

MORE

# EFFICIENT TOGETHER

ANNUAL REPORT 2011

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Building involves change and change involves responsibility. Today we are building an environment which we and our children will live in tomorrow and for years to come. For over 140 years we have impressively displayed our core competencies in project development and construction management through countless infrastructure projects. Our position since then has not changed. PORR is committed to quality, customer service and sustainability across the business. And because we want to continue our record of excellence well into the future, we also need solid foundations and meticulous planning. Therefore the same holds true for employees, customers and shareholders in equal measure:

**The future is our tradition.**

# KEY DATA

in EUR m	2011	2010	2009	2008
<b>Income Statement</b>				
Production output	2,905.6	2,826.0	2,877.0	3,182.9
of which domestic	1,822.2	1,774.5	1,787.5	1,861.1
of which foreign	1,083.4	1,051.5	1,089.5	1,321.8
Foreign share in %	37.3	37.2	37.9	41.5
Revenue	2,212.5	2,217.5	2,457.3	2,656.5
EBITDA	8.2	102.8	117.5	127.6
EBIT	-43.1	49.1	64.0	70.9
EBT	-85.7	20.7	36.5	46.7
Profit/loss	-72.2	16.7	31.0	37.9
<b>Statement of Financial Position</b>				
Total assets	2,144.5	2,177.9	1,990.8	1,902.7
Noncurrent assets	1,184.5	1,131.1	1,059.6	976.3
Current assets	960.0	1,046.8	931.2	926.4
Noncurrent liabilities	815.9	706.7	648.1	715.2
Current liabilities	1,025.4	993.9	867.0	819.0
Equity (incl. minority interest)	303.2	477.3	475.7	368.5
Equity as %	14.1	21.9	23.9	19.4
<b>Cash Flow and Investments</b>				
Cash flow from financing activities	29.7	-14.4	83.7	5.6
Operating cash flow	-50.4	64.5	67.5	79.9
Cash flow from operating activities	39.5	159.6	78.8	52.4
Cash flow from investing activities	-126.0	-99.9	-88.2	-85.8
Investments	153.7	143.5	116.0	128.6
Depreciation/amortisation/impairment	56.0	54.2	52.4	58.6
<b>Operating Data</b>				
Order backlog at year end	2,764.2	2,448.9	2,683.9	2,561.9
Order bookings	3,220.9	2,591.1	2,998.9	3,299.8
Average staffing levels	11,597	11,654	11,880	12,116

# FACTS AND FIGURES

	2011	2010	2009	2008
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## Key data regarding shares

Number of listed shares				
Ordinary shares	2,045,927	1,960,537	1,960,537	1,341,750
Preference shares	642,000	642,000	642,000	642,000
Market capitalisation in EUR m (at year end)				
Ordinary shares	245.5	245.1	247.4	181.1
Preference shares	23.8	37.9	32.7	34.3
Dividends per share in EUR	-*	0.55	2.2	2.2

\* Proposal to AGM

in EUR	Ordinary share	Preference share
Price at year end 2010 (Dec 31st)	125.0	59.0
Price at year end 2011 (Dec 31st)	120.0	37.1
Year high 2011	(on Feb 25th) 135.0	(on Jan 24th) 63.0
Year low 2011	(on Jan 10th) 117.0	(on Dec 22nd) 36.0
Listing on the Vienna Stock Exchange	Official trading standard market auction	Official trading standard market auction
ISIN-Codes	AT 000 060 960 7	AT 000 060 963 1
Security code	POS	POV

	Volume	Interest	Coupon day	Redemption
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## PORR Corporate Bonds

Corporate Bond 2010	EUR 125.0m	5.0% p.a.	13.10. and 13.4.	13.10.2015
Corporate Bond 2009	EUR 100.0m	6.0% p.a.	6.5. and 6.11.	6.11.2014
Corporate Bond 2007	EUR 70.0m	5.875% p.a.	31.5. and 30.11.	31.5.2012



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# ABOUT PORR 2011



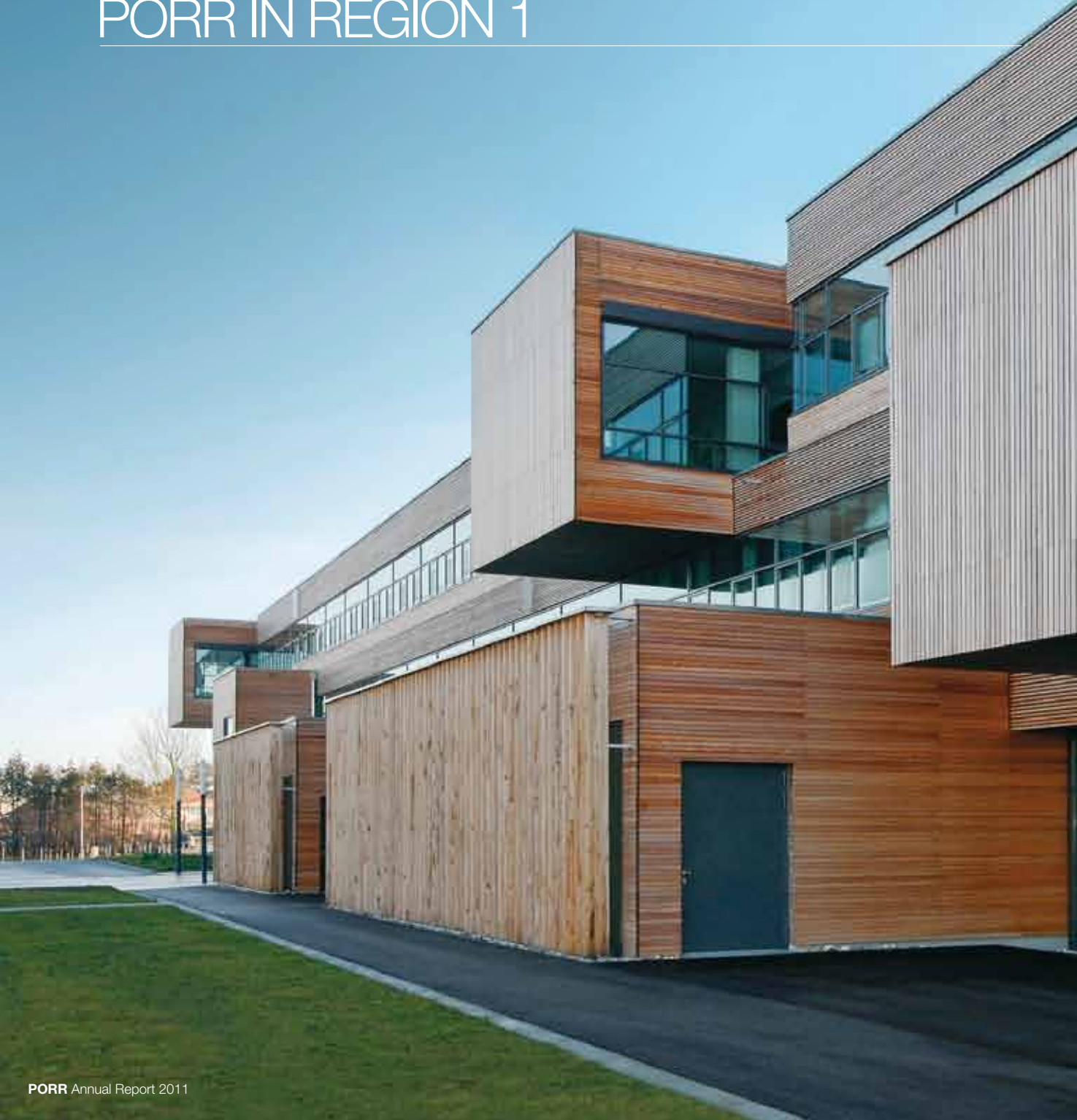
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MORE ACTIVE

PORR IN REGION 1





# A GREAT EDUCATION

University and research centre, Tulln

The University of Natural Resources and Life Sciences, Vienna (BOKU) together with the Austrian Institute of Technology have built a new BOKU site in Tulln an der Donau. A new two-storey university building with around 15,000m<sup>2</sup> floor space was built on the 6-hectare grounds. The H-shaped building boasts functional offices, high-tech labs and conference rooms.



## 01 SHOPPING WITHOUT BORDERS

Peek & Cloppenburg flagship store, Vienna

The highest quality in terms of architecture and functionality characterise Peek & Cloppenburg's eleventh flagship store, situated in Vienna's Kärntner Straße. Every logistic challenge – the building is found right in the middle of a pedestrian zone – was successfully overcome.



The exterior of Peek & Cloppenburg's flagship store is an absolute novelty. Natural Danube limestone graces the innovative facade.

## 02 BERLIN MITTE

Alexander Parkside, Berlin

The 11-storey building complex enhances the north of Alexanderplatz with its award-winning facade architecture. It involves a sophisticated usage concept of two hotels, a hostel, serviced apartments and attractive residences.



## 03 OPTIMAL CARE

Hollenburg Private Clinic, Krems

Nestled in the vineyards and with views onto the Danube, the Hollenburg Private Clinic opened in December 2011. With total floor space of 12,700m<sup>2</sup>, the clinic boasts space for 120 beds, an out-patient facility and a wellness hotel.





## 04 LIVE AND LEARN

Gasgasse residential complex, Vienna

The site in Vienna's 15th district houses 265 apartments as well as student halls with 194 rooms; it stands out thanks to its top location and the great functionality of the building.

## 05 CUSTOMISED CARE

Simmering geriatric centre and residential care home, Vienna

The site measures approx. 16,900m<sup>2</sup> and is located right in the centre of the Simmering district. It boasts 348 nursing places in a modern facility with small wards. The exceptional architecture and environmental construction method are particularly striking.



Around 348 nursing places were created in the centre of a park surrounded by ancient trees. Sophisticated architectural design makes the 225m-long, staggered, six-storey building stand out.



## 06 RIGHT ON TRACK

Praterstern 3 office building, Vienna

The new headquarters of ÖBB Infrastruktur AG were built in just two years on the newly designed and developed Praterstern in Vienna's 2nd district. On an area of approx. 31,240m<sup>2</sup>, there are offices for 800 employees, a conference centre, a staff restaurant, business premises for ÖBB and a fitness centre. An atrium forms the heart of the building, it can be accessed directly from the main entrance via the open staircase and serves as a space for communication and events.

MORE **CAPABLE**

PORR IN REGION 2

**UP IN THE AIR**

Equator office building, Warsaw

A spectacular office building with gross floor space of around 33,000m<sup>2</sup> has been built in the Ochota district. The three building elements house all of the functional areas of a modern office complex.









## 01 HIGH CLASS

Andersia office building, Poznań

This modern business site in an exceptional city location is being built in two phases. In the course of the second phase, a five-storey building with a usable area of 14,000m<sup>2</sup> and a building volume of 100,000m<sup>3</sup> will be erected. Completion is planned for September 2012.

The shell of the upper storeys of the Andersia office building was built in a construction period of just four months. The business premises, which have a dual function as an office and commercial building, stand out with their breathtaking 126m-long, road-facing facade.

## 02 BETWEEN TWO WORLDS

Andel's Hotel in Łódź, Poland

The heritage-protected textile mill was transformed into a deluxe 4-star design hotel with 278 rooms and suites. Winning the »European Hotel Design Awards« is a testament to the exclusivity of the design and construction.







## 03 ROOM WITH A VIEW

The Park, Warsaw

Another innovative office complex is being built in the Polish capital. The first construction phase involves two four-storey office buildings – in total there will be ten office buildings. Substantial glazing provides an optimal amount of natural lighting for the interiors.

Galerie Harfa's support structure was developed with the architectural form, functionality and profitability of the entire building in mind and involved a steel-reinforced monolithic shell.



## 04 MULTI-TASKING

Galerie Harfa, Prague

This project innovatively combines a shopping and leisure centre with an office building. The shopping centre has a floor area of 42,000m<sup>2</sup> and is connected to the neighbouring multifunctional building by a tunnel. One stand-out feature is the combination of different facade types, so that every angle results in different views.

## 05 TOP DIPLOMACY

British Embassy, Warsaw

The new embassy of Great Britain has been built in a wonderful, peaceful green area. The building was realised as a steel and concrete monolith with pre-fabricated reinforced concrete elements. The glass elements on the facade ensure that the interior is flooded with natural light.





MORE

# RELIABLE

## PORR AND INFRASTRUCTURE







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## MAJOR STATION

Vienna Central Station, Austria

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Between the former south and east stations and Südtiroler Platz, Vienna Central Station is being built, the city's largest infrastructure project. The folded, diamond-shaped roof which spans the entire station is a true eye-catcher. This transparent roof measures around 25,000m<sup>2</sup> and ensures a bright and friendly atmosphere.



## 01 LARGEST ORDER

Stuttgart 21, Germany

As part of the German railway project, Stuttgart 21, PORR received the order for two tunnel projects with an order volume of around EUR 700m. In addition PORR will build a 90km-long section of the Erfurt-Halle high-speed rail line. Construction work is set to begin in summer 2012 and finish in February 2018.



The orders related to the Stuttgart 21 railway project once again underline PORR's expertise in infrastructure. These lots are the largest tunnelling orders in PORR's history.



## 02 CLOSING THE GAP

N5 Biel Ostast Bypass, Switzerland

The Biel Bypass closes the last gaps on the Swiss national road network. Important project components included the two twin-tube tunnels, which were realised using sophisticated, innovative construction methods.





## 03 WELL CONNECTED

Campina-Predeal railway line, Romania

On the Bucharest-Brasov railway line the stretch from Campina to Predeal, with a length of around 48km, was overhauled. In addition to the general rehabilitation of the stretch, the order also included the renovation or new construction of almost 120 bridges, six stations and six stopping points.

## 04 LANDMARK

Sava Bridge, Belgrade

The Sava Bridge is the world's largest single-pylon, cable-stayed bridge and connects the banks of Cukarica and Novi Beograd. A unique steel cable construction holds the structure together. The bridge was opened to great celebration at the turn of the year 2011/2012 and has been Belgrade's new emblem ever since.



## 06 HYDRO POWER

Ashta power plant,  
Albania

Ashta is the final power-plant stage in a row of existing power plants. The two run-of-river power plants should generate 230GWh per year.

## 05 THE END OF THE TUNNEL

Lainzer Tunnel, Austria

The casting of the final track support layer marked the end of the track works on the Lainzer Tunnel. The Lainzer Tunnel is one of the most important infrastructure projects in recent years and should open to traffic in December 2012.

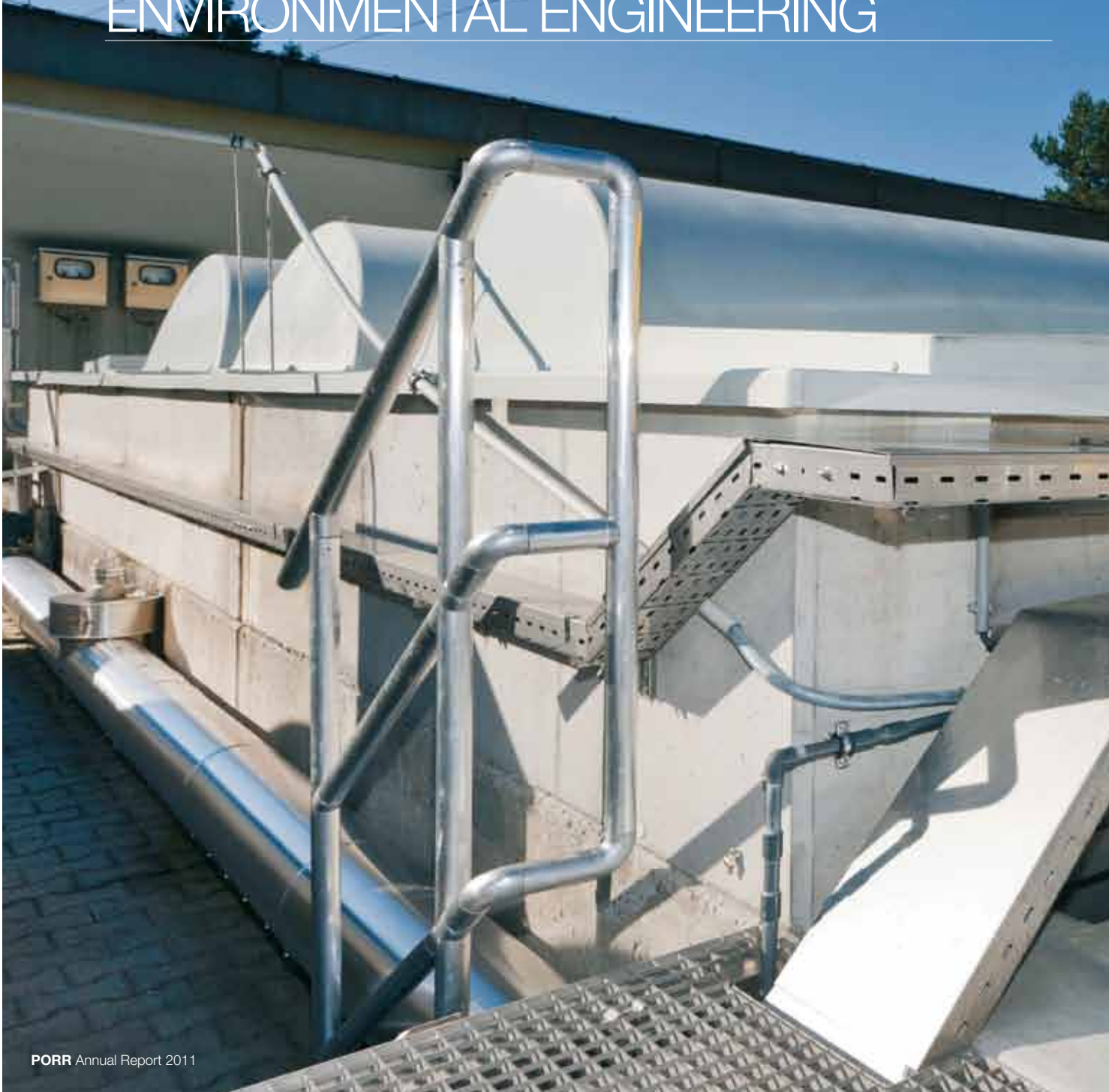






# RESPONSIBLE

## PORR AND ENVIRONMENTAL ENGINEERING



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## ALL CLEAR

Spittal an der Drau wastewater treatment plant, Austria

17,000m<sup>3</sup> water is purified and treated every day at the Spittal an der Drau wastewater treatment plant to cutting-edge environmental standards. The wastewater from the water boards of Millstättersee, from Liesertal and Maltatal, from Lurnfeld/Reißbeck and from Spittal an der Drau all enter the plant through two intake channels.



## 01 CONSERVING RESOURCES

Voestalpine Linz wet screening plant,  
Austria

With an annual capacity of 200,000 tonnes, the plant processes excavated material from construction sites in an environmentally friendly way, directly on the factory grounds. Hazardous materials are properly disposed of and the majority of the material is recycled in an optimum manner. Any fractions which cannot be recycled are sent to an appropriate facility for further treatment or disposal.



## 02 OPTIMAL DISPOSAL

Jagodina landfill, Serbia

The main part of the landfill was planned based on the topographical and hydro-geological features of the terrain. In addition to building the landfill, support was given to the operational facilities, the operation of the recycling centre and landfill gas collection.

The Jagodina landfill was built under a cooperation agreement with the International Finance Corporation (IFC). With this project PORR is making a key contribution to improving environmental standards in the region.

## 03 MULTIFACETED BIOENERGY

Gresten biomass plant, Austria

Bioenergy is one of the oldest technologies in the renewable energy sector and is used worldwide for generating electricity, heat, cooling and transport power. The fact that it is so multifaceted – for example it can be used for cogeneration – is what makes it so valuable for private clients, municipalities and companies alike.





## 04 SUSTAINABLE CLEAN-UP

Rehabilitation of contaminated site,  
Angerler pit, Austria

The pit, located near Wiener Neustadt, was filled with around 110,000m<sup>3</sup> of excavated material and construction waste in the 1970s and 1980s. Vast quantities of solvent residues were also deposited here. The waste was deposited in this former gravel pit without any measures taken to protect the groundwater. Since 2005 all of the waste deposits and the subsoil classified as contaminated have been removed and the site has been recultivated.



All of the deposits and the subsoil classed as contaminated have been successfully removed. The Angerler pit therefore counts as a rehabilitated site.



## 05 ENERGY FROM WASTE

Arnoldstein waste treatment plant,  
Austria

The combustion plant in Arnoldstein is set up for the thermal treatment of 80,000 tonnes of waste per year. 11–12 tonnes of waste are incinerated per hour in Arnoldstein, a total of 280–300 tonnes per day. Heat from the incineration produces steam which powers a steam turbine, producing power for Arnoldstein district heating and process steam for the neighbouring production plants.

The innovative operation of the thermal treatment plant is a perfect example of sustainable energy production which conserves resources.



# MORE STABLE MORE SECURE MORE PROFESSIONAL

Karl-Heinz Strauss, CEO of PORR AG, talks about the 2011 business year, the »new« PORR and the challenges facing the construction industry

**2011 was your first full business year as the CEO of PORR. Are you satisfied with the way business has been going?**

Since taking up the post in September 2010 the situation in which the global economy and the construction industry finds itself has been very difficult. Nevertheless we can look back on a business year in which the operational business went well, despite the necessary write-downs.

**Over the course of the year the economic backdrop declined considerably. What impact did this have on PORR?**

Essentially it met with our expectations. The debt crisis in Europe and the USA severely shook investor confidence in an ongoing recovery, with some experts warning of a renewed slip into recession. A slump like this would have much more dramatic consequences than those felt from the crisis in the years 2008 and 2009, as there is no more room in state budgets to facilitate stimulus packages. As a key economic driver, the construction industry was partly saved from a massive crash precisely through these measures.

Despite all this, the PORR Group achieved good order bookings in 2011, which guarantee satisfactory capacity for 2012. However the unfortunate necessity of writing off the overdue payments in Hungary and Romania, which was a one-off effect, had a serious impact. This was a painful step in an otherwise positive year.

**What do you see as the major challenges for PORR in the future?**

One important precondition for positive growth in the future involves the successful acquisition of projects spanning several years. And here, despite reductions in national budgets, we managed to book several sensational, large-scale projects in 2011, particularly in our core competency – infrastructure. In addition to the two German railway orders, Stuttgart 21 and the high-speed rail line Erfurt-Halle with a total order value of almost EUR 500.0m, we also acquired two construction lots in Austria on the S10 Bypass in Freistadt, Upper Austria, with an order volume of over EUR 200.0m. PORR is also significantly involved in the Emscher Canal/Nordrhein-Westfalen construction project, currently one of Europe's largest sewage construction initiatives. These new projects in the solid home markets and the pleasing new orders at the beginning of 2012 have secured a satisfactory order backlog despite the difficult backdrop.

Thanks to its strong position on the home markets – which is being steadily extended – PORR should also be able to compensate for the weaker order situation on some of the core markets in Eastern and South Eastern Europe. Our products and services are now offered with almost complete coverage on the home markets and we will continue to extend our market position. Even today PORR already generates more than 75% of its production output on its home markets.



»Our goal is intelligent growth in stable markets and with secured projects. Consequently, PORR is committed to sustainably securing its home markets and to selective, professional and profitable international expansion.«



And naturally we must not forget the company's reorganisation, which began in 2011 and which has enabled us to significantly increase our speed and expertise. Comprehensive reorganisation is necessary in order to put in place the structures required for the company's future success. 2012 will be completely characterised by the »fitforfuture« optimisation process.

**On the topic of the new structures: has the company's reorganisation already had a positive impact?**

Yes, in many areas. The new structures have included the full integration of TEERAG-ASDAG AG as well as the incorporation of property specialists Strauss & Partner into the Group. This will enable us to apply our new real estate strategy in 2012. The two property developers – Porr Solutions Immobilien- und Infrastrukturprojekte GmbH and Strauss & Partner

Immobilien GmbH – have merged to form Strauss & Partner Development GmbH. Another change relates to Strauss & Partner in the field of Property Management and FMA Gebäudemanagement GmbH. In the future this will go by the name of PORREAL and offer a full service portfolio in property, facility and asset management as well as real estate consulting.

2012 is an important year for PORR, as we intend to get the company fit for new challenges. Hence the name of our internal programme, »fitforfuture«, for the continued streamlining of complicated processes and for increasing efficiency.

**Has the restructuring been felt at Executive Board level as well?**

There were also changes to the Executive Board in light of the reorganisation. My former Executive Board



colleagues, Mr Krumpeck and Mr Weber left the Group at the end of January 2012; I am very grateful for all of their work. New to the team are Christian B. Maier as CFO and J. Johannes Wenkenbach who has taken on the role of COO. I look forward to a productive partnership.

In general the reorganisation demands a lot from the staff members, as many old, well-known structures are changing and familiar work processes are being optimised. PORR is an expanding company; many processes have to be adjusted to meet new challenges. This is why the performance of our staff is particularly appreciated. It has only been possible through the dedication and great efforts from every individual to make the changes which the company needs in order to lead us into a successful and sustainable future together.

**Economic forecasts have not promised a recovery in 2012. What are you expecting for the 2012 business year?**

As an economic growth driver, the construction industry was hard hit by the crisis, with PORR also feeling the impact. Restrictive financing policies by the banks have had a negative impact on economic growth, as has the complete standstill of private investments in commercial, industrial and tourism projects. The falls in building construction in particular could not be compensated for in many places; this was certainly the sector which was hardest hit.

I expect to see a slight upwards trend in 2012. Of course the crisis is still far from over, but moderate growth should be possible at least on the home markets. Germany and Poland are currently driving construction industry growth in Europe and PORR's strong position on these markets will allow positive business developments. I am basically optimistic about Austria, in as far as the economic backdrop and policies allow for growth. It will not, however, be easy.

Our goal is intelligent growth in stable markets and with secured projects. Consequently, PORR is

committed to sustainably securing its home markets and to selective, professional and profitable international expansion.

**Will the Austrian government's budget policies have an impact on business developments?**

The initiatives introduced by the Austrian government, such as the stimulus packages for example, have managed to prevent severe declines, particularly in the civil engineering sector. Here investment in infrastructure has also created added value for other economic sectors as well as generating additional location advantages. What is important here is that even if urgent consolidation measures are called for in the public budget – i.e. rating downgrade – stopping construction on urgently needed projects would certainly be a short-sighted move. Within Europe the countries which will lead in the future will be those which have a skilled and well-educated workforce along with adequate infrastructure.

# THE EXECUTIVE BOARD

**Karl-Heinz Strauss**

*Chairman of the Executive Board, CEO*

Karl-Heinz Strauss, born in 1960, graduated from the technical college of civil engineering. He then studied at Harvard University, the Management Business School in St. Gallen and gained his MBA from the IMADEC University. Until 2000 he worked in various positions at Raiffeisen Zentralbank – including in the construction and real estate divisions. He then became a freelance property developer with his company Strauss & Partner. One of his best known projects is the EURO PLAZA at Wienerberg. In September 2010 he took over as Chief Executive Officer of PORR AG.

**Christian B. Maier**

*Executive Board Member, CFO*

Christian B. Maier, born 1966, has been the Chief Financial Officer (CFO) of PORR AG since February 1st 2012. He graduated in mechanical engineering from HTBL Kapfenberg, a secondary industrial college, before going on to study geology and business administration in Vienna. His career led him to Creditanstalt and Bank Austria before moving to UnternehmensInvest AG. In 2003 Christian B. Maier took up the post of CFO at Constantia Industries where he played a key role in the company's success. Since 2012 he has brought his 14 years of Executive Board experience to PORR's management team.

From left: J. Johannes Wenkenbach, Karl-Heinz Strauss, Christian B. Maier



### **J. Johannes Wenkenbach**

*Executive Board Member, COO*

J. Johannes Wenkenbach, born 1957, began his career at the Dutch construction company Ballast Nedam Groep after graduating from Delft Technical University. He has built up his operating expertise in the construction industry throughout his career in various international construction companies such as the Royal BAM Group subsidiary, Wayss & Freitag Ingenieurbau AG. In terms of geography, his experience is focused on the Middle East, South East Asia and Germany. J. Johannes Wenkenbach joined the Executive Board of PORR AG in February 2012.

### **Areas of responsibility**

Karl-Heinz Strauss: Region 1 (Austria, Germany and Switzerland), Environmental Engineering, Development and Porr Equipment Services, Strategy/M&A, Internal Audit, Communication, Legal Affairs, Human Resources and Quality Management

J. Johannes Wenkenbach: Regions 2 (Poland, CEE, SEE) and 3 (International), Infrastructure and Purchasing

Christian B. Maier: Group Management, Risk Management/ICS, Accounting, Controlling, Treasury/Insurance, Tax and IT, as well as the commercial divisions of the regions and sectors





# HIGHLIGHTS 2011

**01** January:  
Extension of the Iffezheim  
Rhine power station



PORR was charged with constructing the pit for the extension of the Iffezheim Rhine power plant in Baden-Württemberg. The completion of the spectacular, elliptical main construction pit marks the first milestone in executing the order. The excavated base lies around 30m below the water level of the Rhine.

**02** February:  
New factory building for  
turbine production for  
Voith Hydro



PORR had received the order to build the new water turbine production plant for Voith. On February 25th the new production hall for manufacturing turbines was officially unveiled at the site in St. Pölten. Voith Hydro, a division of the Voith Group, is one of the world's leading companies in hydropower plants.

**03** March:  
SOLID Bautech Award  
goes to PORR



*ÖkoBusinessPlan Wien*

Two projects which PORR submitted in March went on to win awards. The TEERAG ASDAG AG subsidiary IAT GmbH won a special innovation award for the advanced sealing system on lot H3-4 on the access route to the Brenner Base Tunnel. PORR won recognition for the »Simmering care home prayer room« project.

**04** April:  
Topping-out Hotel  
Ramada Innsbruck Tivoli



The topping-out ceremony for the recently completed shell of the Hotel Ramada Innsbruck Tivoli was celebrated at the end of April in Innsbruck. On this 150-room project, the final element of the new 70,000m<sup>2</sup> city quarter has now taken on a concrete form.

**05** May:  
EURO PLAZA: First office  
project in Vienna to bear  
»Gold« status



The Austrian Society for Sustainable Real Estate (ÖGNI) awarded EURO PLAZA 4 the highest award in sustainable construction. The office park at Wienerberg is the first office project in Vienna to meet the strict criteria for ÖGNI's gold status. This is the most demanding international sustainability certificate in existence for real estate in Austria.

**06** June:  
Second tube of the  
Tauern Tunnel opens



The second tube of the Tauern Tunnel opened to great celebration. Having built the first tunnel tube in the 1970s, PORR was once again able to showcase its extensive tunnelling expertise. The tunnel tube conforms to the highest technical standards and is one of the most modern in Austria.



**07** July:  
Prestigious Stuttgart 21  
project goes to PORR



PORR managed to reel in the largest tunnelling order in its 140-year history: the large-scale German railway project, »Stuttgart 21«. This was yet further proof of the outstanding reputation which PORR enjoys in large-scale infrastructure projects across the whole of Europe. Tunnelling below the River Neckar will present a particular challenge.

**08** August:  
Integration of  
TEERAG-ASDAG



The year 2011 was characterised by the reorganisation at PORR, an approach which will make the company fit for future challenges. Part of this new structure involved the complete integration of TEERAG-ASDAG AG. PORR acquired Wiener Stadtwerke Holding AG's shares in TEERAG-ASDAG, effective as of August 3rd.

**09** September:  
Opening of Peek &  
Cloppenburg flagship  
store



September 1st saw the opening of the eleventh Peek & Cloppenburg flagship store, on Vienna's Kärntner Straße. The building is spread across six floors with retail space of over 11,800m<sup>2</sup>. More than 400 employees work at the new site.

**10** October:  
Limberg II: Opening of  
power plant in the  
mountains



Numerous prominent guests attended the opening ceremony of the Limberg II pumped storage power plant. Having increased turbine output twofold to 988MW and increased pump output almost fivefold to 610MW, the Kaprun plant will in future supply a significant amount of the power which Austria needs at peak times.

**11** November:  
PORR opens  
Buchenberg Tunnel in  
Waidhofen/Ybbs



Measuring 1,485 m in total, the Buchenberg Tunnel is Lower Austria's longest state road tunnel and opened three months earlier than planned.

**12** December:  
Completion of Belgrade's  
Sava Bridge



The Sava Bridge opened to traffic right on the stroke of the New Year. PORR's prestigious project is a technical masterpiece and, with its 200m-high central pylon, has become the new emblem and landmark of the Serbian capital.

# PORR AT A GLANCE

## Modern, international, trailblazing

The PORR Group today is one of Austria's largest construction companies and one of the leading construction firms in Europe. With numerous locations in CEE and SEE, it is involved in realising trailblazing construction projects. Furthermore, PORR is carrying out selective expansion into international markets in the Middle East and Russia. PORR's in-depth expertise, passion for innovation and motivated staff provide the basis for its top quality services.

## 2011 – The year of reorganisation

In order to overcome the challenges of the future, PORR implemented a new organisational structure. The »new« PORR has flat hierarchies and a simple structure. Three success factors have thereby made PORR even more productive: clear responsibilities, streamlined and flexible structures and transparent management. The Group's reorganisation is accompanied by the »**fitforfuture**« programme. Alongside the structural changes, this programme enables the PORR Group to get itself fit for the future in terms of organisation.

## Efficient organisational structure with streamlined holding

At the head of the PORR Group there is a streamlined holding with five divisions – Strategy and Mergers & Acquisitions, Internal Audit, Group Management, Communication and Risk Management/ICS. All other divisions in the Group have been merged into a »Shared Service Center« which acts as a central service provider for the entire Group. The holding functions as a strategic umbrella under which Porr Bau GmbH is positioned. Porr Bau GmbH was created in 2011 through the merger of Porr Technobau und Umwelt AG, Porr Projekt und Hochbau GmbH and Porr GmbH. The numerous individual, country-specific companies are included in this large Bau GmbH. All permanent business in building construction and civil engineering is divided into three regions. In addition there are sectors

which bundle the Group's core competencies and are responsible for their specific business area in every market.

## Takeover of TEERAG-ASDAG

This new organisational structure also includes the complete integration of TEERAG-ASDAG AG. On August 3rd 2011 PORR acquired the shares of Wiener Stadtwerke Holding AG in TEERAG-ASDAG.

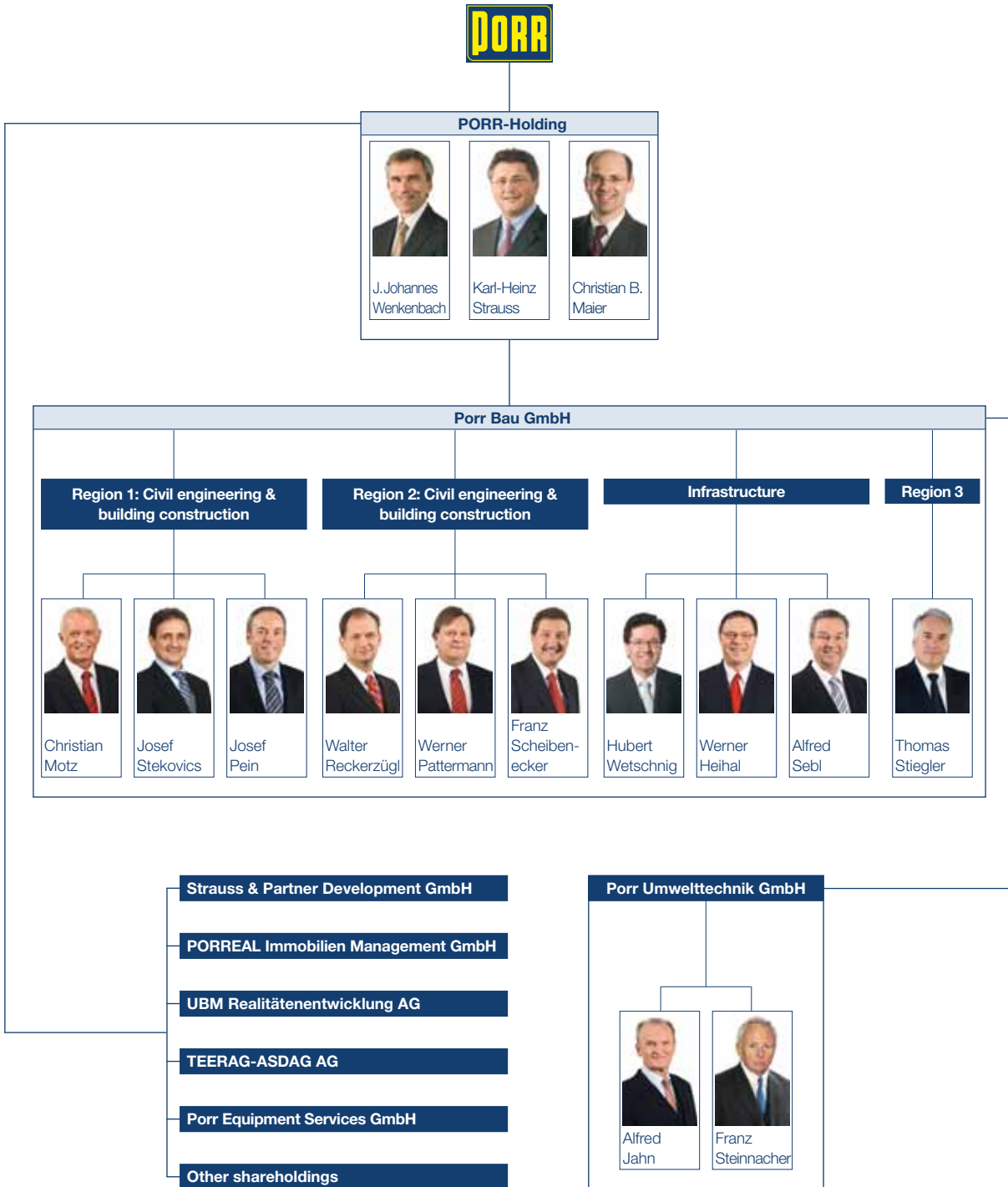
## Regions and sectors

Region 1 covers the markets of Austria, Germany and Switzerland as well as large-scale building construction projects. Region 2 encompasses the home markets of Poland and the Czech Republic as well as the core markets in the CEE/SEE region. These are complemented by the Infrastructure and Region 3 segments. The Infrastructure sector is composed of the departments for tunnel construction, railway construction, large-scale civil engineering projects, road and bridge construction, power plant construction and foundation engineering, while Region 3 bundles the Group's activities on the Middle Eastern markets (Oman, Qatar), Russia and Turkey. The Environmental Engineering segment is home to PORR's expertise in environmental clean-up, waste, renewable energy and water/wastewater.

## New property management structure 2011/2012

In the course of the reorganisation the two development specialists – Porr Solutions Immobilien- und Infrastrukturprojekte GmbH and Strauss & Partner Immobilien GmbH – have merged to form Strauss & Partner Development GmbH. As part of the Group's new alignment, the Development sector thereby also has the framework to implement the new strategy. A second change relates to Strauss & Partner in the field of property management and FMA Gebäudemanagement GmbH. In the future they will go by the name of PORREAL and offer a full service portfolio in property, facility and asset management as well as real estate consulting.

Organisational Structure



Status as at April 2012

# PORR LOCATIONS

## **PORR Group defines its markets by three categories:**

The **home markets** are composed of Austria, Germany, Switzerland, Poland and the Czech Republic. Owing to the stable economic situation and the good credit standing, PORR is represented here with every product and service and offers comprehensive coverage.

The **core markets** are Romania, Serbia, Bulgaria and other countries in Eastern and South Eastern Europe. PORR has a selective approach to the core markets in terms of sectors and project

business. There are plans to extend the range as the economic situation improves.

On the **international market** PORR concentrates on the countries Qatar, Oman, Turkey and Russia. On these markets PORR offers services for large-scale projects in every sector where it has a good reputation and experience. This applies in particular to the infrastructure sector.

In the coming years PORR will selectively extend its presence on the home markets and core markets as well as on the international stage.

At home in Austria, successful in many countries. The PORR Group headquarters is based in Austria. But the company has also had strong representation in Germany, Switzerland, Poland and the Czech Republic as well as other countries in the CEE/SEE region for decades. In recent years PORR has also been steadily building up its international presence.

Home markets

- 1 Austria
- 2 Germany
- 3 Switzerland
- 4 Poland
- 5 Czech Republic

Offering all products and sectors with complete coverage

Core markets

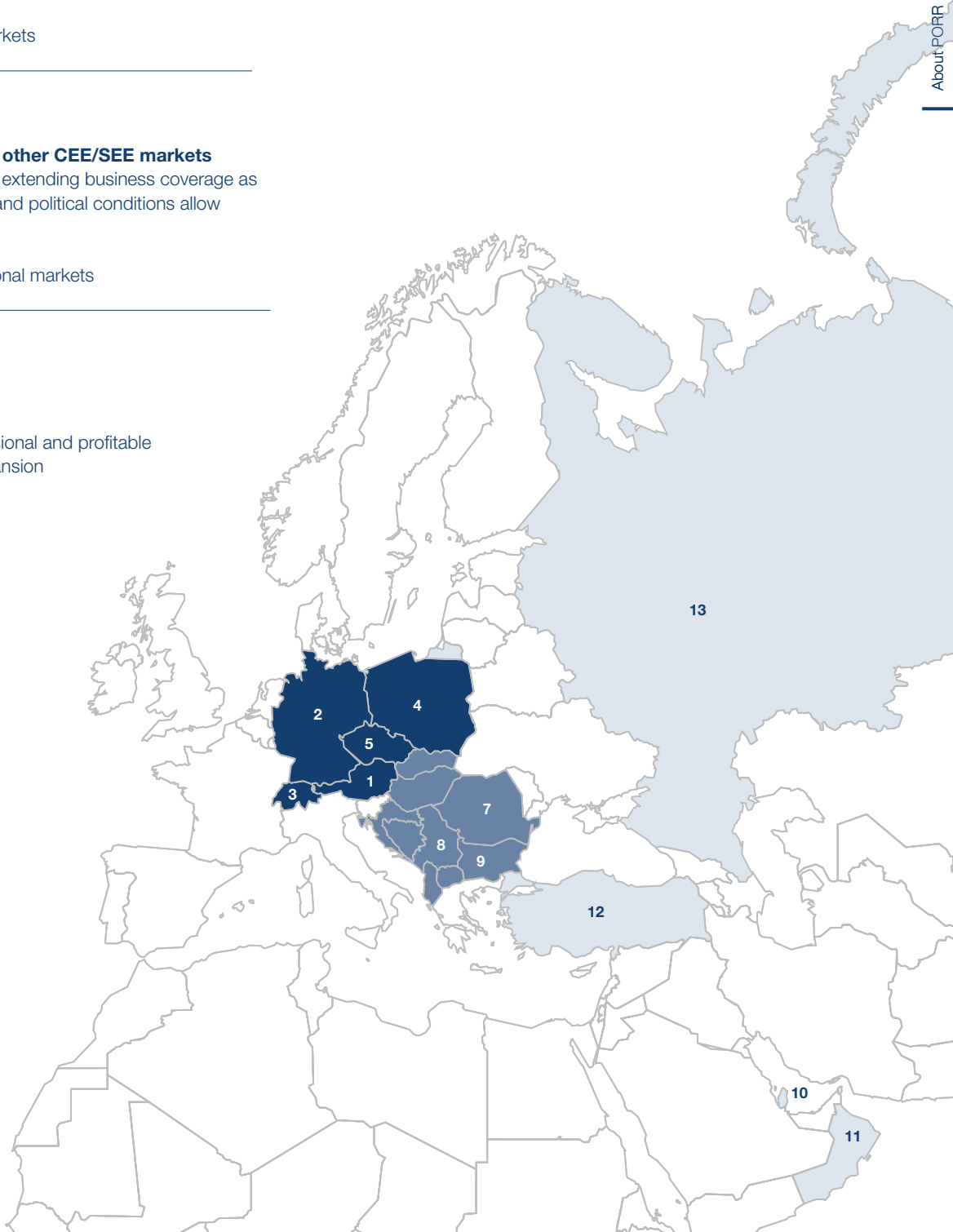
- 7 Romania
- 8 Serbia
- 9 Bulgaria and other CEE/SEE markets

Selective range – extending business coverage as far as economic and political conditions allow

International markets

- 10 Qatar
- 11 Oman
- 12 Turkey
- 13 Russia

Selective, professional and profitable international expansion



# CORPORATE STRATEGY

## Core competency – construction

Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft was founded in 1869 and has operated successfully in the construction industry for more than 140 years. The Group's extensive experience and expertise has made PORR into a successful, modern European construction company, able to recognise what customers need and to provide tailor-made solutions.

PORR is committed to its core competency – construction. Although over the last two decades the Group has developed into an international full service provider with a comprehensive service range covering the entire value chain, the central focus of the service portfolio continues to be on technical construction. In order to realise highly demanding and complex projects PORR works together exclusively with renowned partners, whose work guarantees an increase in efficiency during project execution.

## The »new« PORR

To achieve qualitative, profit-oriented growth PORR is committed to reacting quickly and flexibly to changes in market conditions. The focus here is on markets with a high credit rating such as the home markets of Austria, Germany, Switzerland, Poland and the Czech Republic. A comprehensive dual control principle between the technical and commercial sides guarantees the best-possible symbiosis of technical excellence and reliable returns.

Steady work is underway across the entire Group to complete the reorganisation. Streamlined and flexible structures, clear responsibilities and management which is both transparent and goal-oriented will secure the future corporate success of the PORR Group.

## Deeply rooted in the home markets

The strong home markets form the foundation for sustainable growth. PORR generates more than three quarters of its production output in these economically stable countries. The goal is to press ahead with selective, professional and profitable international expansion in these strong regions, thereby guaranteeing healthy and sustainable growth in the long term. PORR has well-established networks on the home markets and profits from a first-class reputation. All products and sectors are offered across the region with almost complete coverage, whereby any gaps are being steadily closed off. The approach of a portfolio covering all sectors enables PORR to balance out fluctuations in the individual markets and business segments to the greatest extent possible.

## CEE/SEE region as core markets

Extensive experience and exceptional customer relationships are also a feature of PORR in its core markets in Eastern and South Eastern Europe. The current focus lies on Romania, Serbia and Bulgaria, where PORR sees massive growth potential – particularly in the infrastructure sector, co-financed by the EU. Projects with good earnings prospects will only be pursued if the political and economic conditions are favourable. In addition, financing for the orders must be guaranteed. In the medium term PORR's aim is to upgrade some of these countries to home markets. Spot transactions are currently at the forefront on the economically volatile core markets. Projects are evaluated in great detail and always assessed for creditworthiness and long-term prospects. Risk analysis in this regard is regularly adjusted and updated.

## Risk-averse expansion on the international market

PORR's business focus outside Europe lies in the MENA region. Using Qatar as a hub, PORR is also

cultivating the markets of Oman and Saudi Arabia. A risk-averse approach is at the forefront, whereby projects are first subject to a detailed analysis of all risks and opportunities before being undertaken. In Russia PORR concentrates on the region around St. Petersburg. Here, as everywhere else, risk management is a primary focal point. Market entry into Turkey is currently being evaluated.

#### **Focus on infrastructure, environment and energy**

There is urgent demand in Europe for coal and gas power plants as well as every form of alternative energy generation. Combining energy generation with environmental concerns is garnering just as much public interest as energy safety. With this in mind, PORR will be greatly increasing its activities in the energy and environment sectors in the coming years especially on the South Eastern European market. In this context PORR Umwelttechnik can point to its extensive experience in building and operating sewage plants, landfills, wastewater treatment plants and rehabilitating contaminated sites on the home and core markets.

The issue of sustainability also plays a significant role in the traditional core competencies of the PORR Group. The focus on infrastructure, as well as classic traffic construction and infrastructure building construction, will be steadily extended in the coming years. Here PORR presents itself as an expert, premium provider and infrastructure specialist. The Group's skill in innovation is a key success factor here. Technology developed in-house such as the »ÖBB-PORR slab track system« for rail construction is increasingly being offered on the international markets.

#### **PORR is committed to fair partnerships**

PORR considers partnerships between private and public entities to be the ideal solution for major

infrastructure projects. It is only in partnership that solutions for complex requirements can be found. In addition to optimum technical execution PORR also offers innovative forms of financing. Concession models hold enormous potential here, not only for traffic infrastructure, but also for utilities and waste disposal, education, healthcare and administration. The complete view is always crucial for these models: sustainability as regards the approach to resources, custom-made concepts, and specific financing models which offer maximum cost-efficiency, are all at the top of the list.

#### **Competitive advantages from expert staff**

A significant degree of PORR's success is due to its over 11,000 staff. PORR is a fair employer which works in partnership with its staff and is committed to diversity by nurturing the potential of every single staff member. The innovation talent of the technicians and engineers, together with the cumulative construction expertise of the skilled workers has been enabling PORR to provide construction services at the highest level for decades. In order to continue providing such pioneering services in the future, PORR continuously invests in the knowhow of its staff. The focus here is on consistent training and development with the goal of facilitating the company's growing internationalisation. Dedication and entrepreneurial spirit should also be encouraged among employees. This is why an internal suggestion scheme has been developed and supported, an attractive contest for ideas and proposals for improvement, is being launched.

# PORR SHARES ON THE STOCK EXCHANGE

## A volatile year on the stock exchange

The stock market year 2011 was marked by high price fluctuations and extensive uncertainty on most of the international capital markets. Topics such as the European debt crisis and fears that several eurozone countries would be unable to keep up their payments had a significant impact on the performance of the financial markets. The natural disaster in Japan and political unrest in the Middle East also contributed to investor unease. Despite the efforts of the European Central Bank (ECB) to reassure the markets, they remained volatile to the end of the year.

## Debt crisis remains key topic

Following on from relative stability on the financial markets at the turn of the year 2010/2011, the backdrop became progressively more difficult at the start of 2011. In March the capital markets were determined by the political upheavals in countries in North Africa and the Middle East, the resulting increase in oil prices as well as the earthquake in Japan and the reactor accident which followed. The impact of the events on the global economy could not be predicted and led to major price fluctuations. Positive corporate and economic data combined with ongoing high liquidity gave rise to a countermovement, which was able to make up a large part of these losses by the end of April. Share prices had reached their year high by the end of the first half of the year.

Rising fears of inflation, the ECB's interest rate hikes and uncertainty surrounding the solution to national debt problems in the USA and parts of Europe were, however, reflected in the continuing volatility on the world's leading stock markets. The USA's rating downgrade and the national debt crises in peripheral European countries, above all in Greece, were key issues. Furthermore the situation worsened due to the sharp decrease in economic

growth in core Europe in the second half of the year. The third quarter of 2011 was characterised by the strong price losses on the stock markets.

Efforts to find a solution to the euro crisis prompted rulings on an array of measures in the fourth quarter. In view of the regressive economic trend in Europe, the ECB also cut its benchmark interest rate by 25 basis points in November and December respectively, to a historic low of 1.0%. In addition, it bought up further government bonds in the fourth quarter. Fears that the debt crisis would spread led to a further correction on the European stock exchanges in November 2011.

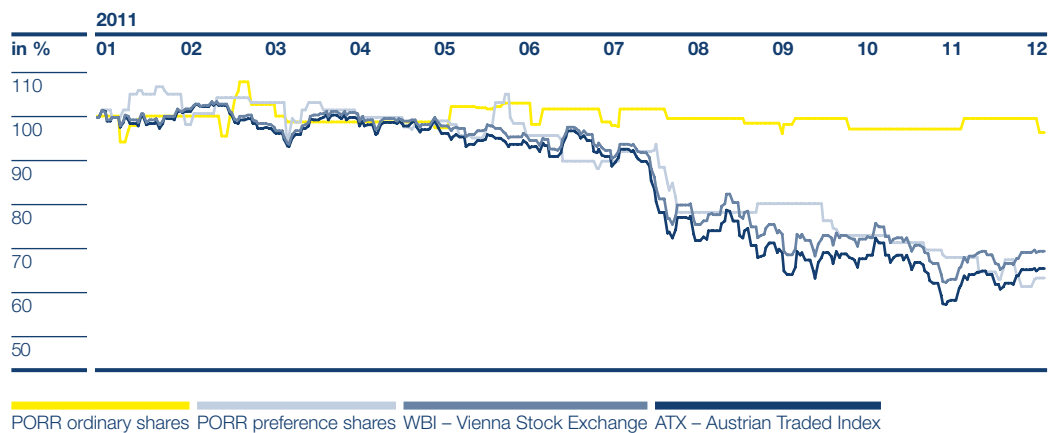
## International indices

There was massive volatility on the international stock markets in the year 2011 and European stock markets showed a downward trend. The Eurostoxx 50, which has a high weighting towards financial securities, closed in December 2011 17.1% lower than at year end 2010. Bank stocks suffered particularly badly in light of concerns about the stability of the monetary union. Eurostoxx 50 ended the year 2011 with an index value of 2,316.6 points. This was the second successive year of decline. DAX, the German stock index, lost 14.7% and ended the year at 5,898.4 points.

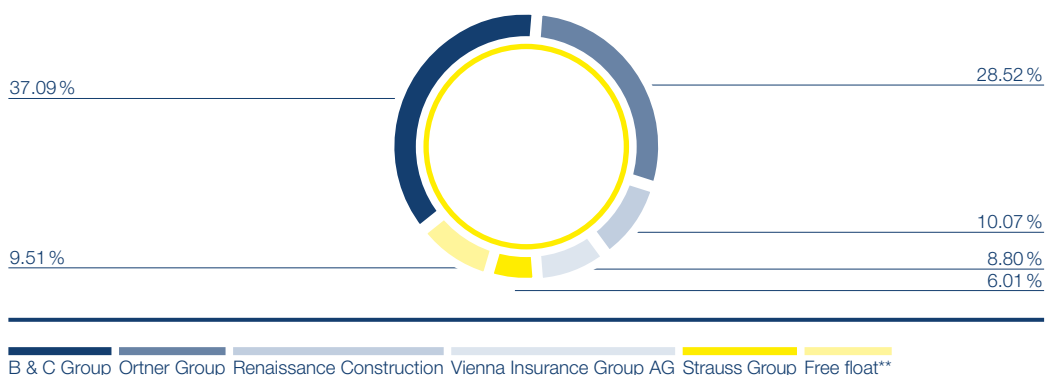
In contrast to Europe, the US stock markets ended positively in December. The Dow Jones Industrial Average (DJIA) ended the year at 12,217.6 points, an increase of 5.5%. The Japanese stock index, the Nikkei 225, declined with a fall of 17.3%. The Eastern European capital markets could not escape the impact of the debt crisis in Western Europe and also performed poorly in 2011. The Eastern European CECE index, capitalised in euros, also underwent falls of 29.1% and ended the year at 1,498.73 points.



### Development of the price of PORR shares (index) from January 2011 to December 2011



### PORR AG shareholder structure (ordinary shares)\*



\* Note: Only a very small number of preference shares are generally deposited in respect of AGMs; for this reason, no reliable statements can be made concerning the shareholder structure for this share category.

\*\* Shareholders with under 5%

### Financial calendar

Publication of the 2011 Annual Report	April 30th 2012
Financial Results Press Conference	April 30th 2012
Publication of the Interim Report on the 1st Quarter 2012	May 11th 2012
132nd Annual General Meeting, 11:00am, 1100 Vienna, Absberggasse 47	June 21st 2012
Publication of the Interim Report on the 1st Half 2012	August 31st 2012
Publication of the Interim Report on the 3rd Quarter 2012	November 9th 2012

### Vienna stock exchange under pressure

In a weak trading environment the Vienna stock exchange underwent severe losses in 2011. The leading ATX index closed down 34.9% at 1,891.7 points in the period under review, thereby falling far below the eurozone's key leading indices. The high share of financial securities, the euro debt crisis and the economic dependency on Eastern European states and neighbouring countries such as Italy led to an increase in risk aversion among market players.

At the start of the year the Austrian stock market was still performing well. In mid February the ATX reached a year high of 3,000.7 points, although it was unable to buck the negative trend which had spread across Europe and subsequently underwent a sharp correction. By the beginning of August the index managed to reduce its losses somewhat. Fear of a global economic downturn and the intensification of the debt crisis piled on added pressure to the market. The ATX therefore had to withstand sharp declines in the autumn months. The year low of 1,652.8 points was reached in the second half of November. The index recovered somewhat by the end of 2011, climbing back to 1,891.7 points, although this still meant a 34.9% decrease for the year as a whole.

### PORR ordinary and preference shares

The escalation of the debt crisis and growing uncertainty with regard to future economic growth also had an impact on the PORR shares in the year under review. While the preference shares moved in parallel with the overall market, the ordinary shares levelled off. At the beginning of 2011 the ordinary PORR shares showed highly volatile developments. They started the year at EUR 125.0, hit the year low in January and then climbed in February to the year high of EUR 135.0. The price then came under pressure and fluctuated from the middle of March to the beginning of September within a range of EUR 121.2 to EUR 128.8. The worsening financial crisis led to increased fears of a recession, which became more pronounced in autumn. In the fourth quarter the share price levelled off and closed on December 30th 2011 at EUR 120.0.

Against a backdrop of positive economic growth and good company results, at the start of the year the preference shares continued their upward trend

which had started in the previous year. At the end of January the shares reached their year high of EUR 63.0. This was followed by highly volatile fluctuations in a price range of between EUR 55.0 and EUR 62.5. From April the price of preference shares went down sharply and the collapse of the share markets in the fourth quarter meant that the preference shares could no longer bounce back. In this phase the price hit its year low of EUR 36.0 on December 22nd 2011. At year end 2011 the preference shares were listed at EUR 37.1.

### PORR market capitalisation

The difficult market situation and the subsequent low market value of the ordinary and preference shares led to a decrease in the market capitalisation of the PORR Group from EUR 283.0m at the end of 2010 to EUR 269.3m at year end 2011.

### PORR capital share certificates

In the year under review PORR capital share certificates generated very low trading revenue. At year end 2011 the price of PORR capital share certificates had risen to EUR 60.0, representing an increase of 9.1% against the previous year.

### 2011 capital increase

With an Executive Board ruling on April 4th 2011, and from the Supervisory Board on April 27th 2011, a capital increase from authorised share capital was carried out against contribution in kind. The share capital thereby rose from EUR 18,913,374.0 (split into 2,602,537 shares) by 3.3% to EUR 19,533,927.3. In the course of this transaction 85,390 new no-par-value bearer shares with voting rights were issued with a nominal value of EUR 7.27. The new ordinary shares were purchased at an issue price of EUR 135.0 per share. The issue therefore amounted to a total of EUR 11.5m.

The contribution in kind mainly involved participation in Strauss & Partner Immobilien GmbH. The capital increase against contribution in kind was carried out with subscription rights of other shareholders excluded in line with Article 153 Section 4 Stock Corporation Act.

## Stock market indicators

in EUR	2011		2010		2009		2008	
	Ordinary	Preference	Ordinary	Preference	Ordinary	Preference	Ordinary	Preference
Price as at Dec 31st	120.0	37.1	125.0	59.0	126.2	51.0	135.0	53.4
Year high	135.0	63.0	135.0	59.0	140.0	61.0	212.0	244.0
Year low	117.0	36.0	115.0	47.5	121.5	37.5	115.0	42.0
Dividend per share	–*	–*	0.6	0.6	2.2	2.2	2.2	2.2
Market capitalisation at year end in EUR m	245.5	23.8	245.1	37.9	274.4	32.7	181.1	34.3

\* Proposal to AGM

## PORR on the Vienna Stock Exchange

	ISIN-Codes	Number of shares quoting/ nominals	First quoted
PORR ordinary shares	AT 000 060 960 7	2,045,927 shares	8.4.1869
PORR preference shares	AT 000 060 963 1	642,000 shares	3.11.1986
PORR capital share certificates	AT 000 060 966 4	49,800 shares	22.10.1990
PORR bond 5.875% 07-12	AT 000 0A0 5DC4	EUR 70,000,000.00	31.5.2007
PORR bond 6.0% 09-14	AT 000 0A0 F9G7	EUR 100,000,000.00	06.11.2009
PORR bond 5.0% 10-15	AT 000 0A0 KJK9	EUR 125,000,000.00	13.10.2010
ABAP profit participation rights 2007	AT 000 0A8 6F0	EUR 70,000,000.00	03.11.2008

## Observing Austrian Compliance Guidelines

To prevent the misuse of insider information »issuer compliance regulations« produced by the financial market supervisory authority came into force on April 1st 2002, which were then revised in 2007. PORR AG enacted its own new compliance guidelines in order to meet the requirements of the Stock Exchange Act and the 2007 compliance regulations; these came into effect in November 2007. They regulate the exchange of information within the company and specify measures to monitor all internal and external flows of information with a view to preventing their misuse. The aim is to make employees, executive bodies, consultants and other persons active on behalf of PORR aware of the legal prohibition on the abuse of insider information.

## Investor Relations

The mutual trust in the PORR Group which has been shared by investors and partners for over 140 years is considered by the Executive Board to be

both a privilege and a responsibility. The basis of the cooperation between all stakeholders which has been so successful in the past lies in ongoing, open communication channels.

All relevant corporate information including downloadable versions of the annual and interim reports can be found on our homepage – [www.porr-group.com.at](http://www.porr-group.com.at) > Investor Relations > Group Reports. The office of the CFO, Christian B. Maier, is available to answer any further questions (Tel: +43 50 626-1903, e-mail: [christian.maier@porr.at](mailto:christian.maier@porr.at)).

# CORPORATE GOVERNANCE REPORT

PORR views Corporate Governance as a key concept for responsible and transparent company management and the comprehensive auditing that accompanies this. The Executive Board and Supervisory Board work closely together in the interests of the company and its staff and are involved in the ongoing evaluation of the development and strategic direction of the PORR Group. Constant dialogue with all relevant interest groups builds trust, also in corporate activities, and provides the basis for sustainable company development in the future.

So far, the PORR Group has made no formal declaration committing itself to observance of the »Austrian Code of Corporate Governance«, as the code regulates the »prime market« and is only mandatory for companies listed on the prime market. At present, all ordinary shares and preference shares of PORR AG are listed in the »standard market auction« segment. This means that commitment to the Corporate Governance Code is not compulsory for PORR.

PORR does however – as it has for many years now – comply with all mandatory regulations and most of the »Comply or Explain« rules (C-Rules) from the Corporate Governance Code. To ensure that this continues, an internal working group has been set up to deal with this issue in detail. Complying with certain C-Rules would involve disproportionately great efforts and high costs for the company due to the shareholder structure – the Group's shares are distributed among a very limited number of shareholders. This is why the Executive Board has decided not to commit itself formally to the Corporate Governance Code.

PORR continues to aim to uphold the »Austrian Code of Corporate Governance« as laid out by the Austrian Working Group for Corporate Governance. This code is available to the public on the homepage of the Austrian Working Group for Corporate Governance at [www.corporate-governance.at](http://www.corporate-governance.at).

## The Group Executive Board

In accordance with Article 7 Section 1 of PORR's Articles of Association, the Executive Board consists of two, three, four, five or six people appointed by the Supervisory Board. The Executive Board currently consists of three members. The number of Executive Board Members is agreed by the Supervisory Board in line with the Articles of Association. The Supervisory Board can name a member of the Executive Board as Chairman and appoint Deputy Executive Board Members. When the Supervisory Board appoints a member of the Executive Board as Chairman of the Executive Board, he only has a casting vote if the Supervisory Board specifies this.

The members of the Executive Board are appointed by the Supervisory Board for a maximum term of five years. The renewed appointment or an extension of this period (each for a maximum of five years) is permitted. The Supervisory Board can dismiss a member of the Executive Board before the end of his/her term in office if there is an important reason to do so, for example if there is a serious breach of duty or if the Annual General Meeting passes a vote of no confidence in the Executive Board Member.

The Articles of Association specify that the Executive Board can pass rules of procedure for the Executive Board, which require the previous approval of the Supervisory Board. The resolution from April 8th 1999 states that the Supervisory Board has approved the rules of procedure for the Executive Board. These are currently being reviewed and should be approved by the Supervisory Board in the first half of 2012.

The Group is represented by two Executive Board Members, or by one Executive Board Member with one authorised signatory. With legal restrictions, the Group can also be represented by two authorised signatories. The Supervisory Board can grant individual Executive Board Members the authority of sole agency.



The following table shows the Executive Board Members, their date of birth, their position, the date of their first appointment as well as the probable end of their time in office. In 2011 the following people sat on the Executive Board:

**Karl-Heinz Strauss** (d.o.b. 27.11.1960)  
Chairman of the Executive Board, CEO  
Member since 13.9.2010,  
appointed until 31.12.2014

**Rudolf Krumpeck** (d.o.b. 30.10.1962)  
Executive Board Member from  
1.12.2008 to 1.2.2012

**Peter Weber** (d.o.b. 11.10.1949)  
Executive Board Member from  
1.3.2003 to 1.2.2012

**Johannes Dotter** (d.o.b. 7.2.1961)  
Executive Board Member from  
13.9.2007 to 4.2.2011

Rudolf Krumpeck and Peter Weber left the Executive Board with effect from February 1st 2012. **J. Johannes Wenkenbach** (born February 26th 1957) was appointed as a regular Executive Board Member and Chief Operating Officer (COO) as of February 1st 2012. **Christian B. Maier** (born January 9th 1966) was also appointed as a regular Executive Board Member and Chief Financial Officer (CFO) as of February 1st 2012. The term of office of the newly appointed Board Members runs until January 31st 2015.

**Ing. Karl-Heinz Strauss, MBA** was born in Klagenfurt, Austria, in November 1960. After finishing technical college in Mödling, he completed international study programmes at Harvard, St. Gallen, Fontainebleau and Hayward. From 1980 to 1984 he was a freelance entrepreneur in the civil engineering sector. In 1987 he began his career at Raiffeisen Zentralbank Österreich Aktiengesellschaft (RZB) in

the commercial client division. From 1992 he took on various positions as Managing Director and Supervisory Board Member in different real estate companies at RZB and was head of Concorde Projektentwicklungsgesellschaft m.b.H., which he played a significant role in founding and building up. He was appointed to the Executive Board of Raiffeisen Wohnbaubank AG in 1994. In 2000 Karl-Heinz Strauss took over as Managing Director of Strauss & Partner Immobilien GmbH and BCS Investmentmanagement Service GmbH.

Karl-Heinz Strauss has been the Chief Executive Officer of PORR AG since September 13th 2010. In the PORR Executive Board he is responsible for Region 1 (Austria, Germany and Switzerland), Environmental Engineering, Development and Porr Equipment Services, as well as Strategy/M&A, Internal Audit, Communication, Legal Affairs, Human Resources and Quality Management.

**Mag. Rudolf Krumpeck** was born in Eisenstadt, Austria, in October 1962. After completing his studies at the Vienna University of Economics and Business Administration, he worked as a controller at the Bank der österreichischen Sparkassen AG from 1987 to 1989, then he was a management assistant and controller at Quester Baustoffe, a senior controller at Europapier in the Frantschach Group (paper industry), and was then employed in various companies of the MAGNA Group in Austria as a CFO/Managing Director. He joined the PORR Group in October 2005; he was a member of the PORR AG Executive Board from December 2008.

Rudolf Krumpeck left the Executive Board on February 1st 2012.

**Dr. Peter Weber**, born in Wolfsberg, Austria, in October 1949, began his professional career at CA-BV after getting his doctorate. His next post was as executive assistant at Semperit AG and business operations manager at Austrian paint

group Hoechst AG. In 1987 he moved to Länderbank, and was appointed head of investor management at Bank Austria in 1991.

Peter Weber joined the PORR AG Executive Board in 2003 and was also a member of numerous Supervisory Boards and committees.

Peter Weber left the Executive Board on February 1st 2012.

**Dipl.-Ing. Johannes Dotter** was born in Vienna, Austria, in February 1961. After graduating from the Vienna Technical University, Johannes Dotter worked at Stuang Bau AG as an engineer from 1987, then as site manager, and finally as head of department. After Stuang Bau AG was taken over by the Strabag/Bauholding Group, Johannes Dotter became head of division from 2000. He had worked in the PORR Group since the beginning of 2004 and held a management position in various PORR Group companies.

Johannes Dotter left the Executive Board on February 4th 2011.

**Dipl.-Ing. J. Johannes Wenkenbach**, born on February 26th 1957 in the Hague, Holland, began his career at the Dutch construction company »Ballast Nedam Groep« after graduating from Delft Technical University. He has built up his operating expertise in the construction industry throughout his career in various international construction companies such as the »Royal BAM Group« subsidiary, »Wayss & Freitag Ingenieurbau AG«. He has decades of experience in structural engineering, in planning and managing projects, and as a Managing Director and Board Member. In terms of geography, his focus is on the Middle East, South East Asia and Germany. He will press ahead with PORR's knowledge-driven internationalisation strategy.

As of February 1st 2012 J. Johannes Wenkenbach was appointed as a regular Executive Board Member and COO. On the PORR Executive Board he is responsible for Regions 2 (Poland, CEE, SEE) and 3 (International), the Infrastructure division and Purchasing.

**MMag. Christian B. Maier**, born on January 9th 1966 in Judenburg, Austria, graduated in mechanical engineering from HTBL Kapfenberg, a secondary industrial college, before going on to study geology and business administration in Vienna. His career led him to Creditanstalt and Bank Austria before moving to Unternehmensinvest AG. In 2003 Christian B. Maier took up the post of CFO at Constantia Industries where he played a key role in the company's success. Since 2012 he has brought his 14 years of Executive Board experience to PORR's management team.

As of February 1st 2012 Christian B. Maier took up his post as a regular Executive Board Member and CFO. On the PORR Executive Board he is responsible for the areas of Group Management, Risk Management/ICS, Accounting, Controlling, Treasury/Insurance, Tax and IT as well as the commercial divisions of the regions and sectors.

The members of the Group's Executive Board each fulfil the following additional functions on Supervisory Boards or comparable positions in (non-consolidated) domestic and foreign companies:

**Karl-Heinz Strauss**

Supervisory Board Member of:  
DATAX HandelsgmbH  
KAPSCH-Group Beteiligungs GmbH  
Kapsch Aktiengesellschaft

**Christian B. Maier**

Supervisory Board Member of:  
Rath AG  
Raiffeisenbank Knittelfeld eGen

- ① The Supervisory Board Members are appointed by the Annual General Meeting until the end of the Annual General Meeting which will rule on the fiscal year 2013.
- ② Friedrich Kadrnoska was previously a member of the Supervisory Board from 16.3.2000 to 28.6.2001.

## The Group's Supervisory Board

The Group's Supervisory Board is composed of members appointed at the Annual General Meeting and appointed in line with Article 110 of the Labour Constitutional Act. As specified in the PORR AG Articles of Association, the number of members appointed by the AGM must be at least three and not more than twelve. The Group's Supervisory Board currently consists of ten members appointed by the AGM and five further members appointed by the Works Council.

The Supervisory Board Members – as long as their function is not specified for a shorter period – are appointed until the end of the Annual General Meeting which rules on the approval of the Supervisory Board for the fourth business year after the initial election. The business year in which the Supervisory Board Member was appointed does not count towards this four-year term. Should an elected Supervisory Board Member decline to accept the post, or should he/she leave the Board in the course of the year, there is no need for a replacement to be found, as long as there are at least three appointed members on the Supervisory Board. Members appointed as a replacement only serve for the remainder of the term which the previous member would have served.

Every Supervisory Board Member can be relieved from his/her post with a resolution from the Annual General Meeting, which requires a simple majority. Every member of the Supervisory Board can resign from his/her post following a three-month notice period upon a written declaration to the Chairman of the Supervisory Board.

Once a year following the Annual General Meeting, the Supervisory Board elects a Chairman and one or more Deputies from among its members. If the Chairman or one of the elected Deputies withdraws from his/her post, the Supervisory Board must immediately hold a new election to appoint a successor.

As laid out in the Articles of Association, the Supervisory Board is quorate when at least three appointed members are present. The Supervisory Board passes resolutions via a simple majority of the members present. If the vote is tied, the Chairman has the casting vote. The method of voting is determined by the Chairman. The Supervisory Board convenes at least four times per fiscal year, whereby the meetings should be held once a quarter.

In the 2011 business year the Supervisory Board held six regular and one extraordinary Supervisory Board meeting.

## Composition of the Supervisory Board

The following table shows the current members of the Supervisory Board, their date of birth, their position, the date of their first appointment to the Supervisory Board as well as the probable end of their time in office:

**Klaus Ortner** (d.o.b. 26.6.1944)  
*Chairman of the Supervisory Board*  
 since 9.6.2011, Deputy Chairman of the Supervisory Board until 9.6.2011, Member since 30.7.1998, appointed until AGM 2014<sup>①</sup>

**Friedrich Kadrnoska** (d.o.b. 28.6.1951)  
*Deputy Chairman of the Supervisory Board*  
 since 9.6.2011, Chairman of the Supervisory Board until 9.6.2011, Member since 24.5.2007<sup>②</sup>, appointed until AGM 2014<sup>①</sup>

**Nematollah Farrokhnia** (d.o.b. 8.8.1946)  
*Member*  
 Member since 27.5.2010, appointed until AGM 2014<sup>①</sup>

**Michael Junghans** (d.o.b. 6.7.1967)  
*Member*  
 Member since 27.5.2010, appointed until AGM 2014<sup>①</sup>



**Martin Krajcsir** (d.o.b. 11.5.1963)

*Member*

Member since 24.6.2004,  
appointed until AGM 2014<sup>②</sup>

**Walter Lederer** (d.o.b. 24.10.1961)

*Member*

Member since 27.6.2002,  
appointed until AGM 2014<sup>②</sup>

**Iris Ortner** (d.o.b. 31.8.1974)

*Member*

Member since 27.5.2010,  
appointed until AGM 2014<sup>②</sup>

**Wolfgang Reithofer** (d.o.b. 30.12.1948)

*Member*

Member since 27.5.2010,  
appointed until AGM 2014<sup>②</sup>

**Karl Samstag** (d.o.b. 3.12.1944)

*Member*

Member since 16.9.1992,  
appointed until AGM 2014<sup>②</sup>

**Thomas Winischhofer** (d.o.b. 26.5.1970)

*Member*

Member since 29.5.2008,  
appointed until AGM 2014<sup>②</sup>

**Peter Grandits**<sup>③</sup> (d.o.b. 9.12.1959)

*Member*

Member since 13.9.2001, appointed until n/a

**Walter Huber**<sup>④</sup> (d.o.b. 7.6.1955)

*Member*

Member since 1.7.2010<sup>⑤</sup>, appointed until n/a

**Walter Jenny**<sup>⑥</sup> (d.o.b. 12.12.1954)

*Member*

Member since 1.9.2005, appointed until n/a

**Michael Kaincz**<sup>③</sup> (d.o.b. 31.1.1960)

*Member*

Member since 9.6.2011, appointed until n/a

**Michael Tomitz**<sup>③</sup> (d.o.b. 4.1.1961)

*Member*

Member since 9.6.2011, appointed until n/a

**Johann Karner**<sup>③</sup> (d.o.b. 28.7.1950)

*Member*

Member since 26.6.2003,  
appointed until 9.6.2011<sup>⑤</sup>

**Albert Stranzl**<sup>③</sup> (d.o.b. 25.7.1953)

*Member*

Member since 20.5.2009,  
appointed until 9.6.2011<sup>⑤</sup>

The members of the Group's Supervisory Board each fulfil the following additional functions on Supervisory Boards or comparable positions in (non-consolidated) domestic and foreign companies:

**Klaus Ortner**

*Chairman*

—Supervisory Board Chairman of: ELIN GmbH

**Friedrich Kadmoska**

*Deputy Chairman*

—Supervisory Board Chairman of:

CEESEG Aktiengesellschaft

Österreichisches Verkehrsbüro Aktiengesellschaft

Wienerberger AG

Wiener Börse AG

—Supervisory Board Member of:

card complete Service Bank AG

—Deputy Chairman of the Administrative Board of:

conwert Immobilien Invest SE (until 20.5.2011)

—Member of the Administrative Board of:

Wiener Privatbank SE

—Director of UniCredito Italiano

<sup>②</sup>The Supervisory Board Members are appointed by the Annual General Meeting until the end of the Annual General Meeting which will rule on the fiscal year 2013.  
<sup>③</sup>Appointed by the Works Council  
<sup>④</sup>Walter Huber was previously a Supervisory Board Member from 13.9.2001 to 20.5.2009  
<sup>⑤</sup>Date of leaving the Board

**Michael Junghans**

- Supervisory Board Chairman of:  
Asset Invest AG  
Lenzing Aktiengesellschaft
- Deputy Supervisory Board Chairman of:  
Semperit Aktiengesellschaft Holding

**Martin Krajcsir**

- Supervisory Board Chairman of:  
WIENER STADTWERKE  
Finanzierungs-Services GmbH
- First Deputy Supervisory Board Chairman of:  
Immobilienentwicklung  
WIENER STADTWERKE  
BMG & STC Swiss Town Consult  
Aktiengesellschaft  
WIENER STADTWERKE  
Beteiligungsmanagement GmbH
- Deputy Supervisory Board Chairman of:  
Aktiengesellschaft der Wiener Lokalbahnen  
FRIEDHÖFE WIEN GmbH  
Gemeinnützige Wohnungs- und Siedlungs-  
gesellschaft der Wiener Stadtwerke  
Gesellschaft m.b.H.  
Wiener Lokalbahnen Cargo GmbH
- Supervisory Board Member of:  
WIEN ENERGIE GmbH

**Walter Lederer**

- Deputy Supervisory Board Chairman:  
Asset Invest AG
- Supervisory Board Member of:  
Lenzing Aktiengesellschaft  
UBM Realitätenentwicklung Aktiengesellschaft  
VA Intertrading Aktiengesellschaft

**Iris Ortner**

- Supervisory Board Member of:  
UBM Realitätenentwicklung Aktiengesellschaft  
TKT Engineering Sp. z o.o.  
ELIN GmbH

**Wolfgang Reithofer**

- Supervisory Board Member of:  
Asamer Holding AG

**Karl Samstag**

- Supervisory Board Chairman of:  
Bank Austria Wohnbaubank AG
- Deputy Supervisory Board Chairman:  
Signa Property Funds Holding AG
- Supervisory Board Member of:  
Bank für Tirol und Vorarlberg Aktiengesellschaft  
BKS Bank AG  
Handl Tyrol Beteiligung GmbH  
Signa Prime Selection AG  
Oberbank AG  
Österreichisches Verkehrsbüro  
Aktiengesellschaft  
SCHOELLER-BLECKMANN OILFIELD  
EQUIPMENT Aktiengesellschaft  
UniCredit Bank Austria AG  
VAMED Aktiengesellschaft

**Thomas Winischhofer**

- Supervisory Board Member of:  
TKT Engineering Sp. z o.o.

**Audit committee, staff committee,  
strategy committee**

The Articles of Association stipulate that the Supervisory Board can form committees made up of its members. The Supervisory Board formed an audit committee, a staff committee and a strategy committee.

The Supervisory Board formed an audit committee, composed of the following Supervisory Board members: Klaus Ortner, Friedrich Kadrnoska, Michael Junghans (since February 24th 2011), Karl Samstag, Thomas Winischhofer (since February 24th 2011), Peter Grandits, Walter Huber (since February 24th 2011), Johann Karner (until June 9th 2011) and Michael Tomitz (since June 9th 2011).

Karl Samstag executed the function of financial expert as per Article 92 Section 4a of the Stock Corporation Act. The responsibilities of the audit committee include (i) monitoring the financial reporting process; (ii) monitoring the effectiveness of the internal control system, the internal revision system and the Group's risk management system; (iii) monitoring the auditing of the individual and consolidated financial statements; (iv) assessing and monitoring the independence of the chartered auditors, in particular as regards any additional services they may have provided to the company; (v) assessing the annual financial statements and preparing for their approval, assessing the proposal for appropriation of profits, the management report and the Corporate Governance report as well as reporting on the audit findings to the Supervisory Board; (vi) assessing the consolidated financial statements and the Group management report as well as reporting back to the Supervisory Board of the parent on the audit findings; (vii) preparing the Supervisory Board's recommendation on the choice of auditor. On April 27th 2011 a meeting of the audit committee was held in the presence of the auditors for the purpose of auditing and preparing the approval of the 2010 consolidated financial statements. Further meetings of the audit committee were held on October 20th 2011, also in the presence of the auditors, as well as on December 1st 2011; the purpose of these meetings was monitoring the financial reporting process, evaluating the effectiveness of the internal control system, the internal revision system and risk management within the Group.

The Supervisory Board formed a staff committee consisting of the Supervisory Board Members Klaus Ortner, Friedrich Kadrnoska and Michael Junghans (since December 1st 2011). The staff committee addresses human resource issues concerning the Group's Executive Board Members. In 2011 the staff committee dealt with contractual stipulations regarding the changes to the Executive Board.

The strategy committee is composed of the Supervisory Board Members Klaus Ortner, Friedrich Kadrnoska and Peter Grandits and was newly formed in 2011.

### Positive action for women

Female managers at various levels of the organisation, division heads, female authorised signatories and a female member of the Supervisory Board have been active in the PORR Group for many years.

Positive action for women at every level of the hierarchy poses a particular challenge for the PORR Group. The traditionally low percentage of women in the construction industry is seen as the main barrier to the future appointment of female managers in top positions. PORR is supporting measures such as the »Vienna Daughters' Day«, the »Apprenticeship Day« and the »HTL4girls« project, in order to encourage girls and women towards technical professions and those in the construction industry, whether this be as trade apprentices, commercial trainees or in graduate jobs. The goal is to make the male-dominated construction sector more attractive to women.

With regard to recruiting managers, the company's focus lies in finding appropriate female candidates. The first signs of this strategy's success can already be seen in the continuous increase in the percentage of women at management level. A further measure involves an increase in attending graduate career fairs and alerting female graduates to the attractive opportunities offered by the construction industry. The increase in the share of women in operational units should lead to a reservoir of qualified women which can also supply the top management level in the medium term.





# SUPERVISORY BOARD REPORT

The year 2011 was characterised by great changes on the global economy which also had a significant impact on the construction industry. Gains in the first two quarters, along with the optimistic predictions that the crisis may have finally been overcome, slowed down from the middle of the year. PORR experienced conflicting developments during the business year. Growth in production output and, even more importantly, in order bookings such as Stuttgart 21, signifies optimism for the coming years. Furthermore the Group's reorganisation progressed as planned last year. In the course of the reorganisation the Supervisory Board also reshaped the Executive Board with effect from February 1st 2012 and appointed two experienced experts from the construction sector – Christian B. Maier (CFO) and J. Johannes Wenkenbach (COO).

However, in 2011 PORR also faced the challenge of reacting appropriately to the uncertain economic policy situation on some of the core markets, especially Hungary. Recovering outstanding receivables became progressively more difficult. In view of these open receivables and receivables which have not been recovered to date from large-scale projects in Eastern Europe which had been either fully or partially completed, PORR recorded significant write-downs on the affected receivables for the 2011 business year, which led to a corresponding decrease in earnings.

The Supervisory Board has actively encouraged and supported the company's development in keeping with the responsibilities assigned to it. The Supervisory Board has been kept constantly informed of full details of the development of the business and financial position of the Group and its shareholdings, of staff and planning matters and of investment and acquisition projects through spoken and written reports from the Executive Board, and the latter has discussed strategy, business development and risk management with the Supervisory Board. In a total of seven meetings, the Supervisory

Board passed the relevant resolutions that were required. The necessary approval for the transactions for which consent is required under Article 95 Section 5 of the Stock Corporation Act and/or pursuant to the rules of procedure for the Executive Board was obtained; in urgent cases, written voting was used for authorisation of this nature. The average level of attendance at Supervisory Board meetings on the part of the members that had been elected by the AGM was 90.0%.

The Supervisory Board formed an audit committee, composed of the following Supervisory Board members: Klaus Ortner, Friedrich Kadrnoska, Michael Junghans (since February 24th 2011), Karl Samstag, Thomas Winischhofer (since February 24th 2011), Peter Grandits, Walter Huber (since February 24th 2011), Johann Karner (until June 9th 2011) and Michael Tomitz (since June 9th 2011). On April 27th 2011, a meeting of the audit committee was held in the presence of the auditors, for the purpose of auditing the 2010 financial statements and preparing them for adoption. Further meetings of the audit committee were held on October 20th 2011, also in the presence of the auditors, as well as on December 1st 2011; the purpose of these meetings was monitoring the financial reporting process, evaluating the effectiveness of the internal control system, the internal revision system and risk management within the Group. The Supervisory Board also formed a staff committee consisting of the Supervisory Board Members Klaus Ortner, Friedrich Kadrnoska and Michael Junghans (since December 1st 2011), as well as a strategy committee composed of Klaus Ortner, Friedrich Kadrnoska and Peter Grandits.

The annual financial statements of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft as per December 31st 2011, including the notes to the consolidated financial statements and the management report, and the consolidated financial statements that had been prepared as of December 31st 2011

in accordance with International Financial Reporting Standards (IFRS) and the Group management report, were jointly audited by Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna and BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna. The audit, based on the bookkeeping and documentation of the company as well as the explanations and documentation provided by the Executive Board, revealed that the bookkeeping records and the annual financial statements and consolidated accounts complied with the legal requirements and provided no cause for complaint. The Group report and management report accord with the annual and consolidated financial statements. The aforementioned audit companies have therefore issued an unqualified audit opinion for the annual and consolidated financial statements.

The audit reports prepared by the auditors and the Corporate Governance Report were dealt with in detail with the auditors on April 26th 2012 in the audit committee and were submitted to the Supervisory Board. The loss recorded for the business year 2011 is covered by the release of revenue reserves following deduction of retained earnings brought forward from the 2010 consolidated financial accounts. The balance sheet result therefore amounts to EUR 0. The Executive Board proposes not to pay a dividend and/or a share of retained earnings to the holders of capital share certificates for the 2011 business year. The audit committee and the Supervisory Board approved the annual financial statements as of December 31st 2011 and the Group management report, the Corporate Governance Report and the proposal of the Executive Board regarding the appropriation of earnings following intensive discussion and auditing. The annual financial statements as of December 31st 2011 have thus been adopted. The audit committee and the Supervisory Board also approved the consolidated accounts for 2011 that had been prepared in accordance with IFRS and the Group management report. The Supervisory Board agreed with the proposal of

the Executive Board regarding the appropriation of earnings.

The Supervisory Board thanks customers and shareholders for the confidence they have placed in PORR and their commitment to the company, as well as the Executive Board and staff for the dedication they have demonstrated over the past year and the constructive collaboration it has enjoyed with them.

April 2012, Vienna  
Klaus Ortner  
Chairman of the Supervisory Board

# PORR MANAGEMENT REPORT 2011

# Management Report

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# GENERAL ECONOMIC ENVIRONMENT

## **Pronounced downward trend for global economy in 2011**

Developments on the global economy varied greatly in 2011. An optimistic outlook predominated at the beginning of the year and experts had finally forecast a recovery for the real economy after the years of economic crisis. However, this mood was considerably muted in spring and the loss of the USA's triple-A rating in July and August meant that not much remained of the positive atmosphere. As the year progressed, forecasts were sharply revised downwards with the deepening of the debt crisis in Europe and the USA.

The growth which was seen in almost all industrial countries, as well as emerging and developing nations, began to slow from the second quarter onwards. Japan's development was hampered by the impacts of the reconstruction following the earthquake and nuclear disaster. Overall Japan remained in crisis, with negative GDP growth of -1.0%. Although the loss of its top rating meant that the USA had to revise economic growth forecasts downwards, it profited from traditionally strong consumer spending and managed to achieve GDP growth of 1.6% for the year as a whole. China's meteoric economic growth also appeared to slow down somewhat. Following a strong third quarter, economic experts predict a slight economic dip which could last until 2013. With a growth rate of 9.5%, China grew by almost 1% less than in 2010, while a decrease to 8.2% has been forecast for 2012.

Europe's economic growth was dominated by the debt crisis and the numerous rating downgrades of most eurozone countries, with pronounced effects taking hold from the summer at the latest. In the reporting period average GDP growth amounted to 1.7%, although this was first and foremost due to the general catch-up potential of Eastern European countries as well as Germany's strong individual showing.

As was the trend with the global economy in general, Austria also experienced a significant slowdown following a strong first quarter. However, with growth of 3.2%, it was one of the better performers within Europe. This was due in no small part to the good performance of Germany, Austria's most important trade partner by far.

## **Debt crisis threatens to spread to the real economy once again**

The debt crisis in Europe and the USA severely shook investor confidence in a sustainable recovery. Experts now predict that the marked slowdown in the global economy which set in from summer 2011 will also continue in 2012. The strained financial situation in many EU countries is forcing governments to adopt restrictive measures to reduce spending.

Countries with high levels of debt such as Greece, Portugal, Spain, Ireland, Italy, France and Belgium were particularly affected along with countries such as Austria and the Netherlands, which have below-average government debt compared to the rest of the eurozone. The rating agencies took this as a reason to downgrade the majority of the eurozone countries in January 2012. Standard & Poor's took away the top rating for Austria and France, while Italy, Spain, Portugal, Slovakia and Slovenia were also downgraded.

## **CEE/SEE markets with extremely limited growth**

Even though the markets in Eastern and South Eastern Europe underwent varied regional developments in 2011, most of the countries continued to display structural problems which are hampering long-term recovery. Average GDP growth amounted to 2.7% in 2011, a figure significantly lower than Germany's. Furthermore, Poland, the region's largest economy, continued to act as an economic driver and its growth rate of 4.0% was responsible for

### Economic development indicators in 2011

in %	Growth rate real-terms GDP	Inflation rate (HVPI basis)	Unemployment rate (seasonably adjusted)
European Union	+1.6	+3.1	9.9
Eurozone	+1.5	+2.7	10.4
Austria	+2.9	+3.6	4.1
Germany	+3.0	+2.5	5.5
Switzerland	+1.7	+0.1	3.1
Poland	+4.0	+3.9	9.9
Slovakia	+2.9	+4.1	13.4
Czech Republic	+1.8	+2.1	6.8
Hungary	+1.4	+3.9	10.9
Romania	+1.7	+5.8	7.0

Source: Eurostat

a significant share of the region's growth. Hungary continued to be the worst performer. The country is facing tremendous economic challenges and its GDP growth of 1.4% did not come close to the growth of its neighbours. For 2012 experts have even predicted a renewed slump into recession.

According to Bank Austria Research, CEE/SEE continues to be highly dependent on developments in the eurozone. Weaker growth in Western and Central Europe led to lower foreign demand for CEE exports. In the same way that uncertainties in the EU triggered a sharp increase in global risk aversion and put the brakes on capital flows to emerging nations, the CEE region also reported a significant decrease in cash inflow from its main contributors over the last quarters. In addition the European banking sector is facing a comprehensive deleveraging process, which could lead to capital being moved out of the region. An upsurge in the Western EU countries is expected from 2013 and is likely to have a positive impact on Eastern Europe.

# DEVELOPMENTS IN THE CONSTRUCTION INDUSTRY

## Crisis continues to impact construction industry

Global economic turbulence also affected the construction industry in 2011. Limited room for manoeuvre within the budgets of public contracting authorities and the related postponement or cancellation of investments in infrastructure projects had a direct impact on the situation for construction companies. Against this backdrop, in the middle of the year experts from Euroconstruct significantly downgraded their positive forecasts for the year 2011 as a whole. Previously expected recovery for the construction industry was postponed by at least a year.

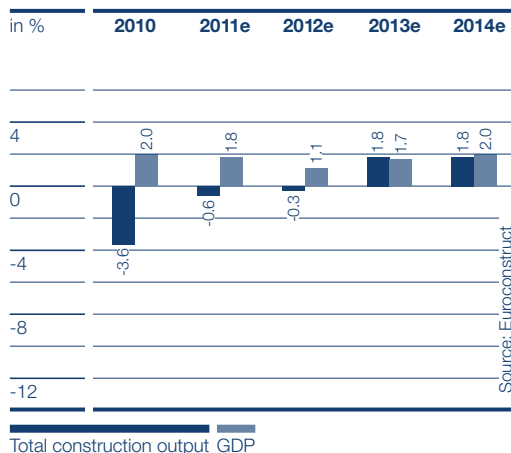
The development of European construction output approached the meagre levels of the previous years and fell for the fourth year in a row, although the decrease of -0.6% was less pronounced than in 2009 and 2010. That said, the fall was sharper than had originally been predicted. Experts had forecast stagnation for the year as a whole, while a return to pre-crisis growth had been predicted

for 2012. Current studies contradict this and a renewed decrease is also expected for 2012. Recovery is not expected to set in until 2013 at the earliest, at which point the construction industry's growth rates could equal GDP growth, after lagging behind for several years.

## Loss of confidence is the construction industry's greatest problem

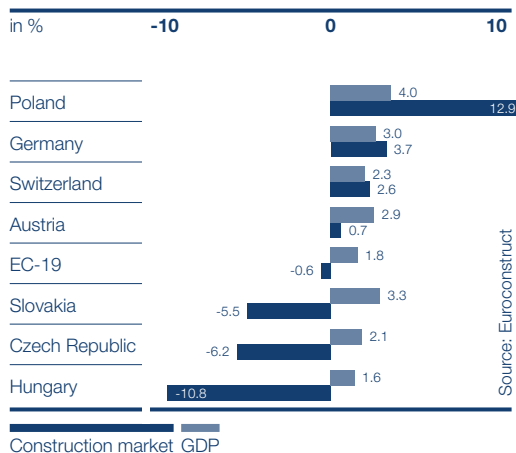
Turbulence in the worldwide financial centres affects the construction industry to an extent hardly felt by any other sector, owing to the enormous loss of confidence. Regaining the loss of trust and investor confidence is a huge challenge for the construction industry. This can be traced back to two factors in particular: one is the high vacancy rates on commercial properties, which brought private investment to a standstill in many parts of Europe. The second factor is that this shortfall cannot be compensated for by public investment as governments must deal with debt levels through restrictive cuts in spending.

Comparison of construction output and GDP in Euroconstruct countries



EC-19 = Euroconstruct Countries: D, A, CH, CZ, HU, PL, SK, B, NL, DK, FIN, F, I, IRE, N, P, E, S, UK

Comparison of GDP and construction output 2011



This lack of confidence was exacerbated by the variation in developments in 2011. At the start of the year the mild winter, combined with the impact of the stimulus packages agreed at the height of the crisis, had a positive impact on construction output. However, a significant decrease in output in the middle of the year led to increasing apprehension, which turned to resignation when the resurgence expected in summer failed to materialise.

### Strong regional differences on the construction markets

In 2011 the trend towards high variation within the European construction market became even more pronounced. High growth rates, for example in Poland or Norway, stood in contrast to dramatic falls in Spain, Ireland or Hungary. It was also striking to see that a range of countries had to battle with higher decreases in 2011 than in the previous years, including Great Britain, Portugal and Slovakia.

PORR's core markets in Eastern and South Eastern Europe continued to face major challenges last year. Although the region as a whole recorded growth, this was almost exclusively accounted for by the ongoing construction boom in Poland. In contrast, Hungary and Slovakia, but also PORR's home market of the Czech Republic, had to accept renewed decreases in construction volumes. There is no recovery in sight in the case of Hungary, even in the medium term. The construction markets in this region continue to suffer from structural problems and are particularly susceptible to public cost-cutting measures, which will continue to define the economy in the coming years owing to the prevailing debt crisis. On the other hand, the home markets of Germany and Switzerland performed well, with growth recorded in both countries. Strong credit ratings and the stable order situation ensure that these markets remain very attractive.

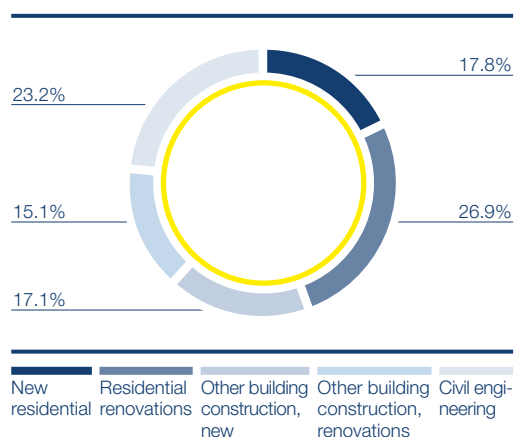
### Austria experiences slight recovery

A bottoming out was observed in the Austrian construction industry as early as 2010. Even though the past year was still overshadowed by the crisis, it was still possible to see a slight recovery. With mod-

erate growth of 0.7%, there was a turnaround from the recessive trend of 2010 (-2.9%). Euroconstruct predicts that this will continue in the coming years up to 2014, with modest but stable growth of almost 1.0% per year. The trend in Austria conspicuously resembles that on the Dutch market, although in contrast to the Netherlands it displays a more positive dynamic in some sub-segments. For example, in addition to an increase in renovation investments, opportunities are also expected in industrial construction in particular.

Uncertainty remains as to the extent in which the necessary budget consolidation will have a negative impact on further investment activities by the public sector. While Austria has below-average debt levels in comparison with the rest of Europe, the loss of the top rating in January 2012 is compelling the government to undertake new austerity measures. One key factor for the Austrian construction industry will be whether the planned cuts will also affect the previously announced infrastructure investments. Postponements or cancellations could also have a negative impact on developments in the economy as a whole.

### Structure of the European construction market in 2011





# DEVELOPMENTS IN THE REAL ESTATE INDUSTRY

## Significant slowdown over the course of the year

Developments in the real estate industry were almost identical to developments in the general economy in 2011. The year began with strong growth trends which pointed to a continuation of the surge which began in 2010. The positive outlook had come to an end at the latest by the time of the earthquake and nuclear disaster in Japan. Growth slowed down towards the middle of the year. The increase in oil prices and food prices in the course of the »Arab Spring« had a rapid and direct impact on consumer confidence in the USA. The deepening debt crisis in the USA, and even more so in the EU, was an additional factor.

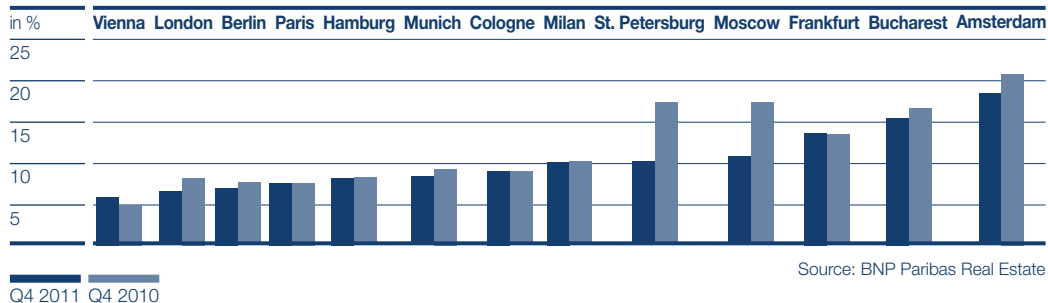
The debt crisis and the knock-on effect of loss of confidence together with a noticeable increase in lending rates had a significant impact on investment appetites. Consequently, the positive trend in property purchases – with the exception of residential properties in top locations – came to an end on both sides of the Atlantic. Investment volumes from institutional investors fell from the second half of 2011 for the first time since mid 2009. According to BNP Paribas Research, activities slowed significantly, particularly on the office markets, whereby London reported particularly pronounced decreases.

The lower demand experienced by landlords also led to the revaluation of their property portfolios. Despite a good start to the year, weaker demand in the second half resulted in only slight growth of 2.0% for the whole year 2011.

## Development in office properties similar to 2010

According to BNP Paribas Research, turnover from office space on Western Europe's nine most important office markets remained stable in 2011 in comparison to the previous year, as the strong figures from the first two quarters were largely balanced out over the course of the year. Continuing rises in demand were observed in German cities, while in contrast London and Paris only benefited from a few larger deals and overall they remained at similar levels to the previous year. Average vacancy rates in Europe's most important major cities continued to display a slight downwards tendency, with the exception of Milan. The reason for this development is the decrease in space with immediate availability. Top rents were extremely volatile over the year as a whole, however they then stabilised in the second half and ended with slight increases overall, with the exception of Brussels and Madrid. In the CEE/SEE region the crisis of the past years prevented an increase in office rental prices to the levels of

## Vacancy rates of office properties in Europe



Western Europe. Eight cities in this region continue to find themselves in the top twelve cities in Europe with the lowest rent per square metre.

#### **Top locations enjoy high demand among residential properties**

While general risk aversion had a marked effect on office property, the market benefited from an increase in transaction volumes generated by residential properties. Investors worldwide were looking for investment opportunities in this sector and top locations enjoyed particularly high demand. In Germany investments in residential property in 2011 shot up by 59.0% to EUR 5.97bn, with an average price per square metre of EUR 780. In contrast to the years of economic stability, there was a pronounced difference in the investment structure. Almost 43% of investments concerned purchases under EUR 10m, i.e. small investors, who see residential property as a safe investment. The high percentage also however highlights the difficulties institutional investors face in securing affordable credit. As an end to economic uncertainty is not currently in sight, experts are again expecting a boom in residential property for the coming year, despite the high growth rates in 2011.

#### **Variation in retail property developments**

In the retail property sector the negative impact of the crisis and the related sharp fall in consumer spending was seen in Europe, albeit to varying degrees. Growth in British department store properties continued to perform at a very low level and experts do not foresee a recovery before 2013. Even the Olympic Games in London have not had a positive impact, in 2011 department stores generated only a third of the revenue they had achieved in 2008.

In France it was possible to stop the negative trend in 2011 and a return to stable growth rates has been forecast for the coming years. The German market

continued to develop well, with another increase in 2011, both in new construction and in renovations of existing properties. Almost 200,000m<sup>2</sup> was newly built last year.

#### **Hopes of economic recovery in 2012**

The real estate industry remains highly dependent on the performance of the global economy. 2011 once again highlighted how rapidly optimistic expectations can turn to resignation. Therefore long-term property investments will find it hard to secure financing once again in 2012. That said, many factors allow for an optimistic outlook in the meantime. Here the improvement in vacancy rates as well as the development of top returns clearly point to a recovery for the sector. However, the conditions prevailing and the experiences from the year 2011 make it difficult to produce a detailed evaluation of the future developments on the real estate industry. After all, the past years have shown that there are niche opportunities in the property market, despite the crisis.

# DEVELOPMENT OF OUTPUT

## Definition of production output

PORR's production output is determined from the proportional construction output of all companies in which PORR has a direct or indirect interest, as well as from the proportional output of joint ventures involving any one of the PORR Group companies, reconciled pursuant to commercial criteria. As opposed to the gross revenues reported in the consolidated income statement, the output of joint ventures on the one hand and the output of all Group companies on the other hand – regardless of their form of inclusion in the consolidated accounts (fully consolidated, at equity or those of minor significance) – are included proportionately in the calculation of production output.

## Output sees renewed increase in 2011

In 2011 PORR managed to put a stop to the negative trend of the two previous years, thereby reporting an increase in production output for the first time since 2008. The output of the PORR Group reached EUR 2,905.6m, equivalent to a rise of 2.8% or EUR 79.6m against the previous year. The Group's growth in production output was higher than the European average, which Euroconstruct calculated as -0.6%.

PORR counteracted the 2011 crisis with a strategic concentration on the home markets of Germany, Austria, Switzerland and Poland. While it was true that the public sector was also undertaking consolidation measures in these countries, the austerity measures were less restrictive than those on most of the core markets. As a reaction to the crisis in Eastern Europe, the previously announced flexible approach to differing market developments was realised consistently. This also included the temporary withdrawal from individual markets such as Croatia, where PORR is currently only involved in project development.

PORR's operating segments developed at differing rates against the backdrop of the crisis. While

Region 1 continued to benefit from the robust economies on the home markets of Austria, Germany and Switzerland, highly disparate developments were observed on the home and core markets in Region 2. The Infrastructure sector continued to profit from the numerous ongoing large-scale projects. In contrast, the Environmental Engineering sector was affected by the conclusion of individual projects, with follow-up projects not set to enter the construction phase until 2012.

## Development of production output by region and sector

Production output in Region 1 rose to EUR 1,635.5m, representing an increase of 2.2% or EUR 35.8m. Slight differences were observed between building construction and civil engineering and the lack of budgetary resources among local authorities presented a challenge to civil engineering in particular. Despite the renewed deepening of the debt crisis and a noticeable increase in competition, Austria, Germany and Switzerland remained very attractive thanks to their stability and strong credit standing. The Austrian market developed particularly well. With domestic production output of EUR 1,822.2m across all sectors in 2011, it was possible to achieve pre-crisis levels following the difficulties of the previous years.

2011 developments in Region 2 were highly disparate. The production output generated of EUR 426.3m represented a decrease of 8.4% or EUR 39.3m. While there was evidence of massive potential in Poland in both building construction and civil engineering, the situation in Hungary and Slovakia worsened. Both countries are battling severe structural problems and no growth trend seems likely in the short term. In the SEE region the increases in Serbia and Romania are particularly noteworthy. PORR also managed to achieve increases in building construction in both of these countries, showing that growth is no longer limited to the infrastructure sector.

In the Infrastructure segment production output of EUR 514.2m was achieved, an increase of 3.7% or EUR 18.3m. High increases were recorded in Germany, Serbia and Romania. In Austria production output declined slightly owing to the major projects which were completed in the previous year. The projects which were newly acquired in 2011, such as the Freistadt S10 Bypass, will first have an impact on output in 2012.

The Environmental Engineering segment generated output of EUR 70.4m, equivalent to a decrease of 20.7% or EUR 18.4m. The smallest PORR Group sector currently carries out most of its work in Austria, Serbia and Germany and is highly dependent on individual large-scale projects. Despite the decrease, growth in order bookings suggests that cautious optimism for the future is not misplaced.

In the Development segment output of EUR 259.2m was generated in 2011. This represented an increase of 47.3% or EUR 83.2m, attributable in particular to Austria, Germany and Switzerland.

#### Development of production output on the home markets

##### Austria

in EUR m	500	1,000	1,500	2,000
2011				1,822.2
2010				1,774.5
2009				1,787.5
2008				1,861.1

##### Germany

in EUR m	50	100	150	200	250	300
2011					253.5	
2010					241.1	
2009					260.7	
2008					262.2	

##### Poland

in EUR m	50	100	150	200	250	300
2011					236.3	
2010					216.2	
2009			159.2			
2008					242.9	

##### Switzerland

in EUR m	50	100	150	200	250	300
2011		85.1				
2010		64.9				
2009		56.9				
2008		54.8				

##### Czech Republic

in EUR m	50	100	150	200	250	300
2011			141.4			
2010				185.7		
2009				171.0		
2008					238.0	



# ORDER BALANCE

Despite the difficult economic backdrop, the PORR order backlog showed positive developments in the last business year, although there was high regional variation. Certain core markets in Eastern Europe such as Hungary and Slovakia continued to battle particularly difficult problems. Differences could also be seen between the areas of civil engineering and building construction. The limited budgetary scope of provinces and local authorities had an impact on public procurement. It may be premature to talk about a general economic recovery in the construction sector merely based on the company's solid order backlog, nevertheless, the recovery in order bookings is a positive signal for PORR and a testament to the corporate strategy.

## Order backlog

### Increase in order backlog in 2011

Growth in the order backlog was achieved once again in the past business year. Following a fall in the same period 2010, the order backlog amounted to EUR 2,764.2m as at December 31st 2011, representing an increase of 12.9% or EUR 315.3m. With the exception of Region 2 and the Development segment, all operating units recorded an increase, particularly pronounced in the infrastructure sector with two spectacular new orders for German rail construction.

### Home markets show overall growth

Overall the home markets developed well with regard to the order backlog. The countries responsible for this were Austria and Germany. Growth in the infrastructure sector was a key factor in the positive order books in both of these countries. The order backlog shrank in Switzerland and Poland, but this was due in no small part to the increase in production output. The order backlogs in both of these home markets continue to be high. The order backlog in the Czech Republic saw a renewed decline, with the government's austerity

measures having a negative effect on orders in the civil engineering sector. However, the positive trend in order bookings in the Czech Republic is grounds for optimism.

### Order backlog declines on core markets

In 2011 the order backlog on almost all of the core markets in Eastern and South Eastern Europe slipped back. The exception to this pattern was Bulgaria, where a significant order backlog was generated for the first time since entering this market. In the markets in the region which are most important for PORR, such as Serbia and Romania, the decrease was mainly due to working off large-scale projects. Examples include the »Sava Bridge«, which opened to traffic on schedule at the turn of the year, or the Romanian projects » Arad Bypass« and »Campina-Predeal railway line«. Construction work is also progressing well on the large-scale project in Albania, the »Ashta power plant«. As a consequence of the rapid execution of this project, the order backlog is declining accordingly.

## Order bookings

### Acquisitions lead to significant rise in order bookings

Order bookings in 2011 were dominated by the acquisition of several sensational construction projects, particularly in the infrastructure sector. By December 31st 2011 order bookings had reached EUR 3,220.9m, and were therefore 24.3% or EUR 629.8m higher than in 2010. This meant that the last business year came close to the levels achieved in the record-breaking year 2008. With the exception of Region 1, growth was achieved in almost every operating unit, although the infrastructure sector dominated. The slight decrease in Region 1, which also includes large-scale building construction projects, is due to the Tripoli Stadium project. This first successful acquisition in Libya was put on hold by the company in the first quarter 2011 because of the political

situation. While the most recent developments allow hope that the tense situation will ease off, PORR has nonetheless decided to postpone realisation of the project until all issues, particularly those relating to security, can be clarified.

#### Home markets increase sharply

The home markets, with the exception of Switzerland, managed to increase order bookings significantly in 2011. In Austria and Germany the order bookings in railway construction – such as Stuttgart 21 and the Erfurt-Halle high-speed railway line – as well as road and tunnel projects such as the Freistadt S-10 bypass in Upper Austria, were a key factor in the rise. In addition to this, it was possible to exceed the high order bookings in the Greater Vienna area by a significant margin. That is not all, Poland and the Czech Republic also saw growth in order bookings. This was particularly pleasing in the Czech Republic as this country's economy has been the hardest hit in comparison to the rest of the home markets. The decrease in Switzerland was due to a stadium project, for which uncertainty continues to surround the financing.

#### Stable developments on the core markets

Developments in order bookings on the core markets were predominantly stable. The slight decline in Serbia stood in contrast to growth in Romania and Bulgaria. Most of the Eastern and South Eastern European markets involve realising large-scale projects spanning several years, whereby year-on-year fluctuations are not unusual. With the opening of the Sava Bridge on December 31st 2011 it was possible to hand over one of the company's most prestigious projects. Follow-up projects such as the access ramps, which were awarded to PORR in 2011 and are also an endorsement of the technical services already provided, mean that the project will continue in 2012.

### Development of order backlog on the home markets

#### Austria

in EUR m	500	1,000	1,500	2,000
2011			1,467.9	
2010		1,263.8		
2009		1,334.7		
2008		1,233.1		

#### Germany

in EUR m	200	400	600	800
2011			660.6	
2010	219.7			
2009	234.3			
2008	265.0			

#### Poland

in EUR m	100	200	300	400
2011		210.6		
2010		272.9		
2009		335.2		
2008	129.4			

#### Switzerland

in EUR m	50	100	150	200	250	300
2011		106.7				
2010		139.9				
2009		106.9				
2008		122.3				

#### Czech Republic

in EUR m	50	100	150	200	250	300
2011		82.6				
2010		102.5				
2009		176.2				
2008		184.7				

# FINANCIAL PERFORMANCE

## Key figures

in EUR m	2011	2010	2009	2008
Production output	2,905.6	2,826.0	2,877.0	3,182.9
Revenue	2,212.5	2,217.5	2,457.3	2,656.5
EBITDA	8.2	102.8	117.6	127.6
EBIT	-43.1	49.1	64.0	70.9
EBT	-85.7	20.7	36.5	46.7
Consolidated profit/loss	-72.2	16.7	31.0	37.9

### Revenues remain stable

In the 2011 consolidated income statement the PORR Group recorded consolidated revenue of EUR 2,212.5m. This represents a slight year-on-year decrease of 0.2%, although corrections to cost allocations had a negative impact on revenue.

Production output, commonly used in the construction industry as an indicator of size, is determined from the proportional construction output of all companies in which PORR has a direct or indirect interest, as well as from the proportional output of joint ventures in which a Group company participates, reconciled pursuant to commercial criteria. As opposed to the gross revenues reported in the consolidated income statement, the output of joint ventures on the one hand and the output of all Group companies on the other hand – regardless of their form of inclusion in the consolidated accounts (fully consolidated, at equity or those of minor significance) – are included proportionately in the calculation of production output. In 2011 it was possible to increase results from associates by EUR 4.5m to EUR 17.9m. One of the reasons for this was realising project sales in the Development segment. The PORR Group's other operating income rose by EUR 9.3m to EUR 67.2m.

### Expenses hold steady

In terms of expenses, cost of materials and other related production services represent the highest cost factor, as is common to the industry. The amount of these costs is dependent on how many of the services on construction projects are carried out by the Group itself and how many by subcontractors. This cost item increased slightly in 2011 in relation to revenue. Here the individual components showed contrary developments: while expenditure on purchased services decreased once again (-3.4% to EUR 938.5m), expenditure on materials saw a renewed increase of 8.8% to EUR 532.3m. This shows that PORR was able to increase its own services in 2011 and reduce the number of subcontractor services. An additional factor was the high energy and oil prices, particularly bitumen for road construction.

### Slight fall in staff numbers

In 2011 average staffing levels fell by 0.5% against 2010. In contrast, staff expense rose by 5.0% to EUR 583.5m, owing to the factors such as adjustments under collective agreements and the one-off expenses for a social plan. Depreciation, amortisation and impairment expense fell by 4.5% to EUR 51.3m. This item includes EUR 2.8m of impairment expenses.

### Extraordinary expenditure in CEE

Other operating expenses went up by 35.6% to EUR 239.2m. Other operating expenses include legal and consultancy services, office running costs, travel expenses, buildings and land, taxes and duties, advertising and shares of losses linked to orders processed through joint ventures, as well as provisions for losses and penalties. A key factor in the increase in other operating expenses in the last business year was expenditure for impairment on receivables and provisions for losses from CEE countries, primarily from Hungary and Romania.

Overall this resulted in total expenses of EUR 82.0m, which is the main reason why the PORR Group achieved earnings before interest and taxes (EBIT) of EUR -43.1m. Income from other financial investments and current financial assets fell by 62.7% to EUR 2.9m in the year under review. The main reason for this was one-off expenses for participations, which were only partially compensated for by an increase in interest income. The increased need for external financing led to higher financing expense of EUR 45.5m. With EBT of EUR -85.7m there is a consolidated loss of EUR -72.2m after adding tax income primarily derived from deferred taxes.



# FINANCIAL POSITION AND CASH FLOWS

## Total assets decrease

At the closing date December 31st 2011 the PORR Group's total assets amounted to EUR 2,144.5m, representing a decrease of EUR 33.3m, or 1.5%, against the previous year's total of EUR 2,177.9m.

## Increase in non-current assets

Non-current assets totalled EUR 1,184.5m, which was EUR 53.4m or 4.7% higher than the previous year's value. This increase was mainly generated from investments in investment property, in particular for completing or advancing projects which are under development (EUR +41.5m to EUR 407.5m), as well as investments in and earnings from associates (EUR +19.8m to EUR 195.5m). On the other hand, acquisitions carried out in 2011 led to the extension of non-current assets. In comparison to previous years, it was possible to realise modest savings on investments in property, plant and equipment.

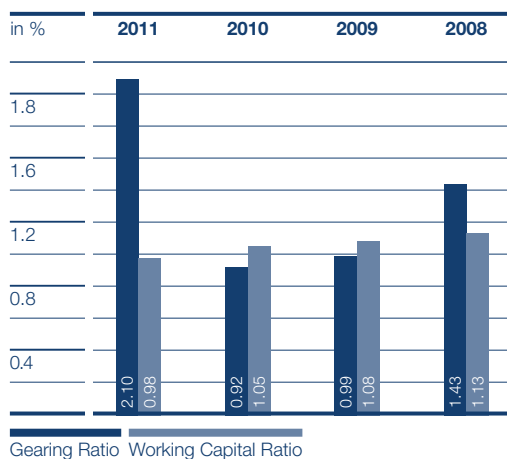
## Level of current assets decreases

The main reason for the decrease in current assets was the higher down payments on construction projects (trade receivables fell by EUR 49.7m to EUR 602.6m), along with a decrease in inventories through the completion of several large-scale projects (EUR -19.2m to EUR 55.1m) and the redemption of a bond, leading to a decrease in cash and cash equivalents of EUR -58.3m to EUR 153.8m. Properties valued at EUR 16.9m which should be sold in 2012 were reclassified as current assets.

## Adjustments to the capital and financing structures

The PORR Group's equity amounted to EUR 303.2m at December 31st 2011. The equity base has therefore declined significantly against the previous year (EUR 477.3m). In addition to the negative annual earnings, this is above all due to the acquisition of the remaining shares (47.5%) in TEERAG-ASDAG AG, which on the one hand led to the elimination of a significant share of the non-controlling interests in subsidiaries and on the other hand to a reduction of the percentage of equity held by shareholders of the parent. A contrary effect came from an acquisition which was financed by the issue of new shares totalling EUR 10.5m. Therefore the equity ratio was 14.1% (2010: 21.9%), a rate significantly lower than the previous year. At the end of the reporting period non-current liabilities had increased by 15.4% to EUR 815.9m. This change primarily resulted from exercising a ULSG (Austrian Enterprise Liquidity Support Act) loan, as well as the purchase price obligation from the acquisition of TEERAG-ASDAG AG, both of which are mostly recorded under non-current or financial liabilities. Current liabilities remained similar to the levels of the previous year at EUR 1,025.4m (+3.2%). The largest increase related to the item

## Gearing Ratio & Working Capital Ratio

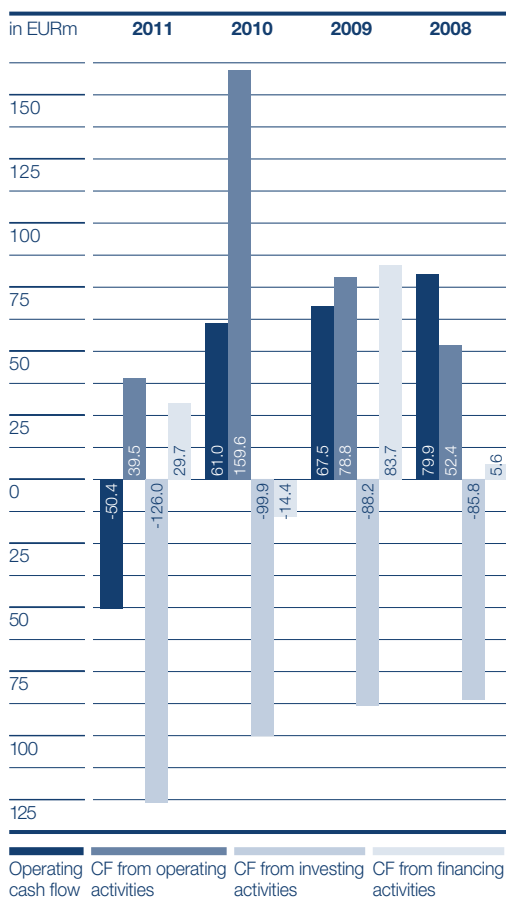


trade payables, which amounted to EUR 502.2m at the end of the reporting period.

### Decrease in cash and cash equivalents

The cash flow statement shows the use and origin of the Group's cash and cash equivalents. In 2011 operating cash flow fell to EUR -50.4m, which was caused first and foremost by the extraordinary expenditure which led to the negative earnings for the year. However, cash flow from operating activities made a positive contribution overall with EUR 39.5m, as the decrease in trade payables and inventories had a positive effect. Cash flow from investing activities fell by EUR 26.0m to EUR -126.0m. As was the case in the previous years, investments in property, plant and equipment and investment property were the highest cost factor, amounting to EUR 127.0m, reflected in the expenditure for completing or developing several large-scale real estate projects. There was a positive effect on cash flow from the sale of property, plant and equipment and investment property amounting to EUR 32.7m. Cash flow from financing activities amounted to EUR 29.7m, mostly due to the cash injection from taking a ULSG loan and some project financing. The outlay for the redemption of the bond due in 2011 (EUR -68.2m), had a counter effect, as did the payouts to shareholders of the PORR Group and to non-controlling interest, along with the cash expenditure used for part of the purchase price of the remaining shares from the acquisition of TEERAG-ASDAG AG. At year end 2011 the PORR Group had cash and cash equivalents of EUR 153.8m (December 31st 2010: EUR 212.2m), thereby using a large amount of the liquidity reserves built up in 2010 for redeeming a bond in the past financial year.

### Development of cash flow



# STAFF

## Staff numbers decrease in 2011

In the course of 2011 the PORR Group employed an average 11,597 staff members in Europe and on the international markets. This breaks down into 7,033 waged workers and 4,564 salaried employees. In comparison to the previous year this represents a slight decrease of 0.5% or 57 people.

## HR management supports the PORR Group's reorganisation

The year 2011 was notable for the reorganisation in the PORR Group. The main focus of HR management activities was on supporting the reorganisation. The results of the staff survey in particular revealed important findings for targeted measures to accompany the change process. As a result of these findings, demand-oriented support was initiated for the areas which were significantly affected, the development of a new values framework and accompanying mission statements was implemented and – as an ongoing investment in the future – Group-wide management training was made more professional. After a comprehensive selection process involving numerous candidates, it was possible to find two suitable cooperation partners to carry out these measures and the first successes in this area were achieved.

## Measures to support the reorganisation

Restructuring means making the most of new opportunities. In view of the various challenges which have arisen over the course of the changes implemented in the past year, managers and their organisational units were offered support measures at three different levels – at the individual level, integration level and interface level. Since the start of 2011 carefully chosen cooperation partners have been providing support to all of the PORR units that had to overcome structural or personal challenges arising from the new design of organisational units and interfaces.

## Mission statements providing a point of orientation for all staff

In times of economic turbulence, characterised by constant change, mission statements provide guidance and security. This is why a new cultural and value-based framework was developed for PORR, which yielded the key pillars for the Corporate Mission Statement, the Staff Charter and the Management Charter. These serve to enhance the manager's role in setting a good example, the orientation of staff towards common values and guidelines, and the way in which staff identify with the company.

## Comprehensive leadership training to professionalise management approaches

Under the motto, »Even pros need to train«, an in-depth training programme for department heads, branch managers and regional managers in the PORR Group was launched at the end of 2011. The Group's managers took part in five compact events, or training modules, which gave them guidance on »Taking the lead«. Additional comprehensive measures related to management development will follow.

## Further development and training measures focus on site managers and foremen

The PORR Site Managers' Course in cooperation with the University of Applied Sciences, FH Campus Wien, was launched at the beginning of 2010 and successfully completed at the end of 2011. Participants received comprehensive, in-depth training on the subject of construction management over the course of 400 study units in 32 study sessions. The specific content covered business administration in construction, operational construction management, commercial and legal affairs. Applying the content to practical situations in the course of interdisciplinary project work was at the heart of the programme. Under the motto, »Leading construction sites to success«, the first PORR management training

### Development of average staffing levels

	2011	Change	2010	2009	2008
<b>Domestic</b>					
Waged workers	5,541	-0.6%	5,576	5,922	6,309
Salaried employees	2,664	+0.5%	2,651	2,722	2,701
<b>Total</b>	<b>8,205</b>	<b>-0.3%</b>	<b>8,227</b>	<b>8,644</b>	<b>9,010</b>
<b>Foreign</b>					
Waged workers	1,492	-0.9%	1,506	1,383	1,376
Salaried employees	1,900	-1.1%	1,921	1,853	1,730
<b>Total</b>	<b>3,392</b>	<b>-1.0%</b>	<b>3,427</b>	<b>3,236</b>	<b>3,106</b>
<b>Overall</b>					
Waged workers	7,033	-0.7%	7,082	7,305	7,685
Salaried employees	4,564	-0.2%	4,572	4,575	4,431
<b>Total</b>	<b>11,597</b>	<b>-0.5%</b>	<b>11,654</b>	<b>11,880</b>	<b>12,116</b>

programme for foremen was successfully completed at the start of 2011. This has facilitated the in-depth learning of the »craft of leadership« at foreman level.

#### Stronger online presence in HR marketing

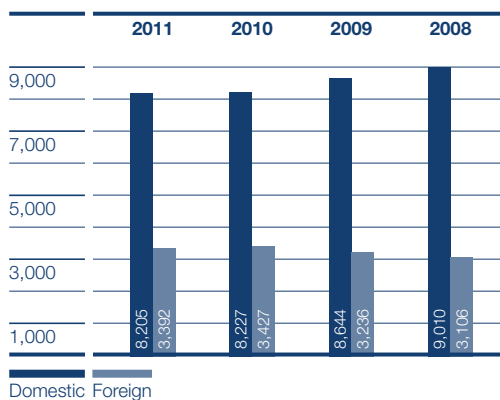
In the battle to recruit the best talent, it is essential to position the company as an attractive employer in a genuine and contemporary manner. In addition to tried-and-tested methods, PORR is always embracing new initiatives in HR marketing and has enhanced its online presence. The YPD Challenge, an event in which pupils and students compete for »the work-experience placement of their lives« and which receives broad media coverage, complements the existing cooperation initiatives with schools and universities. PORR has also launched its first activities using social media. Here the company is represented on »kununu«, an innovative website for evaluating employers, where it has a detailed company profile and numerous photos and where multiple evaluations have already secured it the label »Top Company – as recommended by employees«.

#### Online recruiting continues apace

In the world of new media, looking for a job also increasingly takes place on the internet. For example in 2011 almost 90% of applications were made using PORR's online portal. Email and postal applications

declined sharply. Overall the number of applications rose by more than a quarter thanks to increased HR marketing activities. As part of the strong online presence, job adverts and the careers website were re-launched and updated to incorporate the new PORR design.

#### Development of average staffing levels at home and abroad



# RESEARCH AND DEVELOPMENT

## Committed to investment in research & development

PORR has traditionally attached great importance to research and development (R&D) – particularly with regard to sustainability, environmental engineering, construction materials and construction processes. In keeping with this, PORR has taken on a central role in the Austrian Construction Technology Platform, an organisation whose aim is to establish a network between the construction industry and construction research. In this network the construction industry defines first and foremost which developments it considers essential in order to meet the economic, social and ecological requirements of the coming decades. On top of this it gives the company the opportunity to take part in trailblazing developments from the earliest stages. PORR is committed to close, long-term cooperation with universities and other research institutes in order to realise its research activities. One of these projects aims to use tunnel construction projects as a source of raw materials. On the one hand, excavated material should be used for the project itself to produce various construction materials. On the other hand it aims to recycle the waste in the construction industry and other industries such as agriculture. The tunnel therefore serves as a »mine« and helps to conserve resources which would otherwise have to be mined.

## Research focus on environmental protection

For many years PORR has accorded great value to a sustainable approach to natural resources. This has enabled the company to establish a firm position on the market in the fields of treating, recycling and disposing of waste as well as the rehabilitation of contaminated sites, a position it has held for many years. Increased efforts are currently underway to increase the sustainability of buildings. Expertise is being built up in the Design and Engineering

department which aims to allow aspects of energy efficiency, resource conservation and user friendliness to be incorporated more extensively into the design and planning of projects. Research projects in this area are also carried out with institutions such as the University of Natural Resources and Life Sciences and Pinkafeld University of Applied Sciences.

## Patents and licensing

Thanks to its proprietary technology PORR is not reliant on licensing intellectual property rights from third parties to any significant degree. The most important of the Group's proprietary patents include:

- Slab track system. The ÖBB–PORR slab track system consists of an elastically supported track-base plate and was jointly developed by the Austrian Federal Railways (ÖBB) and PORR.

- BIOPUSTER® method. Even many decades after they have been closed down, landfills continue to develop odorous gases that are sometimes toxic and explosive. In addition, water seeping through the landfill can be heavily laden with organic contaminants representing a potential hazard to the groundwater caused by the anaerobic microbial degradation of organic waste material in the landfill. In order to promote aerobic conditions in a landfill, the BIOPUSTER® method introduces air or oxygen into the landfill or contaminated soil and then distributes it evenly. This achieves an oxygen concentration in the whole material which is high enough for the aerobic microorganisms.

- Washing granular substances. A soil-washing plant to clean up contaminated soil was developed on the basis of the method for washing granular substances. With this method the soil is separated into different fractions, which are then treated with a washing method tailored to the different levels of contamination. The first project using this method was the rehabilitation of the »Aldergründe« contaminated site in Vienna.



# INTEGRATED MANAGEMENT SYSTEM

## International standards

Quality has always been a key component of the PORR Group's strategic goals and is firmly integrated into the corporate culture. In 2007 the issues of occupational health and safety and environmental preservation were incorporated into the existing quality management system to form an integrated management system (IMS), which is also certified to the international standards ISO 14001 and OHSAS 18001. In addition to economic goals, goals related to quality, to occupational health and safety and to environmental preservation are also at the forefront of the IMS. On the international market it is vital that a company is certified to these standards in order to be able to participate in international tenders. The IMS also makes an important contribution to the internal control system (ICS), thereby improving the competitive ability of the PORR Group.

## Occupational health and safety

In the area of occupational health and safety PORR launched a campaign »Safety first! Do it right – safe on site« at the beginning of 2010. Targeted awareness-raising should help to prevent accidents and make a decisive contribution to reducing the number of work hours lost due to accidents. Positive results have been seen in the two years since the campaign started: the number of work hours lost has fallen by more than 6.0% against 2009. In order to make accident prevention even more effective, the campaign was made more focused and even more practical with the detailed programme »5-minute safety«. It is thanks to these efforts that PORR was again nominated in 2011 for the national award for »Occupational Health and Safety« by the Ministry of Social Affairs, after the company won the prize in 2009. The second important pillar of the campaign involves more comprehensive accident and incident analysis, a precondition for effective preventative measures.

## Environmental protection

Strict adherence to legal stipulations – including those related to environmental protection – is a matter of course at PORR. The company has taken this even further by setting goals to bring its operational units in line with environmental aspects which specifically relate to construction sites, as well as identifying the environmental impact of its construction activities at the earliest possible stage and planning optimisation measures. Structured compliance with the highest environmental standards is also enshrined in the IMS and this makes an important contribution to improving the company's profitability.

## Quality assurance

Quality assurance with regard to processes and the product of construction work is a central focal point of the integrated management system. To this end, special processes are developed for production, along with approaches, responsibilities and tools such as checklists and quality control plans, which are defined and standardised as part of a quality assurance catalogue. This catalogue is regularly disseminated within the company. The goal is to reduce costs, thereby increasing earnings. Here the motto is »it's cheaper to avoid mistakes than to fix them«. One precondition for this is the timely, prompt and appropriate monitoring of the qualities required. This offers added value both to the company and its clients. Ongoing processes and standards are continuously monitored by the responsible managers and subject to both internal and external audits on a yearly basis, which evidence the high-level value created by the processes and standards. The aim here is to identify potential areas of improvement in a timely and precise fashion and to guarantee their implementation. The IMS also managed to prove its worth in the course of the Group reorganisation carried out in the year under review.

# CORPORATE SOCIAL RESPONSIBILITY

## Sustainable value at PORR

In the last year PORR increased the frequency of the publication of its »Sustainable Value Report«, so that it is now published annually rather than at two-year intervals. A Sustainability Report has also been published for 2012. The latest version along with past reports can be downloaded from the PORR website.

For PORR an equal balance between economy, ecology and social considerations is crucial. Coherence of these three aspects guarantees productivity and sustainability. Since it was founded in 1869, PORR has been acting on the values which today are collectively known as Corporate Social Responsibility (CSR). Conducting business sustainably and considering our society and future generations is a crucial principle, particularly for the construction industry. As a driver of economic growth and jobs, the industry makes a significant contribution to GDP and is a decisive factor in the attractiveness of business locations. But what really makes the construction industry stand out from other industry sectors is the long lifespan of the structures it builds: hospitals, nurseries, schools, underground railways, offices, retirement homes or leisure facilities are our lifelong companions.

Sustainability is applied across the board in the Group and has found its way into every area of the company. The PORR Group understands the term »sustainable value« to play a key role in the ongoing development of the company: »recognising value« as it applies to the staff; long-term, sustainable value add, i.e. »adding value«; as well as the great importance of »preserving value« in terms of the environment. These have been part of PORR for decades and have transformed the Austrian construction company into an international group.

## Compliance as the backbone of the business

A fair and open approach to stakeholders builds

trust. This is why the Compliance Guidelines were implemented across the whole Group in April 2002. The guidelines specify basic principles for disseminating information, provide key measures to avoid insider trading and regulate the preventative measures which guarantee legal adherence and avoid conflict of interests. The Compliance Guidelines are regularly updated to conform to the changes in the law.

A dedicated compliance officer is responsible for monitoring the Compliance Guidelines; this officer reports directly to the Executive Board and ensures adherence to the guidelines. These standards and regulations protect PORR's staff and ensure that the same conditions apply to every market participant.

## The European Works Council

Strong representation of interests leads to a good atmosphere at work. The interests of staff should be recognised, strengthened and communicated. This is why the company management places a high value on active dialogue with the members of the Works Council.

The European Works Council marks one of the greatest accomplishments of the increasing integration of the internal European markets. Across borders it observes the rights of workers employed by international companies in terms of consultation and information and represents them accordingly. In 1999 PORR implemented these EU guidelines throughout the company and even increased the role of the European Works Council beyond the recommended levels. Hence there is an access right to every construction site which facilitates the international evaluation of occupational health and safety standards. Furthermore, the European Works Council acts as a contact point for employees who are about to be deployed abroad, providing them with information on working conditions and tax laws.

### Assuming responsibility – the economic aspect

PORR also ensures that CSR is a question of give and take on both sides. Cost efficiency is not the only factor when choosing suppliers, adherence to high standards related to society and ecology is also taken into account. PORR views the third-party service providers it works with as partners and as an extension of PORR's own sustainability strategy. PORR's commitment to the field of CSR is multifaceted and is based on the three pillars of sustainability – society, economy and ecology.

In order to live up to its responsibilities to staff, shareholders and investors alike, PORR is careful to ensure that a clear mission statement and a uniform management system are in place across every sector and subsidiary. The goal is to subject every activity in the company to concrete, ethical targets, to strengthen the principles of legality, openness and transparency, and to make the company as a whole ready for future competition.

### Sustainable HR policies – the social aspect

PORR's success stands and falls on the strength of its staff. This is why the company is committed to ongoing HR development: it supports and motivates staff members, builds loyalty to the company and, ideally, leads to employees staying with the company for longer.

The extent to which company management recognises the value of its staff is reflected in its efforts to support staff members in an active and targeted way, thereby empowering them to pursue and achieve their individual development goals. Comprehensive initial training and ongoing further development is a key factor here, as the construction industry demands particularly intensive expertise. In the decentralised project business individual qualities and skills are decisive to the success of a project.

At PORR there is a wide range of opportunities for training and education on offer – customised for the different groups of people. Every course is practice oriented and linked to the job, not only offering learners direct benefits, but also adding value for the company. Employees and workers whose strengths are recognised, who can achieve their goals, and who are supported along the way, are active, motivated and contribute even more to the company.

### Conserving resources – the environmental aspect

Building involves change. To ensure that these changes are not at the expense of people or the environment, PORR pursues a clear strategy: the systematic planning of every construction project is part of the environmental management system. Environmental risks are pinpointed during the planning stage along with an assessment of how environmentally friendly construction can be further optimised. A range of different variants are then developed and realised together with the client, taking into account environmental concerns as well as economic, technical, legal and political requirements.

During the planning stage attention is paid to optimum construction design. As little space as possible is used and care is taken to preserve as many existing trees or plants as possible. Environmental protection is also considered during the construction stage. By using cutting-edge equipment, PORR has managed to reduce water consumption by a significant amount on its construction sites in recent years.

The activities carried out by a construction company inevitably have an impact on different valuable environmental resources. The main precious resources are local communities, air, earth, water, commodities, as well as reducing and recycling waste. Above and beyond legal obligations and other requirements to which PORR is obviously committed, the company is always interested in defining environmental targets which surpass the legally prescribed minimums. This is why the »Environmental aspects catalogue« was developed as part of the integrated management system. It serves as a basis for reporting the relevant environmental aspects of PORR projects and is published in electronic form.

# RISK REPORT

The qualified approach to risks and opportunities has long been one of the PORR Group's most important principles when carrying out any economic activity and secures its competitive ability. Risks should also be targeted as opportunities where possible. The PORR Group only takes risks which can be calculated and managed. The aim of risk management is to identify risks and then minimise them while still maintaining the company's earnings potential. The goal of risk management within the PORR Group lies in developing and implementing the required organisational processes which help to pinpoint risks early on as well as taking any appropriate measures to counter those risks. The following lists the most significant risks known to the PORR Group, which can have a lasting influence on the financial position, cash flows and financial performance of the Group.

## Market risks

Market risks result from changes to economic environments and frameworks in the important PORR markets. An overall economic risk has resulted from the consequences of the financial crisis and its effects on the respective national economies. The PORR Group is countering this risk with appropriate measures for cutting costs combined with a selective, results-oriented acquisition policy. Furthermore, disparities between national economies cause a variation in demand across the PORR Group's markets. The cross-sector service portfolio on the home markets and some of the core markets means that fluctuations in national markets and business segments can be balanced out to a large extent. In addition to economic parameters, political stability in the markets is another key factor, due to the dominant role that the public sector plays in awarding tenders. There is strong focus on this area in terms of risk management owing to the problematic political situation prevailing on some international markets, as well as uncertainty surrounding some Eastern European core markets.

PORR's strategy focuses on sustainable, organic growth within the home and core markets in order to exploit the high development potential which exists, especially in the infrastructure segment. In the international markets PORR only offers services for selected large-scale projects, particularly in the infrastructure sector. This strategy means that in markets such as this the PORR Group is confronted in the development phase with competitors, to varying degrees, some of whom have extensive resources at their disposal. Under certain conditions, this can represent a competitive disadvantage for the PORR Group which may have a negative effect on the target margins.

## Project risks

These apply to all operating units of the PORR Group and arise from the classic risks related to the construction industry and project business. From the tender stage to the conclusion of a contract, all projects are assessed for specific technical, commercial and legal risks. This is carried out in close collaboration between the parties responsible for operations and the respective staff units with risk checklists. Regular target/performance comparisons are carried out during the project execution stage of all projects. If the project is outside the target parameters, then appropriate control measures are initiated and monitored as part of an ongoing process.

## Staff risks

Successful management of risks related to human resources is crucial to the development of the PORR Group. Staff risks arise from employee fluctuations and loss of expertise, as well as shortages of skilled labour, management and young talent. This is why PORR's activities are targeted towards steadily developing the talents of the staff members through efficient training measures and increasing the PORR Group's appeal as an employer through career

opportunities and incentive schemes. PORR deals with the increasing competition for highly qualified specialists and managers by optimising recruitment measures and through targeted employer branding.

### Financial risks

Managing financial risks, in particular liquidity risks, interest rate risks and currency risks is carried out by the Treasury division and governed by standard Group guidelines. To minimise the risks as far as possible, certain derivative and non-derivative hedging instruments are used in line with evaluations. Nevertheless, in general only operational risks are hedged, speculative transactions are forbidden. All hedge transactions are performed centrally by the Group financial management, unless in specific cases other Group companies are authorised to conclude transactions outside the Group financial management. An internal control system (ICS) designed around current requirements has been implemented to monitor and control risks linked to money market and foreign exchange trading. The cornerstone of managing these risks is the complete functional separation of commerce, processing and accounting.

The most important risks for the PORR Group in terms of finance – liquidity risks, interest rate risks and currency risks – are described below in more detail:

#### Liquidity risks

The liquidity risk is defined as the risk that liabilities cannot be paid upon maturity. At December 31st 2011 net debt, defined as the balance from cash and cash equivalents, bonds and current and non-current financial liabilities, amounted to EUR 636.1m (previous year: EUR 441.3m). Current liabilities exceed current assets by EUR 65.4m (previous year: surplus of EUR 52.9m), whereby trade receivables exceeded trade payables by EUR 100.5m (previous year:

EUR 165.2m). Current financial liabilities, defined as the current portion of bonds and de facto current financial liabilities, amount to EUR 157.5m (previous year: 146.8m) and are almost covered by liquid funds of EUR 153.8m (previous year: EUR 212.2m). Bonds worth EUR 224.1m were part of non-current financial liabilities of EUR 632.3m. Another bond of EUR 70.0m is up for return in May 2012 and is therefore shown in current financial liabilities. The repayment of this bond can, as long as no new capital market transactions are undertaken, be refinanced through the facility which was concluded in 2010 in the course of the Austrian Enterprise Liquidity Support Act (ULSG) and which has not yet been utilised. At the end of the reporting period there was EUR 248.6m (previous year: EUR 339.2m) available in bank lines for cash loans, which could be drawn on for immediate refinancing of current financial liabilities. With the exception of the syndicated credit line (Avalrahmen), none of the Group's credit agreements are tied to financial covenants which must be observed. The financial covenants of the credit line (Avalrahmen) had not been fulfilled at December 31st 2011. At the beginning of February 2012 an exemption for the financial covenant for the 2011 consolidated accounts had been granted by the lead manager of the syndicated credit line. The contractually agreed term of the syndicated credit line ends on June 30th 2013. Because of the exemption granted for the 2011 consolidated financial statements, the next scheduled evaluation of the financial covenants will be for the 2012 consolidated financial statements; notice only has to be given in instances where business developments cause conditions to occur in which meeting the financial covenants appears to be under threat. From today's perspective and based on current planning, the Executive Board assumes that all agreed financial covenants for 2012 will once again be met.

#### Interest rate risks

The interest rate risk lies in the danger of rising interest cost or falling interest income in connection



with financial items. For PORR this risk results almost exclusively from the scenario of rises in interest rates, especially in the short term. Any future hedge transactions that are required will be concluded by the Group's financial management. At the end of the reporting period, the management of this risk was exclusively conducted with non-derivative instruments and interest rate swaps.

### Foreign currency risks

At December 31st 2011 the PORR Group had concluded forward contracts amounting to EUR 103.3m (previous year: EUR 129.0m). Of these, EUR 63.5m related to forward purchases, while EUR 39.8m were forward sales. Around EUR 20.8m (previous year: EUR 38.7m) was used to hedge project cash flows, while the remainder of around EUR 82.5m (previous year: EUR 90.3m) was used to hedge intragroup financing. At December 31st 2011 the market valuation of open forward contracts resulted in a fair value of EUR -0.8m. In 2011 changes in the fair value of forward contracts totalled around EUR 1.5m, which was recognised in profit or loss.

### Credit risks

The risk related to receivables from customers can be classified as marginal, owing to the broad dispersion and ongoing creditworthiness checks. The default risk related to other primary financial instruments recorded as assets is also considered marginal, as the contract partners are financial institutes and other debtors with excellent credit standing. The carrying amount of all financial assets represents the maximum default risk. In as far as default risks on financial assets are possible to determine, these risks are addressed by applying impairment. Apart from these, there are no other risk concentrations arising from high outstanding amounts from individual debtors. Specific to the industry, construction contracts require an advance payment by the general contractor which will not be covered by payments until a later date. To reduce the default risk an extensive creditworthiness check is carried out and adequate sureties are agreed as far as possible.

### Supplier risks

The strategic decision to position the PORR Group as a full service provider means that PORR offers a comprehensive service portfolio. Capacity restrictions mean that some work must also be

carried out by subcontractors. The risks connected with this concern quality, delivery times and expenses and can lead to supply difficulties in times of increased demand. Partner management in the form of cooperation agreements with the supply industry and trade takes a long-term approach and contributes to minimising supply risks in subcontractor purchasing, whereby steel, cement and diesel are the most important commodities for the PORR Group. In the core area of steel, steel monitoring has been implemented across the Group. Derivative price hedging for diesel supplies was concluded with banks for specific projects.

Ongoing analysis of the markets for the Group's core materials is carried out centrally and the findings uncovered there are passed on to the operational units within the procurement organisation. The price risk of other key materials purchases can only be hedged through long-term price fixing in the form of frame agreements, owing to the lack of functioning derivative markets for these materials.

The increasing challenges for the operational areas in recent years have been the price increases in the energy and commodities sectors. As long as it is not possible to transfer these costs to the customer, they may have a negative effect on the Group's financial performance. Building up stable, long-term relationships with suppliers and subcontractors is therefore seen as an urgent priority and enables the Group to minimise these risks by means of long-term frame agreements.

### Capital risk management

The basic aim of the Group's capital management is to increase equity and to significantly decrease debt. In 2011, the year under review, there was a decrease in equity from EUR 477.3m to EUR 303.2m, which was primarily caused by the acquisition of the shares in TEERAG-ASDAG AG which had not been previously owned by the company, as well as the consolidated loss which was affected by the extraordinary write-downs and losses in Hungary and Romania. In parallel, debt increased to EUR 636.1m. The equity ratio thereby fell from 21.9% at December 31st 2010 to 14.1% at December 31st 2011. The Net Gearing Ratio, defined as net financial debt divided by equity, is applied for the control of capital management. The interest-bearing net debt is the balance between interest-bearing current assets and interest-bearing liabilities. Net gearing in relation to equity stood at 2.1 as at December 31st 2011.

### Internal control system

The PORR Group's internal control system (ICS) is oriented towards the EU standards which have been compulsory since 2009 and whose aim is to produce comparable evaluations of the efficacy of the ICS. Furthermore, PORR is dedicated to securing the company's assets, guaranteeing the actual effects and efficiency of operational processes and ensuring the reliability of financial reporting.

The responsibility for implementing and adhering to legal stipulations for the accounting-related internal control system lies with the Executive Board, which has in turn charged the Group audit department with internal auditing and the accounting department with external reporting tasks.

The internal control system involves assessing operational risks as well as the appropriate implementation of organisational standards and processes across all areas of accounting and reporting within the PORR Group.

The internal control system in the PORR Group ensures that the recording, preparation and accounting of business transactions are standardised across the Group and incorporated correctly into Group accounting. Measures such as clear, Group-internal guidelines, predefined process directives and system-supported processes for recording accounting data all support a uniform and orderly accounting practice. The reporting of subsidiaries included in the consolidated accounts as well as their consolidation is carried out using integrated IT systems supported by databases.

The PORR Group uses external service providers only for a few foreign subsidiaries. The relevant requirements for guaranteeing correct accounting practices are laid out in uniform Group methods of accounting and valuation and disseminated regularly. The clear functional separation and various control and monitoring methods such as plausibility checks, regular auditing activities at various reporting levels and the dual-control principle mean that proper and reliable accounting is assured. The systematic audit management ensures that accounting in the PORR Group conforms to international accounting standards and internal guidelines and guarantees the proper and uniform execution of all accounting-related processes.

Within the internal control system, the audit committee takes on the Supervisory Board's task of monitoring accounting processes and financial reporting. The internal audit team also carry out an independent assessment of the effectiveness of the ICS with the aim of improving business processes. The internal audit of the PORR Group was externally certified in 2008 by Deloitte Wien to IIA (Institute of Internal Auditors) standards, thereby conforming to internationally recognised stipulations.

The internal auditors have comprehensive audit powers, including both preventative and exploratory controls, at their disposal to enable them to realise their duties. The audit activities of the internal auditors are carried out to a yearly audit plan on direct behalf of the Group Executive Board. In addition, ad-hoc audits can be initiated at any time at the request of the Executive Board should events occur that may yield risks.

As the PORR Group contains many decentralised units, the internal control system must also be applicable locally, while the internal audit team oversees the processes centrally. Responsibility for the organisation and execution of monitoring and audit processes and the requisite understanding of how to implement control and audit measures therefore lies with every individual manager for their own sphere of responsibility.

The aim of the PORR Group is to continue developing the internal control system and to keep it constantly updated to conform to changing frame conditions.

# FORECAST REPORT

## **Crisis continues to overshadow construction industry**

In 2011 the construction industry was once again subject to global economic turbulence. The tight budgets of public awarding authorities led to a decrease in investments in infrastructure projects and had a direct impact on the situation experienced by construction companies. In the middle of the year Euroconstruct downgraded its positive expectations for 2011 as a whole. Developments in European construction output approached the levels of the previous year and sank for the fourth year in a row, although the decrease was less sharp than in 2009 and 2010, with a fall of -0.6%. Experts have forecast stagnation for the full year 2012. It is possible that construction industry growth rates will once again mirror GDP growth from 2013, following years of recession.

## **Construction industry characterised by regional variation**

Despite the subdued outlook for the European construction markets as a whole, PORR's home markets – Austria, Germany, Switzerland, Poland and the Czech Republic – continue to be the most economically stable countries in Europe, with a clear growth trend even in the construction market. Following the economic and financial crisis in 2008 these markets have managed to recover and the construction industry is booming, especially in Germany and Poland. More than 75% of PORR's production output was generated on the home markets in the last business year.

A bottoming out was observed in the Austrian construction industry as early as 2010. Even though the past year was still overshadowed by the crisis, it was still possible to recognise a slight recovery. With moderate growth of 0.7%, there was a turnaround from the recessive trend of 2010 (-2.9%). Euroconstruct predicts that this will

continue in the coming years up to 2014, with stable growth of almost 1.0% per year.

The CEE/SEE region continues to be highly dependent on developments in the eurozone. Weaker growth in Western and Central Europe led to lower foreign demand for CEE exports. The CEE region also reported a significant decrease in cash inflow from its main contributors – Western and Central European countries – in the latter half of 2011. In addition the European banking sector is facing a comprehensive deleveraging process, which could lead to capital being moved out of the region. The upsurge in the Western EU countries is however likely to have a positive impact on Central and Eastern Europe in the medium term.

High volatility in construction output is being seen on the SEE markets, which is primarily due to the need which these countries have to catch up. In Serbia there have been high annual increases since 2011; there is also a clear upwards trend in Romania. Although Bulgaria had to accept a new decrease in construction output in 2011, it now seems that the trough has passed.

The current situation in Hungary and Slovakia appears much more negative. Even though both countries have reported growth on the construction market since the beginning of 2012, the public budget situation demands that savings also be made on infrastructure investments.

## **PORR order bookings provide a solid foundation at the start of the year**

As the stimulus packages in most European countries have now come to an end, the construction industry at the start of 2012 is dependent to a considerable degree on an increase in private investment. This development meanwhile can be observed in most of the home markets. In terms of economic trends, the countries in the CEE/SEE region are

currently lagging behind the home markets, nevertheless, it seems that even here the worst is generally over.

Given the ongoing economic turbulence, forecasts for the business year 2012 remain cautious. Even if the development of the markets is volatile, the order bookings at the start of 2012 provide a solid foundation. On this basis the goal should be to achieve moderate growth in production output, as long as there are positive developments on the home markets. PORR's focus is first and foremost on stable markets: the vast majority of business is generated on the home markets, where risks are low thanks to the stable economies and PORR's market position. Germany and Poland currently stand out in Europe as growth drivers for the construction industry and PORR's strong position on these markets should enable it to profit from these developments.

In light of the disparate developments on the markets, PORR will carry out its activities very selectively and with different approaches tailored to individual countries in 2012. In its core markets PORR will concentrate primarily on attractive projects in Romania, Serbia and Bulgaria; in the other markets it will only pursue large-scale projects in the infrastructure sector, always on the precondition that secure financing is in place, preferably with EU funding.

Despite a difficult economic backdrop, PORR will remain in Hungary, but capacity will be adjusted to fit the market. In terms of focus, PORR will concentrate on the infrastructure areas such as tunnel, road, rail and pipeline construction.

Growth on the markets in Region 3 is currently focused on individual large-scale projects, which are being developed together with the Infrastructure and Environmental Engineering sectors. In these markets PORR presents itself as an expert, premium provider and infrastructure specialist. The international expansion involves a selective, profitable

and professional approach. The goal is intelligent growth with a clear focus on high-margin, large-scale projects, for which PORR has clear added value. The focus of these activities is on Qatar, as well as individual projects in Oman, Russia and Turkey.

### Focus on efficiency and effectiveness

In 2012 the Executive Board is planning to press ahead with the Group's reorganisation, which was introduced in 2011, and to react to changing market conditions quickly and appropriately. The organisational initiatives implemented in 2011 simplified structures and brought together multiple construction units in Austria into a new legal entity. Another focal point lies in process optimisation, with the goal of making the company more efficient and more effective. Here one significant contributor will be the »fitforfuture« programme, launched in 2012. This cost-cutting programme will involve streamlining processes in the administrative and Shared Services departments. »fitforfuture« should contribute to reducing material, project and structural costs. In addition to this, the Executive Board is planning an operational focus on pre-defined home and core markets.

Furthermore, the measures to speed up decision-making processes and to achieve transparent, results-based responsibility should further increase flexibility and efficiency in the Group. To this end activities in Poland will be bundled into the new PORR Polska and the existing companies in the Czech Republic will be incorporated into PORR Ceska. These measures should have a positive impact on earnings – as long as the backdrops remain stable.

Given the current order situation and the frame conditions described above, PORR expects a stable operating result for the 2012 business year. This forecast is naturally subject to a wide margin of error, as the dynamic environment means that unexpected factors can have an impact on earnings.

# DISCLOSURE ACCORDING TO ART. 243A, SECTION 1, AUSTRIAN COMMERCIAL CODE

1. The share capital as at December 31st 2011 comprises 2,045,927 ordinary shares and 642,000 7.0% preference shares without voting rights. All shares are no-par value bearer shares, each of which participates equally in the share capital of EUR 19,533,927.4. At the end of the reporting period, all 2,687,927 shares were in circulation.

The same legally standardised rights and obligations apply to all ordinary shares. In particular, ordinary shares confer voting rights exercised according to the number of shares and participate equally in profit and, in the event of winding up, in the remaining liquidation proceeds. In accordance with Article 22 Section 1 of the company statutes, voting rights begin with the rendering of the minimum legal investment where shares are not fully paid in. The share capital of the company is fully paid in.

Identical rights and obligations also apply to preference shares. In line with legal provisions, the company's preference shares do not confer voting rights.

Shareholders' rights regarding the issue of share certificates are excluded in line with Article 5 of the company statutes, as long as their issue is not required by the rules of the stock exchange on which the shares are registered. In accordance with Article 10 Section 2 of the Stock Corporation Act, bearer shares are to be issued in one, or where necessary multiple, global certificate(s). From January 1st 2014 at the latest, every listed company must have deposited its global certificate(s) at a securities clearing or deposit bank in accordance with Article 1 Section 3 of the Austrian Act on Securities Deposits, or at an equivalent facility abroad.

The company has also issued profit participation rights in the form of 49,800 capital share certificates with a total value of EUR 361,910.71. Where the company raises capital by issuing new shares – granting direct or indirect subscription rights to the shareholders – and/or issues additional capital share

certificates, other profit participation rights, other securities with subscription rights or adjustment/convertible bonds, the holders of capital share certificates, through the granting of proportionate subscription rights or other measures at the discretion of the company, must be in a position to retain the economic substance of the rights to which they are entitled. This does not imply subscription rights for new shares, even where the company is able to grant such rights.

Before the ordinary shares, preference shares and capital share certificates receive a preference dividend or profit share amounting to 7.0% of the proportionate due capital paid to them. If the preference dividend or profit share of the capital share certificates is not paid (or not paid in full) for one fiscal year, the arrears from the profit reported in the statement of financial position for the following fiscal years must be paid subsequently. In the event of liquidation, the holders of capital share certificates followed by the holders of preference shares receive any outstanding profit shares from remaining liquidation proceeds along with the proportionate amount of the capital due to them. Ordinary shareholders receive the proportionate amount of the capital due to them. Any remaining liquidation proceeds are distributed to holders of capital share certificates and the shareholders in relation to the number of capital share certificates or shares.

2. The Executive Board is aware of the syndicate agreement concluded on June 8th 2010 between the shareholders Ortner Beteiligungsverwaltung GmbH and B & C Baubeteiligungs GmbH. The content of this syndicate agreement has not been disclosed to the Executive Board, although they are aware of the statement issued by the takeover panel on May 5th 2010.

3. The following shareholders have a direct or indirect holding in the capital of at least 10.0% in the form of ordinary shares as at December 31st 2011:



	Voting rights	% of share capital
B & C Group	37.09 %	34.30
Ortner Group	28.52 %	21.71
Renaissance Construction	10.07 %	7.66

The B & C Group is made up of B & C Baubeteiligungs GmbH and B & C Unternehmensbeteiligung GmbH, both of which are wholly and directly attributed to the B & C Privatstiftung foundation. Regarding the shares of the Ortner Group, the majority are directly and indirectly held by Klaus Ortner.

Given the fact that only a very small number of preference shares is furnished at Annual General Meetings, it is not possible to offer reliable statements regarding the shareholder structure for this share category.

4. The company has no shares with special rights of control.

5. The company has no employee share ownership plans, under which employees do not exercise voting rights directly.

6. In accordance with Article 21 Section 1 of the company statutes, resolutions of the Annual General Meeting, unless otherwise defined by mandatory provisions of the Stock Corporation Act, are passed by simple majority. From the legal viewpoint of the Executive Board, this statutory regulation has reduced the necessary majority of at least three quarters of the share capital represented in voting as required by the Stock Corporation Act (also for changes to the statutes) to a simple capital majority.

7. Above and beyond the direct legal provisions, Executive Board Members are not specially authorised to repurchase shares.

As at December 31st 2011 the Executive Board is authorised in accordance with Article 4 Section 5 of the statute valid until December 10th 2013, to raise the share capital of the company with the approval of the Supervisory Board, in multiple tranches if so wished, to EUR 2,090,782.91 by issuing up to 287,698 no-par value shares, as follows (authorised capital), whereby the class of shares, the issue price, the conditions of issue, the subscription ratio, and, as far as necessary, the exclusion of subscription rights are settled by the Executive Board with the approval of the Supervisory Board:

i) through issuing shares in exchange for cash without excluding the subscription rights of the shareholder, but also by indirect subscription rights in accordance with Article 153 Section 6 of the Stock Corporation Act; and

ii) through issuing shares in exchange for contribution in kind, with or without excluding the subscription rights of the shareholder.

The Executive Board is also authorised in accordance with Article 171 Section 2 of the Stock Corporation Act, to bestow rights upon the new shares which are created by exercising this authorisation, which are on a par with those of the existing preference shares without voting rights.

8. In 2007, 2009 and 2010 the company issued bonds (debentures) of EUR 70,000,000 (for the period from 2007 to 2012), EUR 100,000,000 (for the period from 2009 to 2014) and EUR 125,000,000 (for the period from 2010 to 2015). These incorporate the following agreement: where a change of control takes place which seriously impairs the ability of the issuer to meet its obligations in connection with the debentures, every bond creditor shall be entitled to accelerate maturity of their debentures and demand immediate repayment at the nominal value, including interest accrued up to the date of repayment.

The company also has a framework guarantee credit contract for EUR 470,000,000 until June 30th 2013. Under this contract, the agent and the individual lenders are entitled to immediately rescind the respective shares of the framework tranches and demand security where one or more persons who are not Group companies attain a controlling share, as defined in Article 22 of the Takeover Act, in the beneficiary or a major Group company.

There were no other significant agreements under the terms of Article 243a Section 1 Line 8 of the Commercial Code.

9. Indemnification agreements under the terms of Article 243a Section 1 Line 9 of the Commercial Code shall not apply.

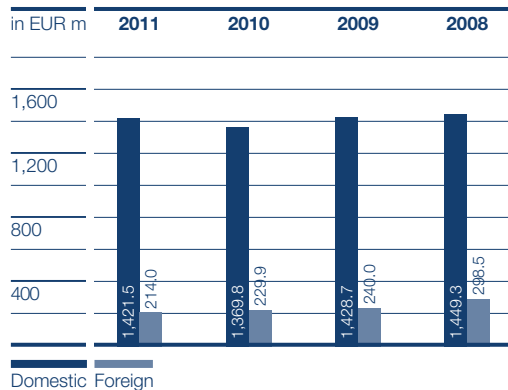
# SEGMENT REGION 1

Region 1 is responsible for the home markets of Austria, Germany and Switzerland, as well as large-scale building construction projects. The segment includes the activities of the TEERAG-ASDAG Group and Porr Bau GmbH, the result of the merger of Porr Projekt und Hochbau AG (PPH) and Porr GmbH. This segment focuses in particular on residential construction, office construction and industrial construction.

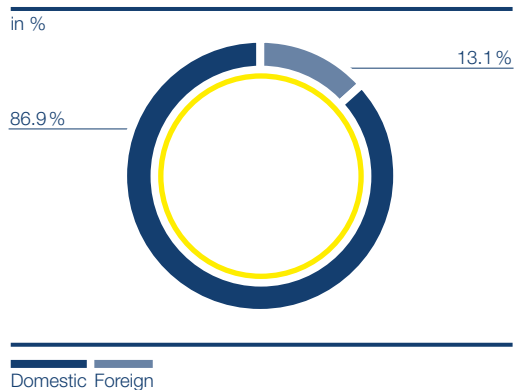
## Key data

in EUR m	2011	Change	2010	2009	2008
Production output	1,635.5	+2.2%	1,599.7	1,668.7	1,747.8
Foreign share in %	13.1	-1.3 PP	14.4	14.4	17.1
Order backlog at year end	1,251.1	+0.6%	1,243.3	1,081.8	1,007.4
Average staff	7,115	-0.3%	7,133	7,451	7,617

## Production output, domestic and foreign



## Production output in 2011, domestic and foreign



The three markets in Region 1 – Austria, Germany and Switzerland – all repeatedly performed well above the European average in 2011. The booming German economy had a positive effect on neighbouring countries. GDP growth in Germany was almost twice as high as that of the eurozone and the forecasts for 2012 are also above average. Although Switzerland had to deal with a very expensive franc in the past year, it still managed to stave off a crisis in its banking sector very successfully. Austria's development was analogous to the global economy. Following on from a good first quarter, growth slowed significantly, although at 3.2% it was one of the better performers within Europe.

Region 1 managed to conclude the year with satisfactory results and overall it underwent a slight recovery in comparison with the preceding crisis years. Production output amounted to EUR 1,635.5m, an increase of 2.2% or EUR 35.8m, thereby growing more sharply than the general trend. The main reason for this was rising demand for privately financed building construction projects, while orders from the public sector were slow to be put out to tender owing to restrictive austerity measures.

Broken down by state, Austria's performance continued to be stable. Most of the federal states recorded an increase in production output, which only slipped back slightly in Salzburg, Styria and Vienna. However, Vienna continued to be the most important federal state by some margin, ahead of Styria and Lower Austria. Public housing construction – an important sector for PORR – held good opportunities once again last year. It was possible to achieve solid growth in Switzerland in 2011, where the increased concentration on high-margin projects in civil engineering and operating in niche segments such as rock stabilisation has proven successful. In contrast to this, output in Germany declined in the last business year, albeit only slightly.

As at December 31st 2011 the order backlog had achieved a slight increase of 0.6% or EUR 7.8m and rose to EUR 1,251.1m. Here the strongest rise came from the German market, while in Switzerland and certain federal states in Austria there was a moderately lower order backlog caused by an increase in production output. The renewed growth in Vienna was particularly pleasing.

In 2011 order bookings amounted to EUR 1,643.3m and were therefore 6.7% or EUR 117.9m below the previous year.

Despite the good economic backdrop in the home markets of Austria, Germany and Switzerland, Region 1 is committed to a highly risk-averse strategy. There was a sharp increase in competition in both building construction and civil engineering, which could rise still further as the crisis continues. Furthermore, commodities prices were highly volatile in 2011, while construction prices stagnated.

Region 1 bundles the responsibility for the home markets of Austria, Germany and Switzerland. PORR generates a significant share of production output in these economically stable countries and carries out selective, low-risk internationalisation from here. This guarantees strategic growth centred around long-term earnings. PORR has exceptional networks on its home markets where it also enjoys a first-class reputation. All products and services are offered with complete coverage. This cross-sector portfolio enables PORR to balance out fluctuations in individual markets and business segments as far as possible.

Region 1 consists of the TEERAG-ASDAG Group, the former Porr Projekt und Hochbau AG (PPH) and Porr GmbH along with their various subsidiaries. PPH and Porr GmbH merged to become Porr Bau GmbH in 2011. This new organisational structure offers shorter communication channels and a streamlined administration, enabling it to react more flexibly

to changes in the market. The activities of Region 1 include permanent business in civil engineering as well as all building construction projects on the home markets of Austria, Germany and Switzerland. There is a special focus on residential construction, office construction and industrial construction. While large-scale projects in civil engineering will be handled by the new Infrastructure segment, Region 1 is also responsible for large-scale projects in building construction in all of PORR's markets.

PORR has almost complete regional coverage in Austria through Region 1, with a focus in Germany on the metropolitan areas of Munich, Berlin and Frankfurt. The Swiss subsidiary pays special attention to Central and Eastern Switzerland. Because of its responsibility for large-scale building construction projects, Region 1 also operates internationally.

In 2011 Region 1 successfully realised numerous projects – thanks to its highly skilled staff, solution-based execution, adherence to deadlines and high quality. One important focus was on developing buildings which are even more energy-efficient. To achieve this, PORR called in help from an accredited, company-owned laboratory, as well as the statics and visualisation departments.

In the building construction business projects have been realised both for public contractors and private clients. In the healthcare sector these include the Hollenburg Clinic, Salzburg Hospital and the Simmering residential and care home. This field will also offer numerous opportunities in the coming years; thanks to its array of previously completed projects, PORR is in a good position and has an excellent reputation among the regional and local authorities. Region 1 realised a range of hotel projects in privately financed building construction, such as the Hotel Ramada Tivoli Innsbruck in Tyrol, the Kempinski Hotel Palais Hansen in Vienna and the Alexander Parkside Hotel in Berlin. The tourism sector on the three markets of Region 1 holds promise for the future despite the difficult frame conditions. One spectacular project, opened by PORR in 2011, was the new flagship department store for the German retail chain Peek &

Cloppenburg in Vienna's Kärntnerstraße. The architecturally enthralling project was developed by a renowned team of international architects and was built by PORR to the client's utmost satisfaction.

In civil engineering the focus of Region 1's activities in 2011 was on Austria. In addition to demanding projects such as the Kasern viaduct in Salzburg and the Preding Bypass in Styria, two projects in Upper Austria were particularly noteworthy. One was the flood protection project, Machland Dam, with which PORR achieved great success in this niche segment. Another involved the construction works on the A1 between Vorchdorf and Steyrermühl, another section of the Austrian motorway network bearing PORR's signature. In Switzerland the works on the Lucerne city ring are moving forward as planned, with completion set for 2013. The German subsidiary is currently working on the Diemen Power Plant project in the Netherlands, which will also be completed in 2013. PORR is realising the power plant project on behalf of Siemens.

The current economic situation has created great uncertainty with regard to the extent of a possible fall in demand, particularly from regional and local authorities. The risk of reduced public tenders as well as lower investment by private clients did not ease off in 2011 and will most likely remain in 2012.

In this regard possible payment default or bankruptcies by clients must be mentioned, as these could have a negative impact on earnings. In order to minimise this risk, increased attention will be paid to credit checks and bank guarantees to secure client payments.

Because of the sometimes enormous price fluctuations, there are uncertainties related to future commodities prices – as there have been in recent years. The bitumen price risk deserves special attention as bitumen is a key component in manufacturing asphalt mix. It is difficult to predict bitumen price changes and these can only be hedged through flexible price arrangements in the contracts. However, private clients tend to insist on fixed-price contracts. In addition to bitumen prices, the prices of cement, energy and

fuel are also highly volatile at present. This could also negatively affect the Region.

Cuts in housing subsidies and reductions in favourable rates for home savings accounts (Bausparprämien) could lead to a fall in the appeal of detached housing. For this reason small, local building firms may increasingly turn to higher-volume apartment construction, thereby intensifying competition.

In any case, demand for residential construction remains high, especially in metropolitan areas. Demographic trends suggest that demand for assisted-living facilities will continue to rise, while nursing homes and retirement facilities are displaying clear growth tendencies. An additional factor is the living arrangements of many young people; the trend towards living alone has a positive impact on residential construction.

Germany's plans to scrap nuclear power could also bring benefits for PORR. Demand for new buildings and production sites for renewable energy – such as wind turbines and large-scale solar plants – will certainly grow. PORR has a strong reputation both in these new forms of power generation and in building hydropower and storage plants along with the requisite infrastructure.

Region 1 can approach 2012 with cautious optimism. Should developments on the three home markets, Austria, Germany and Switzerland remain stable, then the segment will benefit in 2012 from the excellent customer relationships and the established structures on the markets. This positive outlook is supported by numerous projects which are currently under construction, as well as the order backlog which remains high despite the crisis. Residential construction holds particular promise, as does infrastructural civil engineering – on condition that public investments bounce back. Furthermore, individual large-scale building construction projects could have a strong positive effect on the outlook. One complicating factor is the increasing competition on these three home markets. As Eastern

Europe continues to be gripped by the crisis, the number of competitors for individual projects is rising sharply.



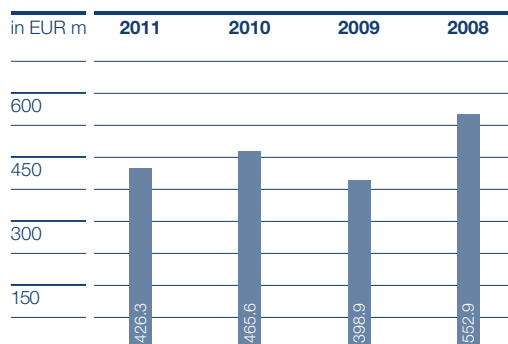
# SEGMENT REGION 2

Region 2 is responsible for PORR's permanent business in the home markets of Poland and the Czech Republic as well as the core markets in the CEE/SEE region. These core markets consist of Slovakia, Hungary, Romania, Serbia, Bulgaria and other countries in Eastern and South Eastern Europe.

## Key data

in EUR m	2011	Change	2010	2009	2008
Production output	426.3	-8.4%	465.6	398.9	552.9
Order backlog at year end	353.8	-15.0%	416.0	600.5	395.0
Average staff	1,910	-5.2%	2,015	2,030	2,034

## Production output



Owing to the stable economic situation and solid credit standing, PORR is represented in Poland and parts of the Czech Republic with all products and services. On the core markets PORR takes a selective approach to individual sectors as well as project business. Here the company is pursuing a cautious step-by-step strategy. Extending the regional coverage is being carried out gradually, depending on the economic and political backdrop. There are plans to extend the range should economic conditions permit.

There was great variation on the home and core markets of Region 2 in 2011. Structural problems continued to impede an ongoing recovery. Although the region did record an overall increase in GDP growth, a large proportion of this was due to Poland's economy which continues to flourish. In terms of growth, Poland stayed ahead of its northern neighbour, Germany, whose strong performance did not however manage to have a positive impact on countries such as Hungary and Slovakia. These countries continue to present a challenging environment, both in terms of the economy and the political situation. Stagnation has been forecast for these markets for 2012, with the possibility of Hungary even sliding back into recession. In a similar vein, only a moderate improvement in the economic situation was observed in South Eastern Europe, although Romania and Bulgaria seem to be over the worst. At the beginning of 2012 Serbia submitted its official application for EU member status and could profit from this in the medium term.

Against this backdrop, production output in Region 2 decreased to EUR 426.3m, a fall of 8.4% or EUR 39.3m. This decrease was not, however, evenly split across the Region's different countries. While it was even possible to increase production output in Poland, Serbia and Romania, losses had to be accepted in the Czech Republic and Hungary. In the Czech Republic the fall was caused by the restrictive public-sector budgets of recent years, however, the first signs of recovery have been reflected in the

increased order bookings. Hungary continues to be hardest hit by the economic crisis and a possible improvement to the situation is not currently in sight. Recovering outstanding receivables from previously completed large-scale projects has also been complicated by the political situation; this is why PORR is monitoring the market situation very closely.

In light of the crisis, the order backlog also declined and amounted to EUR 353.8m on December 31st 2011, a fall of 15.0% or EUR 62.2m. Due to the aforementioned situation, the Czech Republic and Hungary experienced a decline, while the order backlog also shrank in Poland as a result of the increased production output. There were positive developments on the Serbian market, which recorded a rise in the order backlog even though production output also went up.

There is some hope of recovery indicated by the order bookings, which amounted to EUR 364.1m – an increase of 29.5% or EUR 83.0m. Poland and Serbia stood out, although Bulgaria and the Czech Republic were also positive. It was possible to acquire a range of interesting orders in Poland including projects such as the Andersia Business Center, Poleczki Business Park Phase 2 and Magnolia Park Wrocław.

Despite the economic problems in some core markets of Region 2, numerous projects were realised in 2011. Civil engineering in Poland saw the progression of projects such as the large-scale project for the S2 expressway in Warsaw, while the first orders in rail construction were also acquired. Rail construction in Poland is set to offer good opportunities in the future. Various construction projects in road construction and infrastructure were realised in the Czech Republic. Despite the aforementioned challenges, PORR was also active in Hungary and completed the Road 4 Kijuszallas and Ipoly Bridge construction projects. Given the current economic difficulties, however, new projects will not be

undertaken. New acquisitions included an interesting wind farm project in Romania and multiple rail and road construction projects in Bulgaria. A project involving pipeline construction was implemented in Serbia. In cooperation with the Infrastructure segment, the large-scale Romanian railway project Campina-Predeal was completed, as was the work on the Arad Bypass motorway project.

PORR also realised projects in building construction. In Poland the Sloneczna shopping centre was handed over to the satisfaction of the developer and it was possible to finalise renovation works on Warsaw's Central Station. The Equator II office building in Warsaw was handed over to the Austrian investor and further work was done on several building projects in the sectors of retail centres, office and residential buildings as well as hotel construction. The shell of the Zlota 44 high-rise in Warsaw, stretching to more than 50 storeys, was completed to schedule at the end of the year. In the Czech Republic construction work on a shopping centre in Prague was also completed to plan and works on industrial and public construction projects were carried out in the Budweis region.

In Poland demand for civil engineering still exists, however, the downward trend in larger infrastructure projects meant that it is getting successively more difficult and price competition is fierce. In building construction the market continued to offer satisfactory project volumes, although price pressure has been increasingly noticeable. The order backlog reached an all-time high in 2011.

The lack of infrastructure projects from the public sector led demand to slip back slightly in the Czech Republic. Only a hesitant recovery was observed on the building construction market.

The general environment in Romania continues to be problematic, although there was an upturn in public tender volumes at the end of the year, especially

in railway construction co-financed by the EU. In building construction a slow increase in private investments has finally been forecast.

In 2011 in Bulgaria there was also an increase in public infrastructure investment co-financed by the EU in the civil engineering sector.

In Serbia the Sava Bridge was handed over on time. Construction of the access ramps is currently progressing, as is work on various road construction sites and a pumping station for a pipeline. Efforts are underway to acquire further large-scale projects in the infrastructure sector.

The political risk has increased in recent months on certain core markets such as Slovakia and Hungary. Following the parliamentary elections in 2010 and the subsequent restructuring in public infrastructure and decentralised entities, investments have been put on hold. Particularly in Hungary, where political restructuring has been carried out, there have been changes to public procurement in civil engineering. As a consequence of the economic crisis, private investments also petered out and were therefore unable to make up for the stop to investment initiated by the public sector.

The risk related to public-sector financing must also be mentioned here, as it has sharply increased in Slovakia and, in particular, in Hungary. As a consequence of the financial crisis, Hungary has curtailed its spending on infrastructure. Some projects in public-sector civil engineering were withdrawn after having been announced. In order to minimise this risk, tendering and acquisition is being carried out very selectively. This means that PORR is almost exclusively pursuing projects where specific conditions lead it to have a certain competitive advantage. Some payment difficulties and longer payment terms with local authorities have been reported across the entire region. Consequently classic permanent business is facing renewed problems.

For Region 2 country and currency risks consistently play an important role in addition to the common risks specific to the construction industry, such as subcontractor and professional services, price, payment and default risks. In the building construction sector successful work has been underway for years to counter these construction-specific risks. Measures such as cross-country knowhow transfer, developing large-scale super-regional projects through a dedicated specialist department in Region 1 and the further development of specific risk management tools have all been applied for this purpose.

The Polish economy remains robust and boasts impressive growth rates. In addition, there is the need to catch up in terms of infrastructure which the government is energetically addressing. There are also opportunities in building construction, although – as in the home markets of Region 1 – competition is intensifying. Region 2 is currently tapping into niche segments which fall within its core competencies, such as Polish rail construction. In the future opportunities may materialise in the promising areas of energy and environmental engineering, fields in which PORR has an excellent reputation.

Region 2 looks set to develop at varying rates once again in 2012. On the one hand is the positive growth in Poland, even though there is likely to be a slight cooling-off following the 2012 European football championships. That said, the numerous acquisitions of recent years provide grounds for optimism. PORR also holds an increasingly strong position in Serbia. The excellent work on large-scale projects such as the Sava Bridge has made a good impression on the awarding authorities and has sustainably strengthened the company's position on the market.

On the other hand, Hungary and Slovakia continue to find themselves deep in the economic

crisis. Structural problems have emerged in these states which require fiscal reforms and can perhaps only be resolved in the medium term, even with EU backing. In any case, Region 2 now has good opportunities with Romania and Bulgaria in South Eastern Europe to compensate for the decreases in Eastern Europe, in addition to the traditional markets.

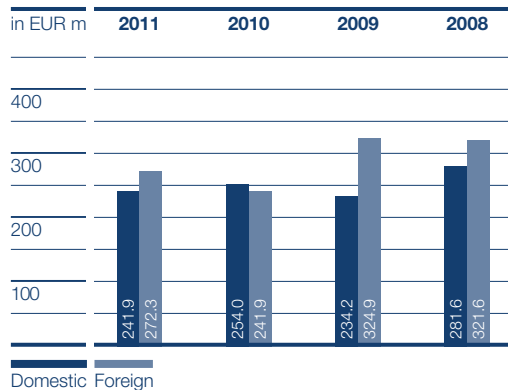
# SEGMENT INFRASTRUCTURE

PORR is a leader in building traffic infrastructure, far beyond its home markets of Austria, Germany, Switzerland, Poland and the Czech Republic. The Infrastructure segment includes activities in tunnel construction, rail construction, road and bridge construction, power plant construction and foundation engineering as well as large-scale civil engineering projects. PORR realises the entire range of traffic construction, from smaller construction tasks through to complex large-scale projects and traffic infrastructure initiatives.

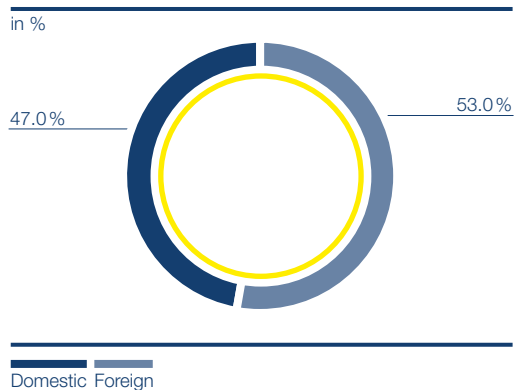
## Key data

in EUR m	2011	Change	2010	2009	2008
Production output	514.2	+3.7%	495.9	559.1	603.2
Foreign share in %	53.0	+4.2 PP	48.8	58.1	53.3
Order backlog at year end	1,012.4	+58.0%	640.7	834.0	850.7
Average staff	1,278	+1.1%	1,264	1,315	1,531

## Production output, domestic and foreign



## Production output in 2011, domestic and foreign





The economic crisis is forcing many countries in Europe to drastically cut their budgets, not least at the expense of infrastructure projects which are often being postponed or cancelled completely. In the Eastern and South Eastern European markets in particular there is a pressing need to catch up, although the varied situation among national budgets has led to great variation in the order situation. Demand remains high in Poland and Romania and the financing of infrastructure projects on the home market of Poland is broadly secure. Other markets such as Hungary and Slovakia are not currently capable of realising large-scale projects. An imminent recovery on these markets does not look likely.

Production output developed well for the Infrastructure segment in the 2011 business year. Despite tougher market conditions it was possible to increase production output to EUR 514.2m, an increase of 3.7% or EUR 18.3m. Although there was a slight decrease in production output in Austria, this home market remains the segment's most important country by a considerable margin. That said, the total foreign share of production output rose sharply and amounted to just over 50%. Here growth was seen on the markets of Germany and especially Serbia, where the Sava Bridge opened to traffic on December 31st 2011. There was also a significant rise in production output in Romania. In contrast, Hungary underwent a sharp fall. The economic and political difficulties on this core market, which have already been mentioned several times, also presented the Infrastructure segment with major challenges. The situation is being closely monitored at present and existing construction orders are being concluded, although there is no expectation of new orders. Recovering outstanding payments also proved difficult in 2011. Write-downs were recorded for irrecoverable payments from several large-scale projects spanning several years, which have either been fully or partially completed.

While production output only underwent slight growth in the 2011 business year, the order backlog

and especially order bookings rose sharply. At December 31st 2011 the order backlog stood at EUR 1,012.4m, an increase of 58.0% or EUR 371.7m. Order bookings practically tripled to EUR 885.9m, a plus of 192.8% or EUR 583.3m. The acquisition of several spectacular large-scale projects was behind this growth, such as Stuttgart 21, the Leipzig-Halle high-speed rail line, or two lots on the Freistadt S10 Bypass in Upper Austria. PORR is involved in the Em-scher Sewer project in Nordrhein-Westfalen, currently Europe's largest sewage project.

The Infrastructure segment bundles all of the Group's core competencies related to every form of public infrastructure. The »infrastructure specialist« is composed of the departments for foundation engineering, tunnel, rail and pipeline construction, structural engineering, power plant construction and large-scale civil engineering projects. Realising complex infrastructure projects has been one of PORR's most important business areas ever since it was founded. With internationally acclaimed large-scale projects such as the Großglockner High Alpine Road, the Kaprun pumped storage power plant, or very recently, the second tube of the Tauern Tunnel, this segment has extensive expertise in carrying out pioneering work in the most difficult conditions, expertise which has been built up over more than 140 years. Complex international engineering and road construction projects continue to form the company's core business to this very day.

Far beyond its home markets of Austria, Germany, Switzerland, Poland and the Czech Republic, this segment is a leader in traffic infrastructure. Whether it be tunnels, power plants or motorways, expressways and railway lines – it realises the entire range in traffic construction from smaller construction tasks right through to complex large-scale projects and traffic infrastructure initiatives.

The Infrastructure segment has first-class expertise in certain areas, for example tunnel construction.

This has made PORR into one of Europe's leading companies in every area of underground construction, from conventional tunnelling with shotcrete right through to high-tech mechanical tunnel boring, and PORR meets these challenges with experience, expertise and innovative solutions. In railway construction PORR developed the ÖBB-PORR slab track system in cooperation with ÖBB, the Austrian Federal Railways, the »elastically supported slab track base plate«. This system stands out because the high precision of the track base plate guarantees an exact track position with exceptional dynamic and sound-reducing technical properties. Knowhow made by PORR guarantees a technological edge in infrastructure construction.

In addition to the sensational acquisitions which were booked in 2011, an array of other projects is being realised. In Austria one particular project was Vienna Central Station, for which the works are continuing on schedule. Work has already begun on the newly acquired large-scale project Freistadt S-10 Bypass, as well as on the Götschka Tunnel. In Germany works are in full swing on the Emscher Sewer in Nordrhein-Westfalen. This, together with the Stuttgart 21 project, means that PORR is thereby very prominently represented in tunnel construction on the home market of Germany. The Leipzig-Halle high-speed rail line for the German railways also represents an important breakthrough, as it is the largest international project to date employing the technology of the ÖBB-PORR slab track system. In power plant construction the works on the Reißbeck II pumped storage power plant and on the Ashta hydropower plant in Albania are continuing as planned. The energy sector will continue to form an attractive business sector in the coming years, on the home as well as the core markets.

Despite the country's difficult economic situation, PORR is represented in Slovakia with the large-scale project for the Zdruzenie-Belusa railway line. This is going as planned and should be completed by 2014. Demand for modern rail infrastructure in Slovakia

remains high, so there may be further opportunities emerging in the medium term. In Romania the Arad Bypass motorway project was handed over to the developers. The Campina-Predeal railway line was awarded the title of the best EU-co-financed project in the infrastructure sector by the European Commission. This was yet another testament to PORR's good work on this important part of the Trans-European rail corridor. In Serbia the Sava Bridge was opened to traffic on December 31st 2011 and PORR's performance was rewarded with follow-up orders for the bridge's ramps.

As projects in the Infrastructure segment are often characterised by high levels of complexity, as well as more challenging technical and financial requirements, they are subject to stringent, ongoing risk management in order to allow the best-possible realisation. This process not only identifies risks in the execution phase, it pinpoints specific risks or opportunities in the preparation phase as well. Overall, risk management is based on a complete risk cycle, both in the execution phase as well as in the follow-up after project completion. Thereby the latest findings regarding possible risks are directly incorporated into the acquisition process.

A further risk lies in the need for budget consolidation in PORR's home and core markets, as the Infrastructure segment is highly dependent on public tenderers. The Austrian government's austerity measures have led to many construction projects being postponed by up to three years, or in some cases cancelled completely. Consequently, production output in foreign markets is set to grow in the coming years.

On the international markets, primarily Qatar, Oman and Russia, the Infrastructure segment works together with the Region 3 segment on selected large-scale infrastructure projects. On these markets in the Middle East and Russia, there is however an increased political risk in addition to the economic risk.

PORR counters this with intensified risk management and by only submitting tenders for a highly selective choice of projects.

The Infrastructure segment has a wide range of multi-faceted, tried-and-tested expertise in special areas such as tunnel or rail construction, where existing expertise opens up good opportunities. The targeted cooperation between various specialist departments, such as bridge and road construction and foundation engineering, enables PORR to offer clients particularly attractive tenders with regard to execution and pricing. Power plant construction and environmental engineering look set to be growth segments in the future.

There is cautious optimism for the Infrastructure segment in 2012. Positive future developments on the markets are expected by the departments for rail construction (international), pipeline construction and special civil engineering. In 2011 the acquisition of several spectacular large-scale projects led to a high order backlog. This order backlog will continue to be worked through in 2012 and new acquisitions will be necessary from 2013 in order to maintain production output levels. For this reason fluctuations in the order backlog are normal in this business, which is driven by large-scale projects. Overall the foreign share in total output is set to rise still further in the coming years, as demand is expected to stagnate in Austria in the medium term. Further economic developments on the home and core markets will remain a key indicator for this segment's own performance, as the majority of projects come from public authorities. A recovery of the economies in Eastern and South Eastern Europe combined with the continuing need to catch up in terms of basic infrastructure, should lead to an increase in tenders for large-scale projects.

# SEGMENT REGION 3

The Region 3 segment bundles all of the Group's activities in the markets of the Middle East (Oman, Qatar), Russia and Turkey.

PORR has been expanding onto the international markets for about two years, primarily in the Middle East and Russia. Demand for modern infrastructure remains as strong as ever, albeit for different reasons. Qatar is set to host the 2022 football World Cup, by which time it needs to equip itself to handle the masses of visitors effectively. Russia on the other hand is constantly dealing with new construction and upgrading road and rail connections, simply because of the country's size. Both countries have access to natural resources – oil and gas in particular – meaning that their financing is just as secure as their need for infrastructure.

The development of the Region 3 segment is closely tied to individual large-scale projects, which the sector is striving to secure in cooperation with other Group segments. Comprehensive acquisition efforts are currently underway in the most important target countries, namely Russia, Qatar and Oman.

In Russia the most pressing need to catch up lies in infrastructure. According to the government, investments of EUR 100bn should be made by 2015. PORR is primarily pursuing infrastructure projects in the greater St. Petersburg area. Russia is a key focus for acquisitions and will remain so until further notice; these are developed together with the Renaissance Group.

This strategic cooperation with the Turkish Renaissance Group guarantees low market entry costs across the entire CIS region and allows PORR exclusive market access beyond Europe's borders.

Alongside Russia, Qatar is currently the most promising market in Region 3. The budget for infrastructure investment in the run-up to the 2022

World Cup amounts to USD 60bn and there are concrete plans for six new stadiums and upgrades on three existing ones. PORR is currently working on tenders, particularly in tunnel construction. From 2012 clients here are expected to feel considerable time pressure, which could result in good market opportunities for leading technological companies such as PORR. Qatar is being built up as a regional hub so that PORR can develop business in neighbouring markets from this base.

In order to stimulate the economy, Oman has announced major investments in railway projects, roads, airports, harbours, hotels and public buildings, the realisation of which is planned for the coming years. Until now this market has been very small and with high levels of competition. In the medium term Oman could develop into an interesting market.

PORR managed to acquire its first order on the international market at the end of 2010 in Libya. The Tripoli Stadium was earmarked to be the stadium for the football final of the Africa Cup. PORR was awarded the tender for this project because of its comprehensive expertise in stadium construction, however, the developments related to the Arab Spring prevented its realisation. PORR is currently monitoring the situation.

Given the backdrop of the special economic and political situation on the international markets, risk management takes on an exceptional role. In addition to economic considerations, political stability is a key factor in procuring orders owing to the dominance of the public sector. PORR only participates in tenders for carefully chosen large-scale projects on the markets of the Middle East and Russia, particularly those related to infrastructure. With this strategy the PORR Group, which is in the development phase on these markets, is confronted with competitors to varying degrees, some of whom have extensive resources at their disposal.

Extending business activities to the target markets in the Middle East and Russia promises output growth in the medium term, although the current situation means that an extremely cautious approach has been adopted. The goal is to utilise any market opportunities in the region which are conducive to profitable, long-term growth.



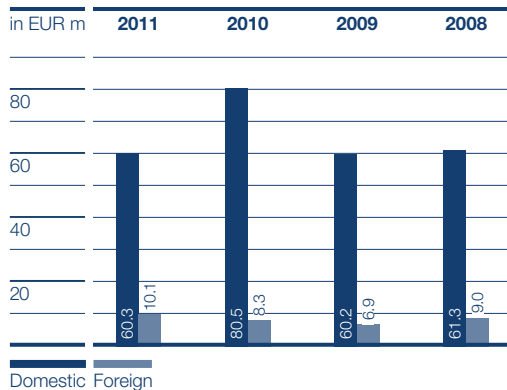
# SEGMENT ENVIRONMENTAL ENGINEERING

The Environmental Engineering segment is home to the PORR Group's expertise in environmental clean-up, renewable energy, water supply and wastewater treatment. In addition to developing waste treatment projects at home and abroad, the segment's core competencies lie in waste management, importing and exporting waste, operating landfills and recycling centres, and building plants which generate power from renewable energy sources.

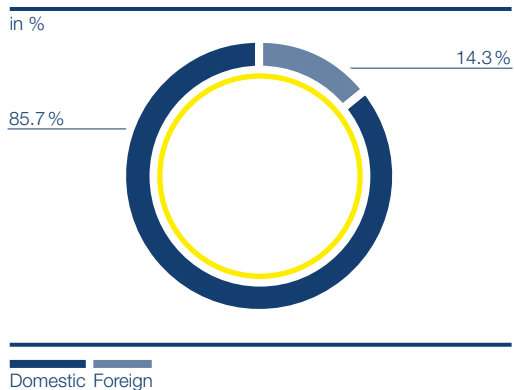
## Key data

in EUR m	2011	Change	2010	2009	2008
Production output	70.4	-20.7%	88.8	67.1	70.3
Foreign share in %	14.3	+5.0PP	9.3	10.3	12.8
Order backlog at year end	42.7	+188.5%	14.8	23.3	52.4
Average staff	239	+1.3%	236	230	220

## Production output, domestic and foreign



## Production output in 2011, domestic and foreign



In the business year 2011 the situation on Environmental Engineering's most important markets, namely Austria, Serbia and Germany, was almost unchanged. There are plans to extend the business, particularly in the SEE region and Germany. Here opportunities are expected to emerge in the short term in the fields of renewable energy, waste trading, water supply and wastewater treatment.

Steady market developments were observed on the Austrian market in the fields of environmental projects and remediation of contaminated sites in the last business year. The conclusion of large-scale projects such as Vienna Central Station had already made an impact by the end of the year. As a result, production output sank to EUR 70.4m, a decrease of 20.7% or EUR 18.4m. Despite this, the outlook is cautiously optimistic as the order situation has improved considerably. At December 31st 2011 the order backlog had reached EUR 42.7m, a clear rise against the previous year of 188.5% or EUR 27.9m. Order bookings amounted to EUR 98.2m, another increase of 22.1% or EUR 17.8m.

PORR Umwelttechnik GmbH was founded in 1990 as a subsidiary of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft, in order to concentrate the Group's existing expertise in the field of technical environmental protection, along with the aim of the development and practical implementation of innovations in planning, financing, building and operating structures and plants related to environmental engineering.

The Group's reorganisation has led the promising Environmental Engineering segment to increase in significance. PORR's expertise in environmental clean-up, waste management, renewable energy, water supply and wastewater treatment is bundled in this segment. Here the strategy is clearly aligned towards growth with skilled and qualified staff. Deliberations on tightening the structure in terms of operations and commercial law are being expedited with regard to shareholdings. PORR is part of the trend towards »Green Solutions«, especially on the SEE market, and is rapidly accelerating its efforts in the environmental sector.

The segment's core competencies lie in developing waste treatment projects at home and abroad; waste management; importing and exporting waste; operating landfills and storing and

stabilising waste; operating immobilisation plants; asbestos abatement and disposal; establishing collection systems; building plants which generate power from renewable energy sources such as solar, wind, biomass; the BIOPUSTER® method, a PORR patent in the waste treatment sector; as well as developing and realising DBFO models in the water and wastewater sectors.

Although at present the Environmental Engineering segment has much lower production output than the other operating segments, a range of interesting projects were realised in 2011. These include works on the new Vienna Central Station, operating a wet screening plant and a »Ground Unit« concrete mix plant on the factory premises of voestalpine Stahl GmbH in Linz, as well as numerous remediation and disposal projects on contaminated sites, for example in Brückl and Rum. Small-scale projects were realised in the field of geothermal energy; in addition business activities in domestic and commercial waste in Serbia as well as mining dolostone and waste filling activities were extended.

Project preparation progressed well in photovoltaics, water supply and wastewater treatment. Preparation was carried out for securing long-term resources in the landfill sector, both cooperative and proprietary.

This year the market in Austria is expected to hold steady and experience a slight decrease in pricing levels. The market positions in Serbia and Germany should be expanded. Growth in the areas of photovoltaics, water supply and wastewater treatment is directly dependent on realising target projects, which are in turn subject to subsidies being granted.

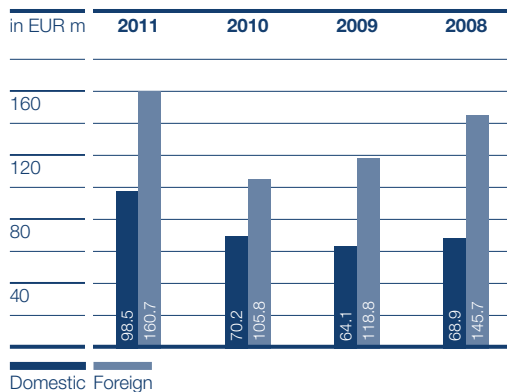
# SEGMENT DEVELOPMENT

The Development segment encompasses a broad range in project development and property development. The focus here is on the promising core competencies of the office, commercial, tourism and hotel sectors as well as concession models from hospitals through to large-scale infrastructure projects. The Group's main markets are Austria and Germany, currently complemented by possible projects in Serbia and Romania.

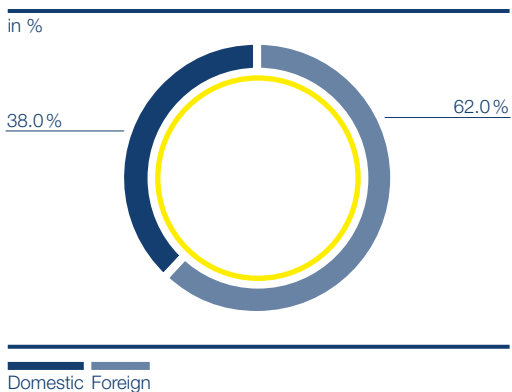
## Key data

in EUR m	2011	Change	2010	2009	2008
Production output	259.2	+47.3%	176.0	182.9	214.6
Foreign share in %	62.0	+1.9PP	60.1	65.0	67.9
Order backlog at year end	104.2	-22.3%	134.1	144.2	248.6
Average staff	651	+9.6%	594	460	331

## Production output, domestic and foreign



## Production output in 2011, domestic and foreign



The debt crisis and consequent crisis of confidence had a sharp negative impact on private investors in 2011. Another factor was the noticeable credit crunch from the fourth quarter, which was exacerbated by the new EU requirements on capital. This confirmed the expectation that the crisis in the European property industry is not yet over, even though the full year 2011 closed with slight growth of 2.0%, created by the good start to the year. The difficult capital market had a particularly strong influence on the Development segment in 2011. In project financing, factors which complicated the order situation included the high equity ratio mentioned previously and the higher financing charges demanded by banks, as well as the high levels of advance utilisation required. This increase in advance utilisation rates for new projects is necessary in order to guarantee economic success right from the early phase of a project.

The Development segment managed to end the business year 2011 on a positive note in terms of production output. This reached EUR 259.2m, an increase of 47.3% or EUR 83.2m. This was accounted for in particular by the three home markets of Austria, Germany and Switzerland.

The order backlog was worked off in parallel to the sharp rise in production output and fell to EUR 104.2m, equivalent to a decrease of 22.3% or EUR 29.9m. With just one exception these decreases affected every foreign market, only Austria managed to achieve growth. This is however a common occurrence in the Development segment's project development business and was compensated for by the pleasing order bookings. These rose to EUR 229.4m, an increase of 38.4% or EUR 63.6m. Growth was achieved in nearly every market, with order bookings only falling in Germany, following on from significant rises in 2010. In Austria the increases in Vienna were very pleasing, once again underlining the exceptional position of this federal province for the Development segment.

The Development segment was restructured in the course of the reorganisation of the entire Group. The two project development specialists, Porr Solutions and Strauss & Partner Immobilien, were incorporated into Strauss & Partner Development GmbH. In the course of the Group's new strategic alignment, the Development sector now also has the framework in place to implement the new strategy. Proximity to customers is now guaranteed and all services are offered from one source. What is more, the internal synergies will also lead to a noticeable increase in efficiency.

The Development segment has grown significantly in the PORR Group in recent years and now covers a broad sphere in project development and property development. The focus here is on the promising core competencies of the office, commercial, tourism and hotel sectors as well as concession models from hospitals through to large-scale infrastructure projects. The strategy which Strauss & Partner has been employing to date in office and residential construction is being continued. The Group's main markets are Austria and Germany, currently being complemented by projects in Serbia and Romania.

Strauss & Partner Development is synonymous with expertise in developing, financing and managing property of every type – from offices and commercial properties to residential real estate and complex infrastructure. The PORR subsidiary develops complete solutions which are precisely tailored to the goals and requirements of the client. Projects are exclusively handled by experienced teams of experts who always offer the best solution. From the initial idea right through to marketing or operating property and infrastructure projects, Strauss & Partner Development offers all services from one source. This enables every project to be realised efficiently with just one contact partner. Strauss & Partner Development offers its customers the highest quality in project development, property development, project and financial management as well consulting services

in issues surrounding property investments. The service portfolio of Strauss & Partner Development includes the development, realisation, supervision and marketing of property, infrastructure and other projects across their entire life cycle.

A second change relates to Strauss & Partner in the field of property management and FMA Gebäudemangement GmbH. In the future they will go by the name of PORREAL and offer a full service portfolio in property, facility and asset management as well as real estate consulting. This should facilitate the expansion of the property management business, securing the PORR Group's successful position in the property value chain beyond construction. PORREAL operates as a complete provider in the property management business in all relevant markets at home and abroad, and guarantees the efficient management of all properties owned by the Group.

The service spectrum of the Development segment includes a broad range from office and residential properties and the tourism sector, right through to public building construction projects in the fields of healthcare, energy and administration. Projects from all of these core competencies were realised in 2011. For example, in the healthcare sector the new Münster rehab centre in Tyrol was opened, as was the Simmering residential and care home in Vienna. In addition to several retail centres such as the Haidäcker Park project, a series of apartment buildings were realised primarily in the Greater Vienna area, such as the Margaretenstraße residential complex. At present the most important projects in the tourism sector are the Kempinski Palais Hansen on Vienna's Ringstraße, which will also house luxurious serviced apartments on the upper floors. The works on the Alexander Parkside Hotel in Berlin are progressing on schedule. The Hotel Ramada Tivoli Innsbruck and the Kempinski Hotel Das Tirol were opened, while the projects Olympia Gate Munich (development of a city quarter) and the O2 Arena Berlin were started as planned.

In addition to this, the Development segment entered into a comprehensive cooperation agreement with the hotel company InterCityHotel, a fully owned subsidiary of Steigenberger Hotels AG. The plans foresee the extensive expansion of the InterCityHotel brand in Central and Eastern Europe. In the coming years numerous hotels will be developed in attractive locations, with target destinations involving major traffic hubs such as railway stations and airports, as well as sites in inner-city locations. Evaluations are currently being conducted on the first sites. Strauss & Partner Development will develop the sites while InterCityHotel will operate the hotels as the sole leaseholder. The reason behind this broad-ranging partnership lies in the demand for upper mid-range hotels, which is growing in light of the expanding CEE economies, where the number of business travellers has risen sharply. The Steigenberger Hotel at the new railway station in Berlin marks the start of the cooperation.

The fact that the frame conditions have become more difficult because of the financial crisis has also led to an increase in risk management in the Development segment. Key success factors included solid market analyses and a focus on the service range with regard to the changing market conditions. Once again in 2011 the greatest challenges in project development were related to financing and utilisation risk. In the field of financing the increase in own funds required also increased the risk to investors. This made financing more difficult to come by or, in some cases, completely impossible to realise. In addition, the level of rental rates has fallen, long-term contracts are becoming less common and vacancy rates have risen. The creditworthiness of tenants and the length of rental contracts and lease agreements (lease risk) are given top priority in order to be able to generate secure, sustainable earnings from existing projects and minimise the risk of default.

Projects which are financed by means of concession models have also been affected by the crisis.



While until now these projects could generally be classified as risk-free in terms of creditworthiness, recent developments have shown that public contracting authorities, especially in the CEE/SEE region, are increasingly suffering the effects of the economic turbulence and that some of them are putting a stop to previously announced investment decisions or postponing them to a later date.

In the area of social and municipal infrastructure, demand for rented space for public or semi-public institutions holds great potential. An increased focus on the public sector and the PORR Group's excellent standing should lead to the successful realisation of further public-sector projects. This relates in particular to the sectors of education and healthcare infrastructure, where PORR has already won numerous large-scale projects on a best-bidder basis.

The real estate sector has still not completely recovered following on from the far-reaching crisis in the property industry which spread from the USA in 2008 to trigger the global economic crisis. In order to counter the current challenges and to be well prepared for the future, the PORR Group restructured the Development segment as described above. This should increase efficiency by securing faster decision-making processes and results-oriented growth, while at the same time maintaining the sector's performance capability and enabling clients to profit from better proximity to customers. Even though the real estate sector continues to operate at below pre-crisis levels, PORR is still committed to positive growth in this market segment. Here the focus is on the core competencies in the Development sector. In addition to office properties and residential construction, building construction infrastructure such as energy, healthcare and administration are key focal points. Other areas will be selectively developed depending on market conditions, whereby optimising the property portfolio is at the forefront.

# PORR CONSOLIDATED FINANCIAL STATEMENTS 2011

# Consolidated Financial Statements

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# CONSOLIDATED INCOME STATEMENT

for the period January 1st 2011 to December 31st 2011

in EUR thousand	Note	2011	2010
Revenue	(7)	2,212,490.1	2,217,451.4
Own work capitalised in non-current assets		4,151.9	6,292.7
Share of profit/loss of associates	(20)	17,915.6	13,403.1
Other operating income	(8)	67,158.2	57,885.9
Cost of materials and other related production services	(9)	-1,470,861.4	-1,460,424.7
Staff expense	(10)	-583,469.0	-555,462.3
Depreciation, amortisation and impairment expense	(11)	-51,290.9	-53,695.5
Other operating expenses	(12)	-239,224.7	-176,386.1
<b>EBIT</b>		<b>-43,130.2</b>	<b>49,064.5</b>
Income from financial investments and other current financial assets	(13)	2,905.4	7,779.1
Finance costs	(14)	-45,509.3	-36,111.5
<b>EBT</b>		<b>-85,734.1</b>	<b>20,732.1</b>
Income tax expense	(15)	13,542.5	-4,028.1
<b>Profit/loss for the period</b>		<b>-72,191.6</b>	<b>16,704.0</b>
of which attributable to non-controlling interest		2,748.9	8,616.2
<b>Profit/loss for the period attributable to shareholders of the parent company and holders of profit-participation rights</b>		<b>-74,940.5</b>	<b>8,087.8</b>
of which attributable to holders of profit-participation rights		5,600.0	5,600.0
Profit/loss for the period attributable to shareholders of the parent company		-80,540.5	2,487.8
<b>Earnings per share (in EUR)</b>	(16)	<b>-29.73</b>	<b>0.94</b>

# STATEMENT OF COMPREHENSIVE INCOME

for the period January 1st 2011 to December 31st 2011

in EUR thousand	Note	2011	2010
<b>Profit/loss for the period</b>		<b>-72,191.6</b>	<b>16,704.0</b>
<b>Other comprehensive income:</b>			
Gains (losses) from fair value measurement of securities		-203.2	98.0
Gains (losses) from cash flow hedges			
Gains (losses) in the period under review	(43)	-	254.4
Gains (losses) recognised in profit or loss	(43)	66.6	4,539.3
Gains (losses) from cash flow hedges of associates		-8,348.0	-4,999.9
Gains (losses) from revaluation of property, plant and equipment	(18)	-85.4	1,931.4
Exchange differences		-1,732.5	4,430.5
Expense (income) on other comprehensive income	(15)	33.6	-1,915.5
<b>Other comprehensive income</b>		<b>-10,268.9</b>	<b>4,338.2</b>
<b>Total comprehensive income</b>		<b>-82,460.5</b>	<b>21,042.2</b>
of which attributable to non-controlling interest		2,678.6	9,621.4
<b>Share attributable to shareholders of the parent company and holders of profit-participation rights</b>		<b>-85,139.1</b>	<b>11,420.8</b>
of which attributable to holders of profit-participation rights		5,600.0	5,600.0
<b>Share attributable to shareholders of the parent company</b>		<b>-90,739.1</b>	<b>5,820.8</b>



# CONSOLIDATED CASH FLOW STATEMENT

for the period January 1st to December 31st 2011

in EUR thousand	Note (43)	2011	2010
Profit/loss for the period		-72,191.6	16,704.0
Depreciation, impairment and reversals of impairment on fixed assets		56,016.9	54,234.8
Income/expense from associates		-8,355.0	-3,215.1
Profits from the disposal of fixed assets		-3,975.3	-3,492.3
Decrease in long-term provisions		-1,436.7	-3,035.8
Deferred income tax		-20,413.6	-171.0
<b>Operating cash flow</b>		<b>-50,355.3</b>	<b>61,024.6</b>
Increase in short-term provisions		9,311.5	11,484.5
Decrease in inventories		19,825.0	630.5
Increase/decrease in receivables		47,647.4	-62,389.1
Increase in payables (excluding banks)		7,131.1	146,655.8
Other non-cash transactions		5,989.8	2,147.3
<b>Cash flow from operating activities</b>		<b>39,549.5</b>	<b>159,553.6</b>
Proceeds from sale of property, plant and equipment and investment property		21,588.8	37,280.9
Proceeds from sale of financial assets		10,963.4	6,308.1
Investments in intangible assets		-3,203.6	-5,181.9
Investments in property, plant and equipment and investment property		-126,974.6	-104,900.0
Investments in financial assets		-23,506.0	-33,452.6
Payments for the acquisition of subsidiaries		-4,851.0	-
<b>Cash flow from investing activities</b>		<b>-125,983.0</b>	<b>-99,945.5</b>
Dividends		-1,458.8	-5,835.1
Dividends paid out to non-controlling interest		-17,513.5	-13,825.0
Proceeds from bonds		-	124,031.9
Repayment of bonds		-68,197.4	-100,000.0
Obtaining loans and other financing		154,824.8	-18,729.0
Payments for the acquisition of non-controlling interest		-37,973.6	-
<b>Cash flow from financing activities</b>		<b>29,681.5</b>	<b>-14,357.2</b>
<b>Cash flow from operating activities</b>		<b>39,549.5</b>	<b>159,553.6</b>
<b>Cash flow from investing activities</b>		<b>-125,983.0</b>	<b>-99,945.5</b>
<b>Cash flow from financing activities</b>		<b>29,681.5</b>	<b>-14,357.2</b>
<b>Net inflow of cash and cash equivalents</b>		<b>-56,752.0</b>	<b>45,250.9</b>
Cash and cash equivalents at Jan 1st		212,160.8	163,042.7
Currency differences		-2,928.7	2,126.5
Changes to cash and cash equivalents resulting from changes to the consolidated group		1,332.4	1,740.7
<b>Cash and cash equivalents at Dec 31st</b>		<b>153,812.5</b>	<b>212,160.8</b>
Interest paid		40,547.8	30,724.9
Interest received		13,567.4	10,367.0
Tax paid		5,775.0	1,722.0
Dividends received		952.5	2,388.7

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in EUR thousand	Note	31.12.2011	31.12.2010
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	(17)	51,021.7	31,411.7
Property, plant and equipment	(18)	409,752.1	415,870.8
Investment property	(19)	407,496.2	366,020.5
Shareholdings in associates	(20)	195,523.3	175,674.8
Loans	(21)	35,123.1	37,328.0
Other financial assets	(22)	25,440.4	34,404.4
Other non-current assets	(25)	50,722.4	52,972.9
Deferred tax assets	(29)	9,452.0	17,438.3
		<b>1,184,531.2</b>	<b>1,131,121.4</b>
<b>Current assets</b>			
Inventories	(23)	55,125.4	74,337.1
Trade receivables	(24)	602,639.3	652,369.5
Other financial assets	(25)	114,044.6	86,011.0
Other receivables and current assets	(26)	17,593.8	21,900.8
Cash and cash equivalents	(27)	153,812.5	212,160.8
Assets held for sale	(28)	16,800.0	–
		<b>960,015.6</b>	<b>1,046,779.2</b>
<b>Total assets</b>		<b>2,144,546.8</b>	<b>2,177,900.6</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	(30)	19,895.8	19,275.3
Capital reserves	(31)	121,353.0	111,453.5
Other reserves	(31)	83,571.3	187,774.7
<b>Equity attributable to shareholders of parent company</b>		<b>224,820.1</b>	<b>318,503.5</b>
Equity from profit-participation rights (non-controlling interest)	(32)	75,530.0	75,530.0
Non-controlling interest	(33)	2,892.7	83,258.3
		<b>303,242.8</b>	<b>477,291.8</b>
<b>Non-current liabilities</b>			
Bonds	(35)	224,088.3	293,548.9
Provisions	(34)	105,887.6	106,876.6
Non-current financial liabilities	(36)	408,241.0	213,138.9
Other non-current financial liabilities	(38)	20,880.9	14,540.0
Other liabilities	(39)	33,981.0	29,949.7
Deferred tax liabilities	(40)	22,839.5	48,686.9
		<b>815,918.3</b>	<b>706,741.0</b>
<b>Current liabilities</b>			
Bonds	(35)	69,629.6	67,821.6
Provisions	(34)	77,249.6	67,450.2
Current financial liabilities	(36)	87,908.1	78,998.0
Trade payables	(37)	502,176.4	487,127.2
Other current financial liabilities	(38)	122,508.3	112,712.7
Other current liabilities	(39)	161,570.7	175,112.3
Tax payables	(40)	4,343.0	4,645.8
		<b>1,025,385.7</b>	<b>993,867.8</b>
<b>Total equity and liabilities</b>		<b>2,144,546.8</b>	<b>2,177,900.6</b>

# STATEMENT OF CHANGES IN GROUP EQUITY

in EUR thousand	Notes (30-33)	Share capital	Capital reserves	Revaluation reserve	Foreign currency translation reserves
<b>Balance at Jan 1st 2010</b>		<b>19,275.3</b>	<b>111,453.5</b>	<b>13,063.0</b>	<b>-224.5</b>
Total profit/loss for the year		-	-	11.9	3,690.9
Dividend payout		-	-	-	-
Income tax on interest for holders of profit-participation rights		-	-	-	-
Acquisition of non-controlling interest		-	-	-	-
<b>Balance at Dec 31st 2010</b>		<b>19,275.3</b>	<b>111,453.5</b>	<b>13,074.9</b>	<b>3,466.4</b>
Total profit/loss for the year		-	-	1,079.4	-625.4
Dividend payout		-	-	-	-
Income tax on interest for holders of profit-participation rights		-	-	-	-
Capital increase		620.5	9,899.5	-	-
Acquisition of non-controlling interest		-	-	-	-
<b>Balance at Dec 31st 2011</b>		<b>19,895.8</b>	<b>121,353.0</b>	<b>14,154.3</b>	<b>2,841.0</b>

Total debt securities available for sale: fair value reserve	Reserve for cash flow hedges	Retained earnings and non retained profit	Equity attributable to equity holders of the parent	Profit-participation rights	Non-controlling interest	Total
<b>-84.2</b>	<b>-19,262.8</b>	<b>193,061.4</b>	<b>317,281.7</b>	<b>75,530.0</b>	<b>82,868.4</b>	<b>475,680.1</b>
65.3	-1,404.6	3,457.3	<b>5,820.8</b>	5,600.0	9,621.4	<b>21,042.2</b>
-	-	-5,835.1	<b>-5,835.1</b>	-5,600.0	-8,225.0	<b>-19,660.1</b>
-	-	1,400.0	<b>1,400.0</b>	-	-	<b>1,400.0</b>
-	-	-163.9	<b>-163.9</b>	-	-1,006.5	<b>-1,170.4</b>
<b>-18.9</b>	<b>-20,667.4</b>	<b>191,919.7</b>	<b>318,503.5</b>	<b>75,530.0</b>	<b>83,258.3</b>	<b>477,291.8</b>
<b>-153.0</b>	<b>-8,298.0</b>	<b>-82,742.1</b>	<b>-90,739.1</b>	5,600.0	2,678.6	<b>-82,460.5</b>
-	-	-1,458.8	<b>-1,458.8</b>	-5,600.0	-11,913.5	<b>-18,972.3</b>
-	-	1,400.0	<b>1,400.0</b>	-	-	<b>1,400.0</b>
-	-	-	<b>10,520.0</b>	-	-	<b>10,520.0</b>
-	-	-13,405.5	<b>-13,405.5</b>	-	-71,130.7	<b>-84,536.2</b>
<b>-171.9</b>	<b>-28,965.4</b>	<b>95,713.3</b>	<b>224,820.1</b>	<b>75,530.0</b>	<b>2,892.7</b>	<b>303,242.8</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 2011

## 1. General information

The PORR Group consists of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft (PORR AG) and its subsidiaries, hereafter referred to as the »Group«. PORR AG is a public limited company according to Austrian law and has its registered head office at Absberggasse 47, 1100 Vienna. The company is registered with the commercial court of Vienna under reference number FN 34853f. The Group deals mainly with the planning and execution of a whole range of building construction activities as well as project development and real estate development.

The consolidated financial statements have been prepared pursuant to Art. 245a of the Austrian Commercial Code in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and accepted by the European Union and in accordance with the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

The reporting currency is the euro, which is also the functional currency of PORR AG and of the majority of the subsidiaries included in the consolidated financial statements.

The consolidated financial statements were prepared with the closing date of December 31st and relate to the fiscal year from January 1st to December 31st. The majority of numerical entries are rounded up or down to the nearest thousand (TEUR) and may result in rounding differences.

## 2. Consolidated group

In addition to PORR AG, 104 (previous year: 97) domestic subsidiaries and 56 (previous year: 48) foreign subsidiaries are included in the consolidated financial statements. Eight companies are no longer included in the consolidated group, whereby six of these were excluded through intragroup mergers. Effective from June 11th 2011, Porr Projekt und Hochbau Aktiengesellschaft and Porr Technobau und Umwelt Aktiengesellschaft merged into one company and were converted into a GmbH, with the company name changed to Porr Bau GmbH. Effective from September 1st 2011 Porr GmbH was also incorporated into Porr Bau GmbH. Additionally, 63 (previous year: 54) domestic and 18 (previous year: 17) foreign associates were valued under the equity method. The effects of acquisitions in the year under review are addressed in note 2.1.

The list of shareholdings (see page 162) shows the subsidiaries and associates included. Companies that are of minor relevance to the consolidated financial statements are not included; a total of 67 (previous year: 72) subsidiaries were therefore not included in the consolidation.

PORR AG is entitled to the majority of the voting rights in respect of one subsidiary, but it does not have control of the company due to a voting trust agreement. This company is accounted for at equity.

### 2.1. First consolidations

In these consolidated financial statements the following 23 companies were consolidated for the first time:

Due to new formations etc.:

EPS MARIA LANZENDORFERSTRASSE 17 Errichtungs- und Beteiligungs GmbH & Co KG  
 EPS Welser Straße 17 – Business.Hof Leonding 1 Errichtungs- und Beteiligungs GmbH & Co KG  
 EPS Haagerfeldstraße – Business.Hof Leonding 2 Errichtungs- und Verwertungs GmbH  
 Porr Construction LLC  
 PORR Qatar Construction WLL  
 Mühlenstraße 11 – 12 GmbH & Co. KG  
 Hotel am Kanzleramt GmbH & Co. KG  
 EPS Tamussinostrasse Errichtungs- und Beteiligungs GmbH & Co KG  
 EPS Tivoli Hotelerrichtungs- und Beteiligungsverwaltungs GmbH  
 Porr Equipment Services GmbH  
 Tovarystvo z obmezhenoyu vidpovidalnistyu »Porr Ukraina«  
 PORR Bulgaria OOD

Due to acquisitions:

Strauss & Partner Group:

STRAUSS & PARTNER IMMOBILIEN GMBH  
 ALBA BauProjektManagement GmbH  
 ALBA ProjectManagement Romania S.R.L.  
 ALBA BauProjektManagement Bulgaria EOOD

Nägele Tiefbau GmbH

ARIWA Beteiligungs GmbH

aqua plus Wasserversorgungs- und Abwasserentsorgungs-GmbH

FMA Gebäudemanagement GmbH

TRACK EXPERTS D.O.O. BEOGRAD, MILUTINA MILANKOVICA 11A

STANOGRAD ULAGANJA BIBINJE d.o.o. za promet nekretninama, usluge i graditeljstvo

STANOGRAD ULAGANJA d.o.o. za promet nekretninama, usluge i graditeljstvo

PORR AG acquired 100% of shares in the Strauss & Partner Group (99% in ALBA ProjectManagement Romania) with the effective date of April 28th 2011 in exchange for contribution in kind and excluding subscription rights, in the course of a capital increase from authorised capital with the issue of 85,390 new shares.

The purchase price, or the fair value, of the new shares issued for acquiring these companies breaks down as follows in terms of assets and liabilities:

in EUR thousand	2011
Intangible assets	15,833.4
Other non-current assets	355.1
Current assets	4,875.0
Current liabilities	-10,545.1
Non-controlling interest	1.6
<b>Purchase price</b>	<b>10,520.0</b>

The fair value of the acquired companies was determined on the basis of an external opinion. Expected synergies, primarily in the field of property management, were the reason for the recognition of goodwill. Effects on the PORR Group's statement of comprehensive income since the acquisition date on April 28th 2011 are insignificant. This transaction qualifies as a related party disclosure.



A total of TEUR 4,858.1 was used for all other acquisitions and acquisitions of further shares, which breaks down as follows:

in EUR thousand	2011
Intangible assets	3,790.3
Other non-current assets	3,726.1
Current assets	11,007.8
Current liabilities	-13,666.1
<b>Purchase price</b>	<b>4,858.1</b>

The impact of first consolidations on the financial position and financial performance of the PORR Group (without including consolidating entries) breaks down as follows:

in EUR thousand	2011
Non-current assets	17,083.2
Current assets	19,277.8
<b>Assets</b>	<b>36,361.0</b>
Liabilities	33,820.9
<b>Equity and liabilities</b>	<b>33,820.9</b>
<b>EBT</b>	<b>-1,073.2</b>

Applying a notional date of first-time consolidation of January 1st 2011 for all companies consolidated for the first time would result in changes to consolidated revenue of TEUR 31,172.4 and changes to EBT of TEUR -1,094.0.

At the closing date August 3rd 2011 the PORR Group acquired a further 47.2% in TEERAG-ASDAG AG and is now in possession of 100% of shares following expiry of the squeeze-out process. This acquisition is recorded in equity as a transaction between owners and has led to a reduction of TEUR 83,674.1 (see Statement of Changes in Group Equity).

## 2.2. Acquisitions after the end of the reporting period

With the contract date of January 20th 2012 the PORR Group acquired 100% of shares in the company TKDZ GmbH in Wellen, Germany. The company mines and sells dolostone and offers waste filling opportunities. With this the PORR Group plans to gain a foothold in the environmental business on the German market.

## 3. New accounting standards

### 3.1. Standards adopted for the first time in the year under review

#### New interpretations

— IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments:

This interpretation published in November 2009 specifies that when extinguishing a financial liability with equity instruments, which should be initially recognised at fair value, these are 'consideration paid' in accordance with Article 41 of IAS 39. This interpretation is compulsory for fiscal years beginning on or after July 1st 2010. These amendments have not affected the consolidated financial statements of the Group.

#### Revised standards

— IAS 24 – Related Party Disclosures:

The 2009 revisions to the standard simplify the definition of related parties, clarify the meaning of this term

and eliminate inconsistencies. They provide a partial exemption for government-related entities. In its revised form this standard is effective for annual periods beginning on or after January 1st 2011 and has not had a significant effect on the financial statements of the Group.

#### Amendments to standards and interpretations

- Classifications of Rights Issues: Amendment to IAS 32 Financial Instruments: Presentation (amended 2009):

According to this amendment, rights (also options or warrants) to acquire a fixed number of an entity's own equity instruments for a fixed price stated in a currency other than the functional currency, would be equity instruments, provided the entity offers the rights pro rata to all existing owners of the same class of equity instruments. The amendment is effective for annual periods beginning on or after February 1st 2010 and has had no effect on the financial statements of the Group.

- IFRS 1 – First-time Adoption of International Financial Reporting Standards: Limited Exemption from Comparative IFRS 7 Disclosures:

This amendment exempts companies from comparative disclosures for previous periods, which would otherwise be obligatory since the March 2009 amendment to IFRS 7 Financial Instruments: Disclosures, if they are first-time adopters, effective as of January 1st 2010. As the PORR Group is not a first-time adopter, the amendment has no effect on the financial statements of the Group.

- Prepayments of a Minimum Funding Requirement: Amendments to IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (amended 2009):

The amendment allows prepayments of minimum funding requirements to be recognised as an asset. The amendment is effective for annual periods beginning on or after January 1st 2011 and has had no effect on the financial statements of the Group.

- Improvements to IFRS (amendments 2010):

In May 2010 as part of the Annual Improvements Process – Projects, the IASB published Improvements to IFRSs, specifying various amendments. The revisions relate to amendments on presentation, application and measurement as well as terminology or editorial changes. The amendments are effective for annual periods beginning on or after January 1st 2011 and have had no significant effect on the financial statements of the Group.

### 3.2. New accounting standards which have not yet been adopted

The following published standards and interpretations relevant to the preparation of consolidated financial statements did not need to be applied compulsorily to fiscal years beginning on or prior to January 1st 2011, and the voluntary option to apply them early was also not exercised.

#### Standards and interpretations already adopted by the European Union

##### Amendments to standards and interpretations

- Transfers of Financial Assets: Amendments to IFRS 7 Financial Instruments: Disclosures:

Additional specifications were given for transfers of financial assets which continue to be disclosed in the statement of financial position. The amendment is effective for annual periods beginning on or after July 1st 2011 and is not expected to have any significant effect on the financial statements of the Group.

## Standards and interpretations not yet adopted by the European Union

### New standards

#### — IFRS 9 – Financial Instruments: Classification and Measurement of Financial Assets

IFRS 9 Financial Instruments was published in November 2009. IFRS 9 specifies requirements for classifying and measuring financial assets. The former categories of loans and receivables, assets held to maturity, assets held for sale, and FVTPL (fair value through profit or loss) assets will be replaced by the categories amortised cost and fair value. Whether the instrument falls within the amortised cost category is partly dependent on the business model of the company, i.e. how it treats financial instruments for tax purposes, and partly on the contractual cash flows of the individual instruments. The changes are applicable to fiscal years beginning on or after January 1st 2015 and will be applied retrospectively. The Group is currently evaluating what the effect will be on the consolidated financial statements.

#### — IFRS 9 – Financial Instruments: Additions for Financial Liability Accounting

The version of this standard reissued in 2010 incorporates requirements for the classification and measurement of financial liabilities, which basically conform to the classifications which currently exist under IAS 39. There are two significant differences regarding the disclosure of changes to default risk as well as removing the exception for derivative financial liabilities measured at amortised cost. The changes are applicable to fiscal years beginning on or after January 1st 2015 and will be applied retrospectively. The Group is currently evaluating what the effect will be on the consolidated financial statements.

#### — IFRS 10 – Consolidated Financial Statements

In IFRS 10 control is defined as the only basis for consolidation, regardless of the type and background of the investee. As a consequence, the risk and rewards approach of SIC 12 is eliminated. This standard is applicable to fiscal years beginning on or after January 1st 2013 and will be applied retrospectively. The Group is currently evaluating what the effect will be on the consolidated financial statements.

#### — IFRS 11 – Joint Arrangements

The core principle of IFRS 11 is that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. The option of applying proportionate consolidation to joint ventures will be eliminated in the future. This standard is applicable to fiscal years beginning on or after January 1st 2013. The Group is currently evaluating what the effect will be on the consolidated financial statements.

#### — IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 brings together the disclosures for interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities into one comprehensive standard. Many of these disclosures have been taken from IAS 27, IAS 31 or IAS 28, while other disclosures have been newly incorporated. This standard is applicable to fiscal years beginning on or after January 1st 2013. The Group is currently evaluating what the effect will be on the consolidated financial statements.

#### — IFRS 13 – Fair Value Measurement

The standard was published in May 2011 and introduces a comprehensive framework for measuring fair value of both financial and non-financial items. IFRS 13 does not, however, specify whether and when fair value must be measured. Instead it specifies how fair value must be measured when another standard requires the measurement of fair value. This standard is applicable to fiscal years beginning on or after January 1st 2013. The Group is currently evaluating what the effect will be on the consolidated financial statements.

### New interpretations

#### — IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

The interpretation must be applied to every type of natural resource acquired through surface mining activities. This interpretation is applicable to fiscal years beginning on or after January 1st 2013 and will not be relevant to the financial statements of the Group.

### Amendments to standards and interpretations

#### — Amendment to IAS 1: Presenting Comprehensive Income

Items in other comprehensive income must be presented with separate subtotals for the elements which may be reclassified from equity into profit or loss (so-called recycling) and those elements which will not. The associated tax items must be presented accordingly. These amendments are applicable to fiscal years beginning on or after January 1st 2012 and will be applied retrospectively.

#### — Recovery of Underlying Assets: amendments to IAS 12 Income Taxes

The amendment specifies that when measuring deferred tax relating to an asset which falls under investment property or property, plant and equipment, and which is measured using the fair value model or the purchase method, the presumption should be made that the carrying amount of the asset will normally be realised through sale. This amendment is applicable to fiscal years beginning on or after January 1st 2012 and will be relevant to the Group. Any effects are currently being evaluated.

#### — Amendment to IAS 19 Employee Benefits

The amendments to IAS 19 led to the elimination of the »corridor« approach. In the future, therefore, all changes to defined benefits and plan assets must be recognised immediately. Here all actuarial gains and losses must be immediately recognised in other comprehensive income. These amendments are applicable to fiscal years beginning on or after January 1st 2013 and will be applied retrospectively. They will not have a significant effect on the consolidated financial statements.

#### — Amendment to IAS 27 Separate Financial Statements

As a result of the publication of IFRS 10, IAS 27 now only contains regulations on separate financial statements. These amendments are applicable to fiscal years beginning on or after January 1st 2013.

#### — Amendment to IAS 28 Investments in Associates and Joint Ventures

IAS 28 has been amended as a result of the publication of IFRS 10 and IFRS 11. These amendments are applicable to fiscal years beginning on or after January 1st 2013.

#### — Amendments to IAS 32 Financial Instruments: Presentation and IFRS 7 Financial Instruments:

##### Offsetting Financial Assets and Financial Liabilities

The amendments should eliminate inconsistencies in the interpretation of existing requirements for offsetting financial assets and financial liabilities. In the future entities must disclose both gross and net offsetting amounts reflected in the statement of financial position – along with other existing rights of set-off that do not meet the requirements for set-off in the statement of financial position. The amendments are effective for annual periods beginning on or after January 1st 2014 and are required to be applied retrospectively. However, the expanded disclosures must be applied for annual and interim periods beginning on or after January 1st 2013 and must be applied retrospectively. The future effects of this amendment are currently being evaluated.

#### — Amendment to IFRS 1 First-time Adoption of International Financial Standards

The amendments led to the removal of fixed dates for first-time adopters as well as guidance on the first-time adoption of IFRS when the entity was subject to severe hyperinflation. These amendments are applicable to fiscal years beginning on or after July 1st 2011.

#### 4. Consolidation principles

Business combinations are accounted for in accordance with the acquisition method. According to this method, the assets acquired and liabilities assumed as well as contingent liabilities are measured on the acquisition date at their fair values attributable at this date. Where the difference between the acquisition costs and the attributable proportion of net assets valued at fair value relates to an asset, this item is shown as goodwill, which is not written off or amortised in regular amounts but is subjected to an annual test for impairment. Where any difference relates to a liability, its effect on net income is recognised immediately and shown in other operating income.

All accounts receivable and payable between consolidated companies are eliminated during debt consolidation. Intragroup income and expense is offset within the framework of consolidation of income and expense. Intragroup profits or losses from intragroup deliveries are eliminated, if these relate to significant amounts and the relevant assets are still recognised in the consolidated financial statements.

Shares in net assets of subsidiaries not attributable to PORR AG are shown separately as part of equity capital under the item »non-controlling interest«.

#### 5. Accounting and measurement methods

The annual financial statements of all companies included in the consolidated financial statements are prepared according to standard accounting and measurement methods.

##### Measurement principles

Historic acquisition costs form the basis for the measurement of intangible assets and property, plant and equipment (except for real estate) and for loans, inventories, accounts receivable from billed orders and liabilities.

The fair value at the end of the reporting period is the basis for the measurement in respect of securities available for sale, derivative financial instruments and investment property; the fair value at the date of revaluation is the basis for measurement for real estate used by the Group.

Accounts receivable for construction contracts on which a final invoice has not yet been raised, which are included under trade receivables, reflect the respective proportion of revenue corresponding to the percentage of completion at the end of the reporting period less any payments already made by the customer.

**Currency translation:** The companies included in the consolidated financial statements prepare their annual financial statements in their respective functional currencies, whereby the functional currency is the relevant currency for the commercial activities of the company concerned. The functional currency for nearly all of the companies included is the currency of the country in which the company concerned is domiciled.

Items in the consolidated statement of financial position are translated at the mean rate of exchange at the end of the reporting period and income statement items are translated at the annual mean rate of exchange for the fiscal year (as an arithmetic mean of all end-of-month quotations). Differences resulting from the currency translation are reported in other comprehensive income. These translation differences are recognised in the income statement at the date of disposal of the business activities.

In the event of company acquisitions, adjustments of the carrying amounts of the acquired assets and assumed liabilities to the fair value at the date of acquisition or, if applicable, goodwill, are treated as assets or liabilities of the acquired subsidiary and are, accordingly, subject to currency translation.

Exchange gains or losses on transactions undertaken by companies included in the consolidation in a currency other than the functional currency are recognised in profit or loss for the period. Monetary items not denominated in the functional currency held by companies included in the consolidation are translated at the mean rate ruling at the end of the reporting period. Exchange gains or losses resulting from this translation are also recognised in profit or loss.

**Intangible assets** are capitalised at acquisition cost and amortisation is recognised on a straight-line basis over the probable useful life.

in %	Rates of amortisation:
Building rights	1.7 to 5.9
Rental rights	2.0 to 50.0
Licences	1.0 to 50.0
Concessions	5.0 to 50.0
Mining rights	Depends on assets

The amortisation apportionable to the fiscal year is shown in the income statement under the item »Depreciation, amortisation and impairment expense«.

If impairment is established, the relevant intangible assets are recognised at the recoverable amount, which is the fair value less costs of sale or the value in use, if higher. If the impairment ceases to apply, a reversal of the impairment is performed equivalent to the carrying amount, which would have been determined had the impairment loss not been accrued.

**Goodwill** is recorded as an asset. In order to assess any impairment demand, goodwill of the cash-generating units or groups of cash-generating units will be assigned, which benefit from the synergies of the Group amalgamation. These cash-generating units or groups of cash-generating units are tested once a year for impairment, as well as at any other time where circumstances exist that indicate there may be possible impairment.



**Property, plant and equipment**, with the exception of real estate, is valued at cost, including incidental costs less reductions in the acquisition costs, or at manufacturing cost, and is subject to the previously accumulated and regularly applied straight-line depreciation during the year under review, whereby the following rates of depreciation are applied:

in %	Rates of depreciation:
Technical equipment and machinery	5.0 to 50.0
Other plants, factory and business equipment	2.0 to 50.0

The depreciation rates are based on the probable useful life of the facilities. If impairment is established, the relevant tangible assets are impaired to the recoverable amount, which is the fair value less costs of sale or the value in use, if higher. If the impairment ceases to apply, an impairment reversal is recognised equivalent to the carrying amount, which would have been determined had the impairment expense not been accrued. Fundamental rebuilding work is recognised in the statement of financial position, while ongoing maintenance work, repairs and minor rebuilding work are recognised in profit or loss at the time they arose.

Real estate used for operational purposes is valued according to the revaluation method pursuant to IAS 16.31. External opinions or assessments from internal experts are used as the basis for determining fair values. Revaluations are performed so regularly that the carrying amounts do not deviate significantly from the fair values attributable at the end of the reporting period. The date for the revaluation for the end of the reporting period generally falls in the fourth quarter of the reporting year. The carrying amount is adjusted to the respective fair value by using a revaluation reserve in other comprehensive income. The revaluation reserve is reduced by the applicable deferred tax liability. Regular depreciation of revalued buildings is carried out according to the straight-line method, where the depreciation rates lie essentially between 1% and 4%, and is recognised in the income statement. On a subsequent sale or decommissioning of revalued land or buildings, the amount recorded in the revaluation reserve in respect of the relevant plot of land or building is transferred to retained earnings.

Plants under construction, including buildings under construction, which are to be used for operational purposes or whose type of use has not yet been established, are accounted for at acquisition cost or manufacturing cost less impairment. Depreciation or impairment of these assets commences upon their completion or attainment of operational status.

**Investment property** is real estate that is held for the purpose of obtaining rental income and/or for the purpose of its rise in value. This includes office and commercial premises, residential buildings and unimproved land. These are recognised at their fair values. Gains or losses from changes in value are reflected in profit or loss for the period in which the impairment occurred.

The basis for the measurement of investment property measured at fair value was derived from the market value opinions of independent experts. As an alternative, the fair values are determined by the present value of the estimated future cash flows expected to arise from the use of the real estate.

**Leases** are classified as finance leases when, according to the lease contract, essentially all the risks and rewards relating to the ownership are transferred to the lessee. All other leases are classified as operating leases.

#### The Group as lessor

Where the Group is the lessor, the only lease contracts applicable are operating leases. The rental income from these contracts is recognised in net income on a straight-line basis over the term of the corresponding lease.

### The Group as lessee

Assets held under finance leases are recorded as Group assets at their fair values or at the present value of the minimum lease payments if this is lower, at the beginning of the lease. The minimum lease payments are those amounts payable during the non-terminable term of the lease, including a guaranteed residual value. The corresponding liability owed to the lessor is recorded in the statement of financial position as obligations under finance leases. The lease payments are apportioned between interest paid and the reduction of the lease obligation in such a way as to achieve a constant rate of interest on the remaining liability. Interest expense is recognised in the income statement.

Rental payments on operating leases are recognised in profit or loss for the period on a straight-line basis over the term of the corresponding lease.

**Shareholdings in associates and in joint companies** are accounted for at acquisition cost, which is apportioned between the pro rata net assets acquired at fair value and, if applicable, goodwill. The carrying amount is increased or decreased annually by the proportionate annual surplus or deficit, dividends received and other changes to equity capital. Goodwill is not subject to planned amortisation, rather it is assessed for impairment as a part of the relevant shareholding when circumstances exist that indicate there may be possible impairment.

**Shareholdings in joint ventures:** Group shares in profits from joint ventures as well as Group revenues from goods and services to joint ventures are shown in the consolidated income statement under revenue, while the shares of the Group from losses in joint ventures are shown under other operating expenses. Capital paid into a joint venture is entered under trade receivables (see note 24), together with profit shares and trade receivables for the relevant joint venture and after deductions for withdrawals and general losses. If there is on balance a passive entry, this is included under trade payables (see note 37).

**Loans** are measured at amortised cost according to the effective interest method, less general allowances (value adjustments) due to impairment.

Shares in non-consolidated companies and other shareholdings shown under **other financial assets** are valued at acquisition cost, as with regard to these stakes and shareholdings, in the absence of listings, there is no stock exchange rate available and reliable fair values cannot be determined for these. If impairment is established, they are written down to the recoverable amount.

Securities available for sale are measured at fair value. Gains or losses from changes to the fair value, with the exception of revaluations due to impairment and gains and losses arising from securities denominated in foreign currencies, are entered into other comprehensive income. In the case of derecognition of these kinds of securities, or if impairment is indicated, the cumulative gain or loss in equity capital will be entered into profit or loss for the period. Interest is calculated by the effective interest method and is recognised in profit or loss.

**Impairment of financial assets:** At each end of the reporting period an assessment is carried out as to whether there are any indicators that a financial asset has been impaired. An impairment loss is recognised if there is evidence that the expected future cash flows from the asset in question will be reduced because of an event occurring after the initial recognition of that asset. If the impairment loss has decreased in a subsequent period because of an event occurring following its recognition, the impairment loss is reversed by increasing the carrying amount of the asset. In the case of financial assets measured at amortised cost, the maximum amount of any reversal is the amount that would have been recognised as the amortised cost of the financial asset in question if no impairment loss had been recognised.

**Raw materials and supplies** are valued at the lower of acquisition cost and net realisable value.

Recorded under inventories, **land intended for sale** is valued at the lower of acquisition cost, manufacturing cost and net realisable value.

**Construction contracts** are recognised according to the percentage of completion of the contract (POC method). The anticipated revenues from the contracts are shown under revenue according to the respective percentage of completion. The percentage of completion, which is the basis for the amount of the contract revenues shown, is, as a rule, determined according to the ratio of the services supplied compared to the estimated total services at the end of the reporting period. Amendments are only recognised when it is likely that the customer will accept them and when they can be reliably measured. Where the result of a construction contract cannot be reliably estimated, the amount of the accumulated contract costs alone shall represent the amount recorded for contract revenues. If it is probable that the total contract costs will exceed the total contract revenues, the expected loss is recognised immediately and in full.

The revenues attributable to the services supplied so far according to the percentage of completion are, to the extent that they exceed the payments on account made by the customer, shown in the statement of financial position under trade receivables. Amounts by which the payments on account received exceed the revenues attributable to the services supplied so far are shown under other liabilities.

Where construction contracts are executed in joint ventures, profits are also recognised using the percentage of completion method.

**Receivables** are fundamentally recognised using the effective interest method, whereby the carrying amount generally corresponds to the nominal value. For current receivables, interest is not applied for reasons of immateriality. Should there be substantial evidence of risks regarding recovery, allowances are set up. Objective indicators suggesting the need for impairment include, for example, a decline in the creditworthiness of the debtor and related payment delays or impending insolvency. The necessary allowances are based on the actual risk of default.

Acquisitions and sales of financial assets common to the market (spot transactions) are shown in the statement of financial position on the settlement date.

**Deferred tax items** are recognised where there are temporary differences between the values of assets and liabilities in the consolidated financial statements on the one hand and the values for tax purposes on the other hand in the amount of the anticipated future tax expense or tax relief. In addition, a deferred tax asset for future asset advantage resulting from tax loss carryforwards is recognised if there is sufficient certainty of realisation. Temporary differences arising from the first recognition of goodwill constitute exceptions to this comprehensive tax deferral.

The calculation of the deferred tax amount is based on the rate of income tax valid in the country concerned; for Austrian companies this is a tax rate of 25%.

A consortium pursuant to Art. 9 of the Austrian Corporation Tax Act (öKStG), composed of PORR AG and TEERAG-ASDAG AG and a non-controlling shareholder of TEERAG-ASDAG AG, was terminated with effect from August 3rd 2011 upon PORR AG's purchase of the remaining shares in TEERAG-ASDAG AG.

The **provisions for severance payments, pensions and anniversary bonuses** were determined by the projected unit credit method in accordance with IAS 19, which involves an actuarial assessment by a recognised actuary being performed on each reference date. In the valuation of these provisions for Austria and Germany, an interest rate for accounting purposes of 4.8% p.a. (previous year: 4.8%) was applied with pay increases of 2.45% (previous year: 2.4%). When determining provisions for severance payments and anniversary bonuses for Austria, deductions were made for fluctuations based on statistical data within a range of 0.0% to 10.4% (previous year: 0.0% to 10.4%) and for anniversary bonuses in Germany a range of 0.0% to 25.0% (previous year: 0.0% to 18.0%) was applied.

Actuarial gains and losses are recognised in full in the profit or loss of the period in which they arise. They are shown and calculated together with the length of service costs under staff expense. Interest paid is recorded under finance costs.

**Other provisions** take account of all currently discernible risks and contingent liabilities from past events whereby an outflow of resources is judged to be probable. They are recognised at the level of those amounts which are probably required to meet the underlying obligation, in as far as a reliable estimate is feasible.

**Financial liabilities** are measured at fair value less direct transaction costs when they are initially recognised. If the amount of the repayment is lower or higher, this is written down or up in accordance with the effective interest method.

**Derivative financial instruments** are recognised at fair value. Gains and losses from changes in market value of forward contracts designated as hedging instruments which should hedge the risk in variability of the cash flow in the functional currency from planned transactions in the foreign currency (cash flow hedges), along with other derivative financial instruments which are designated as cash flow hedges, are entered into other comprehensive income, as long as they are allotted to the effective part of the hedge transaction. The amounts entered into reserves for cash flow hedges are transferred into net income for the period, in which the secured transaction or the resulting asset value from the secured transaction, or the liability resulting from the secured transaction has an effect on profit or loss. Gains and losses allotted to the ineffective share, as well as gains and losses from fair value changes of derivative financial instruments, for which the requirements for hedge accounting have not been met, are entered into profit or loss for the period in which they occur. Gains and losses from changes in fair value of forward contracts, which are basically in place with a view to hedging the risk of variability in cash flow of the functional currency from planned transactions in the foreign currency but are not hedging instruments as defined by IAS 39, are recognised as contract costs related to the planned transactions or the gains are offset with these costs.

**Revenue** is measured at the fair value of the consideration. Discounts and other subsequent reductions in revenue are deducted from this amount. Sales taxes and other taxes related to the sale are not part of the consideration or revenue. Revenue from the sale of assets is recognised on delivery and transfer of ownership. Revenue from construction contracts is recognised according to the percentage of completion allocated over the period of the contract.

**Interest income** is defined in accordance with the effective interest method. The effective interest rate is any interest rate where the present value of future cash flow from the financial asset value corresponds to the carrying amount of the asset. **Dividend income** from financial investments is recognised when legal title arises.

**Borrowing costs** resulting directly from acquisition or production of qualifying assets, even those whose acquisition or manufacture takes up a considerable time period until the intended use or sale, form part of the cost of the asset and are therefore capitalised. Other borrowing costs are recorded as an expense in the period in which they were incurred.

## 6. Key assumptions and key sources of estimation uncertainty

### 6.1. Key sources of estimation uncertainty

The following presents significant assumptions related to the future and other key sources of estimation uncertainty which could lead to significant adjustments in the following fiscal year of results reported in the consolidated financial statements:

Deferred tax income from tax loss carryforwards: the usability of tax loss carryforwards is mostly dependent on the development in earnings of individual companies. Deferred tax assets were recognised to the extent that it was probable that future taxable profit would be available against which the temporary difference would be utilised. The actual tax gains can deviate from these assumptions (see notes 29 and 40).

Valuation of gravel and stone deposits: The carrying amounts in the consolidated statement of financial position as of December 31st 2011 for gravel and stone deposits and mining rights at the disposal of the Group amount to TEUR 81,731.9 (previous year: TEUR 86,247.7). The Executive Board is convinced that the carrying amounts can be realised from selling the deposits, or from mining and selling the yielded material, or from mining and using the material for own construction activities. Nevertheless there is uncertainty regarding the development of the price of these raw materials which is dependent on trends in demand and also the assessment of our own future demand for these raw materials. Impairment will be carried out if future developments necessitate this.

Determining fair values of real estate: The fair value is generally equal to the present value of realisable earnings from leasing. If the estimate regarding the realisable future earnings from leasing or the predicted rate of return on alternative plants changes, the fair value of the affected object will also change.

Furthermore, significant assumptions and estimates relate to the following areas:

— Construction contracts: Evaluation of construction contracts until project completion, in particular with a view to the accounting of subsequent amounts, the contract revenue using the percentage of completion method, and the estimate of the probable operating profit from the contract, based on expectations of the future development of the relevant construction contracts. A change in these estimates, particularly as regards contract costs to be paid, percentage of completion, the estimated operating profit and the actual subsequent amounts accepted can have a significant effect on the Group's financial performance (see note 24).

— Impairment: Impairment tests on goodwill, other intangible assets, property, plant and equipment are primarily based on estimated future net payment flows which are expected from the continuous use of an asset and its disposal at the end of its useful life. Factors such as lower revenues or rising expenditure and the resulting lower net payment flows as well as changes to the discount factors used can lead to impairment due to a reduction in value or, as far as allowed, to a reversal of impairment due to an increase in value. With regard to the carrying amounts of the assets concerned, see notes 17 to 19.

## 6.2. Changes to comparative information

In accordance with IAS 1.41, the following adjustments were adopted:

One property with a carrying amount of TEUR 14,968.3 was reclassified out of investment property into property, plant and equipment. Provisions amounting to TEUR 33,787.4 (current) were reclassified into other financial liabilities. Current provisions of TEUR 6,721.5 were reclassified into non-current provisions. Segment reporting (note 42) was adjusted in line with the PORR Group's new internal reporting structure. Comparative values have been retrospectively adjusted to the new structure, however, comparison with the segment information as at December 31st 2010 is only partly possible.

in EUR thousand	31.12.2011	31.12.2010	
		after adjustment	before adjustment
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	409,752.1	415,870.8	400,902.5
Investment property	407,496.2	366,020.5	380,988.8
<b>Current assets</b>			
<b>Equity and Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions	105,887.6	106,876.6	100,155.1
<b>Current liabilities</b>			
Provisions	77,249.6	67,450.2	107,959.1
Other financial liabilities	122,508.3	112,712.7	78,925.3

## 7. Revenues

The gross revenues of TEUR 2,212,490.1 (previous year: TEUR 2,217,451.4) include the invoiced construction work of own construction sites, goods and services to joint ventures, shares of profit from joint ventures and other revenues from ordinary activities.

The following table shows total Group output by business area, in which the output from contracts carried out by joint ventures is also recognised together with the proportion attributable to a company included in the consolidated financial statements, and then transferred to revenue.



in EUR thousand	2011	2010
<b>Business areas</b>		
Region 1	1,635,491.2	1,599,646.2
Region 2	426,273.4	465,617.9
Infrastructure	514,234.9	495,941.3
Environmental Engineering	70,393.8	88,844.7
Development	259,240.7	175,951.9
Holding	–	44.7
<b>Total Group output</b>	<b>2,905,634.0</b>	<b>2,826,046.7</b>
of which proportional output from joint ventures, associates, subsidiary companies and shareholdings	-693,143.9	-608,595.3
<b>Revenue</b>	<b>2,212,490.1</b>	<b>2,217,451.4</b>

Revenue can be subdivided as follows:

in EUR thousand	2011	2010
Revenues from manufacturing contracts	2,009,309.2	2,059,612.7
Revenues from sales of raw materials and other services	203,180.9	157,838.7
<b>Total</b>	<b>2,212,490.1</b>	<b>2,217,451.4</b>

## 8. Other operating income

in EUR thousand	2011	2010
Income from the sale of property, plant and equipment	5,764.2	3,953.9
Revenue from the provision of staff	8,697.3	5,562.1
Insurance payments	3,333.1	6,057.7
Exchange gains	11,290.5	17,618.1
Other	38,073.1	24,694.1
<b>Total</b>	<b>67,158.2</b>	<b>57,885.9</b>

Other operating income largely comprises amounts invoiced to participations, other staff income and income from the sale of materials.

## 9. Cost of materials and other related production services

in EUR thousand	2011	2010
Expenditure on raw materials and supplies and for purchased goods	-532,316.5	-489,106.2
Expenditure on purchased services	-938,544.9	-971,318.5
<b>Total</b>	<b>-1,470,861.4</b>	<b>-1,460,424.7</b>

## 10. Staff expense

in EUR thousand	2011	2010
Wages and salaries	-465,859.9	-444,767.3
Social welfare expenses	-105,641.7	-103,998.3
Expenditure on severance payments and pensions	-11,967.4	-6,696.7
<b>Total</b>	<b>-583,469.0</b>	<b>-555,462.3</b>

Expenditure on severance payments and pensions includes the prior service costs and actuarial gains/losses. This item also includes contributions to the staff provision fund for employees who commenced employment with an Austrian group company after December 31st 2002, and voluntary severance payments. The interest expense arising from severance payments and pension obligations is shown under the item finance costs.

### 11. Depreciation, amortisation and impairment expense

Amortisation of TEUR 5,912.0 (previous year: TEUR 6,160.0) was applied to intangible assets and depreciation of TEUR 43,355.7 (previous year: TEUR 45,986.0) to property, plant and equipment. In addition, impairment of TEUR 1,333.1 (previous year: TEUR 849.3) was applied to reappraised real estate. For more detailed information please refer to notes 17 and 18.

### 12. Other operating expenses

in EUR thousand	2011	2010
Legal and consultancy services, insurance	-40,455.8	-33,247.7
Buildings and land	-28,615.4	-26,959.4
Exchange losses from hedge transactions	-	-105.8
Exchange losses	-20,596.8	-13,197.2
Fleet	-16,131.3	-15,514.8
Advertising	-10,600.2	-8,507.9
Office operations	-14,230.9	-10,026.4
Commission on bank guarantees	-9,891.1	-10,162.0
Syndicate losses	-7,101.5	-4,550.0
Travel expenses	-10,915.0	-10,355.2
Other	-80,686.7	-43,759.7
<b>Total</b>	<b>-239,224.7</b>	<b>-176,386.1</b>

Other operating expenses essentially comprise taxes and duties, third party services and general administrative costs. This item also includes rental payments from rental and leasing contracts of TEUR 7,810.5 (previous year: TEUR 7,723.2). This item also includes expenditure on large-scale projects in Hungary and Romania in 2011 totalling TEUR 35,550.9.

### 13. Income from financial investments and other current financial assets

in EUR thousand	2011	2010
Income from shareholdings	2,219.6	2,422.6
of which from affiliated companies	623.6	192.1
Expenditure from shareholdings	-13,294.0	-6,341.1
of which from affiliated companies	-8,329.8	-5,841.0
Income/expenditure from current financial assets	1,103.0	1,330.6
Interest	12,876.8	10,367.0
of which from affiliated companies	2,324.9	2,215.9
<b>Total</b>	<b>2,905.4</b>	<b>7,779.1</b>

Interest does not relate to financial assets measured at fair value in profit or loss.

#### 14. Finance costs

in EUR thousand	2011	2010
Interest and similar expenditure relating to bonds	-18,193.1	-17,358.4
Other interest and similar	-27,316.2	-18,753.1
of which from affiliated companies	-44.2	-74.4
of which interest expenditure from social overhead capital provisions	-4,961.4	-5,386.6
<b>Total</b>	<b>-45,509.3</b>	<b>-36,111.5</b>

In the year under review borrowing costs of TEUR 3,295.8 (previous year: TEUR 3,033.5) were recognised. The capitalisation rate was between 1.8% and 6.3% (previous year: 2.7% and 5.6%).

#### 15. Income tax

Income tax is the taxes on income and earnings and deferred taxes paid or owed in the individual countries for the year under review.

The calculation is based on tax rates that will be applicable pursuant to the prevailing tax laws or according to tax laws whose entry into force is essentially finalised, at the probable date of realisation.

in EUR thousand	2011	2010
Actual tax expense	6,871.2	4,199.0
Deferred tax income(-)/expense (+)	-20,413.7	-170.9
<b>Tax income/expense</b>	<b>-13,542.5</b>	<b>4,028.1</b>

The tax expense resulting from the application of the Austrian Corporation Tax rate of 25% can be reconciled to the actual expense as follows:

in EUR thousand	2011	2010
Profit before income tax	-85,734.1	20,732.1
Theoretical tax expense (+)/income (-)	-21,433.5	5,183.0
Differences in rates of taxation	2,511.6	-287.4
Tax effect of non-deductible expenditure and tax-exempt income	-2,037.8	-1,959.0
Income/expenditure from associates	-2,088.8	-1,004.6
Changes in deferred tax assets not applied in relation to loss carryforwards	7,422.8	1,501.7
Effect from taxation changes	1,654.3	-211.4
Tax gains(+)/losses(-) related to other periods	1,016.1	882.7
Other	-587.2	-76.9
<b>Taxes on income and earnings</b>	<b>-13,542.5</b>	<b>4,028.1</b>

In addition to the tax expense recognised in the consolidated income statement, the tax effect of expenses and income set off to other income was also recognised in other comprehensive income. The income recognised in other comprehensive income amounted to TEUR 33.6 (previous year: TEUR -1,915.5). Payouts from capital from profit-participation rights and the costs of the capital increase classified as equity capital are tax deductible. The resulting tax of TEUR 1,400.0 (previous year: TEUR 1,400.0) is recognised directly in equity.

## Summary of tax effects in other comprehensive income:

2011 in EUR thousand	Revaluation reserve	Total debt securities available for sale - fair value reserve	Reserve for cash flow hedges	Equity attributable to shareholders of parent company	Equity attributable to non-controlling interest	Total
Income tax on items in other comprehensive income	-	50.2	-16.6	<b>33.6</b>	-	<b>33.6</b>
2010 in EUR thousand	Revaluation reserve	Total debt securities available for sale - fair value reserve	Reserve for cash flow hedges	Equity attributable to shareholders of parent company	Equity attributable to non-controlling interest	Total
Income tax on items in other comprehensive income	-633.1	-21.8	-1,198.4	<b>-1,853.3</b>	-62.2	<b>-1,915.5</b>

A reduced tax rate of 10% was applied to certain Hungarian companies which have exceeded the top rate of HUF 500m in the reporting period 2011. This effect is shown under the item taxation changes.

## 16. Earnings per share

Earnings per share and per capital share certificate are calculated by dividing the proportion of the annual surplus relating to the shareholders of the parent company by the weighted average number of shares in issue including 7% in respect of preference shares and capital share certificates.

in EUR thousand	2011	2010
Proportion of annual deficit/surplus relating to shareholders of parent company	-80,540.5	2,487.8
Weighted average number of issued shares and capital share certificates	2,708,952	2,652,337
<b>Earnings per share in EUR (basic EPS = diluted EPS)</b>	<b>-29.73</b>	<b>0.94</b>

Likewise the earnings per ordinary share amount to EUR -29.73 (previous year: EUR 0.94).

As there were no potential diluted transactions for the fiscal years 2010 and 2011, the diluted earnings per share correspond to the basic earnings per share.

## 17. Intangible assets

in EUR thousand	Concessions, licences and similar rights	Software	Goodwill	Other intangible assets	Total
<b>Acquisition costs and manufacturing costs</b>					
Balance at January 1st 2010	32,788.8	21,067.3	30,387.2	42.4	84,285.7
Additions/disposals due to changes in the consolidated group	–	7.4	–	–	7.4
Additions	340.1	4,841.7	75.8	–	5,257.6
Disposals	-40.8	-53.9	-1,032.9	–	-1,127.6
Reclassifications	-785.0	-37.4	–	-42.4	-864.8
Currency adjustments	65.3	-4.3	-0.1	–	60.9
Balance at December 31st 2010	32,368.4	25,820.8	29,430.0	–	87,619.2
Additions/disposals due to changes in the consolidated group	–	557.1	10,131.4	12,334.3	23,022.8
Additions	380.7	2,822.9	–	–	3,203.6
Disposals	-2.6	-441.0	–	–	-443.6
Reclassifications	–	0.5	–	–	0.5
Currency adjustments	-206.6	-42.1	-0.1	–	-248.8
Balance at December 31st 2011	32,539.9	28,718.2	39,561.3	12,334.3	113,153.7
<b>Accumulated amortisation and impairment</b>					
Balance at January 1st 2010	18,293.1	11,647.6	21,161.9	–	51,102.6
Additions/disposals due to changes in the consolidated group	–	3.7	–	–	3.7
Additions (planned amortisation)	1,007.9	2,536.8	–	–	3,544.7
Additions (impairment)	2,000.0	–	615.3	–	2,615.3
Disposals	-40.8	-48.5	-957.2	–	-1,046.5
Reclassifications	–	-16.0	–	–	-16.0
Currency adjustments	-3.2	6.9	–	–	3.7
Appreciation	–	–	–	–	–
Balance at December 31st 2010	21,257.0	14,130.5	20,820.0	–	56,207.5
Additions/disposals due to changes in the consolidated group	–	490.1	–	–	490.1
Additions (planned amortisation)	681.7	2,584.3	–	544.2	3,810.2
Additions (impairment)	2,000.0	–	101.8	–	2,101.8
Disposals	-1.6	-429.6	–	–	-431.2
Reclassifications	–	0.6	–	–	0.6
Currency adjustments	-21.9	-25.0	-0.1	–	-47.0
Appreciation	–	–	–	–	–
Balance at December 31st 2011	23,915.2	16,750.9	20,921.7	544.2	62,132.0
<b>Carrying amounts –</b>					
<b>balance at December 31st 2010</b>	<b>11,111.4</b>	<b>11,690.3</b>	<b>8,610.0</b>	<b>–</b>	<b>31,411.7</b>
<b>Carrying amounts –</b>					
<b>balance at December 31st 2011</b>	<b>8,624.7</b>	<b>11,967.3</b>	<b>18,639.6</b>	<b>11,790.1</b>	<b>51,021.7</b>

The table predominantly shows purchased intangible assets with a limited useful life. Please refer to the comments shown under accounting and measurement methods with regard to useful lives and methods of amortisation, depreciation and impairment.

Impairment related to goodwill amounting to TEUR 101.8 (previous year: TEUR 615.3) is reported in the income statement under »Depreciation, amortisation and impairment expense«, as are impairment losses amounting to TEUR 2,000.0 (previous year: TEUR 2,000.0) and planned amortisation of other intangible assets. The impairment relates to a mining right allocated to the Region 1 segment and is the result of plan deviations.

Goodwill resulting from the acquisition of companies is tested for impairment at the level of the cash-generating units or groups of cash-generating units to which it belongs in each particular case.

This applies to the segments as shown below:

in EUR thousand	Balance Jan 1st 2011	Currency adjustments	Newly acquired goodwill	Disposal of goodwill	Impairment	Balance Dec 31st 2011
Region 1	7,843.1	-	1,123.2	-	-101.8	8,864.5
Region 2	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-
Environmental	-	-	-	-	-	-
Engineering	457.8	-	-	-	-	457.8
Development	309.1	-	9,008.2	-	-	9,317.3
Holding	-	-	-	-	-	-
<b>Total</b>	<b>8,610.0</b>	<b>-</b>	<b>10,131.4</b>	<b>-</b>	<b>-101.8</b>	<b>18,639.6</b>

in EUR thousand	Balance Jan 1st 2010	Currency adjustments	Newly acquired goodwill	Disposal of goodwill	Impairment	Balance Dec 31st 2010
Region 1	8,458.4	-	-	-	-615.3	7,843.1
Region 2	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-
Environmental	-	-	-	-	-	-
Engineering	457.8	-	-	-	-	457.8
Development	309.1	-	-	-	-	309.1
Holding	-	-	-	-	-	-
<b>Total</b>	<b>9,225.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-615.3</b>	<b>8,610.0</b>

In Region 1 goodwill of TEUR 8,864.5 is allocated to the cash-generating unit of road construction. In the Development segment goodwill of TEUR 9,008.2 is allocated to the cash-generating unit of property management.

The impairment test involves comparing the total of the carrying amounts of the assets of the cash-generating unit to which goodwill was allocated, in addition to the carrying amount of the goodwill allocated to this cash-generating unit, with the recoverable amount of the same assets. The recoverable amount of the cash-generating unit corresponds to the fair value less sale costs or the value in use, if this is higher. The fair value reflects the best possible estimate of the amount for which an independent third party would acquire the cash-generating unit at market conditions at the end of the reporting period. In cases where no fair value can be determined, the value in use, i.e. the present value of probable future cash flows generated by the segment, is laid down as the recoverable amount. As a fair value could not be established for any of the cash-generating units to which goodwill has been allocated, the value in use of these cash-generating units was determined in order to establish the recoverable amount. The cash flows were derived from budgets for three to five years approved by the Executive Board and current as at the time of the implementation of the impairment tests. These forecasts are based on past experience and expectations regarding future market developments. A growth rate of 1.0% (previous year: 2.0%) has been applied. The discounting was carried out on the basis of the segment-specific capital costs which lay within a range of 8.1% and 9.2% (previous year: 6.0% and 8.5%) before tax.



## 18. Property, plant and equipment

in EUR thousand	Land, land rights and buildings including buildings on land owned by others	Technical equipment and machinery	Other plant, factory and business equipment	Payments on account and assets under construction	Total
<b>Acquisition costs, manufacturing costs and revaluations</b>					
Balance at January 1st 2010	340,487.6	367,119.1	95,915.4	13,693.7	817,215.8
Additions/disposals due to changes in the consolidated group	4,309.5	392.2	327.7	445.9	5,475.3
Additions	17,568.9	22,729.8	12,312.2	7,222.6	59,833.5
Disposals	-2,555.9	-34,860.3	-12,431.2	-5,242.1	-55,089.5
Reclassifications	785.4	4,211.0	18.1	-8,555.9	-3,541.4
Currency adjustments	2,028.3	1,778.3	1,081.4	80.5	4,968.5
Increase in value arising from revaluation	1,942.6	-	-	-	1,942.6
Balance at December 31st 2010	364,566.4	361,370.1	97,223.6	7,644.7	830,804.8
Additions/disposals due to changes in the consolidated group	-818.4	2,439.5	2,309.5	54.9	3,985.5
Additions	18,293.3	15,489.2	21,163.8	4,252.6	59,198.9
Disposals	-5,161.3	-45,284.5	-12,264.4	-886.8	-63,597.0
Reclassifications	-4,034.6	171.3	-148.4	-1,856.8	-5,868.5
Currency adjustments	-1,334.3	-2,634.3	-959.9	-512.2	-5,440.7
Increase in value arising from revaluation	-371.2	-	-	-	-371.2
Balance at December 31st 2011	371,139.9	331,551.3	107,324.2	8,696.4	818,711.8
<b>Accumulated depreciation and impairment</b>					
Balance at January 1st 2010	90,303.2	247,011.7	72,119.6	7.6	409,442.1
Additions/disposals due to changes in the consolidated group	37.5	142.6	150.9	-	331.0
Additions (scheduled depreciation)	7,785.4	24,971.2	12,229.4	-	44,986.0
Additions (impairment)	1,000.0	-	-	-	1,000.0
Disposals	-1,770.4	-30,806.7	-11,210.1	-	-43,787.2
Reclassifications	-1,013.0	-42.9	67.1	-8.4	-997.2
Currency adjustments	643.0	1,629.6	836.6	0.8	3,110.0
Appreciation	-	-	-	-	-
Revision arising from revaluation	849.3	-	-	-	849.3
Balance at December 31st 2010	97,835.0	242,905.5	74,193.5	-	414,934.0
Additions/disposals due to changes in the consolidated group	-549.6	1,370.5	1,926.8	-	2,747.7
Additions (scheduled depreciation)	7,998.6	22,497.1	12,078.8	-	42,574.5
Additions (impairment)	781.2	-	-	-	781.2
Disposals	-1,169.3	-36,411.8	-11,308.6	-	-48,889.7
Reclassifications	-2,115.1	9.3	-9.8	-	-2,115.6
Currency adjustments	-341.7	-1,334.1	-729.7	-	-2,405.5
Appreciation	-	-	-	-	-
Revision arising from revaluation	1,333.1	-	-	-	1,333.1
Balance at December 31st 2011	103,772.2	229,036.5	76,151.0	-	408,959.7
<b>Carrying amounts – balance at December 31st 2010</b>	<b>266,731.4</b>	<b>118,464.6</b>	<b>23,030.1</b>	<b>7,644.7</b>	<b>415,870.8</b>
<b>Carrying amounts – balance at December 31st 2011</b>	<b>267,367.7</b>	<b>102,514.8</b>	<b>31,173.2</b>	<b>8,696.4</b>	<b>409,752.1</b>

Land, land rights and buildings including buildings on land owned by others includes reserves for raw materials amounting to TEUR 74,635.1 (previous year: TEUR 76,879.3), which is written off based on performance. The fair value specified on the revaluation date in accordance with the revaluation method of the property used in operations, will be specified in accordance with recognised measurement methods, namely by derivation from a price which has been settled in a transaction with a similar property in the recent past, or, mainly in the absence of suitable market data, then by discounting estimated future cash flows which can be generated by leasing the property under normal market conditions. The value of property used in operations, which was assessed by an external expert, amounted to TEUR 164,484.0 (previous year: TEUR 151,910.2). The value adjustments were mostly applied during the past four years.

Scheduled depreciation is shown under »Depreciation, amortisation and impairment expense«. Impairment was included at a rate of TEUR 781.2 (previous year: TEUR 1,000.0) and was also entered under »Depreciation, amortisation and impairment expense«.

The carrying amount for property, plant and equipment pledged for security at the end of the reporting period is TEUR 125,695.1 (previous year: TEUR 113,198.0).

The carrying amount for land, land rights and buildings, including buildings on land owned by others would have amounted to TEUR 251,700.2 (previous year: TEUR 251,063.9) on application of the acquisition cost model as at December 31st 2011.

#### Finance Leasing Agreements

The carrying amounts of property, plant and equipment and investment property held under finance leasing agreements amounted to:

in EUR thousand	2011	2010
Real estate leasing	76,512.8	81,153.5
Equipment leasing	43,380.7	52,358.8
<b>Total</b>	<b>119,893.5</b>	<b>133,512.3</b>

These carrying amounts are balanced by corresponding liabilities represented by the present value of the minimum lease payments, i.e. of TEUR 84,917.6 (previous year: TEUR 98,093.3).

The terms of the finance leases for real estate are between five and 23 years, leasing fees are generally tied to the 6-month EURIBOR from the Austrian National Bank and adjusted every six months. The terms of the finance leases for equipment are between three and twelve years, leasing fees are generally tied to the 3-month EURIBOR from the Austrian National Bank and adjusted every quarter. The equipment leasing contracts include extension options, but they do not contain sales options or clauses for adjusting the price.

## Operating leases

The Group essentially leases cars and individual items of real estate under operating leases, in most cases pre-agreed extension options are not exercised. The average term of car leasing agreements is five years and the term of real estate leasing agreements is 18 to 20 years.

The following summary shows the future minimum lease payments during the non-terminable period of the operating leases:

in EUR thousand	2011	2010
Due within 1 year	7,548.1	7,313.3
Due between 1 and 5 years	16,169.7	15,910.4
Due after 5 years	31,480.5	19,884.3

## 19. Investment property

in EUR thousand

### Fair value

Balance at January 1st 2010	324,897.4
Additions/disposals due to changes in the consolidated group	–
Additions from acquisitions	8,816.6
Additions for manufacturing costs	53,895.3
Disposals	-22,739.1
Reclassifications	2,608.3
Currency adjustments	-151.4
Adjustment to fair value	-1,306.6
<b>Balance at December 31st 2010</b>	<b>366,020.5</b>
Additions/disposals due to changes in the consolidated group	0.0
Additions from acquisitions	8,787.1
Additions for manufacturing costs	57,288.3
Disposals	-9,619.6
Reclassifications	-13,047.1
Currency adjustments	-440.0
Adjustment to fair value	-1,493.0
<b>Balance at December 31st 2011</b>	<b>407,496.2</b>

The fair value is determined according to recognised measurement methods, namely by being inferred from a current market price, by being inferred from a price attained in a transaction with similar items of real estate in the recent past, or mostly, however, for want of suitable market data, by discounting estimated future cash flows that are usually generated in the market by this type of real estate in the course of letting. The returns were within a bandwidth of 4.5% to 7.0%. The value of investment property, which was assessed by an external expert within recent years, amounted to TEUR 219,883.3 (previous year: TEUR 151,959.1).

The rental income from leased financial real estate amounted to TEUR 10,016.1 in the year under review (previous year: TEUR 9,122.0). Operating expenses related to investment property for which there was no rental income in the year under review amounted to TEUR 1,133.6 (previous year: TEUR 1,511.1).

Investment property with a carrying amount of TEUR 252,976.1 (previous year: TEUR 178,803.5) is pledged as collateral for liabilities.

Disposal of investment property with a carrying amount of TEUR 77,353.0 (previous year: TEUR 58,435.1) is prohibited.

## 20. Shareholdings in associates

in EUR thousand	2011	2010
Acquisition costs	140,176.9	120,306.9
Share of profit generated since acquisition less dividends received and profit transfers	84,625.1	76,270.0
Earnings/expenses entered into other comprehensive income	-29,278.7	-20,902.1
<b>Carrying amount</b>	<b>195,523.3</b>	<b>175,674.8</b>

The following summaries show condensed financial information relating to associates:

in EUR thousand	2011	2010
Assets	2,272,388.1	2,059,249.0
Liabilities	1,839,529.1	1,708,346.4
Net assets	432,859.0	350,902.6
Group share of net assets	195,523.3	175,674.8

in EUR thousand	2011	2010
Revenue	518,046.1	495,378.5
Profit for the year	29,674.3	48,455.7
Group share of profit for the year	17,915.6	13,403.1

Non-recognised shares of losses of associates for the fiscal year 2011 amount to TEUR 611.9 (previous year: TEUR 1,572.3) and the accumulated amount as of December 31st 2011 comes out at TEUR 2,184.8 (previous year: TEUR 1,572.9).

The market capitalisation of the 41.33% shareholding in UBM Realitätenentwicklung AG amounted to TEUR 30,998.0 (previous year: TEUR 39,689.8) at December 31st 2011.

## 21. Loans

in EUR thousand	2011	2010
Loans to affiliated companies	-	-
Loans to companies in which there is a participating interest	6,204.3	10,273.0
Loans to associates	17,131.1	15,160.3
Other loans	11,787.7	11,894.7
<b>Total</b>	<b>35,123.1</b>	<b>37,328.0</b>

## 22. Other financial assets

in EUR thousand	2011	2010
Shareholdings in non-consolidated subsidiaries	4,619.0	7,194.2
Other shareholdings	9,540.3	16,409.2
Total debt securities available for sale	11,131.1	10,801.0
Payments on account on financial assets	150.0	-
<b>Total</b>	<b>25,440.4</b>	<b>34,404.4</b>

As regards the shareholdings, including shareholdings in non-consolidated subsidiaries, the fair value cannot be determined reliably, meaning that they are recognised at their acquisition costs less any impairment. Securities available for sale mainly comprise fixed-interest instruments. They are not subject to any restrictions on disposal.

### 23. Inventories

Inventories comprise the following:

in EUR thousand	2011	2010
Land intended for sale	8,574.6	7,868.9
Finished and unfinished products and merchandise	8,075.8	7,571.8
Raw materials and supplies	25,457.6	36,022.2
Payments on account	13,017.4	22,874.2
<b>Total</b>	<b>55,125.4</b>	<b>74,337.1</b>

Allowances of TEUR -317.8 (previous year: TEUR -953.8) were recognised on products and merchandise in the year under review. Inventories are not subject to any restrictions on disposal.

### 24. Trade receivables

#### Construction contracts

The construction contracts valued by the POC method at the end of the reporting period but not yet finally settled, are stated as follows:

in EUR thousand	2011	2010
Contract values defined according to POC method	1,278,245.2	1,199,450.0
Less attributable payments on account	-1,031,787.0	-929,128.4
<b>Net</b>	<b>246,458.2</b>	<b>270,321.6</b>

Proportional contract values capitalised according to the percentage of completion of the contract as at December 31st 2011 are balanced by contract costs valued at TEUR 1,235,907.5 (previous year: TEUR 1,167,418.8), so that the income from these activities amounts to TEUR 42,337.7 (previous year: TEUR 32,031.3). Shares of the profits from joint ventures are shown under receivables from joint ventures. Payments on account, including preliminary payments on invoices for partial delivery, are shown under liabilities, where these exceed proportional contract values capitalised according to the percentage of completion of the contract. Imminent losses and guarantees from orders are recorded in receivables.

#### Composition and maturity terms of trade receivables:

in EUR thousand	Remaining term		Remaining term	
	Dec 31st 2011	> 1 year	Dec 31st 2010	> 1 year
Trade receivables	531,021.6	15,419.7	574,951.7	18,388.8
Receivables from joint ventures	71,617.7	–	77,417.8	–
<b>Total</b>	<b>602,639.3</b>	<b>15,419.7</b>	<b>652,369.5</b>	<b>18,388.8</b>

Trade receivables are classified as current in accordance with IAS 1 as they are to be settled within the entity's normal operating cycle.

Trade receivables include contractual retentions of TEUR 41,083.4 (previous year: TEUR 57,214.8).

in EUR thousand	2011	2010
<b>Trade receivables before allowances</b>	<b>594,883.6</b>	<b>663,823.0</b>
<b>Impairment allowances at January 1st</b>	<b>88,871.3</b>	<b>61,940.4</b>
Additions	42,056.6	62,396.6
Appropriation/liquidation	-67,065.9	-35,465.7
<b>At December 31st</b>	<b>63,862.0</b>	<b>88,871.3</b>
<b>Carrying amount of trade receivables</b>	<b>531,021.6</b>	<b>574,951.7</b>

#### Ageing structure of receivables:

in EUR thousand	Carrying amount at Dec 31st 2011	Of which not overdue at closing date	Of which overdue at closing date in the following time periods				
			Less than 30 days	Between 30 and 60 days	Between 60 and 180 days	Between 180 and 360 days	More than 360 days
Trade receivables	531,021.6	392,347.2	73,461.3	6,138.2	11,926.9	17,012.8	30,135.2

in EUR thousand	Carrying amount at Dec 31st 2011	Of which not overdue at closing date	Of which overdue at closing date in the following time periods				
			Less than 30 days	Between 30 and 60 days	Between 60 and 180 days	Between 180 and 360 days	More than 360 days
Trade receivables	574,951.7	390,430.7	85,504.3	17,554.2	31,334.2	14,028.1	36,100.2

In the above-mentioned overdues, amounts of ongoing invoice checks are also included, which could take up to 120 days to settle. Allowances for impairment were included at reasonable amounts.

## 25. Other financial assets

in EUR thousand	Dec 31st 2011		Dec 31st 2010	
		Remaining term > 1 year		Remaining term > 1 year
Loans	2,104.5	–	2,651.4	–
Receivables from non-consolidated subsidiaries	14,468.9	3,384.0	15,262.2	9,627.0
Receivables from associates	47,860.4	11,240.2	39,515.5	16,641.0
Receivables from other shareholdings	21,299.2	3,007.4	12,565.1	4,487.0
Receivables from insurance	7,579.0	6,470.9	9,205.7	7,232.3
Other	71,455.0	26,619.9	59,784.0	14,985.6
<b>Total</b>	<b>164,767.0</b>	<b>50,722.4</b>	<b>138,983.9</b>	<b>52,972.9</b>

Forward contracts at fair value amounting to TEUR 968.8 (previous year: TEUR 2,794.7) are included under other financial assets (see note 44). In addition this item contains TEUR 9,936.3 (previous year: TEUR 8,053.8) of receivables from deposits and TEUR 10,815.5 (previous year: TEUR 6,276.8) of receivables from down payments relating to rent or leases. Other financial assets amounting to TEUR 10,747.4 (previous year: TEUR 8,112.4) are secured with shares or shareholdings in businesses.



Receivables from non-consolidated subsidiaries, associates and other shareholdings include contractual retentions amounting to TEUR 1,561.3 (previous year: TEUR 3,224.3).

## 26. Other receivables and assets

in EUR thousand	Remaining term		Remaining term	
	Dec 31st 2011	> 1 year	Dec 31st 2010	> 1 year
Tax assets	16,033.5	-	20,047.4	-
Other	1,560.3	-	1,853.4	-
<b>Total</b>	<b>17,593.8</b>	<b>-</b>	<b>21,900.8</b>	<b>-</b>

## 27. Cash and cash equivalents

The cash and cash equivalents include cash at banks amounting to TEUR 153,475.2 (previous year: TEUR 211,691.9) and cash in hand of TEUR 337.3 (previous year: TEUR 468.9).

## 28. Assets held for sale

The assets held for sale related to three properties in the Development segment, for which the Group has received Supervisory Board approval to sell and is actively looking for a buyer. The Group assumes that the sale will be concluded in the 2012 business year.

## 29. Deferred tax assets

The following tax deferrals stated on the statement of financial position arise from temporary differences between the valuations in the IFRS consolidated financial statements and the respective valuations for tax purposes as well as from realisable loss carryforwards:

in EUR thousand	2011		2010	
	Assets	Liabilities	Assets	Liabilities
Non-current assets, liabilities from finance leasing	31,870.3	55,197.3	30,931.6	53,738.4
POC method	-	36,910.3	-	33,564.2
Untaxed reserves	-	7,106.2	-	7,269.1
Provisions	8,924.8	2,177.3	9,082.2	4,367.9
Tax loss carryforwards	47,203.4	-	27,659.5	-
Other	5.1	-	64.0	46.3
Off-setting	-78,551.6	-78,551.6	-50,299.0	-50,299.0
<b>Deferred taxes</b>	<b>9,452.0</b>	<b>22,839.5</b>	<b>17,438.3</b>	<b>48,686.9</b>
<b>Net deferred taxes</b>		<b>13,387.5</b>		<b>31,248.6</b>

in EUR thousand	2011	2010
Net deferred taxes (liabilities)	13,387.5	31,248.6
Change	17,861.1	-1,509.2
of which related to exchange differences	-110.3	-105.9
of which related to expense(-)/income(+)	20,413.7	171.0
of which related to regrouping from current tax liabilities	462.9	346.7
of which related to changes to the consolidated group	-2,938.8	-5.5
of which related to expense(-)/income(+) entered into other comprehensive income	33.6	-1,915.5

Deferred tax assets based on loss carryforwards are recognised to the extent that these can probably be offset against future taxable profits (see note 6.1).

The loss carryforwards for which no deferred tax assets were recognised amount to TEUR 143,823.1 (previous year: TEUR 115,822.2). The loss carryforwards can be carried forward essentially without restriction, both those for which the deferred tax assets have been recognised and those for which no deferred tax assets were recognised.

### 30. Share capital

	Number 2011	EUR 2011	Number 2010	EUR 2010
Ordinary bearer shares	2,045,927	14,868,331.4	1,960,537	14,247,778.0
7% bearer preference shares (without voting rights)	642,000	4,665,596.0	642,000	4,665,596.0
<b>Total share capital</b>	<b>2,687,927</b>	<b>19,533,927.4</b>	<b>2,602,537</b>	<b>18,913,374.0</b>
Capital share certificates (profit-participation rights pursuant to Art. 174 Stock Corporation Act)	49,800	361,910.7	49,800	361,910.7
<b>Total share capital and capital from profit-participation rights</b>	<b>2,737,727</b>	<b>19,895,838.1</b>	<b>2,652,337</b>	<b>19,275,284.7</b>

The shares are authorised and fully issued no-par-value shares which are fully paid in. The amount of share capital for each bearer share is approximately EUR 7.27. The amount of profit participation capital for each capital share certificate is also EUR 7.27. With effect from the entry into the Commercial Register on May 4th 2011 and with the approval of the Supervisory Board, the Executive Board increased the Group's share capital against contribution in kind by issuing 85,390 new no-par-value bearer shares with voting rights and the right to share in profits from the 2011 business year through the partial use of the capital authorised on November 27th 2008 in an extraordinary general meeting. Following the capital increase, the share capital was split into 2,045,927 ordinary shares and 642,000 7%-preference shares without voting rights. The issue price per share was EUR 135.00. Following the capital increase 287,698 ordinary shares were approved but not yet issued.

Each ordinary share participates in profits including profits on liquidation to the same extent and each share entitles the bearer to one vote at the Annual General Meeting. Bearers of preference shares and capital share certificates are not entitled to any votes at the Annual General Meeting.

On liquidation of the company, it is primarily the holders of capital share certificates who receive any remaining shares in the profit from the remaining liquidation proceeds and the pro rata amount of the capital apportioned to capital share certificates. If there are further liquidation proceeds remaining, then the bearers of preference shares receive these and the pro rata amount of the capital apportioned to preference shares. Then the holders of ordinary shares receive any remaining shares in the profit from the remaining liquidation proceeds and the pro rata amount of the capital apportioned to ordinary shares. Any remaining liquidation proceeds are then distributed among bearers of capital share certificates and shareholders in accordance with their share of total capital.

Distribution of profit is regulated as follows by the Articles of Association: in the first instance up to 7% of the share capital relating to the preference shares and of the capital relating to the capital share certificates is distributable as a share of the profit of PORR AG to the preference shareholders and holders of capital share certificates and any remainder of preference dividends or profit shares relating to the capital share certificates from previous years is payable subsequently, then the ordinary shareholders receive up to 7% of the share capital relating to the ordinary shares as a profit share; any unappropriated retained earnings exceeding that amount intended for distribution according to the Executive Board's proposed profit distribution shall be distributed equally between preference and ordinary shareholders and holders of capital share certificates, as long as the Annual General Meeting does not determine any other appropriation.

### 31. Reserves

The capital reserves result largely from the capital increases, adjustments and statute-barred dividend claims arising from previous years less the costs for the capital increase and fair-value adjustments. The capital reserves include an amount of TEUR 121,346.2 (previous year: TEUR 111,446.7) which is allocated. It may only be released to compensate for an accumulated loss which would otherwise be shown in the annual financial statements of PORR AG, to the extent that free reserves are not available to cover this.

The retained earnings comprise the revaluation reserves in accordance with IAS 16, the reserves from revaluation of the annual financial statements of subsidiaries in foreign currencies, the reserves for cash flow hedges, other expenses or income to be recorded in comprehensive income, retained earnings of PORR AG including the statutory reserve and the untaxed reserves after deducting deferred tax items, retained profits from subsidiaries since their acquisition and the effects of adjusting the annual financial statements of companies included in the consolidated financial statements to the accounting and measurement methods used in the consolidated financial statements. Distribution of dividends to shareholders will not be carried out for the business year 2011, neither will there be a share of profits for holders of capital share certificates. The unallocated retained earnings of PORR AG, which come to TEUR 31,547.6 as of December 31st 2011, following a release of TEUR 93,876.9, may be released and distributed to the shareholders of PORR AG. The statutory reserve of PORR AG of TEUR 457.8 (previous year: TEUR 457.8) may only be released to compensate for an accumulated loss which would otherwise be shown, whereby the release to cover the loss is not impeded by free reserves being available to compensate for the loss.

During the year under review, dividends or profit shares of TEUR 1,485.8 (previous year: TEUR 5,835.1), therefore EUR 0.55 (previous year: EUR 2.2) per share or capital share certificate, were paid to shareholders and holders of capital share certificates in PORR AG.

### 32. Equity from profit-participation rights (non-controlling interest)

In December 2007, ABAP Beteiligungs Holding GmbH, a subsidiary, 100% of whose nominal capital is held by PORR AG, issued profit-participation rights with a total nominal value of TEUR 70,000.0. The profit-participation rights, whose issuance conditions are in accordance with debentures, are issued for an unspecified length of time, whereby the bearers of profit-participation rights have no rights to a contractual notice of dismissal, but where the issuer has the right to terminate the profit-participation rights at any time. The rights of the bearers of profit-participation rights regarding extraordinary notice of dismissal are tied to conditions, for which the implementation or not lies under the sphere of influence of PORR AG. The interest is set at 8.0% p.a. of the nominal capital of the profit-participation rights as of January 1st 2008, rising to 13.0% p.a. on the nominal capital as of January 1st 2013, whereby the issuer is only obliged to pay interest if they or PORR AG decide to pay holdings or shareholders a dividend from the annual surplus. If the issuer is not obliged to pay the due interest for one year in the absence of a profit payout, and utilises their right not to pay, then this unpaid interest is kept in arrears which must be paid as soon as the issuer or PORR AG decides that a dividend from the annual surplus is payable to their holdings or shareholders. In the case of dismissal by the issuer or the extraordinary notice of dismissal by the bearers of profit-participation rights, the capital from profit-participation rights becomes due to the bearers, in addition to the valid interest accrued by this date and outstanding interest. As payments on these profit-participation rights – interest as well as capital redemption – are only compulsory when the conditions are activated, where their activation can be authorised or prevented by PORR AG, and the Group therefore has the option of avoiding payment on these profit participation rights into the long-term, these profit-participation rights are therefore categorised as equity instruments. Interest to be paid on these profit-participation rights should be reported directly into equity, less tax burdens.

### 33. Non-controlling interest

The shares in equity capital of subsidiaries which are not owned by PORR AG or a shareholder of the Group are entered in the equity capital under non-controlling interest.

### 34. Provisions

in EUR thousand	Severance	Pensions	Anniversary	Other staff provisions	Buildings	Recultivation	Other	Total
Balance at								
Jan 1st 2011	47,808.1	43,171.4	9,175.6	3,777.5	59,297.6	6,721.4	4,375.2	174,326.8
Additions	6,810.0	3,291.8	1,257.2	239.1	64,117.7	1,411.3	6,334.3	83,461.4
Appropriation/ liquidation	-7,806.9	-4,015.6	-363.8	-483.1	-59,485.0	-1,572.9	-923.7	-74,651.0
<b>Balance at</b>								
<b>Dec 31st 2011</b>	<b>46,811.2</b>	<b>42,447.6</b>	<b>10,069.0</b>	<b>3,533.5</b>	<b>63,930.3</b>	<b>6,559.8</b>	<b>9,785.8</b>	<b>183,137.2</b>
of which								
non-current	46,811.2	42,447.6	10,069.0	–	–	6,559.8	–	105,887.6
of which current	–	–	–	3,533.5	63,930.3	–	9,785.8	77,249.6

PORR AG and its subsidiaries must pay their employees in Austria and Germany anniversary bonuses on certain anniversaries according to collective agreements. The provision for anniversary bonuses was determined in accordance with the provisions of IAS 19 on other long-term benefits. Please refer to the notes under the accounting and measurement methods with regard to the actuarial assumptions underlying the calculation.

At TEUR 25,451.4 (previous year: TEUR 16,149.3), provisions for buildings represent provisions for impending losses arising from the order backlog and, at TEUR 13,840.1 (previous year: TEUR 11,355.9), provisions for guarantees. Provisions for impending losses are based on current contract calculations. Provisions for guarantees and other contract risks are determined on the basis of an individual assessment of the risks. Claims arising against the Group from these risks are deemed to be probable; the recognised amount corresponds to the best possible estimate of the amount of the claim. As building contracts can take several years to be carried out, and any claim possibly precedes a long ongoing legal dispute, the time of the claim is uncertain but will as a rule lie within the relevant operating cycle.

#### Pension plans

##### Defined benefit plans

Provisions for severance pay were created for employees (on wages and salaries) who have claims to severance payments pursuant to the Employee Act, the Wage Earners' Severance Pay Act or works agreements. Employees whose employment is subject to Austrian law, if the relevant employment began prior to January 1st 2003 and has been ongoing for at least ten years without interruption, have a claim to severance pay where the employment is terminated upon the employee's reaching the statutory age of retirement, even if the employment is terminated by the employee. The amount of the severance pay depends on the amount of the pay at the time of termination and of the length of the employment. These employee claims should therefore be treated as claims under defined benefit pension plans, in which case plan assets do not exist to cover these claims. Similar considerations apply to employees to whom severance pay is due pursuant to the Wage Earners' Severance Pay Act and for severance pay payable pursuant to works agreements.

The Construction Workers' Leave and Severance Pay Act 1987 applies to the majority of waged workers, according to which their claims are directed towards the holiday pay and severance pay fund to be financed by employer's contributions. This is a state plan, for which a severance pay provision does not need to be created.

Pension commitments are as a rule defined individual benefit commitments for senior staff which are not covered by plan assets. The amount of the pension claim depends on the number of years' service in each case.

Changes within provisions for severance pay were as follows:

in EUR thousand	2011	2010
Present value of severance obligations (DBO) at Jan 1st	47,808.1	49,600.8
Changes to the consolidated group	604.4	–
Prior service cost	2,135.5	2,346.0
Interest paid	2,154.7	2,381.4
Severance payments	-7,806.9	-6,982.8
Actuarial profits (-)/losses (+)	1,915.4	462.7
<b>Present value of severance obligations (DBO) at Dec 31st</b>	<b>46,811.2</b>	<b>47,808.1</b>

For the year 2012, an interest payment of TEUR 2,106.1 and a prior service cost of TEUR 2,044.1 are planned. Please refer to the notes on the accounting and measurement methods with regard to the actuarial assumptions underlying the calculation.

The experience-based adjustments on severance obligations are as follows for the year under review and the previous fiscal years:

in EUR thousand	2011	2010	2009
Experience-based adjustments at Dec 31st	-1,376.2	-1,466.4	-3,188.4

The present values of severance obligations are as follows for the year under review and the four previous fiscal years:

in EUR thousand	2011	2010	2009	2008	2007
Present value of severance obligations at Dec 31st	46,811.2	47,808.1	49,600.8	53,165.7	51,546.2

The movements within pension provisions were as follows:

in EUR thousand	2011	2010
Present value of pension obligations (DBO) at Jan 1st	43,171.4	43,834.4
Changes to the consolidated group	430.3	–
Prior service cost	146.3	218.5
Interest paid	1,965.3	2,351.7
Pension payments	-4,015.6	-3,425.4
Actuarial profits (-)/losses (+)	749.9	192.2
<b>Present value of pension obligations (DBO) at Dec 31st</b>	<b>42,447.6</b>	<b>43,171.4</b>

For the year 2012, an interest payment of TEUR 1,906.2 and a prior service cost of TEUR 159.5 are planned. Please refer to the notes on the accounting and measurement methods with regard to the actuarial assumptions underlying the calculation.

The experience-based adjustments on pension obligations are as follows for the year under review and the previous fiscal years:

in EUR thousand	2011	2010	2009
Experience-based adjustments at Dec 31st	-1,033.1	558.3	1,364.4

The present values of pension obligations are as follows for the year under review and the four previous fiscal years:

in EUR thousand	2011	2010	2009	2008	2007
Present value of pension obligations at Dec 31st	42,447.6	43,171.4	43,834.4	44,116.4	49,366.3

#### Defined contribution plans

Employees whose employment is subject to Austrian law and who commenced employment after December 31st 2002, and workers to whose employment the Construction Workers' Leave and Severance Pay Act is applicable, do not acquire any severance pay claims in respect of their respective employer. For these employees, except for those to whose employment the Construction Workers' Leave and Severance Pay Act is applicable, contributions of 1.53% of the wage or salary must be paid to an employee welfare fund; this amounted to TEUR 1,164.0 (previous year: TEUR 1,173.6) in 2011.

Contributions are payable by the employer to the holiday pay and severance pay fund in respect of those employees whose employment is covered by the Construction Workers' Leave and Severance Pay Act. At the present time, around 37% of the wage of relevant employees is payable to the holiday pay fund for 2011, amounting to TEUR 39,362.7 (previous year: TEUR 36,241.3) and 4.25% of the wage of relevant employees is payable to the severance pay fund, amounting to TEUR 4,826.4 in 2011 (previous year: TEUR 4,865.7). This contribution covers employee severance pay claims and other benefits, in particular the holiday pay and holiday allowance payable by the holiday pay and severance pay fund to the relevant employees. This state plan covers all the companies in the building sector. The benefits are financed on a pay-as-you-earn basis, i.e. the benefits falling due in a particular period are to be financed by the contributions of this same period, while the future benefits earned in the period under review will be funded by future contributions. The companies are not legally or actually obliged to pay these future benefits. The companies are only obliged to pay the prescribed contributions as long as they employ workers whose employment is covered by the Construction Workers' Leave and Severance Pay Act.

Payments to external employee provision funds are recognised under the item staff expense.

The employees of the PORR Group also belong to their country-specific, state pension plans, which are usually funded on a pay-as-you-earn basis. The Group is only obliged to pay the contributions when they become due. There is no legal or actual obligation to provide future benefits.



### 35. Bonds

As of the value date October 13th 2010, one bond with the following conditions was issued by PORR AG:

Nominal amount	EUR 125,000,000.00
Tenor	2010–2015
Denomination	EUR 500.00
Nominal interest rate	5.0 % p. a. April 13th/October 13th
Coupon	semi-annually
Redemption	October 13th 2015 at 100%
Closing rate Dec 31st 2011	EUR 100.17
ISIN	AT0000A0KJK9
Book value	EUR 124,399,923.17

As of the value date November 6th 2009, one bond with the following conditions was issued by PORR AG:

Nominal amount	EUR 100,000,000.00
Tenor	2009–2014
Denomination	EUR 500.00
Nominal interest rate	6.0 % p. a. May 6th/November 6th
Coupon	semi-annually
Redemption	November 6th 2014 at 100%
Closing rate Dec 31st 2011	EUR 103.73
ISIN	AT0000A0F9G7
Book value	EUR 99,356,227.50

As of the value date May 31st 2007, one bond with the following conditions was issued by PORR AG:

Nominal amount	EUR 70,000,000.00
Tenor	2007–2012
Denomination	EUR 500.00
Nominal interest rate	5.875 % p. a. May 31st/November 30th
Coupon	semi-annually
Redemption	May 31st 2012 at 100%
Closing rate Dec 31st 2011	EUR 100.99
ISIN	AT0000A05DC4
Book value	EUR 69,961,675.00

The bonds were issued for subscription on the Austrian capital market.

As of the value date June 29th 2011 two bonds worth TEUR 60,000.0 and TCZK 200,000.0 were 100% redeemed.

### 36. Financial liabilities

in EUR thousand	2011	2010
<b>Deposits from banks</b>		
subject to interest at variable rates	231,501.3	127,942.2
subject to interest at fixed rates	113,464.1	36,571.6
<b>Lease obligations</b>		
subject to interest at variable rates	84,917.6	98,093.3
<b>Derivative financial instruments</b>	279.4	1,068.2
<b>Other financial liabilities</b>		
subject to interest at variable rates	3,787.2	28,461.6
subject to interest at fixed rates	62,199.5	–
<b>Total</b>	<b>496,149.1</b>	<b>292,136.9</b>

Deposits from banks subject to variable rates of interest are mainly charged interest at the 3-month EURIBOR rate or the 6-month EURIBOR rate plus differing margins. During the year under review the 3-month EURIBOR rate averaged out at 1.393% and the 6-month EURIBOR rate at an average 1.638%. The margins for newly acquired funds with a maximum 3-month term averaged 1.65 PP in 2011.

Some items of real estate and equipment used by the Group itself are held under finance leases (see note 18). The interest rates for the lease obligations are between 1.15% and 6.60%. The interest component of the lease payments is usually continuously adjusted to the market interest rate. With the exception of these leasing rate adjustments to reference interest rates, no agreements on conditional rental payments are included.

Derivative financial instruments include forward contracts, diesel purchasing contracts and interest rate hedges, which are measured at fair value at the end of the reporting period (see note 44).

in EUR thousand	Dec 31st 2011	Remaining term			of which secured by collateral
		< 1 year	> 1 year < 5 years	> 5 years	
Deposits from banks	344,965.4	61,534.8	162,016.8	121,413.8	247,303.2
Lease obligations	84,917.6	16,697.2	33,285.8	34,934.6	84,917.6
Derivative financial instruments	279.4	–	279.4	–	–
Other financial liabilities	65,986.7	9,676.1	35,790.2	20,520.4	64,732.5
<b>Total</b>	<b>496,149.1</b>	<b>87,908.1</b>	<b>231,372.2</b>	<b>176,868.8</b>	<b>396,953.3</b>

in EUR thousand	Dec 31st 2010	Remaining term			of which secured by collateral
		< 1 year	> 1 year < 5 years	> 5 years	
Deposits from banks	164,513.8	55,111.1	36,202.1	73,200.6	142,892.1
Lease obligations	98,093.3	22,863.5	35,790.9	39,438.9	98,093.3
Derivative financial instruments	1,068.2	965.6	102.6	–	–
Other financial liabilities	28,461.6	57.8	250.7	28,153.1	–
<b>Total</b>	<b>292,136.9</b>	<b>78,998.0</b>	<b>72,346.3</b>	<b>140,792.6</b>	<b>240,985.4</b>

The credit conditions related to a loan for a subsidiary in Switzerland amounting to CHF 10.0m were not met. This loan was repaid in full at the end of March 2012. Deposits from banks which are secured by collateral exclusively relate to real estate. Group obligations under finance leases are secured by the leased assets totalling a carrying amount of TEUR 119,893.5 (previous year: TEUR 133,512.3) which are the property of the lessor under civil law.

in EUR thousand	Minimum leasing payments		Principal repayment of leasing payments	
	Dec 31st 2011	Dec 31st 2010	Dec 31st 2011	Dec 31st 2010
With a remaining period up to one year	19,182.7	25,305.6	18,876.3	24,944.0
With a remaining period of more than one year and less than five years	39,943.9	42,703.9	36,313.5	39,068.1
With a remaining period of more than five years	39,340.7	44,547.5	29,727.8	34,081.2
<b>Total</b>	<b>98,467.3</b>	<b>112,557.0</b>	<b>84,917.6</b>	<b>98,093.3</b>
To be deducted: future financing costs	-13,549.7	-14,463.7	-	-
Present value of minimum leasing payments	<b>84,917.6</b>	<b>98,093.3</b>	<b>84,917.6</b>	<b>98,093.3</b>
Recognised in the consolidated financial statements as: Current liabilities			16,697.2	22,863.5
Non-current liabilities			68,220.4	75,229.8
<b>Total</b>			<b>84,917.6</b>	<b>98,093.3</b>

### 37. Trade payables

in EUR thousand	Dec 31st 2011	Remaining term			of which secured by collateral
		< 1 year	> 1 year < 5 years	> 5 years	
Trade payables	460,590.9	428,877.9	31,713.0	-	-
Payables to joint ventures	41,585.5	41,585.5	-	-	-
<b>Total</b>	<b>502,176.4</b>	<b>470,463.4</b>	<b>31,713.0</b>	<b>-</b>	<b>-</b>

in EUR thousand	Dec 31st 2010	Remaining term			of which secured by collateral
		< 1 year	> 1 year < 5 years	> 5 years	
Trade payables	449,200.4	418,327.1	30,873.3	-	-
Payables to joint ventures	37,926.8	37,926.8	-	-	-
<b>Total</b>	<b>487,127.2</b>	<b>456,253.9</b>	<b>30,873.3</b>	<b>-</b>	<b>-</b>

Trade payables are classified as current as they are to be settled within the entity's normal operating cycle.

**38. Other financial liabilities**

in EUR thousand	Dec 31st 2011	Remaining term			of which secured by collateral
		< 1 year	> 1 year < 5 years	> 5 years	
Payables to non-consolidated subsidiaries	4,065.0	4,065.0	-	-	-
Payables to associates	20,664.4	6,703.1	11,772.8	2,188.5	-
Payables to other shareholdings	9,899.7	9,867.5	21.1	11.1	-
Payables to staff	63,331.8	63,331.8	-	-	-
Other	45,428.3	38,540.9	2,981.3	3,906.1	-
<b>Total</b>	<b>143,389.2</b>	<b>122,508.3</b>	<b>14,775.2</b>	<b>6,105.7</b>	<b>-</b>

in EUR thousand	Dec 31st 2010	Remaining term			of which secured by collateral
		< 1 year	> 1 year < 5 years	> 5 years	
Payables to non-consolidated subsidiaries	3,709.1	3,709.1	-	-	-
Payables to associates	26,705.0	17,789.1	8,915.9	-	-
Payables to other shareholdings	6,823.2	4,033.1	509.7	2,280.4	-
Payables to staff	63,228.3	63,228.3	-	-	-
Other	26,787.1	23,953.1	2,834.0	-	-
<b>Total</b>	<b>127,252.7</b>	<b>112,712.7</b>	<b>12,259.6</b>	<b>2,280.4</b>	<b>-</b>

**39. Other liabilities**

in EUR thousand	Dec 31st 2011	Remaining term			of which secured by collateral
		< 1 year	> 1 year	> 5 years	
			< 5 years		
Tax liabilities	50,058.2	50,058.2	-	-	-
Social security liabilities	11,779.8	11,779.8	-	-	-
Advances received	98,020.6	98,020.6	-	-	-
Other	35,693.1	1,712.1	-	33,981.0	-
<b>Total</b>	<b>195,551.7</b>	<b>161,570.7</b>	<b>-</b>	<b>33,981.0</b>	<b>-</b>

in EUR thousand	Dec 31st 2010	Remaining term			of which secured by collateral
		< 1 year	> 1 year	> 5 years	
			< 5 years		
Tax liabilities	55,769.5	55,769.5	-	-	-
Social security liabilities	12,119.5	12,119.5	-	-	-
Advances received	105,892.2	105,892.2	-	-	-
Other	31,280.8	1,331.1	-	29,949.7	-
<b>Total</b>	<b>205,062.0</b>	<b>175,112.3</b>	<b>-</b>	<b>29,949.7</b>	<b>-</b>

**40. Tax payables**

Current income tax payables are shown under tax liabilities. Pursuant to Art. 9 Austrian Corporation Tax Act (öKStG), losses of foreign Group members amounting to TEUR 39,140.5 (previous year: TEUR 21,888.0) were not capitalised as they were characterised as frozen losses or had a long-term horizon for utilisation.

**41. Contingent liabilities and guarantees**

in EUR thousand	2011	2010
Guarantees, guarantee bonds and other contingent liabilities	77,066.2	105,089.8
of which for associates	36,077.3	33,307.7

The guarantees primarily relate to securing bank loans of non-consolidated subsidiaries, associates and other companies in which the Group holds a stake, as well as other liabilities from the operational business whose availment is theoretically possible, but considered highly improbable.

**Other financial liabilities**

The operational construction business requires various types of guarantees in order to safeguard contractual obligations. This generally relates to guarantees for tenders, contract fulfilment, advance payment and warranty. Apart from that the Group is jointly and severally liable for all joint ventures in which it participates. Claims arising from these liabilities are not likely.

The Group has access to a syndicated, guaranteed credit line (Avalrahmen) of TEUR 470,000.0 with a remaining term of 1.5 years (see note 47). There are also bilateral credit lines in the amount of TEUR 523,850.0 which generally have a period of one year. As at December 31st 2011 around 70% of these lines had been drawn on.

## 42. Notes on segment reporting

Segment reporting has been adjusted in line with the new internal reporting structure of the PORR Group. Comparative values have been retrospectively adjusted to the new structure, however, comparisons with the segment information as at December 31st 2011 is only partly possible. The following segments have been defined.

Segment Region 1: Region 1 covers the PORR Group's operating business on the home markets of Austria, Germany and Switzerland. A full range of products and services is offered.

Segment Region 2: Region 2 covers the PORR Group's operating business on the home market of Poland and the Czech Republic and the core markets in CEE and SEE. Permanent business is being built up step-by-step on these markets.

Segment Infrastructure: The Infrastructure segment bundles the core competencies in public infrastructure. It includes the departments of tunnel construction, railway construction, road and bridge construction, power plant construction, foundation engineering and large-scale civil engineering projects.

Segment Environmental Engineering: The Environmental Engineering segment bundles expertise in the fields of remediation of contaminated sites, waste, renewable energy, water supply and wastewater disposal.

Segment Development: The Development segment is largely comprised of the companies specialised in project development, namely Porr Solutions Immobilien- und Infrastrukturprojekte GmbH, Strauss & Partner Immobilien GmbH and the shareholding in UBM Realitätenentwicklung AG and its subsidiaries.

Other: This segment includes all of the activities on the MENA region markets, as well as Group services and shareholdings in non-operational companies.



in EUR thousand 2011	Region 1	Region 2
Production output (Group)	1,635,491.2	426,273.4
Segment revenue (revenue, own work capitalised and other operating income)	1,531,379.8	381,097.8
Intersegment revenue	147,312.6	30,887.1
EBT (Earnings before tax = segment earnings)	3,897.2	-27,651.0
Share of profit/loss of associates	2,540.7	155.3
Depreciation, amortisation and impairment expense	-33,747.2	-7,139.3
of which impairment	-2,101.8	-
Interest income	2,787.0	2,812.8
Interest expense	-13,827.8	-1,930.1

in EUR thousand 2010	Region 1	Region 2
Production output (Group)	1,599,646.2	465,617.9
Segment revenue (revenue, own work capitalised and other operating income)	1,495,194.3	430,877.7
Intersegment revenue	149,787.3	26,888.8
EBT (Earnings before tax = segment earnings)	17,279.7	-5,428.7
Share of profit/loss of associates	3,473.8	626.7
Depreciation, amortisation and impairment expense	-33,651.3	-6,045.7
of which impairment	-3,093.2	-0.1
Interest income	2,438.3	3,419.9
Interest expense	-8,365.6	-1,590.6

The following information relates to geographic business areas in which the Group is active.

in EUR thousand	Production output by customer base 2011	Non-current assets by company base 2011*	Production output by customer base 2010	Non-current assets by company base 2010*
<b>Domestic</b>	<b>1,822,230.4</b>	<b>968,331.7</b>	<b>1,774,561.5</b>	<b>895,748.3</b>
Germany	253,494.5	76,550.7	241,093.3	80,763.3
Poland	236,291.2	14,989.7	216,225.4	17,078.3
Czech Republic	141,444.2	19,686.4	185,733.5	23,218.0
Hungary	39,809.4	13,699.5	108,425.6	17,859.7
Romania	108,539.0	11,300.9	80,426.4	12,589.5
Switzerland	85,143.8	10,249.2	64,894.0	5,249.5
Serbia	89,143.6	1,216.9	33,658.9	51.0
Albania	30,404.4	-	31,552.1	-
Slovakia	20,429.7	1,118.3	24,173.0	1,669.7
Netherlands	40,085.3	-	23,016.9	-
Croatia	4,784.8	4,941.0	12,604.2	5,922.3
Other foreign	33,833.7	2,272.5	29,681.9	560.6
<b>Total foreign</b>	<b>1,083,403.6</b>	<b>156,025.1</b>	<b>1,051,485.2</b>	<b>164,961.9</b>
<b>Segment total</b>	<b>2,905,634.0</b>	<b>1,124,356.8</b>	<b>2,826,046.7</b>	<b>1,060,710.2</b>

\* Corresponds to non-current assets in the consolidated statement of financial position without other financial assets and deferred tax assets.

Infrastructure	Environmental Engineering	Development	Other	Group
514,234.9	70,393.8	259,240.7	–	2,905,634.0
281,228.9	29,623.9	44,265.6	16,204.2	2,283,800.2
14,720.4	8,445.3	2,372.5	110,422.4	–
-46,559.3	3,844.2	-16,382.4	-2,882.8	-85,734.1
1,706.2	1,060.1	12,700.6	-247.3	17,915.6
-1,484.9	-941.8	-2,620.4	-5,357.3	-51,290.9
–	–	-781.2	–	-2,883.0
45.3	720.6	1,822.9	4,688.2	12,876.8
-100.8	-113.6	-5,351.3	-24,185.7	-45,509.3

Infrastructure	Environmental Engineering	Development	Other	Group
495,941.3	88,844.7	175,951.9	44.7	2,826,046.7
280,562.6	26,678.0	30,234.1	18,083.2	2,281,629.9
11,969.3	21,791.2	6,496.3	98,340.1	–
9,408.9	2,385.1	-1,822.4	-1,090.5	20,732.1
-410.4	-794.7	10,507.7	–	13,403.1
-5,738.3	-1,022.7	-1,031.2	-6,206.3	-53,695.5
–	–	-522.0	–	-3,615.3
535.9	644.6	322.9	3,005.4	10,367.0
-1,077.8	-148.9	-2,420.1	-22,508.5	-36,111.5

### 43. Notes on the cash flow statement

The cash flow statement is broken down into separate cash flows from operating, investing and financing activities, in which the cash flow from operating activities is derived according to the indirect method. The financial fund comprises exclusively cash on hand/at bank and corresponds to the value shown in the statement of financial position for cash and cash equivalents.

### 44. Notes on financial instruments

#### 44.1. Capital risk management

The fundamental aim of the Group's capital management is to increase equity and to significantly decrease debt. In 2011, the year under review, there was a decrease in equity from TEUR 477,291.8 to TEUR 303,242.8, which was primarily caused by the acquisition of the shares in TEERAG-ASDAG AG which had not been previously owned by the company, as well as the consolidated loss which was affected by the write-downs and losses in Hungary and Romania. In parallel, debt increased to TEUR 636,054.5. The equity ratio thereby fell from 21.9% at December 31st 2010 to 14.1% at December 31st 2011.

The Net Gearing Ratio, defined as net financial debt divided by equity, is applied for the control of capital management. The interest-bearing net debt is the balance between interest-bearing current assets and interest-bearing liabilities. Net gearing in relation to equity stood at 2.1 as at December 31st 2011.

## 44.2. Categories of financial instruments

### 44.2.1. Carrying amounts, measurement rates and fair values

in EUR thousand		Measurement in acc. with IAS 39					Fair value
	Meas- urement category in accordance with IAS 39	Carrying amount at Dec 31st 2011	(continuing) Acquisition costs	Fair Value other com- prehensive income	Fair Value affecting net income	Fair value hierarchy (IFRS 7.27A)	Fair value at Dec 31st 2011
<b>Assets</b>							
Loans	LaR	37,227.6	37,227.6				37,227.6
Other financial assets (1)	AfS (at cost)	14,309.3	14,309.3				n/a
Other financial assets	AfS	11,131.1		11,131.1		Level 1	11,131.1
Trade receivables	LaR	602,639.3	602,639.3				602,639.3
Other assets	LaR	161,693.7	161,693.7				161,693.7
Derivatives (without hedges)	FAHfT	968.8			968.8	Level 2	968.8
Cash and cash equivalents		153,812.5					153,812.5
<b>Liabilities</b>							
Bonds at fixed interest rates	FLAC	293,717.9	293,717.9				293,717.9
Deposits from banks at fixed interest rates	FLAC	113,464.1	113,464.1				85,295.3
at variable interest rates	FLAC	231,501.3	231,501.3				231,501.3
Lease obligations (2)		84,917.6	84,917.6				84,917.6
Other financial liabilities at fixed interest rates	FLAC	62,199.5	62,199.5				62,199.5
at variable interest rates	FLAC	3,787.2	3,787.2				3,787.2
Trade payables	FLAC	502,176.4	502,176.4				502,176.4
Other liabilities	FLAC	143,389.2	143,389.2				143,389.2
Derivatives (with hedges)		279.4		279.4		Level 2	279.4
<b>by category:</b>							
Loans and receivables	LaR	801,560.6	801,560.6				801,560.6
Cash and cash equivalents		153,812.5					153,812.5
Available-for-sale financial assets (1)	AfS (at cost)	14,309.3	14,309.3				n/a
Available-for-sale financial assets	AfS	11,131.1		11,131.1		Level 1	11,131.1
Financial assets held for trading	FAHfT	968.8			968.8	Level 2	968.8
Derivative liabilities (with hedges)		279.4		279.4		Level 2	279.4
Financial liabilities measured at amortised cost	FLAC	1,350,235.6	1,350,235.6				1,324,197.2

in EUR thousand		Measurement in acc. with IAS 39					
	Measurement category in accordance with IAS 39	Carrying amount at Dec 31st 2010	(continuing) Acquisition costs	Fair Value other comprehensive income	Fair Value affecting net income	Fair value hierarchy (IFRS 7.27A)	Fair value at Dec 31st 2010
<b>Assets</b>							
Loans	LaR	39,979.4	39,979.4				39,979.4
Other financial assets (1)	AfS (at cost)	23,603.4	23,603.4				n/a
Other financial assets	AfS	10,801.0		10,801.0		Level 1	10,801.0
Trade receivables	LaR	652,369.5	652,369.5				652,369.5
Other assets	LaR	133,537.8	133,537.8				133,537.8
Derivatives (without hedges)	FAHfT	2,794.7			2,794.7	Level 2	2,794.7
Cash and cash equivalents		212,160.8					212,160.8
<b>Liabilities</b>							
Bonds							
at fixed interest rates	FLAC	353,280.7	353,280.7				362,418.5
at variable interest rates	FLAC	8,089.8	8,089.8				8,089.8
Deposits from banks							
at fixed interest rates	FLAC	36,571.6	36,571.6				38,488.6
at variable interest rates	FLAC	127,942.2	127,942.2				127,942.2
Lease obligations (2)		98,093.3	98,093.3				98,093.3
Other financial liabilities							
at variable interest rates	FLAC	28,461.6	28,461.6				28,461.6
Trade payables	FLAC	487,127.2	487,127.2				487,127.2
Other liabilities	FLAC	127,252.8	127,252.8				127,252.8
Derivatives (without hedges)	FLHfT	722.2			722.2	Level 2	722.2
Derivatives (with hedges)		346.0		346.0		Level 2	346.0
<b>by category:</b>							
Loans and receivables	LaR	825,886.7	825,886.7				825,886.7
Cash and cash equivalents		212,160.8					212,160.8
Available-for-sale financial assets (1)	AfS (at cost)	23,603.4	23,603.4				n/a
Available-for-sale financial assets	AfS	10,801.0		10,801.0		Level 1	10,801.0
Financial assets held for trading	FAHfT	2,794.7			2,794.7	Level 2	2,794.7
Financial liabilities held for trading	FLHfT	722.2			722.2	Level 2	722.2
Derivative liabilities (with hedges)		346.0		346.0		Level 2	346.0
Financial liabilities measured at amortised cost	FLAC	1,168,725.9	1,168,725.9				1,179,780.7

(1) These are related to Group shareholdings, predominantly shares in GmbHs, whose fair value cannot be reliably measured and for which there is no active market so that it is measured at acquisition cost less possible impairment. There are currently no concrete plans to sell.

(2) Lease obligations fall under the application of IAS 17 and IFRS 7.

The fair value of trade receivables and trade payables corresponds to the carrying amount, as the majority of these are current. Every financial instrument is categorised as available for sale if it does not fall into any other valuation category under IAS 39. The fair value valuation for derivatives is determined in accordance with market data from information service provider REUTERS. Liabilities from bank loans and overdrafts are valued under the discounted cash flow valuation method, whereby the zero coupon yield curve published by REUTERS as of December 31st 2011 was used for the discounting of the cash flow.

#### 44.2.2. Net income by measurement category

in EUR thousand		From interest/ income	From subsequent measurement		From disposal	Net income 2011
			at fair value	Allowances		
Loans and receivables	LaR	13,511.4	–	-43,689.0	–	-30,177.6
Available-for-sale financial assets	AfS (at cost)	2,219.6	–	-11,664.8	12.6	-9,432.6
Available-for-sale financial assets	AfS	399.8	-200.9	–	–	198.9
Derivatives (without hedges)	FAHfT/ FLHfT	–	1,394.4	–	–	1,394.4
Financial liabilities measu- red at amortised cost	FLAC	-39,119.6	–	–	–	-39,119.6
<hr/>						
in EUR thousand		From interest/ income	From subsequent measurement		From disposal	Net income 2010
			at fair value	Allowances		
Loans and receivables	LaR	11,257.3	–	–	–	11,257.3
Available-for-sale financial assets	AfS (at cost)	2,422.5	–	-4,039.7	68.7	-1,548.5
Available-for-sale financial assets	AfS	302.0	98.0	–	-2.4	397.6
Derivatives (without hedges)	FAHfT/ FLHfT	–	221.8	–	–	221.8
Financial liabilities measu- red at amortised cost	FLAC	-30,293.7	–	–	–	-30,293.7

Allowances for loans and receivables amounting to TEUR 43,689.0 relate to large-scale projects in Hungary and Romania and were deducted from revenues.

#### 44.3. Aims of financial risk management

Managing financial risks, in particular liquidity risks, interest rate/currency risks and risks from fluctuating raw material prices, are governed by standard Group guidelines. The management's aim is to minimise the risks as far as possible. Hence, derivative and non-derivative hedging instruments are used in line with evaluations. Nevertheless, in general the only risks which are anticipated are those which have consequences on the Group's cash flow. Derivative financial instruments are used exclusively as hedging instruments, i.e. they are not used for trade or other speculative purposes.

All hedge transactions are performed centrally by the Group treasury, unless in specific cases other Group companies are authorised to conclude transactions outside the Group treasury. An internal control system designed around current requirements has been implemented to monitor and control risks linked to money market and foreign exchange trading. All Group treasury activities are subject to strict risk/processing control, the cornerstone of which is the functional separation of commerce, processing and accounting.

#### 44.4. Liquidity risks

The liquidity risk is defined as the risk that liabilities cannot be paid upon maturity.

At December 31st 2011 net debt, defined as the balance from cash and cash equivalents, bonds and current and non-current financial liabilities, amounted to TEUR 636,054.5 (previous year: TEUR 441,346.6).

Current liabilities exceed current assets by TEUR 65,370.1 (previous year: surplus of TEUR 52,911.3), whereby trade receivables exceeded trade payables by TEUR 100,462.9 (previous year: TEUR 165,242.3).

Current financial liabilities, defined as the current portion of bonds and de facto current financial liabilities, amount to TEUR 157,537.7 (previous year: TEUR 146,819.6) and are almost covered by cash and cash equivalents of TEUR 153,812.5 (previous year: TEUR 212,160.8).

Bonds worth TEUR 224,088.3 were part of non-current financial liabilities of TEUR 632,329.3. Another bond of TEUR 69,961.7 is up for return in May 2012 and is therefore shown in current financial liabilities. The repayment of this bond can – as long as no new capital market transactions are undertaken – be refinanced through the facility which was concluded in 2010 in the course of the Austrian Corporate Liquidity Strengthening Act.

At the end of the reporting period there was TEUR 248,641.0 (previous year: TEUR 339,200.0) available in bank lines for cash loans, which could be drawn on for immediate refinancing of current financial liabilities. With regard to the syndicated credit line which was granted and used, see notes 41 and 47.

#### 44.4.1. Table of liquidity and interest rate risks

in EUR thousand	Average interest rate	Non-discounted payment flow			
		Until March 2012	April to Dec 2012	2013 to 2016	from 2017
<b>Bonds</b>					
at fixed interest rates	5.55%	-	84,306.3	255,750.0	-
<b>Deposits from banks</b>					
at fixed interest rates	3.67%	1,555.0	11,188.5	89,713.1	45,441.7
at variable interest rates	3.10%	19,598.6	36,459.1	84,183.2	144,630.6
Lease obligations	2.87%	7,709.8	11,472.9	39,943.9	39,340.7
<b>Other financial liabilities</b>					
at fixed interest rates	1.00%	-	11,483.5	39,462.4	19,806.7
at variable interest rates	4.50%	5.1	54.9	250.3	3,476.9
Trade payables	interest-free	419,567.7	9,310.2	31,713.0	-

in EUR thousand	Average interest rate	Non-discounted payment flow			
		Until March 2011	April to Dec 2011	2012 to 2015	from 2016
<b>Bonds</b>					
at fixed interest rates	5.63%	-	78,050.0	340,056.3	-
at variable interest rates	3.58%	-	8,120.5	-	-
<b>Deposits from banks</b>					
at fixed interest rates	3.06%	7,822.3	15,344.4	7,580.2	9,529.7
at variable interest rates	2.74%	8,445.4	28,742.1	41,979.8	96,270.3
Lease obligations	2.20%	9,936.6	15,369.0	42,703.9	44,547.5
<b>Other financial liabilities</b>					
at variable interest rates	4.50%	-	57.8	250.7	28,153.0
Trade payables	interest-free	408,996.4	9,330.6	30,873.3	-

Payables to joint ventures and other financial liabilities largely led to cash outflows at the carrying amounts upon maturity.

#### 44.5. Interest rate risk management

The interest rate risk is defined as the risk from rising interest cost or falling interest income in connection with financial items. For the PORR Group this risk results almost exclusively from the scenario of rises in interest rates, especially in the short term. Any future hedge transactions that are required will be concluded by the Group's financial management. As of the closing date, the management of this risk was conducted with non-derivative instruments, with an interest rate swap amounting to TEUR 80,000.0, which was designated as a cash flow hedge.

The IRS involve the exchange of variable interest flows for fixed interest flows and are due in November 2013.

An analysis of the floating interest rate position, which amounted to TEUR 339,340.7 at December 31st 2011, showed the following sensitivities which would occur under the scenarios of interest rate increases of 0.40 PP and 1.70 PP. The extent of the interest rate increases is based on the average volatility of the 3-month and 6-month EURIBOR in 2011. An interest rate bandwidth of 40 BPS therefore falls statistically within a probability band of 67% and the probability of an interest rate bandwidth of 170 BPS is respectively 99%. The simulated impact on interest rates is as follows:



in EUR thousand	Higher payable interest for the year 2012	Higher payable interest from 2013
At interest rate rise of 0.40 PP	973.0	1,378.0
At interest rate rise of 1.70 PP	4,126.0	5,858.0

#### 44.6. Risks from changes to raw material prices

As at December 31st 2011 the diesel demand for a power plant project in Albania had been hedged by means of options based on standardised contracts (ULSD 10PPM), for a total of 779 tonnes for the business year 2012.

Valued at the concluded hedging rate, these hedges correspond to a total value of around TEUR 453.6.

Because of the rise in the price of diesel at year-end, there is a valuation gain from hedges amounting to around TEUR 109.6m, which – in the absence of designation as hedge purchases in accordance with IAS 39 – was recognised in profit or loss.

The risk of price changes in construction steel was only hedged by means of long-term price fixing in 2011.

Owing to the lack of functioning derivative markets in this area, the price risk of other significant materials purchases as viewed at December 31st 2011 were also assured through long-term frame contracts.

#### 44.7. Foreign currency risks

The foreign currency risk is treated within the PORR Group as transaction-oriented and results either from construction contracts or from financing in connection with such contracts. Group policy is to hedge the operational foreign currency risks completely. In accordance with the respective functional currency of the Group unit which is processing the order, PORR aims to conduct local orders in the corresponding national currencies. This happens in every instance in which the services to be rendered are locally generated. If this does not succeed, or if services must be provided in other currencies, the resulting risk is secured by hedging. With regard to derivative financial instruments, the Group financial management exclusively use forward contracts and first generation currency options (see note 44.8).

As of December 31st 2011, currency risks, which primarily result from intragroup financing transactions and/or from residual CHF financing, were subject to a simulation, in order to be able to estimate possible risks from changes to foreign exchange rates:

FX position in TEUR	Local currency	FX position in local currency (in thousand)	VAR* in TEUR
5,204.8	ALL	-721,723.0	76.6
1,619.1	CHF	-1,968.2	-76.6
-14,838.9	HRK	111,840.9	-267.4
-13,205.5	HUF	4,154,177.9	-830.2
-1,305.5	PLN	5,820.0	-68.1
1,951.5	RSD	-208,572.5	81.0
571.1	various	various currencies	-13.4

\* VAR = Value At Risk at a one-sided 99% confidence interval, this corresponds to a standard deviation of 2.3 over a time period of ten days. Correlations between currency pairs remain unconsidered.

The simulated maximum loss at a probability of 99% and over a time period of ten days is currently around TEUR 1,098.2.

#### 44.8. Hedging currency risks

The PORR Group had concluded forward contracts of TEUR 103,259.1 (previous year: TEUR 129,00.0) at December 31st 2011. Of these, TEUR 63,497.2 were forward purchases and TEUR 39,761.9 were forward sales. Around TEUR 20,794.0 (previous year: TEUR 38,700.0) are designated as hedges for project cash flows and the remainder of TEUR 82,465.1 (previous year: TEUR 90,300.0) for hedging intragroup financing.

At December 31st 2011 the market valuation of open forwards contracts resulted in a fair value of TEUR -800.1. In the fiscal year 2011 a total of TEUR 1,471.3 which resulted from changes in the fair value of forward contracts was recognised in profit or loss.

The following table shows the predicted contractual due dates for payments from forward contracts as estimated on December 31st 2011, i.e. when payments from the underlying transactions are expected:

EUR forward purchases Due date	Cash flows in EUR thousand				Total
	QAR	CHF	HUF	RON	
January 2012		2,681.1	4,134.1	5,956.2	12,771.4
February 2012		1,848.1		6,468.7	8,316.8
March 2012	100.1	1,864.3		1,684.6	3,649.0
April 2012					-
May 2012					-
June 2012		944.1	27,508.4	3,730.3	32,182.8
July 2012					-
August 2012				2,260.0	2,260.0
September 2012		1,577.7			1,577.7
October 2012					-
November 2012	122.6				122.6
December 2012					-
January 2013		317.1			317.1
February 2013		2,299.9			2,299.9
March 2013					-

EUR forward sales Due date	Cash flows in EUR thousand				Total
	CZK	PLN	CHF	RON	
January 2012		1,520.0	1,939.5	1,858.0	5,317.5
February 2012	13,267.3	2,020.0			15,287.3
March 2012		2,162.0	1,903.2		4,065.2
April 2012		1,176.0			1,176.0
May 2012		2,160.0			2,160.0
June 2012		1,560.0			1,560.0
July 2012		1,714.0			1,714.0
August 2012		1,563.0			1,563.0
September 2012		1,870.0			1,870.0
October 2012		2,076.0			2,076.0
November 2012		1,128.0			1,128.0
December 2012		207.0			207.0
January 2013		135.0			135.0
February 2013					-
March 2013		1,503.0			1,503.0

#### 44.9. Derivative financial instruments

The following table shows the fair values of the different derivative instruments. They are differentiated between whether they are connected or not to a cash flow hedge in accordance with IAS 39.

in EUR thousand	2011	2010
<b>Assets</b>		
Derivatives		
without hedges	968.8	2,794.7
with hedges	-	-
<b>Liabilities</b>		
Derivatives		
without hedges	-	722.1
with hedges	279.4	346.0

#### 44.10. Credit risks

The risk related to receivables from customers can be classified as marginal, owing to the broad dispersion and ongoing creditworthiness checks. Specific to the industry, construction contracts require an advance payment by the general contractor which will not be covered by payments until a later date. To reduce the default risk an extensive creditworthiness check is carried out and adequate sureties are agreed as far as possible.

The risk of default in the case of other original financial instruments stated on the assets side of the statement of financial position is also regarded as low because all contracting parties are financial institutions and other debtors with prime credit standing. The carrying amount of the financial assets represents the maximum risk of default. Where risks of default are recognised in relation to financial assets, account is taken of these risks by performing allowances for impairment. Except for these, there are no occurrences of concentration of risk arising from significant outstanding amounts from individual debtors.

At December 31st 2011 the maximum credit risk amounted to TEUR 983,549.5 (previous year: TEUR 1,077,429.1) and relates mainly to loans, other financial assets, other assets, trade receivables and cash and cash equivalents.

#### 45. Average staffing levels

	2011	2010
<b>Salaried employees</b>		
Domestic	2,664	2,651
Foreign	1,900	1,921
<b>Waged workers</b>		
Domestic	5,541	5,576
Foreign	1,492	1,506
<b>Total staff</b>	<b>11,597</b>	<b>11,654</b>

#### 46. Related party disclosures

In addition to subsidiaries and associates, related parties include B&C Privatstiftung and the companies over which it has control, and the companies of the Ortner Group, as they or their controlling entity has a significant influence over PORR AG through the shares which they hold. The Strauss & Partner Group is also a related party as a member of the Executive Board of PORR AG has significant influence over it. In addition to people who have a significant influence over PORR AG, related parties also include the members of the

Executive and Supervisory Boards of PORR AG as well as their close family members.

Transactions between Group companies included in the consolidated financial statements were eliminated on consolidation and are not examined any further. Receivables from non-consolidated companies totalled TEUR 14,468.9 (previous year: TEUR 15,262.2), of which TEUR 2,531.6 (previous year: TEUR 4,198.8) related to financing receivables.

Transactions between Group companies and their associated companies are disclosed in the following analysis.

In EUR thousand	Sales of goods and services		Purchases of goods and services		Receivables		Liabilities	
	2011	2010	2011	2010	2011	2010	2011	2010
	Associates	73,788.6	112,618.3	57,311.4	76,849.3	47,860.4	39,515.5	20,664.4

Transactions with other related companies were as follows:

In EUR thousand	Sales of goods and services		Purchases of goods and services		Receivables		Liabilities	
	2011	2010	2011	2010	2011	2010	2011	2010
	Ortner Group	2,465.8	1,248.7	34,950.0	7,285.5	854.0	1,025.6	5,997.4
Strauss & Partner Group	32,366.8	–	1,001.6	–	3,995.0	–	633.5	–
B & C Group	2,658.2	2,438.3	52.9	–	3.7	132.2	5.4	–

Outstanding accounts receivable are not secured and are settled in cash. With the exception of guarantees taken on for associates which totalled TEUR 36,077.3 (previous year: TEUR 33,307.7), and for which no fees are generally charged, no guarantees were given nor were any enforced. No allowances were made in respect of amounts owed by related companies or persons, nor were any bad debt losses booked during the year under review.

#### 47. Events after the end of the reporting period and other information

The Executive Board of PORR AG approved the consolidated financial statements and handed them over to the Supervisory Board on April 26th 2012. The following significant events occurred between the closing date and the submission to the Supervisory Board.

##### Financial Covenants

In the business year 2011 allowances and provisions amounting to TEUR 65,192.6 and recurrent losses of TEUR 16,781.0 were recorded on open receivables and receivables which have not been recovered to date from large-scale, multi-year projects in Hungary and Romania which had been either fully or partially completed (see note 12 and note 44.2.2.).

These losses, as well as the effect on equity caused by the acquisition of the remaining shares in TEERAG-ASDAG AG, were the main factors in why the agreed financial covenants on the 2011 consolidated financial statements, part of the syndicated credit line (Avalrahmen), were not fulfilled. At December 31st 2011 the syndicated credit line amounted to TEUR 470,000.0, of which a sum of TEUR 317,954.0 had been used. The portion used breaks down as follows:

in EUR thousand

Prepayment guarantees	44,605.0
Performance bonds	110,318.0
Tender guarantees	43,851.0
Contract guarantees/cover retentions	107,736.0
Other guarantees	11,444.0
<b>Total</b>	<b>317,954.0</b>

At the beginning of February 2012 an exemption was secured for the financial covenants with regard to the 2011 consolidated accounts by the lead manager of the syndicated credit line. The contractually agreed term of the syndicated credit line ends on June 30th 2013. Because of the exemption granted for the 2011 consolidated financial statements, the next scheduled evaluation of the financial covenants will be for the 2012 consolidated financial statements; notice only has to be given in instances where business developments cause conditions to occur in which meeting the financial covenants appears to be under threat. From today's perspective and based on current planning, the Executive Board assumes that all agreed financial covenants for 2012 will once again be met.

#### Focus and consolidation measures

In 2012 the Executive Board is planning to press ahead with the Group's reorganisation, which was introduced in 2011, and to react to changing market conditions quickly and appropriately. The organisational initiatives implemented in 2011 simplified structures and brought together multiple construction units in Austria into a new legal entity. Another focal point lies in process optimisation, with the goal of making the company more efficient and more effective. Here one significant contributor will be the »fitforfuture« programme, launched in 2012; this cost-cutting programme will involve streamlining processes in the administrative and Shared Services departments. »fitforfuture« should contribute to reducing material, project and process costs, as well as cutting structural costs.

In addition to this, the Executive Board is planning an operational focus on pre-defined home and core markets.

#### 48. Fees paid to the Group's auditors

The following table shows the fees paid to the Group's auditors in the year under review:

in EUR thousand	Deloitte Österreich		BDO Austria	
	2011	2010	2011	2010
Audit services	183.0	121.9	119.4	180.0
Other audit services	103.1	199.5	166.2	216.1
Tax advisory services	145.7	88.5	–	–
Other advisory services	15.3	79.9	–	–

#### 49. Executive bodies

##### Members of the Executive Board:

Karl-Heinz Strauss, Chief Executive Officer  
 Christian B. Maier (from February 1st 2012)  
 J. Johannes Wenkenbach (from February 1st 2012)  
 Johannes Dotter (until February 4th 2011)  
 Rudolf Krumpeck (until February 1st 2012)  
 Peter Weber (until February 1st 2012)

##### Members of the Supervisory Board:

Klaus Ortner, Chairman (Deputy Chairman until June 9th 2011, Chairman from June 9th 2011)  
 Friedrich Kadrnoska, Deputy Chairman (Chairman until June 9th 2011, Deputy Chairman from June 9th 2011)  
 Nematollah Farrokhnia  
 Michael Junghans  
 Martin Krajcsir  
 Walter Lederer  
 Iris Ortner  
 Wolfgang Reithofer  
 Karl Samstag  
 Thomas Winischhofer

##### Members delegated by the Works Council:

Peter Grandits  
 Walter Huber  
 Walter Jenny  
 Michael Kaincz (from June 9th 2011)  
 Michael Tomitz (from June 9th 2011)  
 Johann Karner (until June 9th 2011)  
 Albert Stranzl (until June 9th 2011)

The table below shows the emoluments of the managers in key positions, i.e. the members of the Executive Board and of the Supervisory Board of PORR AG broken down according to payment categories:

In EUR thousand	2011	2010
<b>Emoluments of the Executive Board</b>		
Short-term benefits due	2,075.8	2,487.8
Emoluments due on or after completion of the management contract	91.2	456.2
Other long-term benefits due	-	-
<b>Total</b>	<b>2,167.0</b>	<b>2,944.0</b>
<b>Emoluments of the Supervisory Board</b>		
Short-term benefits due	78.6	145.7

The emoluments of the Executive Board include defined contribution plans amounting to TEUR 82.5 (previous year: TEUR 133.5).

April 26th 2012, Vienna

##### The Executive Board

Karl-Heinz Strauss  
 Christian B. Maier  
 J. Johannes Wenkenbach

# SHAREHOLDINGS

Company	Country code	Domicile	PORR AG share	PORR Group share	Type of consolidation	Currency	Nominal capital
<b>Affiliated companies</b>							
<b>Affiliated companies limited by shares</b>							
»DIKE« Liegenschaftsverwertung Gesellschaft m.b.H.	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>36,336.42</b>
»EAVG Enzersdorfer Abfallverwertungsgesellschaft m.b.H.«	AUT	Vienna	37.50%	<b>100.00%</b>	N	EUR	<b>0.00</b>
»HELIOS« Immobilien Verwaltungs- und Verwertungsgesellschaft m.b.H.	AUT	Vienna	50.00%	<b>100.00%</b>	F	EUR	<b>36,336.42</b>
»PET« Deponieerrichtungs- und Betriebsgesellschaft m.b.H.	AUT	Vienna	50.00%	<b>100.00%</b>	N	EUR	<b>0.00</b>
»Zentrum am Stadtpark« Errichtungs- und Betriebs-Aktiengesellschaft ABAP Beteiligungs Holding GmbH	AUT	Vienna	100.00%	<b>100.00%</b>	F	EUR	<b>35,000.00</b>
AGes-Bau Asphalt-Ges.m.b.H.	* AUT	Amstetten	0.00%	<b>100.00%</b>	F	EUR	<b>36,336.42</b>
Allgemeine Straßenbau GmbH	* AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>3,633,641.71</b>
Alois Felser Gesellschaft m.b.H.	* AUT	Kematen in Tyrol	0.00%	<b>100.00%</b>	F	EUR	<b>36,400.00</b>
aqua plus Wasserversorgungs- und Abwasserentsorgungs-GmbH	° AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>2,700,000.00</b>
ARIWA Beteiligungs GmbH	° AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>35,000.00</b>
ASCHAUER Zimmerei GmbH	AUT	Gars am Kamp	0.00%	<b>100.00%</b>	F	EUR	<b>75,000.00</b>
ASDAG Baugesellschaft m.b.H.	* AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>726,728.34</b>
Asphalt-Unternehmung Carl Günther Gesellschaft m.b.H.	* AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>218,018.50</b>
Asphaltunternehmung Dipl.-Ing. O. Smereker & Co. Gesellschaft m.b.H.	* AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>36,336.42</b>
Bahnhofcenter Entwicklungs-, Errichtungs- und Betriebs GmbH	* AUT	Unterpremstätten	0.00%	<b>100.00%</b>	F	EUR	<b>350,000.00</b>
Baugesellschaft m.b.H. Erhard Mörtl Baumgasse 131 Bauträger- und Verwertungsgesellschaft m.b.H.	* AUT	Wolfsberg	0.00%	<b>100.00%</b>	F	EUR	<b>50,870.98</b>
Bosch Baugesellschaft m.b.H.	* AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>35,000.00</b>
BZW Liegenschaftsverwaltungs GmbH	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>51,000.00</b>
Edos Beteiligungsverwaltungs GmbH	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>36,336.42</b>
Eisenschutzgesellschaft m.b.H.	* AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>35,000.00</b>
Emiko Beteiligungsverwaltungs GmbH	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>43,603.70</b>
EPS Haagerfeldstraße – Business.Hof Leonding 2 Errichtungs- und Verwertungs GmbH	° AUT	Vienna	0.00%	<b>100.00%</b>	N	EUR	<b>0.00</b>
EPS MARIA LANZENDORFERSTRASSE 17 Errichtungs- und Beteiligungs GmbH	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>35,000.00</b>
EPS MARIANNE-HAINISCH-GASSE - LITFASS-STRASSE Liegenschaftsverwaltungs- und Beteiligungsverwaltungs-GmbH	AUT	Vienna	0.00%	<b>100.00%</b>	N	EUR	<b>0.00</b>
EPS Office Franzosengraben GmbH	AUT	Vienna	0.00%	<b>100.00%</b>	N	EUR	<b>0.00</b>



Company	Country code	Domicile	PORR AG share	PORR Group share	Type of consolidation	Currency	Nominal capital
EPS Rathausplatz Guntramsdorf Errichtungs- und Beteiligungsverwaltungs GmbH	AUT	Vienna	0.00%	100.00%	N	EUR	0.00
EPS Rennweg Hotelerrichtungs- und Verwertungs GmbH	AUT	Vienna	0.00%	100.00%	N	EUR	0.00
EPS RINNBOCKSTRASSE - LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs-GmbH	AUT	Vienna	0.00%	100.00%	N	EUR	0.00
EPS Tamussinostrasse Errichtungs- und Beteiligungs GmbH	AUT	Vienna	0.00%	100.00%	N	EUR	0.00
EPS Tivoli Hotelerrichtungs- und Beteiligungsverwaltungs GmbH	°	AUT	Vienna	0.00%	F	EUR	35,000.00
EPS TRIESTER STRASSE Errichtungs- und Beteiligungsverwaltungs GmbH	AUT	Vienna	0.00%	100.00%	N	EUR	0.00
EPS Welser Straße 17 – Business.Hof Leonding 1 Errichtungs- und Beteiligungs GmbH	AUT	Vienna	0.00%	100.00%	N	EUR	0.00
Esikas Beteiligungsverwaltungs GmbH	AUT	Vienna	100.00%	100.00%	N	EUR	0.00
Euphalt-Handelsgesellschaft m.b.H.	*	AUT	Linz	0.00%	F	EUR	36,336.42
FMA Gebäudemanagement GmbH	°	AUT	Vienna	0.00%	F	EUR	500,000.00
FPS Infrastruktur Holding GmbH	°	AUT	Vienna	0.00%	F	EUR	35,000.00
Gepal Beteiligungsverwaltungs GmbH	AUT	Vienna	0.00%	100.00%	F	EUR	35,000.00
Gerhard Wagner Bodenmarkierungsgesellschaft m.b.H.	*	AUT	Kremsmünster	0.00%	F	EUR	37,000.00
Gesellschaft für Bauwesen GmbH	*	AUT	Vienna	0.00%	F	EUR	36,336.42
Gesellschaft zur Schaffung von Wohnungseigentum Gesellschaft m.b.H.	*	AUT	Vienna	99.00%	F	EUR	290,691.34
Gevas Beteiligungsverwaltungs GmbH	AUT	Vienna	0.00%	100.00%	F	EUR	35,000.00
Giral Beteiligungsverwaltungs GmbH	AUT	Vienna	0.00%	100.00%	N	EUR	0.00
Golera Beteiligungsverwaltungs GmbH	AUT	Vienna	0.00%	100.00%	F	EUR	35,000.00
GORPO Projektentwicklungs- und Errichtungs-GmbH	AUT	Vienna	0.00%	100.00%	N	EUR	0.00
Gospela Beteiligungsverwaltungs GmbH	AUT	Vienna	0.00%	100.00%	N	EUR	0.00
Gostena Beteiligungsverwaltungs GmbH	AUT	Vienna	0.00%	100.00%	F	EUR	35,000.00
Grazer Transportbeton GmbH	AUT	Gratkorn	0.00%	60.00%	N	EUR	0.00
GREENPOWER Anlagenerichtungs- und Betriebs-GmbH	AUT	Vienna	0.00%	100.00%	N	EUR	0.00
GTB Immobilien GmbH	AUT	premstätten	0.00%	100.00%	F	EUR	37,000.00
Haidäcker Projektentwicklung GmbH	AUT	Vienna	0.00%	100.00%	F	EUR	40,000.00
Hernalser Hof Beteiligungsverwaltungs GmbH	AUT	Vienna	100.00%	100.00%	N	EUR	0.00
hospitals Projektentwicklungsges.m.b.H.	AUT	Graz	0.00%	55.00%	F	EUR	535,000.00
IAT GmbH	*	AUT	Vienna	0.00%	F	EUR	290,691.34
IBC Business Center Entwicklungs- und Errichtungs-GmbH	AUT	Unter- premstätten Wienersdorf,	75.00%	100.00%	F	EUR	364,000.00
Ing. Otto Richter & Co Straßenmarkierungen GmbH	*	AUT	pol. Traiskirchen	0.00%	F	EUR	37,000.00
Ing. RADL-BAU GmbH	*	AUT	Vienna	0.00%	F	EUR	40,000.00
Jandl Baugesellschaft m.b.H.	*	AUT	Unter- premstätten	0.00%	F	EUR	36,336.42
Joiser Hoch- und Tiefbau GmbH	AUT	Vienna	100.00%	100.00%	N	EUR	0.00
Juvavum Liegenschaftsverwertung GmbH	AUT	Vienna	0.00%	100.00%	N	EUR	0.00
Kraft & Wärme Rohr- und Anlagentechnik GmbH	*	AUT	Vienna	0.00%	F	EUR	40,000.00
Kratochwill Schotter & Beton GmbH	*	AUT	Unter- premstätten	0.00%	F	EUR	1,199,101.76
LD Recycling GmbH	*	AUT	premstätten	0.00%	F	EUR	875,000.00
M.E.G. Mikrobiologische Erddekontamination GmbH	AUT	Linz	0.00%	100.00%	F	EUR	35,000.00
Nägele Tiefbau GmbH	°	AUT	Röthis	0.00%	F	EUR	35,000.00

Company		Country code	Domicile	PORR AG share	PORR Group share	Type of consolidation	Currency	Nominal capital
O.M. Meissl & Co. Bau GmbH	*	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>85,000.00</b>
Panitzky Gesellschaft m.b.H.	*	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>36,336.42</b>
Pfeiffer & Schmidt Baugesellschaft m.b.H.	*	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>75,000.00</b>
Pichlingerhof Liegenschaftsverwertungs GmbH	—	AUT	Vienna	0.00%	<b>100.00%</b>	N	EUR	<b>0.00</b>
Porr - living Solutions GmbH	—	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>35,000.00</b>
Porr Bau GmbH	*	AUT	Vienna	100.00%	<b>100.00%</b>	F	EUR	<b>11,500,000.00</b>
Porr Beteiligungsverwaltungs GmbH	*	AUT	Vienna	100.00%	<b>100.00%</b>	F	EUR	<b>35,000.00</b>
Porr Energy GmbH	—	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>100,000.00</b>
Porr Equipment Services GmbH	°	AUT	Vienna	100.00%	<b>100.00%</b>	F	EUR	<b>35,000.00</b>
Porr Financial Services GmbH	*	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>500,000.00</b>
Porr Infrastruktur Investment AG	—	AUT	Vienna	50.00%	<b>100.00%</b>	F	EUR	<b>70,000.00</b>
Porr Solutions Immobilien- und Infrastrukturprojekte GmbH	—	AUT	Vienna	99.96%	<b>100.00%</b>	F	EUR	<b>535,000.00</b>
Porr Tunnelbau GmbH	*	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>3,997,005.88</b>
Porr Umwelttechnik GmbH	*	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>1,000,000.00</b>
PPP Campus Bednar Park Errichtungs- und Betriebs GmbH	—	AUT	Vienna	0.00%	<b>99.00%</b>	F	EUR	<b>35,000.00</b>
PR - Projekte Realisierungs- und Deponiebetriebsges.m.b.H.	*	AUT	Vienna Unter-	0.00%	<b>100.00%</b>	F	EUR	<b>218,018.50</b>
PRONAT Steinbruch Preg GmbH	—	AUT	premastätten	0.00%	<b>99.02%</b>	F	EUR	<b>872,000.00</b>
REHA Tirol Errichtungs- und Betriebsgesellschaft m.b.H.	—	AUT	Münster	0.00%	<b>55.00%</b>	F	EUR	<b>35,000.00</b>
Sabelo Beteiligungsverwaltungs GmbH	—	AUT	Vienna	100.00%	<b>100.00%</b>	N	EUR	<b>0.00</b>
Sakela Beteiligungsverwaltungs GmbH	—	AUT	Vienna	0.00%	<b>100.00%</b>	N	EUR	<b>0.00</b>
Schatzl & Jungmayr Garten- und Landschaftsbau GmbH	*	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>35,000.00</b>
Schotter- und Betonwerk Karl Schwarzl Betriebsgesellschaft m.b.H.	*	AUT	premastätten	100.00%	<b>100.00%</b>	F	EUR	<b>3,633,641.71</b>
Schotterwerk GRADENBERG Gesellschaft m.b.H.	*	AUT	Köflach Unter-	0.00%	<b>100.00%</b>	F	EUR	<b>36,336.42</b>
Schwarzl Transport GmbH	—	AUT	premastätten	0.00%	<b>100.00%</b>	F	EUR	<b>110,000.00</b>
Senuin Beteiligungsverwaltungs GmbH	—	AUT	Vienna Unter-	0.00%	<b>100.00%</b>	F	EUR	<b>35,000.00</b>
SFZ Immobilien GmbH	—	AUT	premastätten	0.00%	<b>100.00%</b>	N	EUR	<b>0.00</b>
Somax Beteiligungsverwaltungs GmbH	—	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>35,000.00</b>
Sovelis Beteiligungsverwaltungs GmbH	—	AUT	Vienna	0.00%	<b>100.00%</b>	N	EUR	<b>0.00</b>
STRAUSS & PARTNER IMMOBILIEN GMBH	°	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>35,000.00</b>
Tancos und Binder Gesellschaft m.b.H.	*	AUT	Wolfsberg	0.00%	<b>100.00%</b>	F	EUR	<b>37,000.00</b>
TEERAG-ASDAG Aktiengesellschaft	—	AUT	Vienna	47.51%	<b>100.00%</b>	F	EUR	<b>12,478,560.00</b>
Unterstützungskasse von Porr-Betrieben Gesellschaft m.b.H.	—	AUT	Vienna	97.50%	<b>100.00%</b>	N	EUR	<b>0.00</b>
Wibeba Holding GmbH	—	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>2,100,000.00</b>
Wiener Betriebs- und Baugesellschaft m.b.H.	—	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>35,000.00</b>
WIPEG - Bauträger- und Projektentwicklungsgesellschaft m.b.H.	*	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>1,000,000.00</b>
WLB Projekt Laaer Berg Liegenschaftsverwertungs- und Beteiligungs-GmbH	—	AUT	Vienna	0.00%	<b>75.00%</b>	F	EUR	<b>36,336.42</b>
Wohlfahrtseinrichtung von Porr-Betrieben Gesellschaft m.b.H. in Liqu.	—	AUT	Vienna	75.00%	<b>100.00%</b>	N	EUR	<b>0.00</b>
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH	—	AUT	Vienna	75.00%	<b>75.00%</b>	F	EUR	<b>218,018.50</b>
ALBA BauProjektManagement Bulgaria EOOD	°	BGR	Sofia	0.00%	<b>100.00%</b>	F	BGN	<b>100,000.00</b>
PORR Bulgaria OOD	°	BGR	Sofia	0.00%	<b>100.00%</b>	F	BGN	<b>5,000.00</b>
PORR Solutions Bulgaria EOOD	—	BGR	Sofia	0.00%	<b>100.00%</b>	N	BGN	<b>0.00</b>
Porr visokogradnja i niskogradnja d.o.o. Banjaluka Privredno drustvo za gradenje i usluge PORR d.o.o. Sarajevo	—	BIH	Banja Luka	0.00%	<b>100.00%</b>	N	BAM	<b>0.00</b>
Gunimperm-Bauveg SA	—	CHE	Bellinzona	0.00%	<b>100.00%</b>	F	CHF	<b>150,000.00</b>

Company	Country code	Domicile	PORR AG share	PORR Group share	Type of consolidation	Currency	Nominal capital
PORR Financial Services AG	CHE	Aldorf	99.97%	<b>100.00%</b>	F	CHF	<b>7,800,000.00</b>
PORR SUISSE AG	CHE	Aldorf	0.00%	<b>100.00%</b>	F	CHF	<b>10,000,000.00</b>
PORR SUISSE S.A. Romandie en liquidation	CHE	Fribourg	0.00%	<b>100.00%</b>	N	CHF	<b>0.00</b>
Porr (Montenegro) DOO, Podgorica	CSD	Podgorica	0.00%	<b>100.00%</b>	N	EUR	<b>0.00</b>
Porr Solutions Cyprus Limited	CYP	Limassol	0.00%	<b>100.00%</b>	N	EUR	<b>0.00</b>
BAUVEG, hydroizolační systémy, s.r.o.	CZE	Prague	0.00%	<b>100.00%</b>	N	CZK	<b>0.00</b>
NORTHEAST TRADING AND DEVELOPMENT, s.r.o.	CZE	Prague	100.00%	<b>100.00%</b>	N	CZK	<b>0.00</b>
OBALOVNA PRÍBRAM, s.r.o.	CZE	Prague	0.00%	<b>75.00%</b>	F	CZK	<b>100,000.00</b>
Porr (Česko) a.s.	CZE	Prague	0.00%	<b>100.00%</b>	F	CZK	<b>120,000,000.00</b>
Pražské silniční a vodohospodářské stavby, a.s.	CZE	Prague	0.00%	<b>100.00%</b>	F	CZK	<b>500,000,000.00</b>
VIDE seize, s.r.o.	CZE	Prague	0.00%	<b>100.00%</b>	F	CZK	<b>200,000.00</b>
ALBA BauProjektManagement GmbH	DEU	Oberhaching	0.00%	<b>100.00%</b>	F	EUR	<b>300,000.00</b>
Alexanderstraße 1 Verwaltungs GmbH	DEU	Berlin	0.00%	<b>94.30%</b>	N	EUR	<b>0.00</b>
Betzold Rohrbau Verwaltungs-GmbH	DEU	Munich	0.00%	<b>93.94%</b>	N	EUR	<b>0.00</b>
City Tower Vienna Grundstücksentwicklungs- und Beteiligungs-GmbH	DEU	Munich	0.00%	<b>100.00%</b>	N	EUR	<b>0.00</b>
Emil Mayr Hoch- und Tiefbau GmbH	DEU	Wertach	0.00%	<b>93.94%</b>	F	EUR	<b>250,000.00</b>
FAB Beteiligungsgesellschaft mbH	DEU	Hamburg	0.00%	<b>94.30%</b>	N	EUR	<b>0.00</b>
GeMoBau Gesellschaft für modernes Bauen mbH	DEU	Berlin	0.00%	<b>88.30%</b>	N	EUR	<b>0.00</b>
Hotel am Kanzleramt Verwaltungs GmbH	DEU	Berlin	0.00%	<b>94.30%</b>	N	EUR	<b>0.00</b>
IAT Deutschland GmbH	DEU	Munich	0.00%	<b>100.00%</b>	N	EUR	<b>0.00</b>
Mast Bau GmbH	DEU	Hamburg	0.00%	<b>93.94%</b>	F	EUR	<b>1,022,550.00</b>
Mühlenstraße 11 – 12 Verwaltungs GmbH	DEU	Berlin	0.00%	<b>94.30%</b>	N	EUR	<b>0.00</b>
Porr Beteiligungs-Aktiengesellschaft in Liqu.	DEU	Munich	100.00%	<b>100.00%</b>	N	EUR	<b>0.00</b>
Porr Deutschland GmbH	DEU	Munich	0.00%	<b>93.94%</b>	F	EUR	<b>20,249,700.00</b>
Porr Solutions Deutschland GmbH	DEU	Berlin	0.00%	<b>94.30%</b>	F	EUR	<b>25,564.59</b>
Porr Technobau und Umwelt GmbH	DEU	Munich	0.00%	<b>94.65%</b>	F	EUR	<b>595,000.00</b>
PORR Vermögensverwaltung MURNAU GmbH	DEU	Murnau	0.00%	<b>93.94%</b>	N	EUR	<b>0.00</b>
Projektierungsteam München GmbH in Liqu.	DEU	Munich	0.00%	<b>100.00%</b>	F	EUR	<b>153,387.56</b>
Radmer Kiesvertrieb Verwaltungs GmbH	DEU	Aschheim, Lk Munich	0.00%	<b>93.94%</b>	N	EUR	<b>0.00</b>
S & P Immobilien Deutschland GmbH	DEU	Magdeburg	0.00%	<b>93.94%</b>	F	EUR	<b>537,000.00</b>
Seydelstraße Beteiligungs GmbH	DEU	Berlin	0.00%	<b>94.30%</b>	N	EUR	<b>0.00</b>
Thorn Abwassertechnik GmbH	DEU	Munich	0.00%	<b>94.65%</b>	F	EUR	<b>511,291.88</b>
BAUVEG-WINKLER društvo s ograničenom odgovornoscju za projektiranje, izgradnju i nadzor	HRV	Zagreb	0.00%	<b>100.00%</b>	N	HRK	<b>0.00</b>
FMA Gebäudemanagement društvo s ograničenom odgovornoscju za upravljanje zgradama	HRV	Zagreb	0.00%	<b>100.00%</b>	N	HRK	<b>0.00</b>
Porr Habito društvo s ograničenom odgovornoscju za izgradnju stanova	HRV	Zagreb	0.00%	<b>100.00%</b>	F	HRK	<b>22,000.00</b>
Porr Hrvatska d.o.o. za graditeljstvo	HRV	Zagreb	0.00%	<b>100.00%</b>	F	HRK	<b>4,000,000.00</b>
PORR Solutions Hrvatska društvo s ograničenom odgovornoscju za usluge i graditeljstvo	HRV	Zagreb	0.00%	<b>100.00%</b>	N	HRK	<b>0.00</b>
Schwarzl društvo s ograničenom odgovornoscju za obradu betona i sljunka	HRV	Glina	0.00%	<b>100.00%</b>	F	HRK	<b>9,842,000.00</b>
STANOGRAD ULAGANJA d.o.o. za promet nekretninama, usluge i graditeljstvo	HRV	Zagreb	0.00%	<b>100.00%</b>	F	HRK	<b>150,000.00</b>
STANOGRAD ULAGANJA BIBINJE d.o.o. za promet nekretninama, usluge i graditeljstvo	HRV	Zagreb	0.00%	<b>100.00%</b>	F	HRK	<b>20,000.00</b>
DBK-Földgép Építési Korlátolt Felelősségű Társaság	HUN	Budapest	0.00%	<b>100.00%</b>	F	HUF	<b>6,000,000.00</b>
ÉVM Labor Építőipari Vizsgáló és Minőségellenőrző Korlátolt Felelősségű Társaság	HUN	Budapest	0.00%	<b>100.00%</b>	F	HUF	<b>7,080,000.00</b>
Gamma Real Estate Ingatlanfejlesztő és -hasznosító Korlátolt Felelősségű Társaság	HUN	Budapest	0.00%	<b>100.00%</b>	F	HUF	<b>3,000,000.00</b>
Porr Építési Kft.	HUN	Budapest	0.00%	<b>100.00%</b>	F	HUF	<b>30,000,000.00</b>
Porr Solutions Hungária Kft.	HUN	Budapest	0.00%	<b>100.00%</b>	N	HUF	<b>0.00</b>

Company	Country code	Domicile	PORR AG share	PORR Group share	Type of consolidation	Currency	Nominal capital
Teerag-Asdag Építőipari és Kereskedelmi Korlátolt Felelősségű Társaság	HUN	Budapest	0.00%	100.00%	F	HUF	3,000,000.00
Teerag-Aszfalt Építőipari és Kereskedelmi Korlátolt Felelősségű Társaság	HUN	Budapest	0.00%	100.00%	F	HUF	500,000.00
Porr Iran Construction Company Ltd.	IRN	Tehran	95.00%	95.00%	N	IRR	0.00
IAT Impermeabilizzazioni Srl	ITA	Pfisch	0.00%	100.00%	N	EUR	0.00
PORR GRADEZNISTVO DOOEL Skopje	MKD	Skopje	0.00%	100.00%	F	EUR	5,400.00
Porr Nederland B.V.	NLD	Wormer	0.00%	94.65%	F	EUR	18,000.00
Porr Construction LLC	OMN	Muscat	0.00%	100.00%	F	OMR	250,000.00
»Stal-Service« Spółka z ograniczona odpowiedzialnoscia	POL	Warsaw	0.00%	80.00%	F	PLN	3,000,000.00
Bartycka Real Estate Spółka z ograniczona odpowiedzialnoscia	POL	Warsaw	0.00%	100.00%	F	PLN	50,000.00
DSC Spółka z ograniczona odpowiedzialnoscia	POL	Warsaw	0.00%	100.00%	N	PLN	0.00
PORR (POLSKA) Spółka Akcyjna	POL	Warsaw	0.00%	100.00%	F	PLN	12,000,000.00
Porr Solutions Polska Spółka z ograniczona odpowiedzialnoscia	POL	Warsaw	0.00%	100.00%	F	PLN	50,000.00
PTU Polska Spółka z ograniczona odpowiedzialnoscia	POL	Warsaw	0.00%	100.00%	N	PLN	0.00
TEERAG-ASDAG POLSKA Spółka z ograniczona odpowiedzialnoscia	POL	Warsaw	0.00%	100.00%	F	PLN	4,650,000.00
RADMER BAU PORTUGAL - CONSTRUÇOES, LIMITADA	PRT	Lisbon	0.00%	93.00%	N	EUR	0.00
PORR Qatar Construction WLL	QAT	Doha, Qatar	0.00%	49.00%	F	QAR	200,000.00
ALBA ProjectManagement Romania S.R.L.	ROM	Bucharest	0.00%	99.00%	F	RON	121,560.00
Lamda Immobiliare SRL	ROM	Bucharest	0.00%	100.00%	F	RON	200.00
Porr Construct S.R.L.	ROM	Bucharest	0.00%	100.00%	F	RON	59,500,000.00
PORR RAILWAY TRANSPORT S.R.L.	ROM	Bucharest	0.00%	100.00%	F	RON	200.00
Porr Solutions S.R.L.	ROM	Bucharest	0.00%	100.00%	F	RON	200.00
SC Schwarzl Beton SRL	ROM	Bucharest	0.00%	75.00%	N	RON	0.00
Ypsilon Immobiliare SRL	ROM	Bucharest	0.00%	100.00%	F	RON	200.00
Gradevinsko preduzece Porr d.o.o.	SRB	Belgrade	0.00%	100.00%	F	EUR	1,620,000.00
Porr stambena izgradnja d.o.o. - u likvidaciji	SRB	Belgrade	0.00%	100.00%	F	EUR	199,280.82
TRACK EXPERTS D.O.O. BEOGRAD, MILUTINA MILANKOVICA 11A	SRB	Belgrade	0.00%	100.00%	F	EUR	1,673,770.10
FMS Facility Management Slovakia s.r.o.	SVK	Bratislava	0.00%	100.00%	N	EUR	0.00
PORR (Slovensko) a.s.	SVK	Bratislava	0.00%	100.00%	F	EUR	498,000.00
Porr Infra s.r.o.	SVK	Bratislava	0.00%	51.00%	N	EUR	0.00
Porr Pozemné Stavby s.r.o.	SVK	Bratislava	0.00%	100.00%	N	EUR	0.00
TEERAG-ASDAG Slovakia s.r.o.	SVK	Bratislava	0.00%	100.00%	F	EUR	126,136.89
PORR gradbenstvo, trgovina in druge storitvc d.o.o.	SVN	Ljubljana	100.00%	100.00%	N	EUR	0.00
Tovarystvo z obmezhenoyu vidpovidalnistyu »Porr Ukraina«	UKR	Kiev	0.00%	99.98%	F	UAH	4,500,000.00
<b>Affiliated partnerships</b>							
AG für Bauwesen Nfg. KG	AUT	Vienna	50.00%	100.00%	F	EUR	7,267.28
Asphaltnschwerk LEOPOLDAU - TEERAG-ASDAG + Mayreder-Bau GmbH & Co. KG	AUT	Vienna Kematen	0.00%	80.00%	F	EUR	70,000.00
Emiko Beteiligungsverwaltungs GmbH & Co. KG	AUT	in Tyrol	0.00%	100.00%	F	EUR	1,000.00
EPS MARIA LANZENDORFERSTRASSE 17							
Errichtungs- und Beteiligungs GmbH & Co KG	AUT	Vienna	0.00%	100.00%	F	EUR	1,000.00
EPS MARIANNE-HAINISCH-GASSE - LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs GmbH & Co KG	AUT	Vienna	0.00%	100.00%	F	EUR	1,000.00
EPS Office Franzosengraben GmbH & Co KG	AUT	Vienna	0.00%	100.00%	F	EUR	1,000.00
EPS Rathausplatz Guntramsdorf Errichtungs- und Beteiligungsverwaltungs GmbH & Co KG	AUT	Vienna	0.00%	100.00%	F	EUR	5,000.00

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EPS Rennweg Hotelerrichtungs- und Verwertungs GmbH & Co KG	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>5,000.00</b>
EPS RINNBÖCKSTRASSE - LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs GmbH & Co KG	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>1,000.00</b>
EPS Tamussinostrasse Errichtungs- und Beteiligungs GmbH & Co KG	° AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>5,000.00</b>
EPS TRIESTERSTRASSE Errichtungs- und Beteiligungsverwaltungs GmbH & Co KG	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>5,000.00</b>
EPS Welsler Straße 17 – Business.Hof Leonding 1 Errichtungs- und Beteiligungs GmbH & Co KG	° AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>1,000.00</b>
Esoro Beteiligungsverwaltungs GmbH & Co KG	AUT	Vienna	0.00%	<b>100.00%</b>	N	EUR	<b>0.00</b>
Floridsdorf Am Spitz Wohnungseigentums-gesellschaft m.b.H. & Co. KG.	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>7,267.28</b>
Franz Böck's Nachf. Ing. Eva & Karl Schindler Gesellschaft m.b.H. & Co.Nfg.KG	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>100,000.00</b>
Gamper Baugesellschaft m.b.H. & Co. KG	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>15,000.00</b>
Giral Beteiligungsverwaltungs GmbH & Co. KG	AUT	Vienna	0.00%	<b>100.00%</b>	N	EUR	<b>0.00</b>
Glamas Beteiligungsverwaltungs GmbH & Co »Delta« KG	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>1,000.00</b>
Glamas Beteiligungsverwaltungs GmbH & Co »Gamma« KG	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>1,000.00</b>
GORPO Projektentwicklungs- und Errichtungs-GmbH & Co KG	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>1,000.00</b>
Gospela Beteiligungsverwaltungs GmbH & Co KG	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>1,000,000.00</b>
Hernalser Hof Beteiligungsverwaltungs GmbH & Co. KG	AUT	Vienna	0.00%	<b>100.00%</b>	F	EUR	<b>1,000.00</b>
Hotelbetrieb SFZ Immobilien GmbH & Co KG	AUT	Unterpre-mstätten	0.00%	<b>100.00%</b>	F	EUR	<b>100,000.00</b>
Pichlingerhof Liegenschaftsverwertungs GmbH & Co KG	AUT	Vienna	0.00%	<b>100.00%</b>	N	EUR	<b>0.00</b>
Projekt Ost - IBC Business Center Entwicklungs- und Errichtungs-GmbH & Co KG	AUT	Unterpre-mstätten	75.00%	<b>100.00%</b>	F	EUR	<b>290,691.34</b>
Projekt West - IBC Business Center Entwicklungs- und Errichtungs-GmbH & Co KG	AUT	Unterpre-mstätten	75.00%	<b>100.00%</b>	F	EUR	<b>290,691.34</b>
SFZ Freizeitbetriebs-GmbH & Co KG	AUT	Unterpre-mstätten	0.00%	<b>100.00%</b>	F	EUR	<b>100,000.00</b>
SFZ Immobilien GmbH & Co KG	AUT	Unterpre-mstätten	0.00%	<b>100.00%</b>	F	EUR	<b>363,364.17</b>
Wibeba Hochbau GmbH & Co. Nfg. KG	AUT	Vienna	100.00%	<b>100.00%</b>	F	EUR	<b>35,000.00</b>
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH & Co. Bauplatz 3 »türkis« Projekt-OG	AUT	Vienna	0.00%	<b>75.00%</b>	F	EUR	<b>1,162.76</b>
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH & Co. Bauplatz 4 »blau« Projekt-OG	AUT	Vienna	0.00%	<b>75.00%</b>	N	EUR	<b>0.00</b>
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH & Co. Bauplatz 5 »rosa« Projekt-OG	AUT	Vienna	0.00%	<b>75.00%</b>	F	EUR	<b>1,162.76</b>
Alexanderstraße 1 GmbH & Co. KG	DEU	Berlin	0.00%	<b>94.30%</b>	N	EUR	<b>0.00</b>
Forum am Bahnhof Quickborn GmbH & Co. KG	DEU	Hamburg	0.00%	<b>94.30%</b>	F	EUR	<b>100,000.00</b>
Hotel am Kanzleramt GmbH & Co. KG	° DEU	Berlin	0.00%	<b>94.30%</b>	F	EUR	<b>1,000.00</b>
Mühlenstraße 11 – 12 GmbH & Co. KG	° DEU	Berlin	0.00%	<b>94.30%</b>	F	EUR	<b>1,000.00</b>
PORR MURNAU GmbH & Co. KG	DEU	Murnau	0.00%	<b>93.94%</b>	F	EUR	<b>500.00</b>
Radmer Kies GmbH & Co. KG	DEU	Aschheim, Lk Munich	0.00%	<b>93.94%</b>	F	EUR	<b>5,500,000.00</b>

Company	Country code	Domicile	PORR AG share	PORR Group share	Type of consolidation	Currency	Nominal capital
W.E.I.V. Immobilienverwaltung GmbH & Co. Seydelstraße KG	DEU	Berlin	0.00%	<b>88.65%</b>	F	EUR	<b>250,000.00</b>
<b>Associated companies</b>							
<b>Associated companies limited by shares</b>							
»hospitals« Projektentwicklungsges.m.b.H.	AUT	Vienna	0.00%	<b>43.56%</b>	E	EUR	<b>500,000.00</b>
»Internationale Projektfinanz« Warenverkehrs- & Creditvermittlungs-Aktiengesellschaft	AUT	Vienna Oeynhausen, pol.	40.00%	<b>40.00%</b>	E	EUR	<b>726,728.34</b>
ABO Asphalt-Bau Oeynhausen GmbH.	AUT	Traiskirchen	0.00%	<b>30.00%</b>	E	EUR	<b>72,800.00</b>
ABW Abbruch, Boden- und Wasserreinigungs-Gesellschaft m.b.H.	AUT	Vienna	0.00%	<b>36.22%</b>	E	EUR	<b>218,018.50</b>
Altlastensanierung und Abraumdeponie Langes Feld Gesellschaft m.b.H.	AUT	Vienna	0.00%	<b>41.50%</b>	E	EUR	<b>363,364.17</b>
ALU-SOMMER GmbH	AUT	Stoob	49.50%	<b>49.50%</b>	E	EUR	<b>70,000.00</b>
ARIWA Abwasserreinigung im Waldviertel GmbH	AUT	Vienna Bad	0.00%	<b>50.00%</b>	E	EUR	<b>40,000.00</b>
Ehrenhausen Bauträger GmbH	AUT	Gleichenberg	0.00%	<b>30.00%</b>	E	EUR	<b>35,000.00</b>
emc Austria GmbH	AUT	Vienna	0.00%	<b>50.00%</b>	E	EUR	<b>35,000.00</b>
European Trans Energy Beteiligungs GmbH	AUT	Vienna Unter-	0.00%	<b>49.00%</b>	E	EUR	<b>35,000.00</b>
Impulszentrum Telekom Betriebs GmbH	AUT	premstätten	0.00%	<b>46.00%</b>	E	EUR	<b>727,000.00</b>
ISP Immobilienentwicklungs- und -verwertungsgesellschaft m.b.H.	AUT	Vienna	0.00%	<b>35.00%</b>	E	EUR	<b>35,000.00</b>
Jochberg Kitzbüheler Straße Hotelbetriebs GmbH	AUT	Jochberg	0.00%	<b>50.00%</b>	E	EUR	<b>35,000.00</b>
Lieferasphaltgesellschaft JAUNTAL GmbH	AUT	Klagenfurt	0.00%	<b>48.00%</b>	E	EUR	<b>36,460.00</b>
Linzler Schlackenaufbereitungs- und vertriebsgesellschaft m.b.H.	AUT	Linz Unter-	0.00%	<b>33.33%</b>	E	EUR	<b>45,000.00</b>
Murgalerien Errichtungs- und Verwertungs-GmbH	AUT	premstätten	0.00%	<b>50.00%</b>	E	EUR	<b>35,000.00</b>
Muthgasse Alpha Holding GmbH	AUT	Vienna	0.00%	<b>47.06%</b>	E	EUR	<b>35,000.00</b>
Palais Hansen Immobilienentwicklung GmbH	AUT	Vienna	0.00%	<b>26.86%</b>	E	EUR	<b>35,000.00</b>
Porr Construction Holding GmbH	AUT	Vienna	50.00%	<b>50.00%</b>	E	EUR	<b>2,000,000.00</b>
PWW Holding GmbH	AUT	Vienna	0.00%	<b>50.00%</b>	E	EUR	<b>35,000.00</b>
QBC Immobilienentwicklungs- & Management GmbH	AUT	Vienna	0.00%	<b>35.00%</b>	E	EUR	<b>60,000.00</b>
Ropa Liegenschaftsverwertung Gesellschaft m.b.H.	AUT	Vienna	50.00%	<b>50.00%</b>	E	EUR	<b>36,336.42</b>
Salzburger Reststoffverwertung GmbH	AUT	Salzburg	0.00%	<b>50.00%</b>	E	EUR	<b>100,000.00</b>
Seeresidenz am Wolfgangsee Bauträger GmbH	AUT	Vienna	0.00%	<b>45.00%</b>	E	EUR	<b>35,000.00</b>
Seeresidenz am Wolfgangsee							
Beteiligungsverwaltung GmbH	AUT	Vienna	0.00%	<b>45.00%</b>	E	EUR	<b>35,000.00</b>
SOWI - Investor - Bauträger GmbH	AUT	Innsbruck Weißbach	33.33%	<b>33.33%</b>	E	EUR	<b>36,336.42</b>
Stöckl Schotter- und Splitterzeugung GmbH	AUT	bei Lofer	0.00%	<b>40.00%</b>	E	EUR	<b>36,336.42</b>
TAL Betonchemie Handel GmbH	AUT	Vienna	0.00%	<b>50.00%</b>	E	EUR	<b>145,345.67</b>
Tauernkies GmbH	AUT	Salzburg	0.00%	<b>50.00%</b>	E	EUR	<b>35,000.00</b>
UBM Realitätenentwicklung Aktiengesellschaft	AUT	Vienna	41.33%	<b>41.33%</b>	E	EUR	<b>5,450,462.56</b>
W 3 Errichtungs- und Betriebs-Aktiengesellschaft	AUT	Vienna Klagenfurt am	53.33%	<b>53.33%</b>	E	EUR	<b>74,126.29</b>
WPS Rohstoff GmbH	AUT	Wörthersee	0.00%	<b>49.00%</b>	E	EUR	<b>200,000.00</b>
Obalovna Boskovice, s.r.o.	CZE	Boskovice	0.00%	<b>23.65%</b>	E	CZK	<b>38,091,000.00</b>
Porr & Swietelsky stavební, v. o. s.	CZE	Prague	0.00%	<b>50.00%</b>	E	CZK	<b>200,000.00</b>
Společne obalovny, s.r.o.	CZE	Prague	0.00%	<b>50.00%</b>	E	CZK	<b>5,000,000.00</b>
Alexander Parkside GmbH	DEU	Berlin	0.00%	<b>47.15%</b>	E	EUR	<b>25,000.00</b>
ASTO Besitz- und Immobilienverwaltungs-gesellschaft mbH	DEU	Weßling, Lk Starnberg	0.00%	<b>47.15%</b>	E	EUR	<b>25,000.00</b>
Olympia Gate Munich GmbH	DEU	Grünwald	0.00%	<b>47.15%</b>	E	EUR	<b>25,000.00</b>



Company	Country code	Domicile	PORR AG share	PORR Group share	Type of consolidation	Currency	Nominal capital
Sitnica društvo s ogranicenom odgovornoscu za usluge	HRV	Zagreb	0.00%	<b>50.00%</b>	E	HRK	<b>21,777,200.00</b>
Vile Jordanovac društvo s ogranicenom odgovornoscu za usluge i graditeljstvo	HRV	Zagreb	0.00%	<b>50.00%</b>	E	HRK	<b>15,890,000.00</b>
ASDAG Kavicsbánya és Építő Korlátolt Felelősségű Társaság	HUN	Janossomorja	0.00%	<b>34.88%</b>	E	HUF	<b>300,000,000.00</b>
M 6 Duna Autópálya Koncessziós Zártkörűen Működő Részvénytársaság	HUN	Budapest	0.00%	<b>40.00%</b>	E	EUR	<b>28,932,310.00</b>
M6 Tolna Autópálya Koncessziós Zártkörűen Működő Részvénytársaság	HUN	Budapest	0.00%	<b>45.00%</b>	E	EUR	<b>32,924,400.00</b>
»Modzelewski & Rodek« Spółka z ograniczona odpowiedzialnoscia	POL	Warsaw	0.00%	<b>50.00%</b>	E	PLN	<b>2,000,000.00</b>
PPE Malženice s.r.o.	SVK	Bratislava	0.00%	<b>50.00%</b>	E	EUR	<b>20,000.00</b>
<b>Associated partnerships</b>							
»IQ« Immobilien GmbH & Co KG	AUT	Pasching	0.00%	<b>50.00%</b>	E	EUR	<b>35,000.00</b>
AMF - Asphaltmischanlage Feistritz GmbH & Co KG	AUT	Graz	0.00%	<b>50.00%</b>	E	EUR	<b>3,000.00</b>
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H. & Co. KG	AUT	Linz	0.00%	<b>33.33%</b>	E	EUR	<b>654,057.00</b>
AMO Asphaltmischwerk Oberland GmbH & Co KG	AUT	Linz	0.00%	<b>45.00%</b>	E	EUR	<b>5,000.00</b>
AMW Asphalt-Mischwerk GmbH & Co KG	AUT	Sulz	0.00%	<b>33.33%</b>	E	EUR	<b>490,541.61</b>
ASF Frästechnik GmbH & Co KG	AUT	Kematen	0.00%	<b>40.00%</b>	E	EUR	<b>72,674.00</b>
Asphaltmischwerk Betriebsgesellschaft m.b.H. & Co KG	AUT	Rauchenwarth	0.00%	<b>40.00%</b>	E	EUR	<b>726,728.35</b>
Asphaltmischwerk Greinsfurth GmbH & Co OG	AUT	Amstetten	0.00%	<b>50.00%</b>	E	EUR	<b>600,000.00</b>
Asphaltmischwerk Weißbach GmbH & Co. Nfg.KG	AUT	Weißbach bei Lofer	0.00%	<b>45.00%</b>	E	EUR	<b>72,672.83</b>
ASTRA - BAU Gesellschaft m.b.H. Nfg. OG	AUT	Bergheim	0.00%	<b>50.00%</b>	E	EUR	<b>1,451,570.76</b>
FMA Asphaltwerk GmbH & Co KG	AUT	Feldbach	0.00%	<b>30.00%</b>	E	EUR	<b>44,000.00</b>
Glamas Beteiligungsverwaltungs GmbH & Co »Beta« KG	AUT	Vienna	0.00%	<b>26.67%</b>	E	EUR	<b>10,000.00</b>
Hotel Bad Mitterndorf Errichtungs- und Verwertungs GmbH & Co KG	AUT	Bad Mitterndorf	0.00%	<b>24.00%</b>	E	EUR	<b>100,000.00</b>
Jochberg Hotelprojektentwicklungs- und Beteiligungsverwaltungs GmbH & Co KG	AUT	Jochberg	0.00%	<b>50.00%</b>	E	EUR	<b>2,000.00</b>
Jochberg Kitzbüheler Straße Errichtungs- und Beteiligungsverwaltungs GmbH & Co KG	AUT	Vienna	0.00%	<b>50.00%</b>	E	EUR	<b>3,769.00</b>
Lieferasphalt Gesellschaft m.b.H. & Co OG, Viecht	AUT	Viecht, pol.	0.00%	<b>33.50%</b>	E	EUR	<b>29,069.13</b>
Lieferasphalt Gesellschaft m.b.H. & Co. OG	AUT	Desselbrunn Maria Gail, pol. Villach	0.00%	<b>40.00%</b>	E	EUR	<b>36,336.42</b>
Lieferasphalt Gesellschaft m.b.H. & Co. OG, Zirl	AUT	Vienna	0.00%	<b>50.00%</b>	E	EUR	<b>14,243.88</b>
LISAG Linzer Splitt- und Asphaltwerk GmbH. & Co KG	AUT	Linz	0.00%	<b>50.00%</b>	E	EUR	<b>861,900.00</b>
MARPO Errichtungs- und Verwertungs GmbH & Co KG	AUT	Bad	0.00%	<b>50.00%</b>	E	EUR	<b>82,000.00</b>
MRPS - ERRICHTUNGS UND VERWERTUNGS GmbH & Co KG	AUT	Gleichenberg	0.00%	<b>50.00%</b>	E	EUR	<b>2,000.00</b>
MSO Mischanlagen GmbH Ilz & Co KG	AUT	Gleichenberg	0.00%	<b>50.00%</b>	E	EUR	<b>2,000.00</b>
MSO Mischanlagen GmbH Pinkafeld & Co KG	AUT	Ilz	0.00%	<b>42.00%</b>	E	EUR	<b>3,270,277.53</b>
MultiStorage GmbH & Co KG	AUT	Pinkafeld	0.00%	<b>47.33%</b>	E	EUR	<b>87,207.39</b>
Oberkärntner Asphalt GmbH & Co KG	AUT	Salzburg	0.00%	<b>40.00%</b>	E	EUR	<b>10,000.00</b>
RBA - Recycling- und Betonanlagen	AUT	Vienna	0.00%	<b>50.00%</b>	E	EUR	<b>5,000.00</b>
Ges.m.b.H. & Co. Nfg. KG	AUT	Zirl	24.00%	<b>24.00%</b>	E	EUR	<b>581,382.67</b>
RFM Asphaltmischwerk GmbH & Co KG	AUT	Traiskirchen	0.00%	<b>33.33%</b>	E	EUR	<b>1,271,775.00</b>
Storchengrund GmbH & Co KG	AUT	Vienna	0.00%	<b>50.00%</b>	E	EUR	<b>155,113.00</b>



Company	Country code	Domicile	PORR AG share	PORR Group share	Type of consolidation	Currency	Nominal capital
TAM Traisental Asphaltmischwerk Ges.m.b.H. & Co KG	AUT	Nußdorf ob der Traisen	0.00%	<b>33.33%</b>	E	EUR	<b>72,672.83</b>
TBT Transportbeton Tillmitsch GmbH & Co KG	AUT	Tillmitsch	0.00%	<b>50.00%</b>	E	EUR	<b>127,500.00</b>
Vereinigte Asphaltmischwerke Gesellschaft m.b.H. & Co KG	AUT	Spittal/Drau	0.00%	<b>50.00%</b>	E	EUR	<b>263,298.00</b>
Frankenstraße 18-20 GmbH & Co. KG	DEU	Hamburg	0.00%	<b>47.15%</b>	E	EUR	<b>2,000.00</b>
Neustädter Baustoff - GmbH & Co. KG, Kieswerk Schwaig	DEU	Neustadt/ Donau	0.00%	<b>46.97%</b>	E	EUR	<b>76,693.79</b>
Radmer Bau Kieswerke GmbH & Co. Sand und Kies KG	DEU	Leipzig	0.00%	<b>46.97%</b>	E	EUR	<b>1,022,583.76</b>
M6 D-S MME Közkereseti Társaság	HUN	Budapest	0.00%	<b>50.00%</b>	E	HUF	<b>1,000,000.00</b>
M6 Dunaújváros-Szekszárd Építési Közkereseti Társaság	HUN	Budapest	0.00%	<b>50.00%</b>	E	HUF	<b>1,000,000.00</b>
<b>Other companies</b>							
<b>Other companies limited by shares</b>							
»Athos« Bauplanungs- und Errichtungsgesellschaft m.b.H.	AUT	Vienna	10.00%	<b>10.00%</b>	N	EUR	<b>0.00</b>
»IQ« Immobilien GmbH	AUT	Pasching Zistersdorf- Maustrenk, pol.	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H.	AUT	Zistersdorf	0.00%	<b>20.00%</b>	N	EUR	<b>0.00</b>
AMF - Asphaltmischanlage Feistritz GmbH	AUT	Graz	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
AMG - Asphaltmischwerk Gunkirchen Gesellschaft m.b.H.	AUT	Linz	0.00%	<b>33.33%</b>	N	EUR	<b>0.00</b>
AMO Asphaltmischwerk Oberland GmbH	AUT	Linz	0.00%	<b>45.00%</b>	N	EUR	<b>0.00</b>
AMW Asphalt-Mischwerk GmbH	AUT	Sulz	0.00%	<b>33.33%</b>	N	EUR	<b>0.00</b>
ASF Frästechnik GmbH	AUT	Kematen	0.00%	<b>40.00%</b>	N	EUR	<b>0.00</b>
Asphaltlieferwerk Leibnitz Baugesellschaft m.b.H.	AUT	Leibnitz	0.00%	<b>30.00%</b>	N	EUR	<b>0.00</b>
Asphaltmischwerk Betriebsgesellschaft m.b.H.	AUT	Rauchenwarth	0.00%	<b>40.00%</b>	N	EUR	<b>0.00</b>
Asphaltmischwerk Greinsfurth GmbH	AUT	Amstetten	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
Asphaltmischwerk LEOPOLDAU - TEERAG- ASDAG + Mayreder-Bau GmbH	AUT	Vienna	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
Asphaltmischwerk Steyregg GmbH	AUT	Steyregg	0.00%	<b>20.00%</b>	N	EUR	<b>0.00</b>
AWB Asphaltmischwerk Weißbach Betriebs-GmbH	AUT	Vienna Bad	0.00%	<b>45.00%</b>	N	EUR	<b>0.00</b>
Betonexpress FH Vertriebs-GMBH	AUT	Gleichenberg	0.00%	<b>20.00%</b>	N	EUR	<b>0.00</b>
BMU Beta Liegenschaftsverwertung GmbH	AUT	Vienna	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
BRG Baustoffrecycling GmbH	AUT	Linz	0.00%	<b>20.00%</b>	N	EUR	<b>0.00</b>
CCG Immobilien GmbH	AUT	Werndorf	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
Clubhaus & Golfhotel Eichenheim Errichtungs- GmbH	AUT	Vienna	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
ECRA Emission Certificate Registry Austria GmbH	AUT	Vienna Bad	0.00%	<b>5.00%</b>	N	EUR	<b>0.00</b>
Ehrenhausen Hotel Betriebs GmbH	AUT	Gleichenberg	0.00%	<b>15.00%</b>	N	EUR	<b>0.00</b>
Ehrenhausen Hotel Entwicklungs- und Errichtungs GmbH	AUT	Gleichenberg Bad	0.00%	<b>15.00%</b>	N	EUR	<b>0.00</b>
Esoro Beteiligungsverwaltungs GmbH	AUT	Vienna	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
European Trans Energy GmbH	AUT	Vienna	0.00%	<b>49.00%</b>	N	EUR	<b>0.00</b>
FBG Fertigbetonwerk Großpetersdorf Ges.m.b.H.	AUT	Großpetersdorf	0.00%	<b>33.33%</b>	N	EUR	<b>0.00</b>
FMA Asphaltwerk GmbH	AUT	Feldbach	0.00%	<b>30.00%</b>	N	EUR	<b>0.00</b>
Gaspix Beteiligungsverwaltungs GmbH	AUT	Zirl	24.00%	<b>24.00%</b>	N	EUR	<b>0.00</b>
GETINA Versicherungsvermittlung GmbH	AUT	Vienna	0.00%	<b>32.60%</b>	N	EUR	<b>0.00</b>
Glamas Beteiligungsverwaltungs GmbH	AUT	Vienna Bad	0.00%	<b>26.67%</b>	N	EUR	<b>0.00</b>
Grimming Therme GmbH	AUT	Mitterndorf	0.00%	<b>17.00%</b>	N	EUR	<b>0.00</b>
Handwerkerzentrum Hitzendorf GmbH	AUT	Hitzendorf	0.00%	<b>12.86%</b>	N	EUR	<b>0.00</b>

Company	Country code	Domicile	PORR AG share	PORR Group share	Type of consolidation	Currency	Nominal capital
Hotel Bad Mitterndorf Errichtungs- und Verwertungs GmbH	AUT	Bad Mitterndorf	0.00%	<b>24.00%</b>	N	EUR	<b>0.00</b>
Immobilien AS GmbH	AUT	Stoob	0.00%	<b>49.50%</b>	N	EUR	<b>0.00</b>
Jochberg Hotelprojektentwicklungs- und Beteiligungsverwaltungs GmbH	AUT	Jochberg	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
Jochberg Kitzbüheler Straße Errichtungs- und Beteiligungsverwaltungs GmbH	AUT	Vienna	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
Johann Koller Deponiebetriebsges.m.b.H.	AUT	Vienna	0.00%	<b>36.22%</b>	N	EUR	<b>0.00</b>
KAB Straßensanierung GmbH	AUT	Spittal/Drau	0.00%	<b>19.99%</b>	N	EUR	<b>0.00</b>
Kärntner Restmüllverwertungs GmbH	AUT	Klagenfurt	0.00%	<b>14.26%</b>	N	EUR	<b>0.00</b>
KBB - Klinikum Besitz- und Betriebs Gesellschaft m.b.H.	AUT	Vienna	0.00%	<b>15.96%</b>	N	EUR	<b>0.00</b>
KMG - Klinikum Management Gesellschaft mbH	AUT	Graz	0.00%	<b>21.56%</b>	N	EUR	<b>0.00</b>
KOLLER TRANSPORTS - KIES - ERDBAU GMBH	AUT	Vienna	0.00%	<b>36.22%</b>	N	EUR	<b>0.00</b>
Lavantaler Bauschutt - Recycling GmbH	AUT	Wolfsberg	0.00%	<b>25.00%</b>	N	EUR	<b>0.00</b>
Lieferasphalt Gesellschaft m.b.H.	AUT	Vienna	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
LISAG Linzer Splitt- und Asphaltwerk GmbH.	AUT	Linz	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
MARPO Errichtungs- und Verwertungs GmbH	AUT	Gleichenberg	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
MBU Liegenschaftsverwertung Gesellschaft m.b.H.	AUT	Vienna	0.00%	<b>10.00%</b>	N	EUR	<b>0.00</b>
MRPS - ERRICHTUNGS UND VERWERTUNGS GmbH	AUT	Gleichenberg	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
MSO Mischanlagen GmbH	AUT	Ilz	0.00%	<b>66.67%</b>	N	EUR	<b>0.00</b>
MultiStorage GmbH	AUT	Salzburg	0.00%	<b>40.00%</b>	N	EUR	<b>0.00</b>
MultiStorage Graz GmbH	AUT	Unterpremstätten	0.00%	<b>45.00%</b>	N	EUR	<b>0.00</b>
Oberkärntner Asphalt GmbH	AUT	Vienna	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
PEM Projektentwicklung Murgalerien GmbH	AUT	Unterpremstätten	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
PKM - Muldenzentrale GmbH	AUT	Vienna	0.00%	<b>34.93%</b>	N	EUR	<b>0.00</b>
PM2 Bauträger GesmbH	AUT	Klagenfurt	0.00%	<b>24.75%</b>	N	EUR	<b>0.00</b>
PORR ALPINE Austriarail GmbH	AUT	Wals-Siezenheim	50.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
REHAMED Beteiligungsges.m.b.H.	AUT	Graz	0.00%	<b>21.78%</b>	N	EUR	<b>0.00</b>
REHAMED-Rehabilitationszentrum für Lungen- und Stoffwechselerkrankungen Bad Gleichenberg Gesellschaft m.b.H.	AUT	Bad Gleichenberg	0.00%	<b>16.12%</b>	N	EUR	<b>0.00</b>
RFM Asphaltmischwerk GmbH.	AUT	Wienersdorf, Oeyenhausen, pol. Traiskirchen	0.00%	<b>33.33%</b>	N	EUR	<b>0.00</b>
RFPB Kieswerk GmbH	AUT	Wienersdorf, Oeyenhausen, pol. Traiskirchen	0.00%	<b>16.67%</b>	N	EUR	<b>0.00</b>
Rudolf u. Walter Schweder Gesellschaft m.b.H.	AUT	Vienna	10.00%	<b>10.00%</b>	N	EUR	<b>0.00</b>
Schotter- und Betonwerk Donnersdorf GmbH	AUT	Bad Gleichenberg	0.00%	<b>20.00%</b>	N	EUR	<b>0.00</b>
Seeresidenz am Wolfgangsee							
Projektentwicklungs- und Errichtungs GmbH	AUT	Vienna	0.00%	<b>45.00%</b>	N	EUR	<b>0.00</b>
Seprocon GmbH	AUT	Vienna	0.00%	<b>49.00%</b>	N	EUR	<b>0.00</b>
Soleta Beteiligungsverwaltungs GmbH	AUT	Vienna	0.00%	<b>26.67%</b>	N	EUR	<b>0.00</b>
St. Peter-Straße 14-16 Liegenschaftsverwertung Ges.m.b.H.	AUT	Vienna	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
Storchengrund GmbH	AUT	Vienna	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
TAM Traisental Asphaltmischwerk Ges.m.b.H.	AUT	Nußdorf ob der Traisen	0.00%	<b>33.33%</b>	N	EUR	<b>0.00</b>

Company	Country code	Domicile	PORR AG share	PORR Group share	Type of consolidation	Currency	Nominal capital
TBT Transportbeton Tillmitsch GmbH	AUT	Tillmitsch	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
UWT Umwelttechnik GmbH	AUT	Linz	0.00%	<b>13.33%</b>	N	EUR	<b>0.00</b>
Vereinigte Asphaltmischwerke Gesellschaft m.b.H.	AUT	Spittal/Drau	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
WIG - Transportbeton Ges.m.b.H.	AUT	Weitendorf Bad	0.00%	<b>20.00%</b>	N	EUR	<b>0.00</b>
WM Hotel Schladming GmbH	AUT	Gleichenberg	0.00%	<b>45.00%</b>	N	EUR	<b>0.00</b>
WMW Weinviertler Mischwerk Gesellschaft m.b.H.	AUT	Zistersdorf	0.00%	<b>16.67%</b>	N	EUR	<b>0.00</b>
EKO-SBER BRNO, spol. s.r.o. - v likvidaci	CZE	Brno	0.00%	<b>20.00%</b>	N	CZK	<b>0.00</b>
Vystavba hotelu PRAHA - ZVONARKA, spol. s.r.o.	CZE	Prague	0.00%	<b>11.11%</b>	N	CZK	<b>0.00</b>
ALTRASS Freileitungstechnik GmbH	DEU	Essen	0.00%	<b>49.00%</b>	N	EUR	<b>0.00</b>
Bayernfonds Immobilienentwicklungsgesellschaft							
Wohnen plus GmbH in Liqu.	DEU	Munich	0.00%	<b>2.79%</b>	N	EUR	<b>0.00</b>
BF Services GmbH	DEU	Munich	0.00%	<b>2.79%</b>	N	EUR	<b>0.00</b>
		Grünwald,					
BLV Objekt Pasing GmbH	DEU	Lk Munich	0.00%	<b>2.82%</b>	N	EUR	<b>0.00</b>
Bürohaus Leuchtenbergring Verwaltungs GmbH	DEU	Munich	0.00%	<b>0.93%</b>	N	EUR	<b>0.00</b>
City Objekte München GmbH	DEU	Munich	0.00%	<b>5.07%</b>	N	EUR	<b>0.00</b>
CSMG Riedberg GmbH	DEU	Munich	0.00%	<b>5.64%</b>	N	EUR	<b>0.00</b>
Europten Deutschland GmbH	DEU	Berlin	0.00%	<b>49.00%</b>	N	EUR	<b>0.00</b>
Frankenstraße 18-20 Verwaltungs GmbH	DEU	Hamburg	0.00%	<b>47.15%</b>	N	EUR	<b>0.00</b>
Friendsfactory Projekte GmbH	DEU	Munich	0.00%	<b>3.10%</b>	N	EUR	<b>0.00</b>
Leuchtenbergring Hotelbetriebsgesellschaft mbH	DEU	Munich	0.00%	<b>2.82%</b>	N	EUR	<b>0.00</b>
		Grünwald,					
Lilienthalstraße Wohnen GmbH Münchner Grund und Baywobau	DEU	Lk Munich	0.00%	<b>2.82%</b>	N	EUR	<b>0.00</b>
MG Dornach Hotel GmbH	DEU	Munich	0.00%	<b>5.64%</b>	N	EUR	<b>0.00</b>
MG Gleisdreieck Pasing Komplementär GmbH	DEU	Munich	0.00%	<b>5.64%</b>	N	EUR	<b>0.00</b>
MG Projekt-Sendling GmbH	DEU	Munich	0.00%	<b>5.64%</b>	N	EUR	<b>0.00</b>
MG-Destouchesstrasse Komplementär GmbH	DEU	Munich	0.00%	<b>5.64%</b>	N	EUR	<b>0.00</b>
MG-Dornach Komplementär GmbH	DEU	Munich	0.00%	<b>5.64%</b>	N	EUR	<b>0.00</b>
MG-Projekt Königstraße GmbH	DEU	Munich	0.00%	<b>5.64%</b>	N	EUR	<b>0.00</b>
Münchner Grund Immobilien Bauträger Aktien- gesellschaft	DEU	Munich	0.00%	<b>5.64%</b>	N	EUR	<b>0.00</b>
Münchner Grund Management GmbH in Liqu.	DEU	Munich	0.00%	<b>1.40%</b>	N	EUR	<b>0.00</b>
Münchner Grund Projektmanagement, -Bera- tung, -Planung GmbH	DEU	Munich	0.00%	<b>3.95%</b>	N	EUR	<b>0.00</b>
Münchner Grund Riem GmbH	DEU	Herrsching	0.00%	<b>3.61%</b>	N	EUR	<b>0.00</b>
Neustädter Baustoff - Gesellschaft mit beschränkter Haftung		Neustadt/					
	DEU	Donau	0.00%	<b>46.97%</b>	N	EUR	<b>0.00</b>
Radmer Bau Kieswerke GmbH	DEU	Leipzig	0.00%	<b>46.97%</b>	N	EUR	<b>0.00</b>
REAL I.S. Project GmbH in Liqu.	DEU	Munich	0.00%	<b>2.79%</b>	N	EUR	<b>0.00</b>
		Emmering, Lk					
TMG Tiefbaumaterial GmbH	DEU	Fürstenfeldbruck	0.00%	<b>31.55%</b>	N	EUR	<b>0.00</b>
MIPO NEKRETNINE društvo s ogranicenom odgovornoscu za usluge i graditeljstvo	HRV	Zagreb	0.00%	<b>50.00%</b>	N	HRK	<b>0.00</b>
AS Montage Korlátolt Felelősségű Társaság	HUN	Sopron	0.00%	<b>37.12%</b>	N	HUF	<b>0.00</b>
ASDEKA Építőanyagipari Kereskedelmi Kft.	HUN	Hegyshalom	0.00%	<b>17.44%</b>	N	HUF	<b>0.00</b>
M6 Tolna Üzemeltető Korlátolt Felelősségű Társaság	HUN	Budapest	0.00%	<b>16.00%</b>	N	HUF	<b>0.00</b>
PORR Libya J.S.C. for General Construction	LYB	Tripoli	0.00%	<b>32.50%</b>	N	LYD	<b>0.00</b>
Mlynska Development Spólka z ograniczona odpowiedzialnoscia	POL	Danzig	0.00%	<b>40.00%</b>	N	PLN	<b>0.00</b>
OOO Porr Construction	RUS	St. Petersburg	0.00%	<b>50.00%</b>	N	RUB	<b>0.00</b>
»PORR - WERNER & WEBER - PROKUPLJE« doo, Prokuplje	SRB	Prokuplje	0.00%	<b>40.00%</b>	N	EUR	<b>0.00</b>
DRUSTVO SA OGRANICENOM ODGOVOR- NOSCU »PORR-WERNER & WEBER-LESKO- VAC«, Leskovac	SRB	Leskovac	0.00%	<b>35.00%</b>	N	EUR	<b>0.00</b>
Društvo sa ogranicenom odgovornoscu PORR WERNER&WEBER-JAGODINA, Jagodina	SRB	Jagodina	0.00%	<b>40.00%</b>	N	EUR	<b>0.00</b>

Company	Country code	Domicile	PORR AG share	PORR Group share	Type of consolidation	Currency	Nominal capital
PORR-WERNER & WEBER DOO ZA PROIZVOD-NJU I PROMET METALNIH PROIZVODA NIS	SRB	Nis	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
PORR-WERNER WEBER ENVIRONMENTAL TECHNOLOGIES DOO NIS	SRB	Nis	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
PWW Deponija d.o.o. Jagodina	SRB	Jagodina	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
PWW Deponija Dva d.o.o. Leskovac	SRB	Leskovac	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
SEVER-JUG AUTOPUT DRUSTVO SA OGRANICENOM ODGOVORNOSCU ZA IZGRADNJU, KORISCENJE I ODRZAVANJE AUTOPUTA	SRB	Belgrade	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
KONTA plus, s.r.o. »v likvidácii«	SVK	Bratislava	0.00%	<b>34.93%</b>	N	EUR	<b>0.00</b>
AQUASYSTEMS gospodarjenje z vodami d.o.o.	SVN	Marburg	0.00%	<b>10.00%</b>	N	EUR	<b>0.00</b>
SCT-Porr, gradnja zelezniske infrastrukture, d.o.o.	SVN	Ljubljana	0.00%	<b>49.00%</b>	N	EUR	<b>0.00</b>
Double Zebra Co., Ltd.	THA	Bangkok	0.00%	<b>49.00%</b>	N	THB	<b>0.00</b>
Marine Lines (Thailand) Co., Ltd.	THA	Bangkok	0.00%	<b>49.00%</b>	N	THB	<b>0.00</b>
<b>Other partnerships</b>							
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H & Co KG	AUT	Zistersdorf	0.00%	<b>20.00%</b>	N	EUR	<b>0.00</b>
Asphaltmischwerk Steyregg GmbH & Co KG	AUT	Linz	0.00%	<b>20.00%</b>	N	EUR	<b>0.00</b>
InterCity WHBF Alpha GmbH & Co KG	AUT	Vienna	0.00%	<b>35.00%</b>	N	EUR	<b>0.00</b>
InterCity WHBF Beta GmbH & Co KG	AUT	Vienna	0.00%	<b>35.00%</b>	N	EUR	<b>0.00</b>
InterCity WHBF Delta GmbH & Co KG	AUT	Vienna	0.00%	<b>35.00%</b>	N	EUR	<b>0.00</b>
InterCity WHBF Epsilon GmbH & Co KG	AUT	Vienna	0.00%	<b>35.00%</b>	N	EUR	<b>0.00</b>
InterCity WHBF Gamma GmbH & Co KG	AUT	Vienna	0.00%	<b>35.00%</b>	N	EUR	<b>0.00</b>
KAB Straßensanierung GmbH & Co KG	AUT	Spittal/Drau	0.00%	<b>19.99%</b>	N	EUR	<b>0.00</b>
Kulturmanagement Regionalverein Steirisches Salzkammergut KG	AUT	Bad Aussee	0.00%	<b>1.82%</b>	N	EUR	<b>0.00</b>
LiSciV Muthgasse GmbH & Co KG	AUT	Vienna	0.00%	<b>26.67%</b>	N	EUR	<b>0.00</b>
PEM Projektentwicklung Murgalerien GmbH & Co KG	AUT	Unterpremstätten	0.00%	<b>50.00%</b>	N	EUR	<b>0.00</b>
RegioZ Regionale Zukunftsmanagement und Projektentwicklung Ausseerland Salzkammergut GmbH & Co KG	AUT	Bad Aussee Wienersdorf, Oeyenhausen, pol.	0.00%	<b>3.65%</b>	N	EUR	<b>0.00</b>
RFPB Kieswerk GmbH & Co KG	AUT	Traiskirchen Sulzau, pol.	0.00%	<b>16.67%</b>	N	EUR	<b>0.00</b>
Salzburger Lieferasphalt GmbH & Co OG	AUT	Werfen	0.00%	<b>20.00%</b>	N	EUR	<b>0.00</b>
Sava Most Gradevinsko Preduzece OG	AUT	Vienna	0.00%	<b>27.93%</b>	N	EUR	<b>0.00</b>
Seeresidenz am Wolfgangsee Projektentwicklungs- und Errichtungs GmbH & Co KG	AUT	Vienna	0.00%	<b>45.00%</b>	N	EUR	<b>0.00</b>
WMW Weinviertler Mischwerk Gesellschaft m.b.H. & Co KG	AUT	Zistersdorf	0.00%	<b>16.67%</b>	N	EUR	<b>0.00</b>
Bürohaus Leuchtenbergring GmbH & Co. Besitz KG	DEU	Munich	0.00%	<b>0.93%</b>	N	EUR	<b>0.00</b>
Bürohaus Leuchtenbergring GmbH & Co. KG	DEU	Munich	0.00%	<b>0.92%</b>	N	EUR	<b>0.00</b>
Immobilien- und Baumanagement Stark GmbH & Co. Stockholmstraße KG	DEU	Hersching	0.00%	<b>3.61%</b>	N	EUR	<b>0.00</b>
MG Projekt-Sendling Gewergrundstücks GmbH & Co. KG	DEU	Munich	0.00%	<b>5.64%</b>	N	EUR	<b>0.00</b>
BPV-Metro 4 Építési Közkereseti Társaság	HUN	Budapest	33.33%	<b>33.33%</b>	N	HUF	<b>0.00</b>
BPV-METRO 4 NeKe Építési Közkereseti Társaság	HUN	Budapest	33.33%	<b>33.33%</b>	N	HUF	<b>0.00</b>
M6-Autópálya Építési Kkt.	HUN	Budapest	0.00%	<b>33.33%</b>	N	HUF	<b>0.00</b>
NeKe METRO 4 Építési Közkereseti Társaság	HUN	Budapest	0.00%	<b>50.00%</b>	N	HUF	<b>0.00</b>
PORR-HABAU Építő Közkereseti Társaság	HUN	Budapest	0.00%	<b>50.00%</b>	N	HUF	<b>0.00</b>

Key:

F = Fully consolidated company

E = At equity consolidated company

N = Non-consolidated company

° = Company consolidated for the first time

\* = Profit and loss transfer agreement

# AUDITORS' REPORT (TRANSLATION)

## Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of **Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft, Vienna**, for the financial year from January 1st 2011 to December 31st 2011. These consolidated financial statements comprise the consolidated statement of financial position as at December 31st 2011, the consolidated income statement, statement of comprehensive income, consolidated cash flow statement and statement of changes in group equity for the year ended December 31st 2011, as well as the notes to the consolidated financial statements.

## Management's responsibility for the consolidated financial statements and accounting practices

Management is responsible for the accounting practices and the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, as well as any applicable Austrian regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements and presenting a true picture of the financial performance, financial position and cash flows of the Group 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 the type and scope of the legal 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 that are required for a correct audit. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 consolidated financial statements. The procedures selected depend on the auditors' 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 entity'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 entity's internal control. An audit also includes evaluating the appro-

priateness 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. Based on the results of our audit, the consolidated financial statements, do, in our opinion, comply with legal stipulations and give a true and fair view, in all material respects, of the financial position of **Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft, Vienna**, as of December 31st 2011, and of its financial performance and its cash flows for the financial year from January 1st 2011 to December 31st 2011 in accordance with International Financial Reporting Standards (IFRSs) applicable within the EU. Without qualifying our audit opinion, with regard to the financial covenants and the planned focus and consolidation measures we draw your attention to the statement in note 47 of the notes and to the management report.

## Statement on the management report

Laws and regulations require us to perform audit procedures to ascertain whether the Group management report is consistent with the consolidated financial statements and whether the other disclosures made in the Group management report do not give rise to misconception of the position of the Group. The auditors' report must also contain a statement on whether the consolidated financial statements are consistent with the management report and whether they fulfil the requirements of the disclosure according to Art. 243a, Austrian Commercial Code.

In our opinion, the Group management report is consistent with the consolidated financial statements. The requirements of the disclosure according to Art. 243a, Austrian Commercial Code apply.

April 26th 2012, Vienna

Deloitte Audit Wirtschaftsprüfungs GmbH  
Walter Müller Friedrich Wiesmüller  
Certified Public Accountant Certified Public Accountant

BDO Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft  
Hans Peter Hoffmann Klemens Eiter  
Certified Public Accountant Certified Public Accountant

Our audit opinion may only be used in a publication or reproduction of the consolidated financial statements that we have audited. This audit opinion solely applies to the German-language version of the full consolidated financial statements and management report. Versions which diverge from this are subject to the stipulations of Art. 281, Section 2 of the Austrian Commercial Code.

# RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the company and management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

April 26th 2011, Vienna



**Karl Heinz Strauss**  
C.E.O.



**Christian B. Maier**  
Executive Board Member



**J. Johannes Wenkenbach**  
Executive Board Member

# APPROPRIATION OF EARNINGS

	EUR
The financial year 2011 ended with a loss amounting to	-93,885,051.61
After deducting retained earnings brought forward from the 2010 accounts of	8,154.31
and the release of revenue reserves totalling	93,876,897.30
the balance sheet result amounts to	0.00

The Executive Board therefore proposes not to pay a dividend and/or a share of retained earnings to the holders of capital share certificates for the 2011 business year.

April 26th 2012, Vienna

The Executive Board

Karl-Heinz Strauss  
Christian B. Maier  
J. Johannes Wenkenbach



# GLOSSARY

## The Construction Industry

— **Building construction** is the field of construction engineering that is concerned with the planning and building of structures that are located above the earth's surface. However, buildings constructed in this way also include structures that are below ground, provided that they are accessible to people or that they are intended to accommodate people, animals or items of property such as, for example, civil defence installations.

— **Building production (building production value)** is the production value of construction sites emanating purely from construction activity (own work, raw materials and third party services chargeable to clients).

— **CEE** is used to denote all the countries in Central and Eastern Europe.

— **Civil engineering** is the field of construction engineering that is concerned with the planning and building of structures that are located on or below the earth's surface.

— **DACH region** is used to denote Germany, Austria and Switzerland.

— **DBFO model (design, build, finance, operate)** includes the planning, construction, operation and financing of the project by private companies for a specific time period, after the end of which the project building becomes public property.

— **Facility management** is the sum total of all the services provided with a view to the management of buildings and land on the basis of a unified strategy.

— **Full service provider** is a company that covers the entire value creation chain by offering all services from one source.

— **General contractor (GC)** provides all construction services needed to erect a building and is allowed to subcontract out complete or partial services to other companies.

— **Logistics** is the integrated planning, organisation, management, completion and monitoring of the whole of the flow of materials and goods as well as the related flows of information.

— **MENA** is a common acronym among financial experts and economists for »Middle East and North Africa«.

— **Miscellaneous building construction** covers the areas of education, hotel, healthcare and other building construction.

— **PORR Group** refers to Allgemeine Bauge-  
sellschaft – A. Porr Aktiengesellschaft (PORR AG) and all its subsidiaries.

— **Project development** is the designing and completion of projects that are normally on a relatively large scale.

— **SEE** is used to denote all the countries in South-Eastern Europe.

## The Financial World

— **Associated company** is a company that is not majority-owned and over which significant but not controlling influence is exerted.

— **ATX (Austrian Traded Index)** is the key index of the Vienna Stock Exchange.

— **Cash flow** is a financial measure that shows the unaltered surplus payments received within a given period of time and which thus constitutes an indicator of the company's solvency.

- **Cash flow from operating activities** is the cash flow that results from the company's principal activities that have an effect on revenue, and from other activities that are not classed as investing or financing activities.
- **Corporate Bond** is a bond that is issued by a given company.
- **DAX (German Share Index)** is the key index of the Frankfurt Stock Exchange.
- **EBIT (Earnings Before Interest and Taxes)** corresponds to the operating performance.
- **EBIT margin** is the EBIT in relation to sales revenue.
- **EBITDA** is Earnings Before Interest and Taxes and Depreciation and Amortisation.
- **EBT (Earnings Before Taxes)** designates the pre-tax profit or loss.
- **Equity method** is a method for valuing shares in companies and it is applied to companies over which significant influence can be exerted, but which, fundamentally, do not have to be included within the group of companies that must be fully consolidated.
- **Equity ratio** is the share of equity in the total capital employed.
- **ICR (Issuer Compliance Regulations)** is a set of regulations designed to prevent abuse of insider information.
- **IFRS (International Financial Reporting Standards)** are international accounting standards.
- **Market capitalisation** is the total market value of a company, resulting from the share price times the number of shares issued.
- **Order backlog** is the total of all orders or contracts which have not been executed by the key date in question.
- **Risk management** is the systematic identification, measuring and controlling of risks. These risks can be general business risks or specific financial risks.
- **Swap** is a derivative in which two counterparties agree to exchange one stream of cash flow against another stream. The agreement defines how the payments will be calculated and when they will be paid.

# FINANCIAL CALENDAR

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Publication of the 2011 Annual Report	April 30th 2012
Financial Results Press Conference	April 30th 2012
Publication of the Interim Report on the 1st Quarter 2012	May 11th 2012
132nd Annual General Meeting, 11.00am, 1100 Vienna, Absberggasse 47	June 21st 2012
Publication of the Interim Report on the 1st Half 2012	August 31st 2012
Publication of the Interim Report on the 3rd Quarter 2012	November 9th 2012

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# IMPRINT

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## Concept, text, design and editing

Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft  
Corporate Communications  
be.public Werbung Finanzkommunikation GmbH  
section.d design.communication.gmbh

## Photography

Arche Vision, Aucon, Deutsche Bahn, Gisela Erlacher,  
Christoph Heinzl, Josef Husák Metrostav a.s., Krones/ÖBB,  
Gernot Lazzari, August Lechner, Michael Markl, Rita Newman,  
Lukáš Potůček, PORR-Archiv, Projekt-Agentur Peter Stangl,  
Harry Schiffer, www.savabridge.com

## Printing

Grasl Druck & Neue Medien, Bad Vöslau

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The consolidated financial statements for 2011, including the notes to the financial statements and management report (individual financial statements), that have been audited by the company's auditors can be obtained free of charge from the company at 1100 Vienna, Absberggasse 47, and will be available at the AGM. In addition, the annual financial statements for 2011 may be downloaded from the website, [www.porr-group.com](http://www.porr-group.com).

The contents of this report together with the individual financial statements constitute the annual financial report.

## Disclaimer

Statements relating to the future in this report are based on estimates and assumptions which are made, to the best of their current knowledge, by managerial staff. Future-related statements may be identified as such by expressions such as »anticipated«, »target« or similar constructions. Forecasts concerning the future development of the company take the form of estimates based on information available at the time of going to press. Actual results may differ from forecast values where the assumptions on which these are based should prove incorrect or risks should develop in unforeseeable ways.

Every care has been taken in the compilation of this annual report to ensure the accuracy and completeness of information in all sections. However, round-off, typesetting and printing errors cannot be completely ruled out.

All dates expressed in digits conform to European conventions of dd.mm.yyyy. Results preceded by the abbreviation TEUR are in euro thousand. This report is a translation into English of the Annual Report 2011 published in the German language and is provided solely for the convenience of English-speaking users. In the event of a discrepancy or translation error, the German-language version prevails.

