STRABAG
SOCIETAS EUROPAEA

INTERIM REPORT JANUARY–MARCH 2011

31 MAY 2011

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KEY FIGURES

KEY FINANCIAL FIGURES

€ MLN.	Q1/2011	Q1/2010	CHANGE IN %	2010
Output volume	2,309.25	1,837.38	26 %	12,777.00
Revenue	2,210.04	1,788.45	24 %	12,381.54
Order backlog	15,176.99	15,634.71	-3 %	14,738.74
Employees	72,363	68,318	6 %	73,600

KEY EARNINGS FIGURES

€ MLN.	Q1/2011	Q1/2010	CHANGE IN %	2010
EBITDA	-59.80	-46.02	-30 %	734.69
EBITDA margin % of revenue	-2.7 %	-2.6 %		5.9 %
EBIT	-145.38	-149.89	3 %	298.95
EBIT margin % of revenue	-6.6 %	-8.4 %		2.4 %
Profit before taxes	-148.59	-164.40	10 %	279.27
Net income	-116.87	-128.65	9 %	188.38
Earnings per share	-1.03	-1.03	0 %	1.53
Cash-flow from operating activities	-294.12	-117.35	-151 %	690.42
ROCE in %	-1.8 %	-2.1 %		5.4 %
Investments in fixed assets	74.75	102.90	-27 %	553.84
Net income after minorities	-117.53	-117.83	0 %	174.86
Net income after minorities margin % of revenue	-5.3 %	-6.6 %		1.4 %

KEY BALANCE SHEET FIGURES

€ MLN.	31.3.2011	31.12.2010	CHANGE IN %
Equity	3,155.60	3,232.44	-2 %
Equity Ratio %	31.8 %	31.1 %	
Net Debt	-268.90	-669.04	-60 %
Gearing Ratio %	-8.5 %	-20.7 %	
Capital Employed	5,187.04	5,235.74	-1 %
Balance sheet total	9,920.34	10,382.16	-4 %

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

CEO´S REVIEW

DR. HANS PETER HASELSTEINER
CEO

DEAR SHAREHOLDERS, ASSOCIATES AND FRIENDS OF STRABAG SE,

The first quarter of the previous year was characterised by a very long and hard winter. This year's weather conditions allowed us to begin building significantly earlier, which is why we are pleased to report of double-digit growth of the output volume. We also have good news on the earnings side: Last year's earnings before interest and taxes (EBIT) was significantly positively distorted by a one-off effect in the balance sheet. Nevertheless, with € -145.38 million, EBIT in the first three months of the current financial year was not as negative as in the first quarter of 2010.

After seeing the quarterly results, my management board colleagues and I are now more positive about the future than we were at the presentation of the 2010 annual financial report. We are therefore altering our outlook for the 2011 financial year as follows: the output volume is expected to increase to € 14.0 billion (previous target: € 13.5 billion). We now expect EBIT to reach not € 295 million, but € 320 million.

For the 2012 financial year, we had so far expected an output volume of € 13.7 billion and an EBIT of € 300 million. We now expect an output volume of € 14.3 billion and an EBIT of € 330 million.

We are fully satisfied with this new outlook.

Dr. Hans Peter Haselsteiner

- **Forecast raised for the 2011 financial year: € 14.0 billion output volume and an EBIT of € 320 million expected; outlook for 2012 also higher**
- **Revenue climbs by 24 % – growth across all segments; particularly significant in Germany, Poland and northern Europe**
- **Development of the EBITDA (€ -59.80 million) negatively distorted by a positive one-off effect in the previous year's first quarter**
- **EBIT negative as usual in the first quarter, but stable at € -148.59 million; margin improved from -8.4 % to -6.6 %; here, too, a positive one-off effect in the comparison period**
- **Earnings per share unchanged at € -1.03**

IMPORTANT EVENTS

JANUARY

STRABAG obtained the contract to rehabilitate and upgrade national roads DN 14 and 15a in Romania. The combined value of both contracts totals around € 106 million. The planning and construction works comprise the widening and improvement of the existing road network, the rehabilitation of bridges, and the installation of safety facilities. The works will take place between Sibiu and Sighişoara and between Târgu Mureş and Sărățel. Construction began in April 2011 and is scheduled for completion in March 2013.

FEBRUARY

STRABAG subsidiary EFKON AG, a company providing intelligent transportation systems and tolling solutions, has been awarded a contract to install and thereafter operate an intelligent transportation system on freeways in South Africa for five years. The contract is worth approx. € 85 million.

MARCH

STRABAG SE announced the simultaneous acquisition of two established Swiss companies, Brunner Erben Holding AG, Zurich, and Astrada AG, Subingen. The output volume in Switzerland is expected to double to approx. € 615 million (CHF 800 million) a year. With this acquisition STRABAG advanced to the third largest construction company in Switzerland.

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

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

APRIL

A consortium made up of HOCHTIEF Concessions subsidiary HOCHTIEF PPP Solutions and the STRABAG SE subsidiary Hermann Kirchner Projektgesellschaft has won a contract for a further German highway network project on a public private partnership (PPP) basis. The two companies are to plan, finance and upgrade an approx. 58-kilometer section of federal highway 8 (A8) between Ulm and Augsburg and subsequently operate and maintain it for 30 years. The investment volume is around € 410 million. HOCHTIEF PPP Solutions and Hermann Kirchner Projektgesellschaft each have a 50 % shareholding in the concession company. The financial close is expected by the second quarter of 2011.

STRABAG acquired 100 % of the German civil hydraulic engineering firm Ludwig Voss, Cuxhaven. The company is a specialised service provider in the field of civil hydraulic engineering operating mainly in Germany's seaports and along the coasts of the North and Baltic Seas. The group generates average revenue of just over € 20 million a year. Pending approval by the cartel authorities, the transaction will be effective retroactively to 1 January 2011.

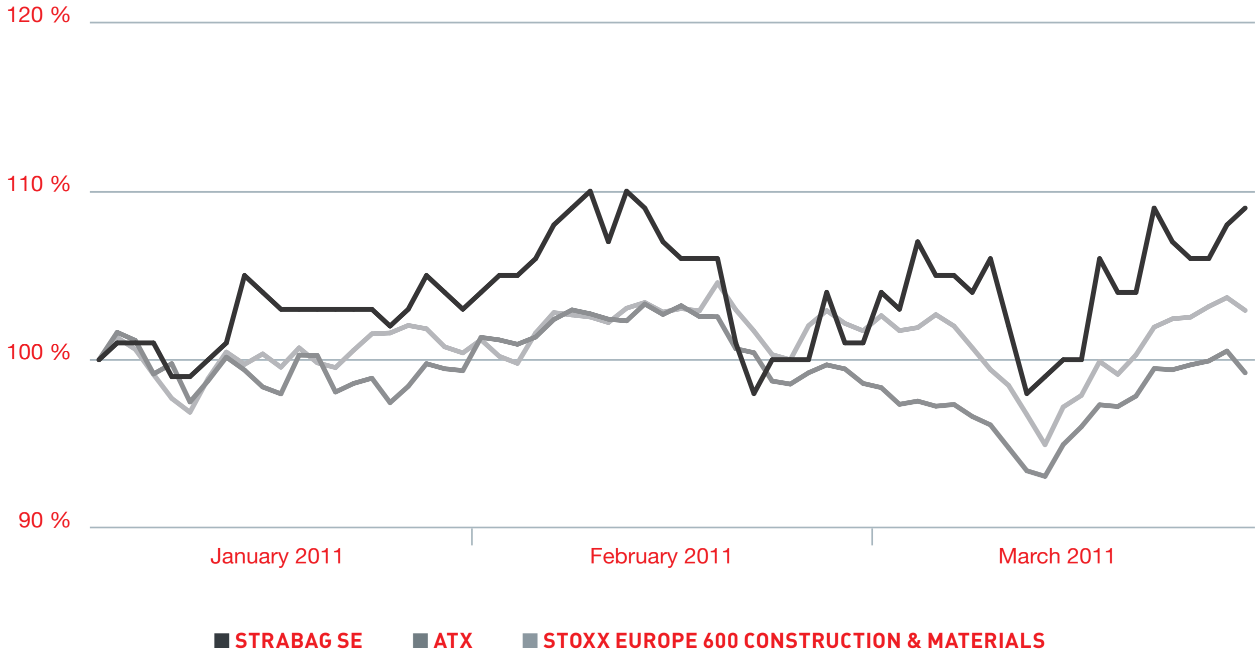
MAY

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

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

In Sweden, STRABAG acquired 100 % of five subsidiaries of Sweden's NIMAB Group. These are NIMAB Entreprenad AB, NIMAB Support AB, NIMAB Anläggning AB, NIMAB Fastigheter AB and Linnetorp AB, which are all active in southern Sweden. In the 2010 financial year, the companies generated a total output volume of about € 40 million (SEK 360 million) and together employed more than 200 employees. With this acquisitions, STRABAG bolsters its presence in this important market in southern Sweden and widens its construction activities in this market through the addition of building construction services.

SHARE



Shares of STRABAG SE registered growth of 9 % in the first quarter of 2011. They closed at € 22.43 on 31 March 2011, just below their high for the year of € 22.61 on 11 February 2011.

The cumulative trade volume of STRABAG shares on the Vienna Stock Exchange was below the year-on-year comparison figure, amounting to € 233 million[1)] in the first three months. The average trade volume per day was also lower at 175,374 shares[1)]. The weight in the Austrian benchmark index ATX was 1.82 %.

The ATX, Austria's index of leading shares, lost 1 % in the first quarter of 2011, while the Dow Jones STOXX Europe 600 Construction & Materials, which measures the performance of construction sector shares, also could not keep up with the high growth level of STRABAG SE shares. It closed with a plus of 3 %.

The Euro Stoxx 50 and New York's Dow Jones Industrials also ended the first quarter with a plus, gaining 4 % and 6 % respectively. Japan's Nikkei Index, which had developed positively at the start of the year, was strongly influenced by the earthquake disaster starting in mid-March, losing 5 % by the end of the quarter.

Shares of STRABAG are currently under observation by analysts from twelve international banks. The analysts calculated an average share price target of € 23.65. Detailed analyses and recommendations are available on the STRABAG SE website at www.strabag.com / Investor Relations / Share / Research & Analysts

STRABAG SE SHARE

Market capitalisation on 31 March 2011	€ million	2,557
Closing price on 31 March 2011	€	22.43
Year's maximum on 11 February 2011	€	22.61
Year's minimum on 15 March 2011	€	20.01
Performance Q1/2011	%	9
Outstanding shares on 31 March 2011 (absolute)	shares	113,999,997
Outstanding shares Q1/2011 (weighted)	shares	113,999,997
Weight in ATX on 31 March 2011	%	1.82
Volume traded Q1/2011	€ million[1)]	233
Average trade volume per day	shares[1)]	175,374
% of total volume traded on Vienna Stock Exchange	%	1.3

1) double count

MANAGEMENT REPORT JANUARY–MARCH 2011

OUTPUT VOLUME AND REVENUE

STRABAG generated an output volume of € 2,309.25 million in the first quarter of 2011, which corresponds to an increase of 26 %. In the comparison period of the previous year, construction activity had been greatly restricted by unfavourable weather conditions. Growth of the construction volume was witnessed across all segments, though it was particularly strong in the Transportation Infrastructures segment. A country-level view reveals significant increases in Germany, Poland and the northern European markets.

The consolidated group revenue reached € 2,210.04 million in the first three months of the 2011 financial year, compared to € 1,788.45 million the year before (+24 %), bringing the ratio of revenue to output volume to 96 %.

ORDER BACKLOG

The order backlog was not enough to reach the record high of the previous year's first quarter; with € 15,176.99 million, this figure was 3 % lower on the year. This can be attributed for the most part to the cancellation of the projects in Libya due to the political unrest in that country. Also striking is the increase of the order backlog in Benelux as well as the reduction in Poland and in Hungary. While large infrastructure projects are continuously completed and transformed into output in the boom market of Poland, the impact of public-sector savings efforts can be seen in Hungary.

FINANCIAL PERFORMANCE

The limited capacity for construction in winter results in significant seasonal effects on the development of earnings and other financial figures of STRABAG SE. The first two quarters of the year typically have a negative effect on results, which is then overcompensated by results in the second half of the year. As a result of the seasonal effects, a comparison of a quarter with its previous quarter makes little sense.

The EBITDA (earnings before interest, taxes, depreciation and amortisation) was more strongly negative than in the first quarter of the previous year, amounting to € -59.80 million. This can be explained by the extraordinary write-up through profit or loss for Czech railway construction company Viamont DSP a.s. of € 24.60 million in the previous year reported in the result from associates. The EBITDA margin, however, changed only slightly from -2.6 % to -2.7 %.

The depreciation and amortisation fell by 18 % to € -85.58 million – in part related to a one-time impairment of goodwill in the amount of € -14.00 million performed in the first quarter of the previous year related to the Viamont transaction. The EBIT (earnings before interest and taxes) therefore remained relatively stable at € -145.38 million, although for comparison purposes the previous year's EBIT of € -149.89 million would have to be adjusted by the positive one-off effect of € 10.6 million from the Viamont transaction. The EBIT margin improved from -8.4 % to -6.6 % in the face of the rising revenue.

At € -3.21 million, the interest income in the first three months was far less negative than in the same period of the previous year (€ -14.51 million). While interests remained more or less unchanged, the exchange rate losses from the conversion of internal group financing did not apply. The pre-tax result was € -148.59 million, compared to € -164.40 million in the first quarter of 2010. The negative earnings after taxes was improved by 9 % to € -116.87 million.

While third-party shareholders still bore a loss of € 10.82 million in the first quarter of the previous year, the earnings attributable to minority shareholders this year amounted to € +0.66 million. This results in nearly unchanged consolidated losses of € -117.53 million (previous year: € -117.83 million) and an unchanged result per share of € -1.03.

FINANCIAL POSITION AND CASH-FLOWS

The balance sheet total on 31 March 2011 fell short of the € 10 billion mark as expected, landing at € 9,920.34 million after € 10,382.16 million at the end of 2010. The reduction of the current assets is due to the seasonally lower current trade receivables. Current liabilities were down as well as a result of the lower trade payables, which were also affected by the winter break.

The equity ratio showed little change, settling at 31.8 % after 31.1 % on 31 December 2010. The net cash position fell significantly from € 669.04 million to € 268.90 million in response to the build-up of the working capital.

The cash-flow from earnings stood at € -78.05 million, less deeply in negative territory due to an improved net income. As expected, the advance payment for the Polish motorway project, which had significantly influenced the balance sheet at year-end 2010, has already been partly reduced. At the same time, however, there was no similarly strong reduction of trade receivables as in the first quarter of the previous year, leading to a corresponding build-up of the working capital and a cash-flow from operating activities of € -294.12 million. By way of comparison, this value stood at € -117.35 million in the first quarter of 2010.

Enterprise acquisitions, for example in Switzerland, with simultaneous reduction of the investments in property, plant and equipment and in intangible assets led to a cash-flow from investing activities of € -119.74 million. This figure grew by just 4 % compared to the same period of the previous year. The cash-flow from financing activities, in comparison, doubled to € 28.42 million and can be attributed almost exclusively to the higher bank borrowings.

CAPITAL EXPENDITURES

In addition to the necessary maintenance expenditures, which account for about one third of the total investments in property, plant and equipment, STRABAG invested increasingly in machines for use in the home markets of Germany and Austria in the first quarter of 2011. A special focus remains on specialty machinery for niche business fields as well as on the optimisation of the own raw materials base. The expenditures include € 74.75 million for the purchase of property, plant and equipment and intangible assets, € 64.01 million for enterprise acquisitions (changes in scope of consolidation) and € 10.82 million for the purchase of financial assets.

EMPLOYEES

The number of employees grew by 6 % to 72,363. Nearly half of the more than 4,000 new employees had been working for Rimex, which had been active in Germany and which then was acquired by STRABAG. The significant increase in Switzerland can be explained by the first-time inclusion of the employees of two acquired companies, Brunner Erben Holding AG and Astrada AG. Workforce reductions were registered in Hungary and in the Czech Republic.

MAJOR TRANSACTIONS AND RISKS

During the first three months of the financial year, there were no transactions with related parties which significantly influenced the financial situation or the business result nor were there any changes to transactions with related parties which were presented in the annual financial statements and which significantly influenced the financial situation or business result of the first three months of the current financial year.

In the course of its entrepreneurial activities, the STRABAG Group is exposed to a number of risks, which can be identified and assessed using an active risk management system and dealt with by applying an appropriate risk policy. Among the most important risks are external risks such as cyclical fluctuations in the construction industry, operating risks in the selection and execution of projects, as well as financial, organisational, personnel, and investment risks.

The risks are explained in more detail in the 2010 management report. A review of the current risk situation revealed that in the reporting period there existed no risks which threatened the existence of the company and that for the future no risks are recognizable which constitute a threat to its continued existence.

OUTLOOK

After seeing the quarterly results, the management board of STRABAG SE is more positive about the future than it was at the presentation of the 2010 annual financial report and is therefore altering its outlook for the 2011 financial year as follows: the output volume is expected to increase to € 14.0 billion (previous target: € 13.5 billion). The Building Construction & Civil Engineering segment will likely contribute € 5.1 billion, the Transportation Infrastructures segment € 6.3 billion and the Special Divisions & Concessions segment € 2.5 billion to this growth. The remaining € 100 million can be ascribed to "Other".

STRABAG now expects the EBIT for the current 2011 financial year to reach not € 295 million, but € 320 million. As a result, the EBIT margin as a measure of the output volume will rise from 2.2 % to 2.3 %.

For the 2012 financial year, STRABAG had so far expected an output volume of € 13.7 billion and an EBIT of € 300 million. The management board now expects an output volume of € 14.3 billion, an EBIT of € 330 million and a corresponding margin of 2.3 %.

Decisive for the higher forecast were the positive contributions from Germany and Poland as well as the positive developments in the niche markets. STRABAG therefore continues to place a special strategic focus on intensifying its activities in these business fields and on expanding in the northern European markets.

KEMPINSKI GRAND HOTEL, ST. MORITZ

SEGMENT REPORT

BUILDING CONSTRUCTION & CIVIL ENGINEERING

€ MLN.	Q1/2011	Q1/2010	CHANGE IN %	2010[1]
Output volume	983.78	780.45	26 %	4,279.07
Revenue	926.58	738.87	25 %	3,975.84
Order backlog	6,400.50	5,969.19	7 %	5,659.60
EBIT	-9.75	-6.73	-45 %	153.77
EBIT margin as a % of revenue	-1.1 %	-0.9 %		3.9 %
Employees	19,682	17,512	12 %	18,253

The output volume generated in the Building Construction & Civil Engineering segment increased by 26 % to € 983.78 million in the first quarter of 2011. Disadvantageous weather conditions in the same period the year before had led to an unusually reduced output volume. Especially worth noting is the growth in the home market of Germany, in Poland and in the RANC region (Russia and neighbouring countries). The higher output volume in Switzerland can be attributed to the acquisitions of two construction SMEs, Brunner Erben Holding AG and Astrada AG.

The revenue grew in tandem with the output volume by a double-digit percentage to € 926.58 million. The earnings before interest and taxes (EBIT), at € -9.75 million, were slightly in negative territory – a usual situation in the first quarter (previous year: € -6.73 million).

The order backlog grew by 7 % to € 6,400.50 million. Here, too, the markets of Germany, Poland, RANC and Switzerland were responsible for the majority of the growth. In contrast, a significant decline can be seen in Hungary. The segment's contribution to the consolidated order backlog climbed upward from 38 % to 42 %.

In Germany, STRABAG subsidiary Ed. Züblin AG was awarded three larger building construction orders: the company will handle construction of the Taunus Turm in Frankfurt's financial district with a volume in triple-digit million euro territory, it will build the "Think K" city district centre in Stuttgart, and it has been hired to perform the core and shell work for the European Central Bank's new office tower in Frankfurt.

The environmental technology unit of STRABAG's Building Construction & Civil Engineering segment also registered some successes in order acquisition. The three international projects with a joint value of more than € 30 million involve the retrofit, delivery, engineering and start-up of flue gas denitrification systems in Poland, Austria and California.

In view of the higher order backlog, the workforce grew as well, rising by more than 2,100 persons, or 12 %, to 19,682 employees. The number includes the growth resulting from the Swiss acquisitions, which contributed over 1,100 employees to the overall personnel figures.

The development in the first quarter of 2011 justifies an upward adjustment of the forecast for the financial year. STRABAG now expects an output volume for the Building Construction & Civil Engineering segment of € 5.1 billion, after a previous estimate of € 4.7 billion. In Germany, 90 % of the target output is already covered by existing orders. The more beneficial weather conditions at the beginning of the year in comparison to the year before are expected to boost the result, while higher collective wages will be a burden.

STRABAG sees stronger demand in Romania, albeit on top of a lower price level. Hungary's construction sector remains weak, although the economy expects stimulating measures – in particular environmental protection projects. The construction climate in the Czech Republic and Slovakia is showing slight improvement as more and more infrastructure projects are being financed with EU funds.

Russia is on its way to recovery and, thanks to several large-scale projects, STRABAG can expect an output volume at pre-crisis levels in this country for 2011. The division in charge of this market has been working in the neighbouring countries like Azerbaijan, Ukraine and Lithuania with growing success.

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

TRANSPORTATION INFRASTRUCTURES

€ MLN.	Q1/2011	Q1/2010	CHANGE IN %	2010[1]
Output volume	749.07	547.16	37 %	5,809.94
Revenue	715.10	519.80	38 %	5,691.96
Order backlog	5,255.28	5,767.49	-9 %	4,735.39
EBIT	-158.08	-142.34	-11 %	183.58
EBIT margin as a % of revenue	-22.1 %	-27.4 %		3.2 %
Employees	28,251	27,358	3 %	30,059

The Transportation Infrastructures segment registered growth of the output volume of 37 % to € 749.07 million. This can be attributed on the one hand to a milder and shorter winter compared to the year before, resulting in significant increases in the home market of Germany. On the other hand, the construction boom in Poland and the expansion in Scandinavia also had a beneficial effect.

The revenue developed similarly to the output volume, gaining 38 % to settle at € 715.10 million. The earnings before interest and taxes (EBIT), however, were 11 % below the previous year's level.

The order backlog stood at € 5,255.28 million, 9 % below the level at the end of March of the year before. The reason for this is the above-average volume of new orders in Poland in the previous year, which has now fallen back to a usual level. Additionally, weather conditions have allowed incoming orders in Germany to be already partially worked off in the first quarter this year.

STRABAG is currently handling orders in markets which have so far played a subordinate role, but which could now be among the growth markets of the future. Noteworthy in this context are the Baltic and Balkan states as well as northern Europe. STRABAG recently emerged victorious as bidder in Romania for the contract to renovate and upgrade national roads DN 14 and 15a. The economic environment in this country, however, remains strongly influenced by the crisis of 2008.

The tendering activity in the home market of Germany remained at a moderate level, although it was in part above the previous year's level. The business development is being driven by increased demand from private clients, however, although a higher yield is not possible due to the strong competition for such projects.

Public-sector budget cuts in Austria will probably lead to a significant decline in the output volume in the Transportation Infrastructures segment. There is price pressure and an even more significant need for acquisitions in the federal states. Meanwhile, the construction boom in Poland will likely be over towards the end of the year. In January 2011, the Polish government passed planning legislation to limit investments in road construction to € 23 billion between 2010 and 2013. Nearly the entire amount is accounted for by projects which have already been awarded.

As in the other two segments, a higher-than-planned output volume is in sight for Transportation Infrastructures in 2011. The STRABAG management therefore raises its output forecast from € 6.0 billion to € 6.3 billion.

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

SPECIAL DIVISIONS & CONCESSIONS

€ MLN.	Q1/2011	Q1/2010	CHANGE IN %	2010[1]
Output volume	542.57	473.38	15 %	2,517.84
Revenue	560.40	520.83	8 %	2,671.85
Order backlog	3,507.78	3,873.51	-9 %	4,318.36
EBIT	19.30	-1.69	n.m.	-15.54
EBIT margin as a % of revenue	3.4 %	-0.3 %		-0.6 %
Employees	18,948	18,208	4 %	19,867

The output volume in the Special Divisions & Concessions segment increased by 15 % to € 542.57 million. This development, however, can be attributed to the naturally quite volatile business in tunnelling and in direct export. Growth in Germany, Italy and the Middle East was countered by declines in Hungary and in Africa.

The revenue grew by 8 % to € 560.40 million. At the same time, the earnings before interest and taxes (EBIT) moved from negative into positive territory. This development can be explained mainly by improvements thanks to aperiodic earnings contributions from international tunnelling.

Employee numbers grew by 4 % to 18,948. Worth mentioning is the significant increase in Germany compared to reductions in Africa and in the Middle East.

The 9 % lower order backlog of € 3,507.78 million no longer includes projects in Libya with a value of about € 350 million. STRABAG's activities in Libya were suspended at the beginning of the year due to the political unrest, and all personnel were evacuated. A resumption of work is not in sight at this point. The group's organisational units in the Middle East report of no further changes in the political situation and projects in the region are continuing as planned.

Like the Transportation Infrastructures segment, acquisition efforts in tunnelling are focused on northern Europe to a greater degree than before. The reason for this is the low price level in the core countries and the in part already ruinous competition there.

Public private partnership models (PPP) are likely to gain in importance. An indication of this development is the order to plan, finance and operate the A8 motorway in Germany – the project is not yet included in the order backlog for the first quarter of 2011, however. The market for PPP building construction should also grow further in the medium term. In Germany, around 120 projects with an investment volume of € 4.1 billion are currently in preparation or in the tendering phase. On the one hand, this form of financing widens the public sector's scope of action; on the other hand, the consequences of the financial crisis – significantly higher interest premiums and liquidity costs with a trend to shorter financing terms – are having an inhibitory effect.

In the group's own project developments in building construction – still mostly in Germany – STRABAG expects a rising turnover of office space. In this business field, the company remains focused on commercial properties in the mid-double-digit million euro range, including offices, business real estate and hotels. At the same time, STRABAG has since the previous year been driving ahead the development of residential buildings for global investors. Regionally, the view is on opportunities in the Central and Eastern European region.

In Property and Facility Management, STRABAG sees a positive order backlog, which will likely result in a higher output volume and a slightly positive development of the relevant result.

Taken together, this yields the following picture – with quite different trends depending on the market and business field: while a loss was generated in the 2010 financial year due to the strong price competition in tunnelling and the negative business in non-European markets, STRABAG already expects a renewed significant positive contribution to earnings from the Special Divisions & Concessions segment in 2011. At the same time, STRABAG is scaling back its forecast for the 2011 output volume from € 2.8 billion to € 2.5 billion.

Effective 1 January 2011, the business fields of Offshore Wind and Special Foundation Engineering were moved from the Special Divisions & Concessions segment to the Transportation Infrastructures segment. The comparison values for the first quarter of the previous year for order backlog, employees, output volume and earnings were adjusted accordingly. In the first quarter of 2011, these two business fields contributed € 45.80 million to the output volume and € 179.45 million to the order backlog and employed 818 people.

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

CONSOLIDATED INTERIM FINANCIAL STATEMENTS STRABAG SE, VILLACH, AS OF 31 MARCH 2011

CONSOLIDATED INCOME STATEMENT FOR 1.1.–31.3.2011

	1.1.-31.3.2011 T€	1.1.-31.3.2010 T€
Revenue	2,210,035	1,788,448
Changes in inventories	32,301	8,615
Own work capitalized	13,546	12,596
Other operating income	52,701	71,530
Raw materials, consumables and services used	-1,548,005	-1,215,256
Employee benefits expenses	-645,532	-578,897
Other operating expenses	-173,181	-155,829
Share of profit or loss of associates	-303	23,218
Net investment income	-1,366	-447
EBITDA	**-59,804**	**-46,022**
Depreciation and amortisation expense	-85,579	-103,864
EBIT	**-145,383**	**-149,886**
Interest and similar income	18,111	19,518
Interest expense and similar charges	-21,320	-34,031
Net interest income	**-3,209**	**-14,513**
Profit before tax	**-148,592**	**-164,399**
Income tax expense	31,722	35,751
Net income	**-116,870**	**-128,648**
Attributable to: non-controlling interests	659	-10,821
Attributable to: equity holders of the parent company	-117,529	-117,827
Earnings per share (in €)	**-1.03**	**-1.03**

STATEMENT OF COMPREHENSIVE INCOME FOR 1.1.–31.3.2011

	1.1.-31.3.2011 T€	1.1.-31.3.2010 T€
Net income	-116,870	-128,648
Differences arising from currency translation	16,968	32,196
Change in hedging reserves including interest rate swaps	13,628	-566
Deferred taxes on neutral change in equity	-2,727	-966
Total comprehensive income	**-89,001**	**-97,984**
Attributable to: non-controlling interests	476	-10,060
Attributable to: equity holders of the parent company	-89,477	-87,924

CONSOLIDATED BALANCE SHEET AS OF 31.3.2011

ASSETS	31.3.2011 T€	31.12.2010 T€
Non-current assets		
Intangible assets	556,130	535,687
Property, plant and equipment	2,076,392	2,102,364
Investment property	72,784	73,524
Investments in associates	86,750	87,933
Other financial assets	249,237	257,256
Receivables from concession arrangements	990,104	968,875
Trade receivables	65,402	64,229
Non-financial assets	4,560	4,044
Other financial assets	40,733	36,778
Deferred taxes	235,019	214,349
	4,377,111	**4,345,039**
Current assets		
Inventories	787,882	705,721
Receivables from concession arrangements	19,863	19,477
Trade receivables	2,283,531	2,548,790
Non-financial assets	184,632	138,260
Other financial assets	456,147	440,527
Cash and cash equivalents	1,561,503	1,952,452
Assets held for sale	249,672	231,891
	5,543,230	**6,037,118**
	9,920,341	**10,382,157**

EQUITY AND LIABILITIES	31.3.2011 T€	31.12.2010 T€
Group equity		
Share capital	114,000	114,000
Capital reserves	2,311,384	2,311,384
Retained earnings	572,046	665,726
Non-controlling interests	158,167	141,328
	3,155,597	**3,232,438**
Non-current liabilities		
Provisions	934,620	927,948
Financial liabilities[1)]	1,319,182	1,318,305
Trade payables	50,151	43,231
Non-financial liabilities	1,528	1,003
Other financial liabilities	20,721	23,847
Deferred taxes	36,795	49,142
	2,362,997	**2,363,476**
Current liabilities		
Provisions	685,991	710,810
Financial liabilities[2)]	270,298	240,847
Trade payables	2,726,772	3,067,759
Non-financial liabilities	269,144	355,381
Other financial liabilities	449,542	411,446
	4,401,747	**4,786,243**
	9,920,341	**10,382,157**

1) Thereof T€ 697,664 concerning non-recourse liabilities from concession arrangements (31 December 2010 T€ 678,713)
2) Thereof T€ 41,172 concerning non-recourse liabilities from concession arrangements (31 December 2010 T€ 41,172)

CONSOLIDATED CASH-FLOW STATEMENT FOR 1.1.–31.3.2011

	1.1.-31.3.2011 T€	1.1.-31.3.2010 T€
Net income	-116,870	-128,648
Deferred taxes	-41,087	-58,353
Non-cash effective results from associates	1,768	-23,209
Depreciations/write ups	90,209	103,796
Changes in long term provisions	-4,441	8,408
Gains/losses on disposal of non-current assets	-7,626	-8,803
Cash-flow from profits	**-78,047**	**-106,809**
Change in items:		
Inventories	-88,672	-31,914
Trade receivables, construction contracts and consortia	251,867	430,649
Receivables from subsidiaries and receivables from participation companies	-16,863	18,124
Other assets	-30,774	-7,925
Trade payables, construction contracts and consortia	-349,087	-278,650
Liabilities from subsidiaries and liabilities from participation companies	20,976	-27,233
Other liabilities	14,201	-97,891
Current provisions	-17,720	-15,705
Cash-flow from operating activities	**-294,119**	**-117,354**
Purchase of financial assets	-10,817	-4,656
Purchase of property, plant, equipment and intangible assets	-74,750	-102,896
Gains/losses on disposal of non-current assets	7,626	8,803
Disposals of non-current assets (carrying value)	22,252	4,803
Change in other cash clearing receivables	-41	1,162
Change in scope of consolidation	-64,006	-22,660
Cash-flow from investing activities	**-119,736**	**-115,444**
Change in bank borrowings	37,681	25,893
Change in liabilities from finance leases	-3,791	-661
Change in other cash clearing liabilities	-799	649
Change due to acquisitions of non-controlling interests	-2,510	-11,054
Distribution and withdrawals from partnership	-2,157	-1,005
Cash-flow from financing activities	**28,424**	**13,822**
Cash-flow from operating activities	-294,119	-117,354
Cash-flow from investing activities	-119,736	-115,444
Cash-flow from financing activities	28,424	13,822
Net change in cash and cash equivalents	**-385,431**	**-218,976**
Cash and cash equivalents at the beginning of the period	1,952,452	1,782,951
Change in cash and cash equivalents due to currency translation	-5,518	28,153
Cash and cash equivalents at the end of the period	**1,561,503**	**1,592,128**
Interest paid	8,413	9,798
Interest received	14,505	13,101
Taxes paid	45,271	36,483

STATEMENT OF CHANGES IN EQUITY FOR 1.1.–31.3.2011

	SHARE CAPITAL T€	CAPITAL RESERVES T€	RETAINED EARNINGS T€	HEDGING RESERVE T€	FOREIGN CURRENCY RESERVE T€	GROUP EQUITY T€	NON-CONTROLLING INTERESTS T€	TOTAL EQUITY T€
Balance as of 1.1.2011	**114,000**	**2,311,384**	**724,317**	**-73,296**	**14,705**	**3,091,110**	**141,328**	**3,232,438**
Net income	0	0	-117,529	0	0	-117,529	659	-116,870
Net income recognised directly in equity	0	0	0	10,659	17,393	28,052	-183	27,869
Total comprehensive income	**0**	**0**	**-117,529**	**10,659**	**17,393**	**-89,477**	**476**	**-89,001**
Subtotal	**114,000**	**2,311,384**	**606,788**	**-62,637**	**32,098**	**3,001,633**	**141,804**	**3,143,437**
Transactions concerning non-controlling interests	0	0	-4,203	0	0	-4,203	18,520	14,317
Distribution of dividends	0	0	0	0	0	0	-2,157	-2,157
Balance as of 31.3.2011	**114,000**	**2,311,384**	**602,585**	**-62,637**	**32,098**	**2,997,430**	**158,167**	**3,155,597**

	SHARE CAPITAL T€	CAPITAL RESERVES T€	RETAINED EARNINGS T€	HEDGING RESERVE T€	FOREIGN CURRENCY RESERVE T€	GROUP EQUITY T€	NON-CONTROLLING INTERESTS T€	TOTAL EQUITY T€
Balance as of 1.1.2010	**114,000**	**2,311,384**	**617,207**	**-65,284**	**-27,120**	**2,950,187**	**148,877**	**3,099,064**
Net income	0	0	-117,827	0	0	-117,827	-10,821	-128,648
Net income recognised directly in equity	0	0	0	-1,495	31,398	29,903	761	30,664
Total comprehensive income	**0**	**0**	**-117,827**	**-1,495**	**31,398**	**-87,924**	**-10,060**	**-97,984**
Subtotal	**114,000**	**2,311,384**	**499,380**	**-66,779**	**4,278**	**2,862,263**	**138,817**	**3,001,080**
Transactions concerning non-controlling interests	0	0	-4,824	0	0	-4,824	-6,230	-11,054
Distribution of dividends	0	0	0	0	0	0	-1,005	-1,005
Balance as of 31.3.2010	**114,000**	**2,311,384**	**494,556**	**-66,779**	**4,278**	**2,857,439**	**131,582**	**2,989,021**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS STRABAG SE, VILLACH, AS OF 31 MARCH 2011

BASIC PRINCIPLES

The consolidated interim financial statements of STRABAG SE, based in Villach, Austria, with reporting date 31 March 2011 were drawn up under application of IAS 34 in accordance with the International Financial Reporting Standards (IFRS) – issued by the International Accounting Standards Board (IASB) in London and recognised by the European Union – including the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) valid on the reporting date. Applied were exclusively those IASB standards and interpretations adopted by the European Commission before the reporting deadline and published in the Official Journal of the European Union.

In accordance with IAS 34, the consolidated interim financial statements do not contain all the information and details required of annual financial statements. The interim statements should therefore be read in conjunction with the annual financial statements of STRABAG SE, Villach, with reporting date 31 December 2010.

The consolidated financial statements of the Group as at and for the year ended 31 December 2010 are available at www.strabag.com.

CHANGES IN ACCOUNTING POLICIES

The following amended or new accounting standards are effective for annual periods beginning on or after 1 January 2011:

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

The first-time application of the IFRS and IFRIC mentioned had secondary consequences on the interim consolidated financial statements for the period ending 31 March 2011.

ACCOUNTING AND VALUATION METHODS

With exception of the above mentioned changes in the accounting and valuation methods the accounting and valuation are fundamentally based on the same accounting principles and valuation methods underlying the consolidated annual financial statements with reporting date 31 December 2010.

Information regarding the accounting and valuation methods can be found in the annual financial statements with reporting date 31 December 2010.

ESTIMATES

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

SCOPE OF CONSOLIDATION

The consolidated interim financial statements as of 31 March 2011 include STRABAG SE as well as all major domestic and foreign subsidiaries where STRABAG SE either directly or indirectly holds a majority of the voting rights. Major associated companies are reported in the balance sheet using the equity method.

The number of consolidated companies changed in the 1-3/2011 period as follows:

	CONSOLIDATION	EQUITY METHOD
Situation on 31.12.2010	**295**	**14**
First-time inclusions in the reporting period	7	0
Exclusions in the reporting period	-1	0
Situation on 31.3.2011	**301**	**14**

ADDITIONS TO SCOPE OF CONSOLIDATION

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

COMPANY	DIRECT STAKE %	DATE OF ACQUISITION OR FOUNDATION
Consolidation:		
Astrada AG, Subingen	100.00	23.3.2011
BFB Behmann Feuerfestbau GmbH, Bremen	100.00	1.1.2011
Brunner Erben AG, Zurich	100.00	16.3.2011
Brunner Erben Holding AG, Zurich	100.00	16.3.2011
K.H. Gaul GmbH & Co. KG, Sprendlingen	100.00	1.1.2011
SFB Behmann Feuerfestbau GmbH, Schwedt/Oder	100.00	1.1.2011
Steffes-Mies GmbH & Co. KG, Sprendlingen	100.00	1.1.2011

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

The approval of the cartel authorities was effective on 16 March 2011.

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

The closing was effective on 23 March 2011.

Effective 1 January 2011, the companies BFB Behmann Feuerfestbau GmbH, Bremen, and SFB Behmann Feuerfestbau GmbH, Schwedt/Oder, were acquired.

Also effective 1 January 2011, STRABAG acquired all shares of K. H. Gaul GmbH & Co. KG, Sprendlingen. The company is to be included in the Transportation Infrastructures segment. The acquisition serves to strengthen the construction materials activities in the German states of Rhineland-Pfalz and Hessen.

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

	ACQUISITIONS T€
Acquired assets and liabilities:	
Goodwill	19,242
Other non-current assets	66,265
Current assets	85,518
Non-current liabilities	-40,986
Current liabilities	-46,501
Purchase price	**83,538**
Less non-cash-effective purchase price component	-22,038
Acquired cash and cash equivalents	-12,049
Net cash outflow from the acquisition	**49,451**

Assuming a fictitious initial consolidation on 1 January 2011 for all acquisitions in the reporting period, the consolidated revenue would amount to T€ 2,236,175 and consolidated profit would have changed by a total of T€ -1,940.

All companies which were consolidated for the first time in the reporting period contributed T€ 11,190 to revenue and T€ -2,902 to profit.

DISPOSALS OF SCOPE OF CONSOLIDATION

Due to the political unrest in Libya, the activities in the country were temporarily suspended in March 2011. The employees were evacuated, the equipment was secured as much as possible and the construction sites were closed. As it is to be expected that the unrest will continue for a longer period of time, control cannot be exercised over the Libyan subsidiary Al-Hani General Construction Co. and the company was deconsolidated effective 31 March 2011.

METHODS OF CONSOLIDATION AND CURRENCY TRANSLATION

The same methods of consolidation and principles of currency translation were applied in drawing up the consolidated interim financial statements with reporting date 31 March 2011 as were used for the consolidated annual financial statements with reporting date 31 December 2010. Details regarding the methods of consolidation and principles of currency translation are available in the 2010 annual report.

NOTES ON THE ITEMS IN THE CONSOLIDATED INCOME STATEMENT

SEASONALITY

Due to snow, ice and other adverse weather conditions, revenue is usually lower in the winter months than in the summer. As the largest part of the costs involves fixed costs, noteworthy losses are posted in the first quarter every year. Starting with the second quarter, these losses are compensated for by rising contribution margins. The break-even point is usually not yet reached before the end of the second quarter. The largest portion of the earnings is expected in the third and fourth quarters. Seasonal fluctuations in the Transportation Infrastructures business are greater than they are in Building Construction & Civil Engineering.

The above-described, annually repeating business trend allows a year-on-year comparison of output volume, revenue and results of the respective quarters.

OTHER OPERATING INCOME

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

	1.1.-31.3.2011 T€	1.1.-31.3.2010 T€
Interest income	18,497	18,430
Interest expense	-9,280	-9,333
Total	**9,217**	**9,097**

NOTES ON THE ITEMS IN THE CONSOLIDATED BALANCE SHEET

GOODWILL

Goodwill assets are subjected to an annual impairment test in accordance with IAS 36. The impairment test is carried out in the last two months of the financial year.

In 1-3/2011, a total goodwill from capital consolidation on the basis of the preliminary purchase price allocations in the amount of T€ 19,242 was capitalized and no impairments were made.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

In 1-3/2011, tangible and intangible assets in the amount of T€ 74,750 (1-3/2010 T€ 102,896) were acquired.

In the same period, tangible and intangible assets with a book value of T€ 3,338 were sold (1-3/2010 T€ 4,100).

PURCHASE OBLIGATIONS

On the reporting date, there were € 179.8 million (31 March 2010 € 123.8 million) in contractual commitments for the acquisition of property, plant and equipment which were not considered in the financial statement.

RECEIVABLES FROM CONCESSION ARRANGEMENTS

STRABAG has a 100 % interest in the Hungarian M5 Motorway Concession Company AKA Alföld Koncessizios Autopalya Zrt., Budapest (AKA).

In the concession agreement with the Hungarian state, AKA committed to develop, plan, finance and build and operate the M5 motorway. The motorway itself is the property of the state; all vehicles and equipment necessary for motorway operation are to be transferred to the state free of charge following the end of the concession period.

In exchange, AKA will regularly receive an availability fee, independent of transit volume, from the Hungarian state for making the motorway available to the public. AKA bears the operator's risk of motorway closure and non-compliance of contractually agreed roadway criteria.

The route totals 156.5 km and was built in three phases. The concession period runs until 2031. A one-time extension for up to 17.5 years is possible.

All services provided under this concession contract are accounted for under the separate balance sheet item "Receivables from concession arrangements". The receivables are carried at the present value of the payment to be made by the state. The annual accumulation amount is recognised in "Other operating income".

A part of the availability fee consists of interest adjustment payments of the Hungarian state. As a result, the state bears the interest risk from the financing of AKA. These interest adjustment payments represent an embedded hedging transaction which is measured separately in accordance with IAS 39.11. Presentation is made as a cash flow hedge; as a result, changes in the fair value of the interest rate swap are recognised directly in equity.

The market value of the interest rate swap in the amount of T€ 23,889 (31 December 2010 T€ 12,818) is also recognised as long-term receivables from concession arrangements.

Recognisable receivables from concession arrangements are offset by non-recourse financing in the amount of T€ 715,099 (31 December 2010 T€ 715,099), classified either as a current or non-current liability depending on the term. The resulting interest expense is recognised in "Other operating income".

The STRABAG consortium KMG - Kliplev Motorway Group was awarded the tender for Denmark's first PPP project. The consortium will plan and build 26 km of the M51 motorway from Kliplev to Sønderborg as well as 18 km of side roads and seven interchanges and will operate the road over a period of 26 years from completion. The total investment volume amounts to € 148 million. Following the planned completion in the spring of 2012, the road will be sold to the state. The operation will then be paid for by regular payments from the state. The interim financing of the construction works includes non-recourse financing in the amount of T€ 23,737 (31 December 2010 T€ 4,786).

EQUITY

The fully paid share capital amounts to € 114,000,000 and is divided into 113,999,997 no-par bearer shares and 3 registered shares.

The changes in equity are shown in the statement of changes in equity.

CONTINGENT LIABILITIES

The company has accepted the following guarantees:

	31.3.2011 T€	31.12.2010 T€
Guarantees without financial guarantees	2,190	12,633

Furthermore, there is a derived credit risk arising from the financial guarantee contracts (guarantees issued) of T€ 31,510 (31 December 2010 T€ 42,754).

SEGMENT REPORTING

The rules of IFRS 8 Operating Segments apply to the segment reporting. IFRS 8 prescribes defining the segments and reporting the earnings and net assets on the basis of the internal reporting.

Internal reporting at STRABAG is based on the dedicated management board functions Building Construction & Civil Engineering, Transportation Infrastructures and Special Divisions & Concessions, which represent the group's operating segments. In addition, there are the central business units and central staff units, which handle services in the areas of accounting, group financing, technical development, machine management, quality management, logistics, legal affairs, contract management etc. These services are included in the segment Other.

The settlement between the single segments is made at arm's-length prices.

Since 1 January 2011, the special foundation engineering and offshore wind activities, which had previously been grouped in the Special Divisions & Concessions segment, have been bundled in the Transportation Infrastructures segment. For the sake of comparison, the previous year's figures were adjusted to match the new structure.

SEGMENT REPORTING FOR 1.1.-31.3.2011

	BUILDING CONSTRUCTION & CIVIL ENGINEERING 1.1.-31.3.2011 T€	TRANSPORTATION INFRASTRUCTURES 1.1.-31.3.2011 T€	SPECIAL DIVISIONS & CONCESSIONS 1.1.-31.3.2011 T€	OTHER 1.1.-31.3.2011 T€	RECONCILIATION TO IFRS FINANCIAL STATEMENTS 1.1.-31.3.2011 T€	TOTAL 1.1.-31.3.2011 T€
Output Volume	**983,780**	**749,065**	**542,574**	**33,828**		**2,309,247**
Revenue	**926,584**	**715,102**	**560,396**	**7,953**	**0**	**2,210,035**
Inter-segment revenue	43,743	9,576	0	176,978		
EBIT	**-9,748**	**-158,084**	**19,299**	**4**	**3,146**	**-145,383**
Interest and similar income	0	0	0	18,111	0	18,111
Interest expense and similar charges	0	0	0	-21,320	0	-21,320
Profit before tax	**-9,748**	**-158,084**	**19,299**	**-3,205**	**3,146**	**-148,592**

SEGMENT REPORTING FOR 1.1.-31.3.2010

	BUILDING CONSTRUCTION & CIVIL ENGINEERING 1.1.-31.3.2010 T€	TRANSPORTATION INFRASTRUCTURES 1.1.-31.3.2010 T€	SPECIAL DIVISIONS & CONCESSIONS 1.1.-31.3.2010 T€	OTHER 1.1.-31.3.2010 T€	RECONCILIATION TO IFRS FINANCIAL STATEMENTS 1.1.-31.3.2010 T€	TOTAL 1.1.-31.3.2010 T€
Output Volume	**780,454**	**547,160**	**473,380**	**36,381**		**1,837,375**
Revenue	**738,867**	**519,800**	**520,831**	**8,950**	**0**	**1,788,448**
Inter-segment revenue	21,495	20,934	0	158,848		
EBIT	**-6,731**	**-142,339**	**-1,685**	**-59**	**928**	**-149,886**
Interest and similar income	0	0	0	19,518	0	19,518
Interest expense and similar charges	0	0	0	-34,031	0	-34,031
Profit before tax	**-6,731**	**-142,339**	**-1,685**	**-14,572**	**928**	**-164,399**

RECONCILIATION OF THE SUM OF THE SEGMENT EARNINGS TO PROFIT BEFORE TAX ACCORDING TO IFRS FINANCIAL STATEMENTS

Income and expense in the internal reporting are shown essentially in accordance with IFRS. An exception is income taxes, including those applicable to deferred tax, which are not considered in the internal reporting.

The basis for the internal reporting is formed by all subsidiaries. In the IFRS financial statements, earnings from companies which were not fully consolidated respectively reported using the equity method are recognised in conformity with dividends, transfer of earnings and/or depreciation and amortisation. For this reason, the internal reporting does not conform 100 % with EBIT respectively profit before tax in the consolidated financial statements in terms of the investment result.

Other minor differences result from the other consolidation entries.

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

	1.1.-31.3.2011 T€	1.1.-31.3.2010 T€
Investment income	2,016	3,987
Other consolidations	1,130	-3,059
Total	**3,146**	**928**

NOTES ON RELATED PARTIES

Notes on related parties may be found in the 2010 consolidated financial statements. Since 31 December 2010, there have been no significant changes in this area. Arm`s-length business relations exist in transactions with related parties.

EVENTS AFTER THE REPORTING DATE

In April 2011, the contract was signed for the acquisition of 100 % of the civil hydraulic engineering SME **Ludwig Voss GmbH & Co. KG**. The company is a specialised service provider in the field of civil hydraulic engineering operating mainly in Germany's seaports and along the coasts of the North and Baltic Seas. The group generates average annual revenues of just over € 20 million.

The transaction is still pending cartel approval by Germany's Federal Cartel Office.

STRABAG acquired the SME **Stassfurter Baubetriebe GmbH**, Atzendorf/Stassfurt, in Germany retroactively to 1 January 2011, strengthening its presence in the region between Magdeburg and the Harz mountains. The company, which has 90 employees, operates mainly in the fields of road construction and civil engineering and generates around € 10 million in annual revenues from construction activities.

The transaction is still pending cartel approval by Germany's Federal Cartel Office.

In May 2011, STRABAG SE issued another **corporate bond** with a volume of € 175 million. The fixed-interest bond has a 7-year term to maturity and a coupon of 4.75 %.

In May 2011, STRABAG signed an agreement on acquiring a **51 % stake in two holding companies** to develop, build and operate offshore wind power plants. With the transaction, the company extends its existing competence as a builder of wind power facilities.

STRABAG and project developer Northern Energy Projekt GmbH have contractually agreed to jointly manage 15 offshore wind farm project development companies under the umbrella of two holding companies. The holding companies will develop up to 850 wind power facilities in the German North Sea to be built over the next ten to 15 years.

With this investment in the field of offshore wind power, STRABAG strengthens its strategic positioning in this decisive future market for Germany within the field of renewable energy.

The investment is pending cartel approval by the German and Austrian cartel authorities.

In May 2011, STRABAG announced the 100 % acquisition of five subsidiaries of Sweden's **NIMAB Group**. These are NIMAB Entreprenad AB, NIMAB Support AB, NIMAB Anläggning AB, NIMAB Fastigheter AB and NIMAB Linnetorp AB. In the 2010 financial year, the companies generated a total output volume of about € 40 million (SEK 360 million) and together employed more than 200 employees.

With an annual output volume of about € 33 million (SEK 300 million) and 124 employees, NIMAB Entreprenad AB, which is mainly active in building construction, is the largest of the companies in the group. With NIMAB Support AB, which generated an output volume of around € 6 million (SEK 51 million) with 43 employees in 2010, the group also delivers services in the area of building maintenance and facility management. NIMAB Anläggning AB is the smallest company and is mainly active in earthworks and infrastructure projects. The region of Scania in southern Sweden is the group's main market. Measured in terms of the construction output, Scania is Sweden's second-largest regional construction market after Stockholm.

With the acquisition of the five companies, STRABAG bolsters its presence in this important market in southern Sweden.

The transaction is still pending approval by the Swedish competition authorities.

AUDIT WAIVER

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

STATEMENT OF ALL LEGAL REPRESENTATIVES

We confirm to the best of our knowledge that the condensed interim financial statements as of 31 March 2011 give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the of important events that have occurred during the first three months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining nine months of the financial year and of the major related party transactions to be disclosed.

Villach, 31 May 2011

Management Board

Dr. Hans Peter Haselsteiner
Chairman of the Management Board
Responsibilities for Central Staff Units and Central Divisions
as well as technical Responsibilities for
Building Construction & Civil Engineering of Russia and Neighboring Countries

Ing. Fritz Oberlerchner
Vice Chairman
Technical Responsibilities for Transportation Infrastructures

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

Dr. Peter Krammer
Technical Responsibilities for Building Construction & Civil Engineering
(without Russia and Neighboring Countries)

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

DI Siegfried Wanker
Technical Responsibilities for
Special Divisions & Concessions

FINANCIAL CALENDAR

Interim Report January–March 2011	**Tue., 31 May 2011**
Publication	7:30 am
Investor and Analyst Telephone Conference	2:00 pm

Shareholding confirmation record date	31 May 2011
Annual General Meeting 2011	**Fri., 10 June 2011**
Beginning	10:00 am
Location: Austria Center Vienna, Bruno-Kreisky-Platz 1, 1220 Vienna	
Ex-dividend date	Fri., 17 June 2011
Payment date for dividend	Mon., 20 June 2011

Semi-annual report 2011	**Wed., 31 August 2011**
Publication	7:30 am
Investor and Analyst Telephone Conference	2:00 pm

Interim Report January–September 2011	**Wed., 30 November 2011**
Publication	7:30 am
Investor and Analyst Telephone Conference	2:00 pm

All times are CET/CEST
Please find the roadshow schedule on the website www.strabag.com -> Investor Relations -> Financial Calendar

CORPORATE BONDS

MATURITY	COUPON	VOLUME	ISIN	STOCK EXCHANGE
2006 - 2011	5,25 %	€ 75 Mio.	AT0000A013U3	Vienna
2007 - 2012	5,75 %	€ 75 Mio.	AT0000A05HY9	Vienna
2008 - 2013	5,75 %	€ 75 Mio.	AT0000A09H96	Vienna
2010 - 2015	4,25 %	€ 100 Mio.	AT0000A0DRJ9	Vienna
2011 - 2018	4,75 %	€ 175 Mio.	AT0000A0PHV9	Vienna

CORPORATE CREDIT RATING

Standard & Poors	BBB-	Outlook stable

CODES

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

FOR FURTHER QUESTIONS PLEASE REFER TO OUR INVESTOR RELATIONS DEPARTMENT:

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This Interim Report is also available in German.
In case of discrepancy the German version prevails.