDDLE EAST, THE AMERICAS, AFRICA, ASIA



In addition to its main markets in Europe, the STRABAG Group also operates in individual non-European regions in order to be less dependent on the economic underlying conditions of individual markets. Internationally, the group has been present in Asia, Canada, Chile, Africa and the Middle East for many years and decades. All in all, these regions generated € 853.70 million, or 6 % of the group's total output volume in 2013, a share that could rise to at least 10 % in the coming years.

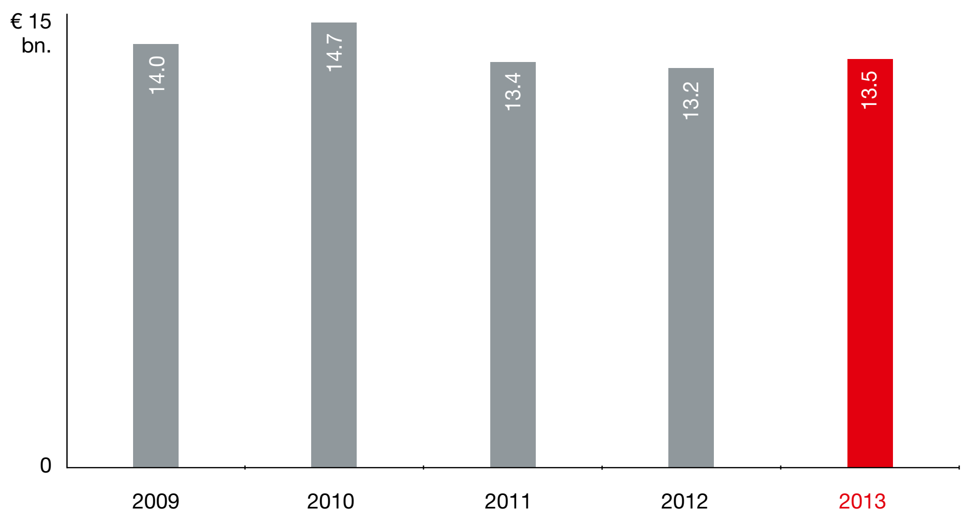
In the non-European markets, STRABAG is usually active as a general contractor through direct export. The focus in these regions is on civil engineering, industrial and infrastructure projects and tunnelling – areas in which high technological expertise is required. Milestones from the past include the research and development partnership with Rio Tinto in tunnelling, several road construction orders in Oman and the contract to build a designer outlet centre for McArthurGlen in Canada. STRABAG's activities in non-European countries are included – with a few minor exceptions – in the segment International + Special Divisions.

Order backlog

ORDER BACKLOG OF STRABAG SE BY SEGMENT AS AT 31 DECEMBER 2013

€ mln.	Total 2013	North + West	South + East	International + Special Divisions	Other	Total 2012	Δ Group %	Δ Group absolute
Germany	5,052	3,853	182	1,009	8	4,544	11	508
Austria	1,503	6	1,088	408	1	1,466	3	37
Italy	1,256	3	1	1,252	0	1,351	-7	-95
The Americas	640	57	1	582	0	416	54	224
Poland	605	531	53	20	1	700	-14	-95
Scandinavia	585	573	10	2	0	434	35	151
Middle East	585	12	28	545	0	596	-2	-11
Hungary	573	0	560	13	0	326	76	247
Slovakia	445	0	439	6	0	331	34	114
Czech Republic	364	0	355	8	1	499	-27	-135
Benelux	351	288	6	57	0	555	-37	-204
Russia and neighbouring countries	317	104	212	1	0	635	-50	-318
Romania	308	0	300	8	0	326	-6	-18
Switzerland	217	10	159	48	0	268	-19	-51
Slovenia	151	0	151	0	0	144	5	7
Rest of Europe	139	14	104	21	0	78	78	61
Africa	134	0	22	112	0	236	-43	-102
Asia	112	0	4	108	0	163	-31	-51
Croatia	77	0	75	2	0	113	-32	-36
Bulgaria	35	0	35	0	0	14	150	21
Serbia	21	0	21	0	0	8	163	13
Total	**13,470**	**5,451**	**3,806**	**4,202**	**11**	**13,203**	**2**	**267**

DEVELOPMENT OF ORDER BACKLOG



The order backlog as at 31 December 2013 grew slightly by 2 % to € 13.5 billion and covers around one year's worth of output volume. The geographic focus shifted somewhat here: large projects such as the Olympic Village in Russia and orders in Benelux had been completed in 2013. In exchange, a large number of new building construction orders in Germany bolstered the order backlog by more than € 500 million.

CONSTRUCTION SITES INCLUDED IN THE ORDER BACKLOG AS AT 31 DECEMBER 2013

Category	Number of construction sites	as % of number of construction sites	Order backlog € mln.	as % of order backlog
small orders (€ 0–15 mln.)	15,007	98	4,983	37
medium-sized orders (€ 15–50 mln.)	214	1	2,660	20
large orders (> € 50 mln.)	94	1	5,827	43
Total	**15,315**	**100**	**13,470**	**100**

Part of risk management

The overall order backlog is comprised of 15,315 individual projects. More than 15,000 of these are small projects with a volume of up to € 15 million each. They account for 37 % of the order backlog; a further 20 % are medium-sized projects with order volumes between € 15 million and € 50 million; 43 % 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 as at 31 December 2013 added up to 22 % of the order backlog, compared to 24 % at the end of 2012.

THE TEN LARGEST PROJECTS CURRENTLY IN PROGRESS AS AT 31 DECEMBER 2013

Country	Project	Order backlog € mln.	as % of total order backlog
Italy	Pedemontana motorway	1,015	7.5
Chile	Alto Maipo hydropower complex	372	2.8
Austria	Koralm Tunnel, Section 2	324	2.4
Germany	Stuttgart 21, underground railway station	314	2.3
United Arab Emirates	STEP wastewater systems	189	1.4
Germany	Jena University Hospital	164	1.2
Germany	Upper West Berlin	161	1.2
Germany	Albabstieg Tunnel	149	1.1
Italy	Grosseto–Siena expressway	107	0.8
Poland	S8 Opacz–Paszków	106	0.8
Total		**2,903**	**21.6**

Impact on changes to the scope of consolidation

In the 2013 financial year, 21 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 € 47.53 million to the group revenue and € -1.72 million to the net income after minorities. As a result of first-time inclusions, current and non-current assets increased by € 28.11 million, current and non-current liabilities by € 13.71 million.

Financial performance

In the 2013 financial year, STRABAG SE generated an **output volume** of € 13.6 billion. The relatively low decline by 3 % over the previous year can be explained by weather-related effects at the start of the year. The group's core markets revealed quite different developments: as STRABAG is a broadly positioned group, the expected market-related decline in Poland following the end of the construction boom there and project-related reductions in Canada, Benelux and Romania were nearly balanced out by increases in e.g. Hungary, Austria and Africa.

The consolidated **group revenue** for the 2013 financial year amounted to € 12,475.65 million, which corresponds to a decrease of 4 %. The ratio of revenue to construction output remained unchanged at 92 %. The segment North + West contributed 44 %, South + East 36 % and International + Special Divisions 20 % to the revenue.

The **changes in inventories** involve mainly the real estate project development business, which was conducted as actively as in the past. The **own work capitalised** remained at a very low level.

The **expenses for materials, consumables and services used** decreased more strongly than the revenue, falling by 5 % to € 8,204.35 million, while the **employee benefits expense** was down just 2 % to € 2,998.65 million. In total, however, the ratio of these two items versus revenue remained unchanged at 90 % as in the past two years.

The strong decline of the **other operating expenses** (-9 %) can be explained by the previous year's inclusion of damage compensation payments related to an arbitration ruling on a failed acquisition. The **other operating income**, which generally also rises or falls with revenue, increased in the past financial year despite the lower revenue. This was in part due to the somewhat higher income from asset disposals. The item also includes income from the fully consolidated concession companies.

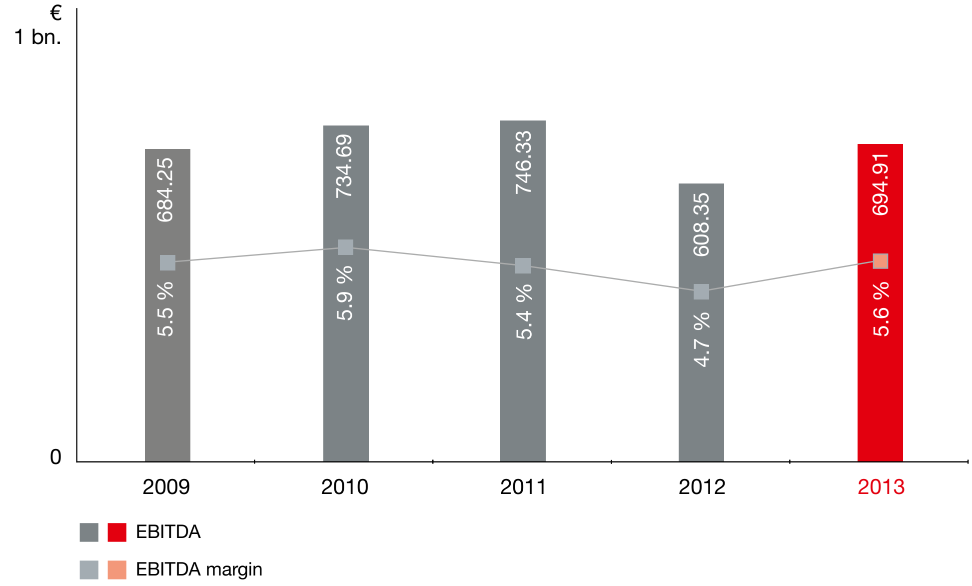
EXPENSES

€ mln.	2013	2012	Δ %
Materials, consumables and services used	8,204.35	8,655.10	-5
Employee benefits expense	2,998.65	3,051.78	-2
Other operating expenses	857.29	938.16	-9
Depreciation and amortisation	433.34	401.17	8

The **share of profit or loss of associates** moved into positive territory in the 2013 financial year, namely from € -9.22 million to € 5.78 million. This item was especially influenced by the investment in a cement joint venture and in a project development company which had contributed to a negative result in 2012. The **net income from investments**, composed of the dividends and expenses of many smaller companies or financial investments, slipped slightly into negative territory, however.

As the 2013 results were no longer burdened by damage compensation payments related to a failed acquisition or by missing revenue for services already rendered in Central and Eastern Europe, the **earnings before interest, taxes, depreciation and amortisation** (EBITDA) grew by 14 % to € 694.91 million and the EBITDA margin rose from 4.7 % to 5.6 %. Cost developments related to large projects in hydraulic engineering, in the Netherlands and in Sweden, as well as the competitive pressure in railway construction, continued to impact earnings, however.

DEVELOPMENT OF EBITDA UND EBITDA MARGIN



For its international business, the company had invested in specialty equipment that is now being depreciated over just a few years of construction. Together with the **depreciation and amortisation of plant and equipment** in the fields of railway construction and in hydraulic engineering, the total depreciation and amortisation expense grew by 8 %. The goodwill impairment contained in this item was nearly unchanged at € 3.99 million in 2013 after € 10.08 million in the year 2012. This resulted in an increase in the **earnings before interest and taxes** (EBIT) by 26 % to € 261.58 million and an EBIT margin of 2.1 % versus 1.6 % in the previous year.

Effective tax rate: 32.1 %

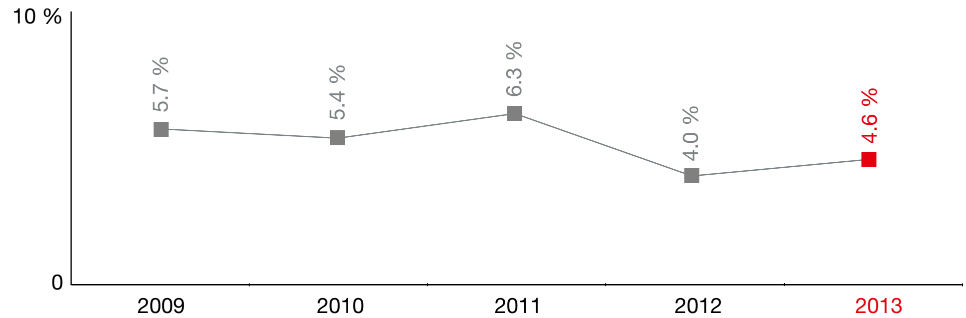
While negative exchange rate differences amounting to € 11.75 million had still been registered in 2012, the net interest income in the past financial year now contained positive foreign currency effects of € 13.04 million. The result was a net interest income of € -31.54 million compared to € -50.73 million the previous year. This corresponds to a 47 % increase in the profit before tax. The income taxes were thus calculated at € 73.78 million, with a resulting tax rate of 32.1 %.

Earnings per share: € 1.11

Earnings owed to minority shareholders amounted to € 42.70 million. The **net income after minorities** thus came to € 113.56 million in 2013, 87 % higher than in the previous year. The number of weighted outstanding shares decreased due to the – now concluded – buyback of own shares from 104,083,238 to 102,716,850, so that the earnings per share increased by 90 % to € 1.11.

The **return on capital employed** (ROCE)[1] improved to 4.6 % after the low of 4.0 % in the previous year.

DEVELOPMENT OF ROCE



1) ROCE = (net income + interest on debt – interest tax shield (25 %)) / (average group equity + interest-bearing debt)

Financial position and cash flows

BALANCE SHEET

€ mln.	2013	% of balance sheet total	2012	% of balance sheet total
Non-current assets	4,416.30	42	4,546.46	45
Current assets	6,144.50	58	5,591.23	55
Equity	3,238.77	31	3,162.54	31
Non-current liabilities	2,465.79	23	2,431.92	24
Current liabilities	4,856.23	46	4,543.23	45
Total	**10,560.79**	**100**	**10,137.69**	**100**

The **balance sheet total** of STRABAG SE increased by 4 % to € 10,560.79 million. This was in large part due to the unusually high increase of the cash and cash equivalents from € 1,374.96 million to € 1,711.97 million, resulting in a shift toward current assets. Conspicuous on the liabilities side is the stable **equity ratio** at the high level of 30.7 % (2012: 31.2 %) and the higher non-current liabilities as a result of the bond that was issued in the past financial year.

KEY BALANCE SHEET FIGURES

	2009	2010	2011	2012	2013
Equity ratio (%)	32.2	31.1	30.3	31.2	30.7
Net debt (€ mln.)	-596.23	-669.04	-267.81	154.55	-73.73
Gearing ratio (%)	-19.2	-20.7	-8.5	4.9	-2.3
Capital employed (€ mln.)	5,042.87	5,235.74	5,336.45	5,322.35	5,462.11

Unlike the previous year, but as had been usual in the years before that, a **net cash position** of € 73.73 million was reported as at 31 December 2013. This can be explained by the higher level of cash and cash equivalents.

CALCULATION OF NET DEBT

€ mln.	2009	2010	2011	2012	2013
Financial liabilities	1,509.16	1,559.15	1,731.96	1,649.98	1,722.70
Severance provisions	70.48	69.36	70.44	79.91	78.40
Pension provisions	364.16	374.79	384.21	429.92	422.24
Non-recourse debt	-757.08	-719.89	-754.18	-630.31	-585.11
Cash and cash equivalents	-1,782.95	-1,952.45	-1,700.24	-1,374.96	-1,711.97
Total	**-596.23**	**-669.04**	**-267.81**	**154.55**	**-73.73**

With a nearly unchanged cash flow from earnings of € 513.03 million, the **cash flow from operating activities** shot up 158 % to € 693.70 million. This was due to the uncharacteristically high project-related prepayments, which will fall back over the course of the year. The **cash flow from investing activities** could be contained by 26 % at € -332.38 million. The purchase of specialty equipment needed for certain projects was shifted in part to 2014, and enterprise acquisitions took place to only a minor extent. The **cash flow from financing activities** was significantly less negative – settling at € -6.49 million instead of € -176.26 million – for two reasons: first, the previous year had been characterised by a significant repayment of bank borrowings and, second, another bond was issued in the 2013 financial year, albeit with a volume of € 200 million compared to € 100 million in the year before.

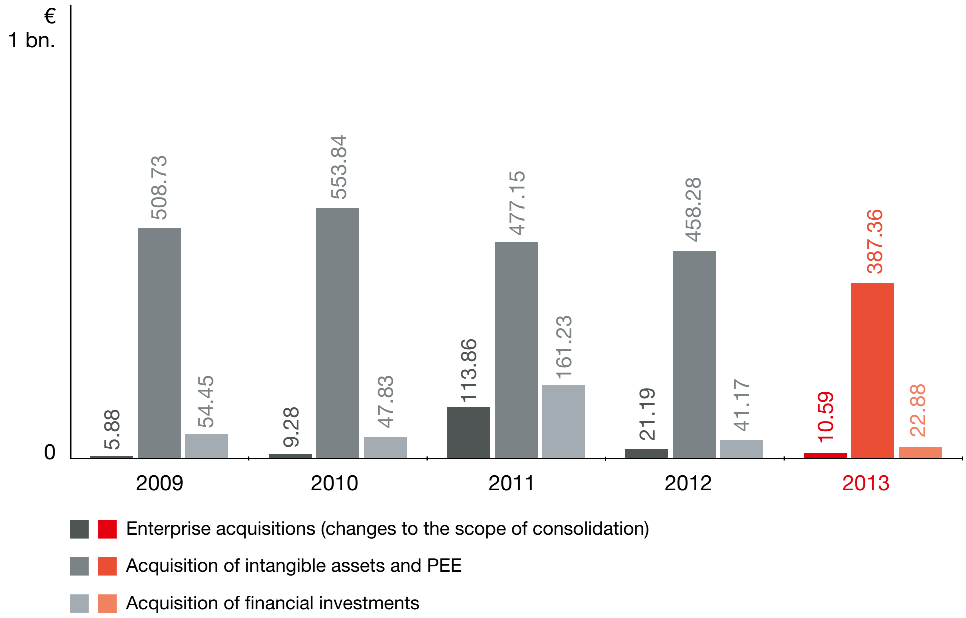
Capital expenditures

STRABAG had forecast capital expenditures (cash flow from investing activities) in the amount of approximately € 475 million for the 2013 financial year. In the end, the net capital expenditures totalled € 332.38 million and so remained clearly under budget. The gross investments (CAPEX) before subtraction of proceeds from asset disposals stood at € 420.83 million. This figure includes **expenditures on intangible assets and on property, plant and equipment** of € 387.36 million, the **purchase of financial assets** in the amount of € 22.88 million and **enterprise acquisitions** (changes to the scope of consolidation) of € 10.59 million.

About € 250 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 the project-based nature of STRABAG's business: in 2013, the group invested in equipment for large tunnelling projects in Austria and in the international business in particular as well as in the home market of Germany in general.

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 € 433.34 million. This figure also includes goodwill impairment in the amount of € 3.99 million.

COMPOSITION OF CAPEX



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 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.

Total credit line for cash and surety loans: € 6.7 billion

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

The medium- and long-term liquidity needs have so far also been covered by the issue of **corporate bonds.** STRABAG SE (and its predecessor FIMAG) has regularly issued bonds on the Austrian market since 2002. In the 2013 financial year, STRABAG successfully issued a € 200 million tranche with a coupon of 3.00 % and a term to maturity of seven years. The proceeds from the issue, which were used for general business purposes, help STRABAG to maintain its financing structure. At present, this leaves four bonds of STRABAG SE with a total volume of € 575 million on the market.

In order to diversify the financing structure, STRABAG SE placed its first **bonded loan** in the amount of € 140 million in the 2012 financial year. This long-term debt financing instrument is in many ways similar to a bond, with an important difference being that bonded loans are issued directly to institutional investors without using an organised capital market, i.e. an exchange.

The existing liquidity of € 1.7 billion assures the group's liquidity needs. Nevertheless, further bond issues or a refinancing of existing financing instruments are planned, depending on the market situation, in order to maintain a high level of liquidity reserves in the future and to take advantage of favourable market conditions.

STRABAG SE has a total credit line for cash and surety loans in the amount of € 6.7 billion. The credit lines include a **syndicated surety credit line** in the amount of € 2.0 billion and a revolving **syndicated cash credit line** of € 0.4 billion with a term until 2017. The group also has bilateral credit lines with banks. With a high degree of diversification, STRABAG creates an adequate risk spread in the provision of the credit lines and secures its comfortable liquidity position.

In June 2013, S&P again confirmed its BBB- rating and stable outlook for STRABAG SE. Explaining its decision, S&P cited the leading market position in transportation infrastructures in Central and Eastern Europe, the well-diversified and vertically integrated business, the good access to raw materials and the group's adequately high liquidity.

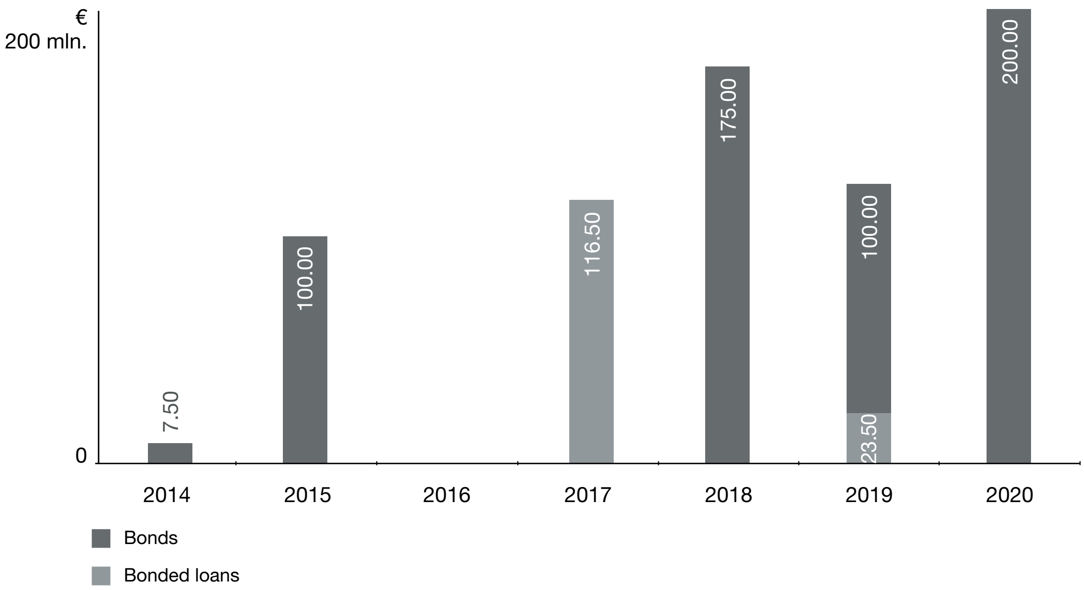
KEY FIGURES TREASURY

	2009	2010	2011	2012	2013
Interest and other income (€ mln.)	78.33	78.71	112.31	73.15	66.72
Interest and other expense (€ mln.)	-98.22	-98.39	-103.77	-123.87	-98.26
EBIT/net interest income (x)	-14.2	-15.2	39.2	-4.1	-8.3
Net debt/EBITDA (x)	-0.9	-0.9	-0.4	0.3	-0.1

PAYMENT OBLIGATIONS

€ mln.	**Book value 31 December 2013**
Bonds	582.50
Bank borrowings	1,117.70
Liabilities from finance leases	22.50
Total	**1,722.70**

PAYMENT PROFILE OF BONDS AND BONDED LOANS



MANAGEMENT REPORT

Report on the Financial Performance, Financial Position and Cash Flows of STRABAG SE (Individual Financial Statement)

FINANCIAL PERFORMANCE

The company's revenues grew by € 2.40 million year-on-year from € 56.83 million to € 59.23 million due largely to an increase in the intra-group allocations.

T€	2013	2012
Revenues (Sales)	59,234	56,826
Earnings before interest and taxes (EBIT)	86,118	11,112
Return on sales (%) (ROS) 1)	145.4	19,6
Return on equity (%) (ROE) 2)	3.5	0.4
Return on investment (%) (ROI) 3)	2.6	0.3

The earnings before interest and taxes (EBIT) increased significantly by € 75.01 million in comparison to the previous year from € 11.11 million to € 86.12 million. The growth results from the substantial improvement of both the operating result and the net income from investments.

In contrast to the year before, the operating result was not impacted by any extraordinary expenses in the past financial year; in the previous year, earnings had been affected negatively particularly by the damage compensation expenses related to the Cemex arbitration.

Further earnings improvements could be achieved through savings in the internal group services and through a strong reduction in the impairment of receivables from subsidiaries.

The positive development of the operating result was supported by the continued growth of the revenues and through the receipt of income from the extension of the option for Transtroy Holding Limited.

It was possible to significantly grow the income from investments in the financial year. These, in addition to the lower expenses for financial assets, contributed to a significant increase in the net income from investments.

The improved earnings resulted in significantly improved profitability figures.

The interest income reached a positive total of € 3.06 million, which was achieved through changes to the transfer of the external interest expense for financial assistance given to subsidiaries.

Overall, the company generated a net profit of € 87.99 million for the 2013 financial year, compared to € 6.63 million in the previous year.

FINANCIAL POSITION AND CASH FLOWS

The balance sheet total of STRABAG SE, at € 3.4 billion in 2013, grew slightly in comparison to the previous year (€ 3.3 billion), with substantial changes among only a few balance sheet items.

The increase in the financial assets, in particular with investments in affiliated companies, result mainly from capital increases and shareholder contributions to subsidiaries.

1) ROS = EBIT / revenues
2) ROE = EBT / ø equity
3) ROI = EBIT / ø total capital

The loans to affiliated companies were affected by the partial repayment of the loan to STRABAG AG, Cologne by € 14.04 million and by the addition of a new loan to TOO STRABAG Kazakhstan, Almaty, in the amount of € 5.79 million.

The growth in the number of own shares resulted from the continued buyback of no-par bearer shares of stock, which was concluded in the year under report. The company now holds 10% of the share capital.

The increased receivables from affiliated companies involved the partial transfer the liquidity gained from bond financing to subsidiaries.

Among the other provisions, the increase of € 11.00 million over the previous year can be explained with a loss provision for the subsidiary in Azerbaijan.

The increase among the bonds in the amount of € 125.00 million is the result of a € 200.00 million bond issued in 2013 and of a € 75.00 million bond repayment.

T€	2013	2012
Net debt[1]	387,476	384,937
Working capital[2]	133,650	22,983
Equity ratio (%)	76.7	78.0
Gearing ratio (%)	14.8	15.1

The net debt on 31 December 2013 amounted to € 387.48 million, which corresponds to only slight growth versus the previous year (€ 384.94 million) as the higher interest-bearing liabilities were almost completely balanced out by the growth in cash and cash equivalents. Due to the positive growth of the equity, the gearing ratio was down from 15.1% in the previous year to 14.8% in the year under report.

The working capital grew by € 110.67 million from € 22.98 million in 2012 to € 133.65 million in 2013. This is mainly due to the decrease in current liabilities among the bank borrowings and because no bond repayments are due for the following financial year.

The equity ratio fell slightly to 76.7% from 78.0% the year before due to a further increase of the total capital.

T€	2013	2012
Cash flow from operating activities	139,594	57,529
Cash flow from investing activities	-106,682	-43,296
Cash flow from financing activities	44,444	141,997

The cash flow from operating activities in the amount of € 139.59 million is largely the result of cash flow from earnings. With the clear growth in current provisions and the cash inflows from the reduction in receivables from subsidiaries, the changes in the working capital resulted in even more significant positive effects.

In the year under report, the cash flow from investing activities saw an outflow of € 106.68 million in cash and cash equivalents, which were used for capital increases and for shareholder contributions to subsidiaries.

The issue of a new bond led to a significant inflow in the amount of € 200.00 million in the cash flow from financing activities. After deducting a bond repayment, the dividend, and the repayment of current bank borrowings, the cash flow from financing activities showed an increase in cash and cash equivalents by € 44.44 million in 2013.

1) Net debt = interest-bearing liabilities + non-current provisions – cash and cash equivalents

2) Working capital = current assets – cash and cash equivalents – current liabilities

Segment report

OVERVIEW OF THE FOUR SEGMENTS WITHIN THE GROUP

The business of STRABAG SE is divided into four segments, of which there are three operative segments North + West, South + East and International + Special Divisions, and segment Other, which encompasses the group's service companies and central staff divisions.

The segments are comprised as follows:

NORTH + WEST
Management board responsibility:
Peter Krammer
Germany, Poland, Benelux, Scandinavia, Ground Engineering, Hydraulic Engineering, Offshore Wind

SOUTH + EAST
Management board responsibility:
Siegfried Wanker
Austria, Switzerland, Hungary, Czech Republic, Slovakia, Adriatic, Rest of Europe, Railway Structures, Environmental Technology, Real Estate Development
Management board responsibility:
Thomas Birtel
Russia and neighbouring countries

INTERNATIONAL + SPECIAL DIVISIONS
Management board responsibility:
Hannes Truntschnig
International, Tunnelling, Services, Real Estate Development, Infrastructure Development, Construction Materials

OTHER
Management board responsibility:
Thomas Birtel and Christian Harder
Service companies

Construction projects are assigned to one of the segments (see chart below). Of course, 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 geographic segment, but the concession part is assigned to the concessions unit of International + Special Divisions. 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.

With only a few exceptions, we offer our services in all areas of the construction industry in the individual European markets in which we operate and cover the entire construction value chain. Our services include:

	North + West	South + East	International + Special Divisions
Residential Construction	✓	✓	
Commercial and Industrial Facilities	✓	✓	✓
Public Buildings	✓	✓	✓
Production of Prefabricated Elements	✓	✓	✓
Civil Engineering	✓	✓	✓
Bridges	✓	✓	✓
Power Plants	✓	✓	✓
Environmental Technology		✓	
Railway Structures		✓	
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 Materials	✓	✓	✓
Ground Engineering	✓		
Offshore Wind	✓		✓
Tunnelling			✓
Real Estate Development		✓	✓
Infrastructure Development			✓
Operation/Maintenance/Marketing of PPP Projects			✓
Property and Facility Services			✓

SEGMENT NORTH + WEST BENEFITS FROM BUILDING CONSTRUCTION IN GERMANY

The segment North + West executes construction services of nearly any kind and size with a focus on Germany, Poland, the Benelux countries and Scandinavia. Ground and hydraulic engineering as well as offshore wind can also be found in this segment.

€ mln.	2013	2012	Δ 2012–2013 %	Δ 2012–2013 absolute
Output volume	6,021.11	6,237.17	-3	-216.06
Revenue	5,524.43	5,509.53	0	14.90
Order backlog	5,451.26	4,826.52	13	624.74
EBIT	72.54	-51.32	n.a.	123.86
EBIT margin % of revenue	1.3	-0.9		
Employees	22,695	25,108	-10	-2,413

OUTPUT VOLUME NORTH + WEST

€ mln.	2013	2012	Δ 2012–2013 %	Δ 2012–2013 absolute
Germany	4,269	4,185	2	84
Poland	669	777	-14	-108
Scandinavia	508	575	-12	-67
Benelux	308	329	-6	-21
Russia and neighbouring countries	141	88	60	53
Switzerland	35	35	0	0
Rest of Europe	22	33	-33	-11
Austria	21	18	17	3
Slovenia	10	19	-47	-9
The Americas	9	131	-93	-122
Italy	7	9	-22	-2
Middle East	7	5	40	2
Asia	5	7	-29	-2
Romania	4	6	-33	-2
Hungary	3	16	-81	-13
Africa	3	1	200	2
Serbia	0	3	-100	-3
Total	**6,021**	**6,237**	**-3**	**-216**

Result with clear turn into positive territory

The segment North + West generated an output volume of € 6,021.11 million in the 2013 financial year, 3 % below the previous year's level. This is mostly due to the significant market- and weather-related declines in Poland, which after Germany is the second-biggest geographic market in this segment. The **revenue** remained nearly unchanged at € 5,524.43 million. The **earnings before interest and taxes** (EBIT) moved into positive territory with € 72.54 million. An especially positive contribution came from the business in German building construction. Improved year-on-year results were also registered in Poland and in transportation infrastructures and the construction materials business in Germany. The cost developments with large projects in hydraulic engineering, a transportation infrastructures project in the Netherlands and a building construction project in Sweden still remain a burden, however.

Order backlog up by 13 % thanks to German building construction projects

In comparison, several new large orders helped raise the order backlog to € 5,451.26 million, an increase of 13 % versus the previous year. Particularly positive developments were registered in building construction in Germany: STRABAG subsidiary Ed. Züblin AG assumed the construction of the Upper West high-rise complex in Berlin for € 106 million and was awarded the construction contract for a section of Thuringia's new university clinic in Jena with a project value of more than € 170 million. In Germany, the company was also awarded the contracts to build an office building at the Stuttgart Airport for around € 95 million, to establish a cultural quarter in Dresden for € 70 million, and to expand the Allianz Campus in Unterföhring near Munich with a volume of € 100 million (share 90 %). In Denmark, Ed. Züblin AG was chosen to build the multi-use Bryghus building at the Copenhagen waterfront for € 140 million. In Poland, STRABAG companies recently began construction of sections of the A4 and S8 highways. In Sweden, it was possible to acquire the Orgelpipan project, in a prime location in Stockholm, comprising hotels, offices and a residential unit. Finally, a regular client has commissioned the group to build the McArthurGlen Designer Outlet Vancouver Airport in Canada.

Number of employees down due to business shifting

The number of employees was down by 10 % to 22,695 in response to the shifting of activities in Chile into the segment International + Special Division. At the same time, an expansion of the workforce in Germany was countered by an expected market-related reduction of the blue-collar and white-collar workforce in Poland.

Investments in timber construction and in the Netherlands

The company invested in areas with growth potential in 2013: Ed. Züblin AG expanded its range of services in the field of structural timber engineering with the acquisition of Merk Timber GmbH (formerly Metsä Wood Merk GmbH), a German manufacturer of cross-laminated timber; STRABAG B.V. took over the employees, equipment and production facilities of the transportation infrastructures activities of Janssen de Jong Groep in the Netherlands.

Outlook: output volume expected to remain at high level of € 6 billion in 2014

The management board expects an output volume of € 6.0 billion in the segment North + West in the 2014 financial year. Further economic stimulus is being provided in **Germany** by the favourable financing conditions and the positive labour market situation. As a result, building construction and civil engineering showed very positive development; the STRABAG Group started the year 2014 with an order backlog that will cover most of the output volume being forecast for the coming year. The future is likely to bring rising subcontractor prices with stable construction materials prices, however. In the German transportation infrastructures business, policymakers have recognised the investment backlog in public-sector infrastructure, so that a number of tenders are expected which could have a positive impact on the market from the second half of 2014. STRABAG benefits from the fact that its strong decentralised structure in the mass market allows it to respond flexibly to regional fluctuations in demand on the part of the public sector.

The end of the construction boom in **Poland** was clearly reflected in the output volume of the segment in 2013. Momentum is expected starting in 2014, however: more than 700 km of expressways are planned for realisation in Poland between 2014 and 2020, co-financed in part by the EU.

Scandinavia, which accounts for 8 % of the segment output, is the third-largest region in North + West, with Sweden and Denmark making the most significant contributions to the output volume of just over € 500 million. Both the overall economic environment and the market for tunnelling and infrastructure projects continue to remain stable. Especially in the Stockholm region, the coming years will see the realisation of a number of large infrastructure projects and housing developments. Increasing competitive pressure is expected, however, as internationally operating construction groups are likely to enter this market.

SELECTED PROJECTS NORTH + WEST

Country	Project	Order backlog € mln.	Percentage of total group order backlog %
Germany	Stuttgart 21, underground railway station	314	2.33
Germany	New university clinic, Jena	164	1.22
Germany	Upper West high-rise complex, Berlin	107	0.79
Poland	S8 Opacz–Paszków	106	0.79
Denmark	Bryghus multi-use building, Copenhagen	92	0.68
Germany	Aquis, Aachen	90	0.67
Germany	Allianz Campus, Unterföhring	83	0.62

SEGMENT SOUTH + EAST CHARACTERISED BY PRICE PRESSURE

The geographic focus of the segment South + East is on Austria, Switzerland, Hungary, the Czech Republic, Slovakia, Russia and neighbouring countries as well as on the region South-East Europe. Railway structures, environmental technology as well as selected real estate development activities are also handled within this segment.

€ mln.	2013	2012	Δ 2012–2013 %	Δ 2012–2013 absolute
Output volume	4,593.36	4,755.74	-3	-162.38
Revenue	4,466.03	4,792.43	-7	-326.40
Order backlog	3,805.48	4,326.12	-12	-520.64
EBIT	138.23	148.89	-7	-10.66
EBIT margin % of revenue	3.1	3.1		
Employees	21,089	22,699	-7	-1,610

OUTPUT VOLUME SOUTH + EAST

€ mln.	2013	2012	Δ 2012–2013 %	Δ 2012–2013 absolute
Austria	1,630	1,573	4	57
Czech Republic	546	532	3	14
Russia and neighbouring countries	410	432	-5	-22
Hungary	402	293	37	109
Germany	336	339	-1	-3
Switzerland	325	351	-7	-26
Slovakia	301	360	-16	-59
Romania	285	315	-10	-30
Croatia	114	111	3	3
Poland	51	232	-78	-181
Slovenia	47	49	-4	-2
Rest of Europe	46	42	10	4
Serbia	29	66	-56	-37
Bulgaria	17	24	-29	-7
Middle East	15	7	114	8
Africa	12	0	n.a.	12
Asia	8	7	14	1
Italy	6	13	-54	-7
The Americas	6	6	0	0
Benelux	5	2	150	3
Scandinavia	2	2	0	0
Total	**4,593**	**4,756**	**-3**	**-163**

Output volume, revenue and result in decline

The output volume in the segment South + East decreased to € 4,593.36 million in 2013, down 3 % versus the previous year. A decisive factor was, among other things, the internal shifting of the building construction activities in Poland into the segment North + West. Meanwhile, on a more positive note, growth of the output volume was reported in Hungary and the Czech Republic. The **revenue** decreased more strongly than the output volume, dropping by 7 % to € 4,466.03 million. The **earnings before interest and taxes** (EBIT) also fell by 7 % to € 138.23 million. Decisive factors behind this development included amongst others the continued considerable competitive pressure in railway construction. The successful result-improvement programme of the environmental technology business influenced the EBIT positively, however.

Order backlog down due to completion of large Russian project

The segment's order backlog fell by 12 % to € 3,805.48 million. This was due to the completion of the large Olympic Village project in Russia, the aforementioned shifting process in Poland and the market-related decline in the Czech Republic. A recovery of the order situation can be seen in Slovakia and in Hungary, on the other hand, where work began on two new motorway projects in each country in 2013. And in Bosnia, a consortium including STRABAG secured the tender to build the Svilaj–Odžak section of the international motorway corridor 5c.

Fewer employees in nearly all markets

Corresponding to the lower order backlog, the number of employees in the segment decreased by 7 % to 21,089; a declining workforce was registered in nearly all markets, however.

Outlook: continued high price pressure in transportation infrastructures

It should be possible to generate an output volume of € 4.7 billion in the segment South + East in the current financial year. In general, the price pressure in transportation infrastructures in Central and Eastern Europe will continue. A lack of financing, especially in the **Czech Republic**, in **Romania** and in the **Adriatic region**, means that very few large public-sector projects are being awarded at this time – with a resulting tougher competition on the price. A more positive outlook, on the other hand, is offered by transportation infrastructures in **Slovakia**, where several large motorway and expressway projects are currently being tendered, as well as in the area of building construction for private clients in Slovakia and the Czech Republic.

Austria, with a contribution of 35 % to the segment output the largest market in South + East, paints a mixed picture: From today's perspective, the shifting competitive landscape resulting from a competitor's market departure is unlikely to result in a reduction of margin pressure in the transportation infrastructures business or in the Austrian states – where Upper Austria and Carinthia are particularly affected. In the greater Vienna area, meanwhile, STRABAG continues to see itself faced with a stable environment in which it was possible to selectively acquire certain construction projects from the departed competitor.

In **Hungary**, stabilisation is becoming apparent at a low level: investments from international industrial groups are growing slightly and the long-awaited large projects in road construction are now finally coming up for tender. Older projects continued to have a negative impact in 2013, however.

In the **RANC** region, acquisition efforts are shifting from building construction in metropolitan areas in Russia to industrial projects as well as projects with special know-how requirements in countries such as Turkmenistan and Kazakhstan, where a STRABAG subsidiary was recently awarded the contract for concrete works for the Astana–Karaganda motorway section.

In **Switzerland**, STRABAG merged a large portion of its companies in 2013 so that a homogeneous brand presence is now possible. The reorganisation, which is now largely complete, had become necessary due to the strong growth experienced by the group in Switzerland in the past few years.

The **railway structures** business will remain characterised by overcapacities and a distorted competitive landscape in Germany; additionally, the long winter means that large equipment was hardly used this year.

SELECTED PROJECTS SOUTH + EAST

Country	Project	Order backlog € mln.	Percentage of total group order backlog %
Hungary	M4 motorway section Abony–Fegyvernek	106	0.79
Russia	Kauchuk residential complex	105	0.78
Slovenia	Ljubljana waste treatment facility	91	0.67
Slovakia	R2 expressway Pstruša–Kriváň	71	0.53
Czech Republic	Road I/11 Rudna	63	0.46
Romania	Modernisation of DN67B	58	0.43
Romania	Rail line Vințu de Jos–Simeria	54	0.40
Romana	ELI-NP laser project research facility	52	0.39

INTERNATIONAL + SPECIAL DIVISIONS VOLATILE AS USUAL

The segment International + Special Divisions includes, on the one hand, the field of tunnelling. The concessions business, on the other hand, represents a further important area of business, with global project development activities in transportation infrastructures in particular. Regardless of where the services are rendered, our construction materials business, including our dense network of construction materials operations but with the exception of asphalt, also belongs to this segment. 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. Additionally, most of the services in non-European markets are also bundled in the International + Special Divisions segment.

€ mln.	2013	2012	Δ 2012–2013 %	Δ 2012–2013 absolute
Output volume	2,822.41	2,924.86	-4	-102.45
Revenue	2,458.68	2,661.29	-8	-202.61
Order backlog	4,202.28	4,038.33	4	163.95
EBIT	69.58	126.93	-45	-57.35
EBIT margin % of revenue	2.8	4.8		
Employees	23,575	20,426	15	3,149

OUTPUT VOLUME INTERNATIONAL + SPECIAL DIVISIONS

€ mln.	2013	2012	Δ 2012–2013 %	Δ 2012–2013 absolute
Germany	1,127	1,196	-6	-69
Middle East	301	293	3	8
Austria	295	268	10	27
The Americas	248	211	18	37
Italy	155	135	15	20
Africa	150	124	21	26
Czech Republic	93	109	-15	-16
Asia	90	96	-6	-6
Hungary	86	80	8	6
Benelux	85	124	-31	-39
Poland	52	118	-56	-66
Slovakia	37	39	-5	-2
Romania	31	50	-38	-19
Switzerland	22	35	-37	-13
Croatia	19	18	6	1
Rest of Europe	11	8	38	3
Slovenia	10	13	-23	-3
Russia and neighbouring countries	7	5	40	2
Bulgaria	2	2	0	0
Serbia	1	1	0	0
Total	**2,822**	**2,925**	**-4**	**-103**

Result nearly halved

In the volatile segment International + Special Divisions, the output volume fell by 4 % to € 2,822.41 million in the 2013 financial year. The greatest share of the output volume was again generated in the markets of Germany, the Middle East and Austria. A decline was registered in the **revenue** by 8 % to € 2,458.68 million. The **earnings before interest and taxes** (EBIT) were nearly halved to € 69.58 million. This development is due to the typically volatile business in the segment, particularly in the international business and in tunnelling.

Order backlog up thanks to large project in Chile

The order backlog grew by 4 % to € 4,202.28 million: new projects were recorded in Chile, where an especially large increase in the order backlog was registered, in Thailand and in Oman, and the order books were further padded in the home market of Germany by the contract to build a new government building in Potsdam under a public-private partnership (PPP) arrangement. In Germany, the STRABAG subsidiary Ed. Züblin AG was also awarded the contract to build a tunnel on the new Wendlingen–Ulm rail line for € 250 million (Ed. Züblin AG's share of the contract amounts to 60 %). In Canada, the group will build the McArthurGlen Designer Outlet Vancouver Airport. At the same time, however, a number of large projects were completed in e.g. Africa, in Austria and in Benelux.

Employees: Chile brings +15 %

The number of employees grew by a considerable 15 % to 23,575. This can be explained with the organisational adjustment and subsequent shifting of staff in Chile from the segment North + West into the segment International + Special Divisions and with several orders in Africa.

Outlook: Challenging environment with margin pressure in the core markets

The output volume of the segment International + Special Divisions should remain unchanged at € 2.8 billion in 2014. The earnings are expected to remain satisfactory, even if the price level is ruinously low in some areas. STRABAG has observed that competition in **tunnelling** in Austria, in Germany and in Switzerland is increasingly being carried out on the price.

The market for **concession projects** in Europe also remains a challenging one. In this business field, STRABAG is currently working on offers in Belgium, Bosnia-Herzegovina, Ireland, Romania, Germany or Croatia. Competitive pressure is on the rise and, especially in Eastern Europe, the sector is facing political and financial hurdles.

Significant earnings contributions, on the other hand, are expected from the business field **real estate development** in the year 2014, in particular as a result of the planned sales of construction projects that were completed in 2013. It is also planned to further expand the project development activities in Central and Eastern Europe and in Sweden. **PPP building construction** still benefits from the continued large investment needs on the part of the public sector. The market for PPP measures in building construction therefore has a chance to further grow in comparison to the restrained development of the previous year, especially as this constellation makes it possible for the client to realise efficiency advantages from an integrated solutions approach, i.e. from the observation of lifecycle costs. STRABAG is moreover in a position to completely cover all specifications in this area, thanks to the inclusion of specialist providers from within the group such as **STRABAG Property and Facility Services**. In particular the activities in property management of this service subsidiary contributed to stable development in 2013; STRABAG had acquired a residential property management company and has been able to develop this business within the group.

The price pressure in the European core markets requires STRABAG to diversify more broadly internationally. In addition to selected countries in East Africa, the foreign markets currently being worked by the company include Oman, the United Arab Emirates, Qatar and Saudi Arabia. In Canada – the Niagara Tunnel Project was successfully concluded here in March –, Colombia and the United Kingdom, STRABAG has been working on new order opportunities in the area of concession and infrastructure projects. Looking at specific construction segments, the conclusion of a partnership agreement with mining company Rio Tinto marked the group's consolidation of the **mining business**. STRABAG is also offering specialty construction services around the world in **pipe jacking** (a tunnelling technique), in **test track construction** and in the field of **liquefied natural gas** (LNG).

The **construction materials business** will continue to put pressure on the margins of the segment, as the market for concrete is stagnating at a very low level. In Bulgaria, therefore, STRABAG has already ended its engagement in this business field. In many countries, the situation with stone and gravel continues to be modest at best, and the situation in the cement business is also not expected to improve in the short term due to the stagnation in terms of quantities. The developments in bitumen emulsion/road maintenance are satisfactory.

SELECTED PROJECTS INTERNATIONAL + SPECIAL DIVISIONS

Country	Project	Order backlog € mln.	Percentage of total group order backlog %
Italy	Pedemontana motorway	1,015	7.54
Chile	Alto Maipo hydropower complex	372	2.76
Austria	Koralm Tunnel, Section 2	293	2.18
United Arab Emirates	STEP wastewater systems	187	1.39
Germany	Albabstieg Tunnel	149	1.10
Italy	Grosseto–Siena expressway	107	0.80
Chile	Candelaria Mine 2011	93	0.69
Oman	Road Sinaw–Duqm	87	0.65
Oman	Duqm port facility	77	0.57

OTHER (INCLUDES SERVICE COMPANIES AND CENTRAL STAFF DIVISIONS)

This segment encompasses the group's service companies and central staff divisions.

€ mln.	2013	2012	Δ 2012–2013 %	Δ 2012–2013 absolute
Output volume	136.19	124.83	9	11.36
Revenue	26.51	19.98	33	6.53
Order backlog	10.66	11.96	-9	-1.03
EBIT	0.06	-1.97	n.a.	2.03
EBIT margin % of revenue	0.2	-9.9		
Employees	5,741	5,777	-1	-36

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 is 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 ARE COUNTERED THROUGH DIVERSIFICATION

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 MANAGED THROUGH PRICE COMMISSIONS AND TARGET/PERFORMANCE COMPARISONS

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 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: ACTIVE LIQUIDITY AND ACCOUNTING RECEIVABLES MANAGEMENT

See also Corporate Governance Report

VALUES & COMPLIANCE

Under financial risks, STRABAG understands risks in financial matters and in accounting, including instances of manipulation. Special attention is paid to the **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.

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 item 25 Financial Instruments.

ORGANISATIONAL RISKS RELATED TO HUMAN RESOURCES AND IT

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 AS AN IMPORTANT COMPETITIVE FACTOR

PEOPLE & WORKPLACE

See chapter "People at STRABAG"

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: SECTOR-TYPICAL MINORITY HOLDINGS OF MIXING PLANTS

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 **sector-typical minority holdings**. With these companies, economies of scope are at the fore.

POLITICAL RISK: INTERRUPTIONS AND DISPOSSESSION POSSIBLE

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 SYSTEM 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. On this basis, the STRABAG Group set up a company-wide risk management system according to generally accepted principles.

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

Internal audit report in the Corporate Governance Report

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. In addition, 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 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 summarised 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.

Human resources

PEOPLE & WORKPLACE

In 2013, STRABAG SE employed an average of 73,100 people in all countries in which it operates (2012: 74,010), of which 28,091 were white-collar and 45,009 were blue-collar workers. With a minus of 1 %, the **number of employees** was down only slightly. Large changes in several entities almost completely balanced each other out: on the one hand, the workforce was reduced for market reasons in Poland; on the other hand, new large-scale projects in non-European markets and in Germany resulted in a plus of nearly 1,600 jobs.

In the past financial year, 1,118 blue-collar apprentices (2012: 1,129) and 255 white-collar trainees (2012: 259) were in **training** with the group. Additionally, 45 technical trainees and 10 commercial **trainees** were employed as at 31 December 2013.

The percentage of **women** among group employees averaged 13.6 % (2012: 13.4 %), in group management it was 8.6 % (2012: 8.7 %). With these figures, the company has only partially reached its goal of annually raising the percentage of women within the group.

Research and development

MISSION & VISION

As a technology group for construction services, the STRAGAG Group does business in a rapidly changing environment. The increasing advances in technology, closer dovetailing with other industries, and continuously growing competitive pressure present the company with enormous challenges. To remain competitive in the long term, the company must come to understand the impact of these developments on its core business and introduce the necessary measures to secure an advantage over the competition. The focus is therefore on an increasing **technological orientation** and on **systematic innovation management**.

On the one hand, the STRABAG Group has for years been cooperating with international universities and research institutions. On the other hand, it sees its internal research and development units as giving it a strategic competitive advantage: in overall charge of the planning and execution of research and development projects within the STRABAG Group are the two central divisions **Zentrale Technik** (ZT) and Gesellschaft zur Optimierung von Technischen Prozessen, Arbeitssicherheit und Qualität (TPA), both of which report directly to the CEO.

ZT is organised as a central division with **750** highly qualified **employees** at 21 locations. It provides services in the areas of tunnelling, civil and structural engineering, and turnkey construction along the entire construction process: from the early acquisition stage and bid processing to execution planning and site management, ZT offers innovative solutions with regard to construction materials technology, construction management and construction physics, and software solutions. Central topics for innovation activities are sustainable construction and renewable energy. Among other things, the employees at ZT develop methods and tools to control the impact that construction activities have on the environment.

TPA is the STRABAG Group's competence centre for quality management and materials-related research and development. Its main tasks include ensuring the quality of the construction materials, structures and services as well as the safety of the processes, and developing and reviewing standards for the handling and processing of construction materials. With lean management, TPA also holds competences for the efficient planning of supply and production chains. TPA has about **900 employees** at 130 locations in more than 20 countries, making it one of Europe's largest private laboratory companies.

STRABAG'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. The company has developed products and solutions in the electronic toll collection segment for multi-lane traffic flow and has already introduced these onto the market. The research focus last year was on the topics of mobile and portable enforcement, microwave communications and image acquisition systems. The technology company headquartered in Raaba near Graz, Austria, is seeing a lot of international demand and was able to achieve an export ratio of 95 % in 2013.

In addition to specific research projects at the group's units and subsidiaries, a large part of the research and development activities takes place at ongoing construction projects – especially involving tunnelling, construction engineering and ground engineering. During construction in these areas, new challenges or concrete questions often arise which require new technological processes or innovative solutions and which contribute to the group's research, development and innovation activity.

The STRABAG Group spent about € 20 million (2012: about € 17 million) on research, development and innovation activities during the 2013 financial year.

Environment

ECOLOGICAL RESPONSIBILITY

More information about ecological responsibility is available at csr.strabag.com (not audited by KPMG)

Ecological responsibility has been a topic within the group for years and is also anchored in the corporate strategy. As a provider of construction services, STRABAG's activities cause dust and noise and alter the environment. As a zero-emissions construction site will not be a reality in the foreseeable future, it is the company's aim to **limit the negative impact on the environment** that results from our core business **to a minimum**. To this end, continuous investments are made in processes and technologies to increase the energy efficiency and reduce the environmental impact. For STRABAG, ecological responsibility begins with the planning of buildings and structures and continues through to their construction and services.

ENERGY MANAGEMENT HELPS TO LOWER COSTS

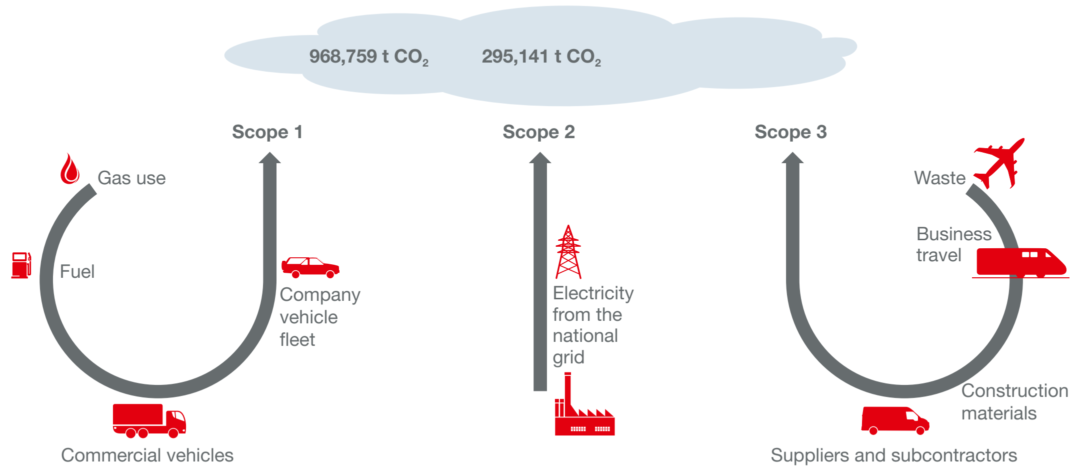
The topic of energy is of great importance for the STRABAG Group not only for ecological but also for economic reasons. Energy management is an instrument with which it is possible to reduce energy use and, consequently, energy costs within the group over the long term. This requires operational objectives regarding energy use and CO_2 emissions as well as the development and realisation of corresponding measures. Pilot projects on this topic have already been implemented at several of the group's operating entities in recent years.

The **energy costs** for the companies within STRABAG SE's scope of consolidation amounted to nearly **€ 342.73 million** in 2013 (2012: € 347.13 million). Without measures to increase energy efficiency, energy costs can be expected to rise in response to price hikes and legislative changes in the next few years. In 2012, therefore, the company launched a comprehensive energy management programme that made its first progress in 2013 with the **reduction of energy use by 1.2 %**. STRABAG's energy management includes the sum of all measures that are planned or are being implemented to guarantee a minimum use of energy for the required performance. Attempts are made to influence organisational and technical processes, and the group's employees are sensitised to the goal of improving energy efficiency. The positive results of such an energy management can be seen in the reduction of energy costs, the increased potential for tax savings, and the protection of the environment as a result of reduced emissions.

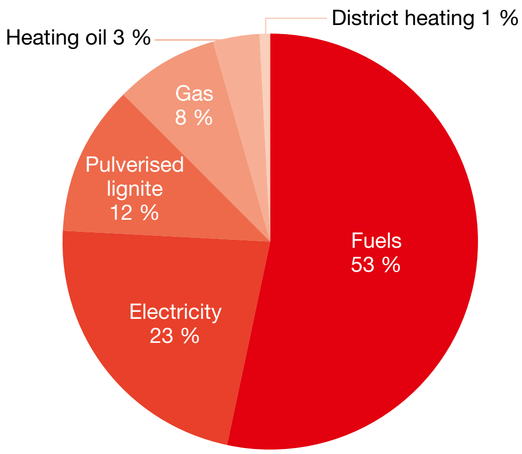
DECLINE OF CO_2 EMISSIONS IN 2013

As in previous years, the carbon footprint for the 2013 financial year refers to the group's full scope of consolidation and includes emissions caused in 60 countries. Within the group, a total of **1,263,900 tonnes of CO_2 were emitted** during the year under report. This represents a **decline of 2 %** or more than 24,400 tonnes of CO_2 in a year-on-year comparison. The emissions are reported separately for Scopes 1 and 2 as defined by the Greenhouse Gas Protocol. With 53 %, the highest proportion of CO_2 emissions – as in the previous year – resulted from the use of fuels, almost exclusively diesel, within the group. This was followed by electricity and pulverised lignite with 23 % and 12 %, respectively. Germany, Poland and Austria caused the greatest share of these emissions (54 %). This shows that energy consumption is proportional to the generated output volume: with 63 %, these countries are also responsible for the greatest share of the group's output volume in 2013.

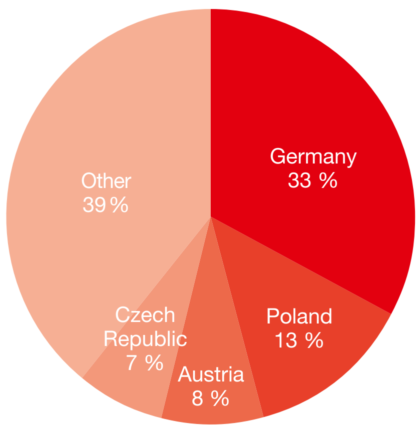
EMISSIONS OF THE STRABAG GROUP FOR THE YEAR 2013



CO_2 EMISSIONS BY ENERGY SOURCE



CO_2 EMISSIONS BY COUNTRY



CARBONTRACKER UNDER CONTINUOUS DEVELOPMENT

The energy data for the group are generated by the CarbonTracker software that was developed internally in 2012. CarbonTracker involves the automatic and **systematic calculation of energy and carbon data** contained within the available group databases. After using the CarbonTracker to calculate the group's carbon footprint for 2012, the objective for the coming years was to refine the calculation system so that an exact, up-to-date carbon footprint for each organisational unit can be determined. Some of these goals were already realised in 2013, such as the redesign of the input mask in order to enter the data more easily as well as the new ability to fully track changes through an archiving system capable of filtering by time of change and user. The software is web-based to allow access to the CarbonTracker via the group's intranet system.

ENERGY USE WITHIN THE GROUP[1)]

	Unit	2010	2011	2012	2013
Electricity	MWh	499,945	499,146	486,033	497,943
Fuel	thousands of litres	212,614	241,433	245,660	252,718
Gas	heating value in MWh	705,973	658,356	565,048	560,507
Heating oil	thousands of litres	25,836	21,644	17,790	16,053
Pulverised lignite	tonnes	51,452	84,318	79,107	69,602

Following data collection, the focus was on data analysis. In order to make the energy and resource use within the STRABAG Group comparable, the company is working on a so-called "energy atlas" which will depict the energy flows by country and organisational entity. Using key performance indicators that show the energy use and CO_2 emissions of individual facilities and units, it will be possible to develop appropriate efficiency measures and to review their effectiveness. These data are to serve as a basis for the definition of concrete energy targets in the future.

1) Changes in the energy values over past publications result from the ongoing development of the system of data collection.
The presentation deviates from the usual presentation of a five-year period as data are only available starting from the year 2010.

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 Insurance Group AG, UNIQA Beteiligungs-Holding GmbH, UNIQA Österreich Versicherungen AG, UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H., Raiffeisen Versicherung AG) and Rasperia Trading Limited (controlled by Oleg Deripaska), as shareholder groups 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 11,400,000 no-par shares (10 % of the share capital) effective 31 December 2013 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 2013:

- Haselsteiner Familien-Privatstiftung ... 28.6 %
- Raiffeisen-Holding Niederösterreich-Wien reg. Gen.m.b.H. (Raiffeisen Group)..... 14.9 %
- UNIQA Versicherungen AG (UNIQA Group)................................... 14.7 %
- Rasperia Trading Limited .... 18.8 %

In addition to its 18.8 % interest, core shareholder Rasperia Trading Limited also holds an option, valid until 15 July 2014, to buy a further 6.2 % of STRABAG SE from the other core shareholder groups mentioned above.

In exercising the authorisation by the 7th Annual General Meeting from 10 June 2011 and the renewed authorisation by the 8th Annual General Meeting from 15 June 2012 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 2013 acquired 14,000,000 no-par shares, corresponding to 10 % of the share capital (see also item 7).

The remaining shares of the share capital of STRABAG SE, amounting to about 13.0 % 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, in accordance with Sec 169 of the Austrian Stock Corporation Act (AktG), was authorised by resolution of the 5th Annual General Meeting of 19 June 2009 and with approval by 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 (in this case also to the partial or full exclusion of the shareholders' subscription rights).

The management board, in accordance with Sec 174 Para 2 of the Austrian Stock Corporation Act (AktG), was further authorised by resolution of the 8th Annual General Meeting of 15 June 2012 and with the approval of the supervisory board to issue financial instruments within the meaning of Sec 174 of the Austrian Stock Corporation Act (AktG) – in particular convertible bonds, income bonds and profit participation rights – with a total nominal value of up to € 1,000,000,000, which may also confer subscription and/or exchange rights for the acquisition of up to 50,000,000 shares of the company and/or may be designed in such a way that they can be issued as equity, also in several tranches and in different combinations, up to five years inclusive from the day of this resolution, also indirectly by way of a guarantee for the issue of financial instruments through an associate or related entity of the company with conversion rights on shares of the company.

The management board was also authorised by resolution of this Annual General Meeting, 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 twelve months from 10 July 2012 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.

8. With the exception of the agreements over a syndicated surety loan and a syndicated cash credit line, 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.

Related parties

Business transactions with related parties are described in item 27 of the Notes.

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.

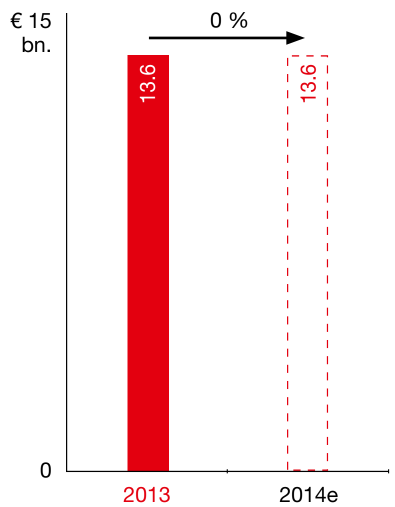
Construction on the underground is being carried out by a joint venture (JV) of Bilfinger SE (formerly Bilfinger Berger SE), Wayss & Freytag Ingenieurbau AG and a group company. The JV is led by Bilfinger SE on the technical side and by Wayss & Freytag Ingenieurbau AG on the commercial side. Through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

The cause of the collapse remains unknown. The public prosecutor's office began an investigation – initially against persons unknown – with three separate experts into possible negligent homicide and endangerment in construction. Two independent proceedings are being conducted by the District Court in Cologne: one to collect evidence as to the cause of the accident and another to establish the damage to the buildings and archives. To prevent a possible lapse of potential claims, the independent proceedings against the JV Nord-Süd-Stadtbahn Köln, Los Süd, were extended to included additional natural persons and legal entities associated with the construction project. This extension is purely for formal reasons and is not connected to any new insights as to the cause of the accident. A model of the building is currently being built to help determine the cause and the damages, with completion expected no sooner than 2014. The model is to help clarify whether there were any mistakes or errors associated with the diaphragm wall set up by the JV.

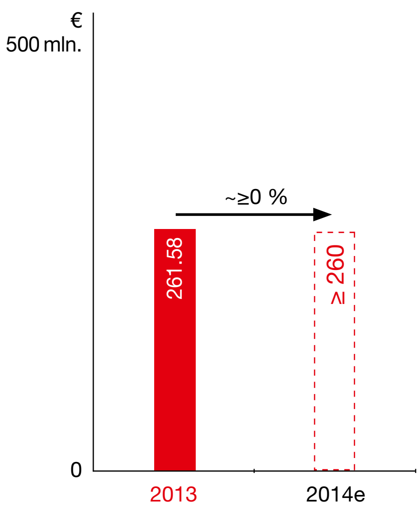
Merely for the purpose of extending the statute of limitations, the public prosecutor's office in December 2013 opened proceedings against approximately 100 persons associated closely or loosely with the project. This purely precautionary measure does not represent any statement as to the cause of the accident; in this respect, it remains to be seen what the final result of the investigation of the site and the expert report reveal. We continue to believe that this project will not result in any significant damages for the company.

Outlook

OUTPUT OUTLOOK



EBIT OUTLOOK



More information about the individual markets in the country report

As STRABAG is highly diversified regionally and by construction segments, the movements in the individual **markets** should more or less balance each other out in the year to come:

While the price pressure continues in transportation infrastructures in Germany, affordable financing conditions present STRABAG with solid demand in building construction in this country. The picture is similar in Austria – in both of these home markets, therefore, the company expects a stable yet highly competitive situation. Poland, the third largest country for STRABAG in terms of output volume, was, as expected, affected by the end of the construction boom, but first impulses in infrastructure construction should be seen again at the end of 2014 thanks to the new EU budgets. A lack of financing in the Czech Republic, Romania and the Adriatic region means that very few large public-sector projects are being awarded at this time – with a resulting tougher competition on the price. A more positive outlook, on the other hand, is offered by transportation infrastructures in Slovakia, where several large motorway and expressway projects are currently being tendered, as well as in the area of building construction in Slovakia and the Czech Republic.

Detailed outlook in the segment reports

In summary, the STRABAG SE management board expects the **output volume** to remain more or less unchanged versus 2013 at € 13.6 billion. This will likely be composed of € 6.0 billion from the segment North + West, € 4.7 billion from the segment South + East and € 2.8 billion from the segment International + Special Divisions. The rest can be allotted to Other. The segment composition thus remains largely unchanged in comparison to 2013.

Due to the necessary purchase of project-related specialty equipment, the **net investments** (cash flow from investing activities) are expected to rise from € 332.38 million in 2013 to around € 350 million in 2014.

The management board expects an **EBIT** of at least € 260 million for the current financial year, which corresponds to the forecast value of 2013. Although the realisation of the measures proposed by the internal STRABAG 2013ff task force is beginning to show first successes, STRABAG faces a challenging environment in 2014 with higher price pressure in the European infrastructure construction sector. On the other hand, the company is registering continued solid conditions in building construction for the private sector.

In the subsequent years, the focus will continue to be less on growth of the output volume than on improving the profitability. From today's perspective, the STRABAG SE management board expects the output volume and the revenue to grow again as of 2016 at the earliest. Until then, a strict risk management as well as organisational measures to increase cost efficiency should lead to improved margins. The company aims for an **EBIT margin** of 3 % in the **medium term**.

Events after the reporting period

The political developments in Ukraine since February 2014 are having no significant influence on the situation of the STRABAG Group from today's perspective. The company generates less than 1 % of its annual output volume in Ukraine. In Russia, the group expects to generate less than 3 % of its output volume in 2014. As construction is an export non-intensive industry in which most of the services are provided locally, and the STRABAG Group provides its services almost exclusively for private clients, the company does not expect the political developments to have any immediate impact on its business in Russia.

AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements, including the accounting system, of

STRABAG SE,
Villach, Austria,

for the fiscal year from 1 January 2013 to 31 December 2013. These financial statements comprise the balance sheet as of 31 December 2013, the income statement for the fiscal year ended 31 December 2013, and the notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS AND FOR THE ACCOUNTING SYSTEM

The Company's management is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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.

AUDITORS' RESPONSIBILITY AND DESCRIPTION OF TYPE AND SCOPE OF THE STATUTORY AUDIT

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the 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 Company'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 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 financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance for the year from 1 January 2013 to 31 December 2013 in accordance with Austrian Generally Accepted Accounting Principles.

REPORT ON OTHER LEGAL REQUIREMENTS (MANAGEMENT REPORT)

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the 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 is consistent with the financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Business Enterprise Code) are appropriate.

In our opinion, the management report is consistent with the financial statements. The disclosures pursuant to Section 243a UGB (Austrian Business Enterprise Code) are appropriate.

Linz, 11 April 2014

KPMG Austria AG
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Dr. Helge Löffler
Austrian Chartered Accountants

Mag. Peter Humer
Austrian Chartered Accountants

Publication of the financial statements together with our auditor's opinion may only be made if the financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Business Enterprise Code) applies.

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 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, 11 April 2014

Management Board

Dr. Thomas Birtel
CEO
Responsibility Central Divisions and Central Staff Divisions (except BRVZ)
as well as Divisions 3L RANC[1)] and 3M RANC

Mag. Christian Harder
CFO
Responsibility Central Division BRVZ

Dipl.-Ing. Dr. Peter Krammer
Responsibility Segment North + West

Mag. Hannes Truntschnig
Responsibility Segment
International + Special Divisions

Dipl.-Ing. Siegfried Wanker
Responsibility Segment South + East
(except Divisions 3L RANC and 3M RANC)

2) RANC = Russia and neighbouring countries