ANNUAL REPORT **2013**

Building on Innovation

powered by

PORR is a leader in introducing and applying innovative construction processes. The AQUATIKON office building in Glattpark, Zurich-Opfikon, is built using Building Information Modeling (BIM). BIM allows multiple users to work on the same digital building model and is able to visually display information on time and costs in addition to the building itself.

Networking data in all six dimensions simplifies the planning and calculation phases and significantly improves the information available to developers and everyone involved in the execution.

Key Data

in EUR m	2013	Change	2012	2011	2010
Operating Data					
Production output	3,439	+19.0%	2,891	2,906	2,826
Foreign share	37.2%	+4.5PP	32.7%	37.3%	37.2%
Order backlog at year end	4,591	+36.1%	3,373	2,764	2,449
Order bookings	4,656	+33.0%	3,500	3,221	2,591
Average staffing levels	11,594	+8.4%	10,696	10,618	11,654
Income Statement					
Revenue	2,694	+16.4%	2,315	2,213	2,218
EBITDA	154.7	+49.0%	103.8	10.8	102.8
EBITDA margin[1]	4.5%	+0.9PP	3.6%	0.4%	3.6%
EBIT	88.0	+63.6%	53.8	-40.5	49.1
EBIT margin[1]	2.6%	+0.7PP	1.9%	-1.4%	1.7%
EBT	60.5	+175.0%	22.0	-83.1	20.7
Profit/loss	52.6	+192.2%	18.0	-70.2	16.7
Earnings per share	3.88	+259.3%	1.08	-29.73	0.94
Statement of Financial Position					
Total assets	2,296	+11,4%	2,061	2,137	2,178
Equity (incl. non-controlling interest)	347.7	+7.8%	322.6	303.2	477.3
Equity ratio with cash flow hedges	16.5%	-0.9PP	17.4%	15.5%	22.9%
Equity ratio without cash flow hedges	15.1%	-0.6PP	15.7%	14.2%	21.9%
Non-current assets	1,069	-2.9%	1,101	1,178	1,131
Current assets	1,228	+28.1%	959	959	1,047
Non-current liabilities	669	+12.2%	596	812	707
Current liabilities	1,280	+12.0%	1,143	1,022	994
Net debt	357	-39.2%	587	636	441
Cash Flow and Investments					
Operating cash flow	98	+36.1%	72	-48	65
Cash flow from operating activities	207	+86.5%	111	40	160
Cash flow from investing activities	12	-	-108	-126	-100
Cash flow from financing activities	5	-	-44	30	-14
Investments	74	-46.0%	137	154	144
Depreciation/amortisation/impairment	62	+1.6%	61	56	54

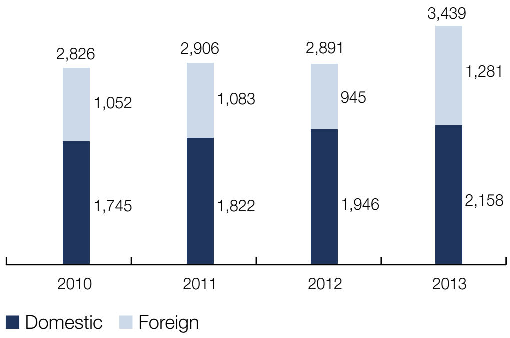
Key data regarding shares

Number of listed shares	2013	2012	2011	2010	2009
Ordinary shares	11,902,500[2]	2,045,927	2,045,927	1,960,537	1,960,537
Preference shares[3]	-	642,000	642,000	642,000	642,000
Market capitalisation in EUR m (at year end)					
Ordinary shares	297.2	152.4	245.5	245.1	247.4
Preference shares[3]	-	22.6	23.8	37.9	32.7
Dividends per share in EUR	1.00[4]	0.31[5]	-	0.55	2.20

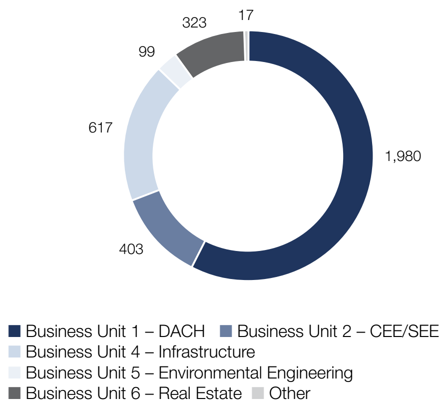
[1] As a % of production output
[2] Includes issue of 287,698 ordinary shares in May 2013; 642,000 preference shares which were converted to ordinary shares as of August 22nd 2013; adjusted for 1:4 share split
[3] Last trading day August 22nd 2013
[4] Proposal to AGM
[5] Adjusted to number of shares 2013 to allow better comparison

The figures have been rounded off.

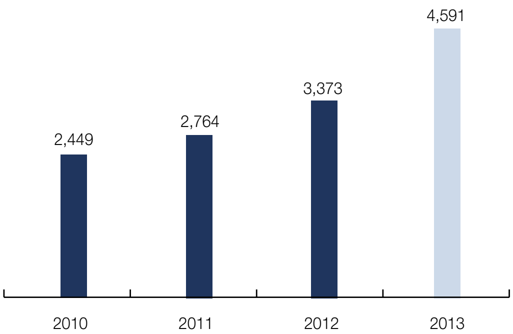
Production output, domestic and foreign
in EUR m



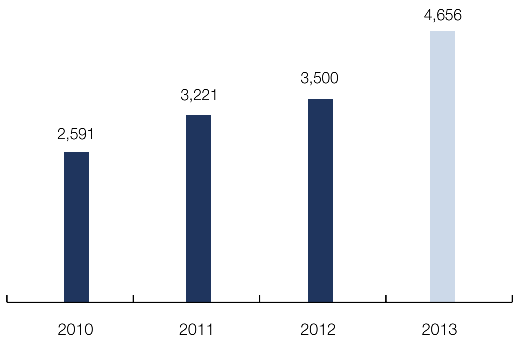
2013 production output by Business Unit
in EUR m



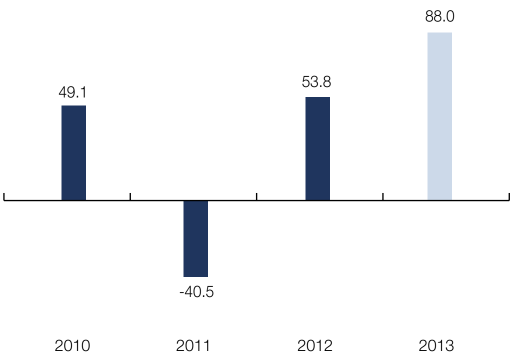
Order backlog
in EUR m



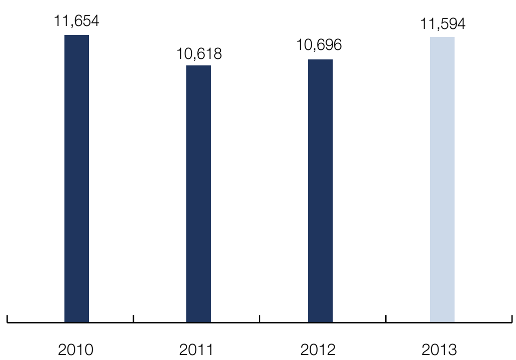
Order bookings
in EUR m



EBIT
in EUR m



Average staffing levels



Contents

This is PORR!

- The **largest and longest** established construction company on the Austrian market with a leading role in Central Europe
- **Flexible, full service construction group** offering everything from project development through to property and facility management
- **Seamless value chain** and expertise facilitate the realisation of complex, large-scale projects
- **Concentration on the home markets** of Austria, Germany, Switzerland, Poland and the Czech Republic
- **International player** in selected markets with export products such as tunnelling and railway construction
- **Top quality** through employees' comprehensive expertise and thirst for innovation
- Strong focus on **sustainable business practices which are fit for the future**

Editorial

Technical excellence, commercial probity and corporate foresight. These key corporate values determine our role on the market. We use them to build trust with our clients and partners, thereby guaranteeing the seamless execution of complex projects.

Examples such as PORR's advanced developments in the BIM planning tool – one of the topics in our Annual Report – underline the thirst for innovation which is essential for any modern construction company. BIM facilitates the optimisation of business processes and costs, and guarantees the ongoing efficiency of projects.

The high standards we apply to customer relationships naturally also hold true for the way we work together in the Group. Team work, dedication, fair communication and internal value creation strengthen our cohesion and help us to achieve our goals.

In the past business year we have worked together and succeeded in improving our business figures. The targets for revenue and for earnings were all met or surpassed. This was only possible through the consistent and uncompromising implementation of our "intelligent growth" strategy – with a focus on our home markets with a strong credit rating, combined with first-class project and risk management on large-scale projects.

The economic backdrop and shifts in the construction industry will also prove a major challenge in 2014. PORR will continue on the secure and solid path we have built and will continue our success in the future through technical expertise and business savvy.

Yours,

Karl-Heinz Strauss
PORR CEO

Listen to the interview at
www.keyfacts2013.porr-group.com

Highlights 2013

PORR recycles Voitsberg power plant

PORR Umwelttechnik has proven its expertise in urban mining on what is currently Austria's largest demolition project. The Voitsberg coal-fired power plant is located on a 250,000m^2 compound, where the selective dismantling and demolition of power plant blocks 1, 2 and 3 has been underway since April. The project's dimensions represent a major challenge – expert removal of the 180m chimney as well as the cooling tower and the boiler room which each have a height of almost 100m. Overall, 200,000t of reinforced concrete and 40,000t of metals will be processed for reuse.

Award for Sava Bridge

The Sava Bridge in Belgrade, a major project built under PORR's lead management, was awarded the "Deutscher Stahlbau" Engineering Prize on January 15th. The Serbian capital's new landmark has a length of 969m and a 200m tall central pylon; it is a symbol of Serbia's path to Europe which can be seen from far and wide.

Green Line of Doha metro

In June PORR signed the largest tender in the company's history, an order worth around EUR 1.9bn. The Green Line project involves building a double tunnel tube with a length of 16.6km and building six underground stations. This led PORR's order backlog to reach a record high of almost EUR 4.6bn.

Koralm Tunnel powered by PORR

PORR is building the third section of Austria's longest rail tunnel and has thereby won the largest Austrian tender in the company's history. By charging PORR with lot KAT 3 of the Koralm Tunnel, ÖBB is once again relying on Austrian tunnelling expertise.

Takeover of Nägele Hochbau

In April the PORR Group acquired the longstanding Nägele Hochbau in Vorarlberg. This acquisition is a key step in establishing complete coverage in the west of Austria.

PORR acquires two Alpine companies in the foundation engineering sector

In August PORR acquired two companies with a rich tradition, Grund- Pfahl- und Sonderbau GmbH (GPS) and Stump Spezialtiefbau GmbH. GPS is primarily active in Austria; Stump in Germany, Poland and the Czech Republic. Around 500 employees were taken on in the course of the acquisitions. Both companies are an ideal complement to PORR's foundation engineering division.

PORR wins tender to upgrade Prater traffic hub

In November ASFINAG hired PORR and its partner to upgrade the Prater traffic hub in a contract worth EUR 50m. Construction is set to start in March 2014 and the works will take around 46 months. The Prater traffic hub links the A4 Ostautobahn and the A23 Südosttangente, making it one of the most important points on the major road network in the Eastern region.

New large-scale building construction tenders in Poland

PORR is consistently implementing its "intelligent growth" strategy on its home markets of Austria, Germany, Switzerland, Poland and the Czech Republic. PORR managed to win two more large-scale building construction projects in the north of Poland. The building complex Gdynia Waterfront will be built for the IKEA Group, along with the Ogrody Shopping Center in Elblag for CBRE Global Investors.

PORR buys Prajo Group

PORR extended its portfolio in demolition and recycling in December with the takeover of the Prajo Group. As Austria's market leader in environmental engineering, PORR intends to consolidate its position on the market with the purchase of this Viennese company for demolition and construction waste recycling.

Team players

Christian B. Maier

born 1966; PORR's Chief Financial Officer (CFO) since February 2012.

Responsible for: Risk Management/Compliance, Financial Management of Operating Units, Group Management, Accounting, Controlling/ICS, Financial Management/Treasury/Insurance, Taxes and IT.

Karl-Heinz Strauss

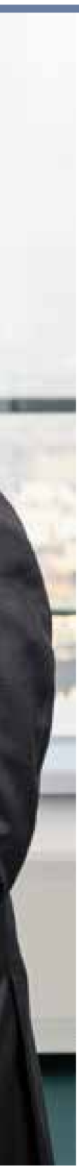
born 1960; PORR's Chairman of the Executive Board and CEO since September 2010.

Responsible for: Risk Management/Compliance, the Office of the Executive Board and Strategy, Business Unit 1 – DACH, Business Unit 5 – Environmental Engineering and Business Unit 6 – Real Estate, Internal Audit, Corporate Communications, Legal Affairs, Human Resources and Quality Management.

J. Johannes Wenkenbach

born 1957; PORR's Chief Operations Officer (COO) since February 2012.

Responsible for: Risk Management/Compliance, Business Unit 2 – CEE/SEE, Business Unit 3 – International, Business Unit 4 – Infrastructure, Purchasing and Porr Equipment Services GmbH.



Intelligent growth: “Our strategy is bearing fruit...”

The PORR Executive Board talk about a challenging 2013, successful acquisitions and the profound transformation in the company.

Mr Strauss, PORR can look back on 2013 as a solid year, despite the difficult backdrop. Which factors drove this success?

Strauss: We are still confronted with a challenging situation. The debt crisis continues to affect the real economy and this has a strong impact on the construction industry. However, our market position has enabled us to succeed in increasing output yet again, from its already high level. Production output reached EUR 3.4bn in the reporting period; this is EUR 548m more than the previous year. The primary growth driver was the good development of our home markets, particularly Germany and Austria. The infrastructure segment also grew sharply, with an increase of more than 30%.

Is this development also reflected in earnings?

Strauss: Yes, EBIT of EUR 88.0m for this year represents a rise of over 60%. Concentrating on the home markets with a strong credit rating, as well as high-margin international projects, has really paid off. What’s more, consistent risk management on the international markets helps to avoid losses.

How much of an effect has the Group-wide optimisation programme, **fit**for**future**, had?

Maier: In light of the difficult construction backdrop, the Group needs streamlined, efficient structures and appropriate cost awareness. Since 2012 our **fit**for**future** reorganisation and optimisation programme has enabled us to identify significant potential for improving EBITDA. This project has thereby resulted in a process within just two years. Our long-term intention is that **fit**for**future** supports the Group and influences optimisation considerations in all of our strategic decisions.

Did you continue to realise your strategic goal of “intelligent growth” in the reporting period?

Strauss: Yes, we are unwavering in implementing our strategy. And this has proven to be absolutely the right path once again in 2013. PORR is and remains a construction company which builds as much as possible itself, as well as offering a small project development division for the run-up to projects and a service unit for the post-construction phase. We are concentrating on our attractive and stable home markets which offer high planning security and the best credit rating. For us “intelligent growth” does not involve striving for growth at any price, but rather investing carefully in targeted niches and markets so that we can sustainably secure PORR’s position on its home markets.

> “The primary growth driver in 2013 was the good development of our home markets.”

In which markets was PORR able to expand its position?

Wenkenbach: Currently around 95% of construction output is generated on our home markets. Our principle “know your market, know your customers” was fully applied last year. We generated 62.8% of output in Austria. We are steadily expanding our German business at present. With production output of EUR 608m in the reporting period, this market is already responsible for a considerable share of total output.

Did you manage to keep up the high level of orders from the previous year in 2013?

Strauss: With an order backlog of around EUR 4.6bn we succeeded in surpassing the high level of the previous year yet again. New tenders included the Doha metro – the largest order in the company’s history. But we also achieved impressive acquisition success in Austria, with the Koralm Tunnel.

The whole world is vying for tenders in Qatar. How did PORR manage to get such a large order?

Wenkenbach: The prerequisite for our international success is strategic partnerships with local companies. We were able to find the best local partners for the Green Line metro project. Furthermore, our strategic focus is on projects where we have a clear competitive edge. The tunnelling and railway construction sector is our main export product, with which we want to grow, primarily in Qatar and Saudi Arabia.

> “The prerequisite for our international success is strategic partnerships with local companies.”

Do you expect further tenders in the region? How are things going on the international markets?

Wenkenbach: We have established Qatar as PORR’s regional hub for the Middle East. With the successful completion of enabling works for the Doha metro, we proved that we can apply our strong technical expertise also in Qatar. This has given us a considerable reputation in the region. PORR is also happy with the results of the project.

Let’s get back to the home markets, your declared focus area. What were the most important projects here?

Strauss: In Austria the acquisition of the Koralm Tunnel lot KAT 3 was a great achievement. The project, which PORR will execute alone, is the largest Austrian tunnelling tender in the history of our company. Other key new tenders included the major sewer project for the Emscher consortium in Germany, the multifunctional building construction project Hard Turm Park in Switzerland and the Rudolfsheim care home in Vienna. The Südgürtel Graz consortium was a major project in civil engineering. We expect that civil engineering will continue to suffer from national debt crises.

How have you prepared to counter this?

Wenkenbach: PORR has a record order backlog and is hired by customers because of its technical expertise, quality and reliability. We expect civil engineering to return to growth on our home markets, particularly with regard to rehabilitation and refurbishment. PORR is one of the sector’s leading companies in this field.

What measures have you taken to reduce net debt?

Maier: Improving net debt is a key priority. We succeeded in cutting net debt from EUR 586.5m in 2012 to EUR 357.5m now. Reducing the property portfolio and optimising working capital has made a significant contribution here.

You have now been at the PORR helm for three, or in some cases two, years. The company has undergone a profound transformation in this period. How do you, the management team, view these developments?

Strauss: We have achieved a lot in recent years – and what's more – we have delivered on our promises. This was only possible through the excellent cooperation of the Executive Board and the willingness of our staff to embrace challenges and become the best.

Maier: The clear focus on efficiency and profitability has to be ingrained in every employee. "Employees as entrepreneurs" is the new motto, reflecting the high responsibility and cost awareness of every individual. This approach will be enhanced through staff share-ownership models.

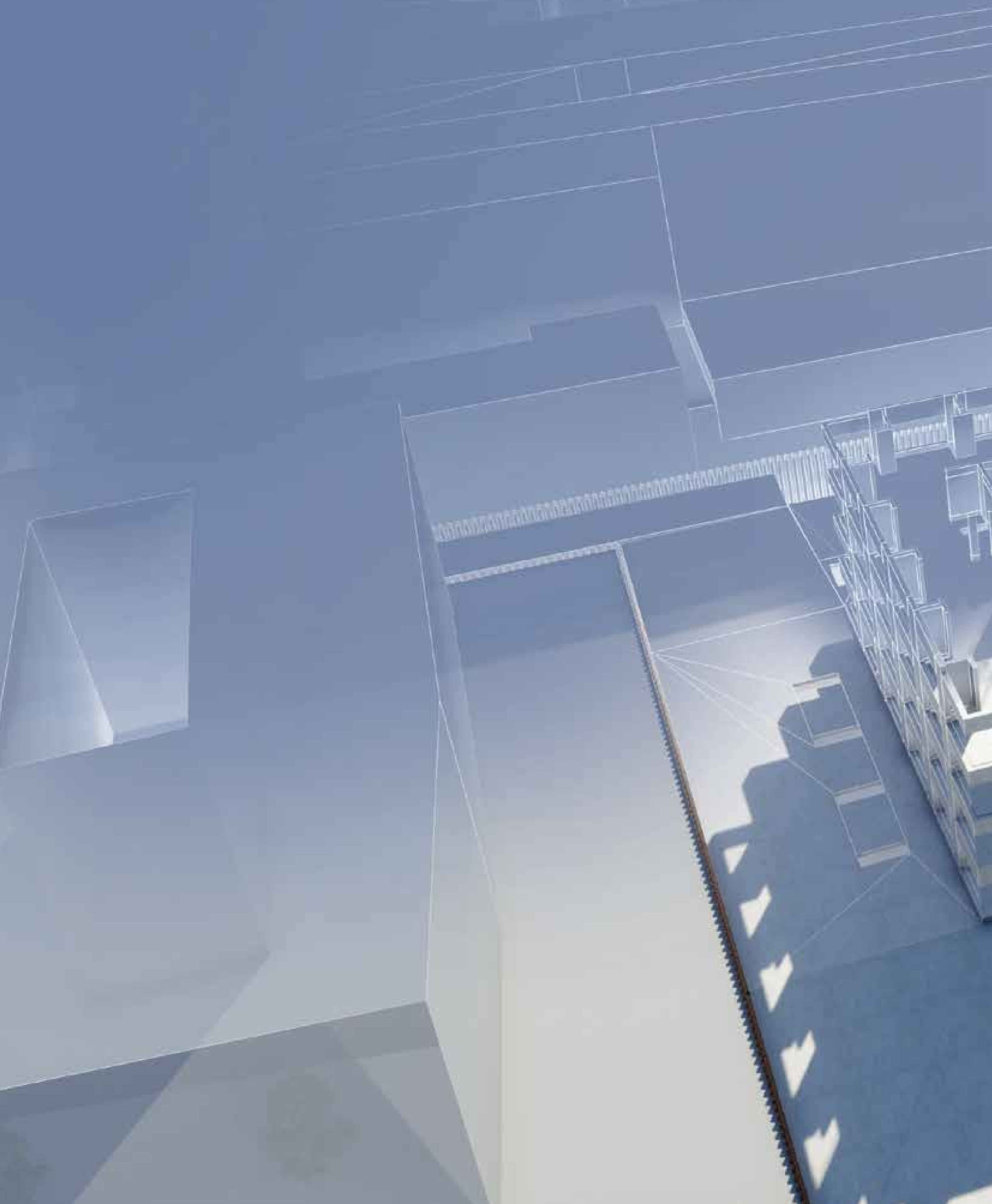
> "The clear focus on efficiency and profitability has to be ingrained in every employee."

Wenkenbach: I continue to be impressed by the power which comes from within our ranks. And the new transparent structure will allow this optimisation potential to be applied even more effectively. The high expertise and skills within the Group have been proven time and again – it is exactly this which makes us one of the industry's top players.

How do you expect earnings to develop in 2014?

Strauss: From today's perspective and in view of our solid order backlog, we want to continue our positive growth. We expect output and earnings to rise in 2014.

This is PORR



Business Model and Markets

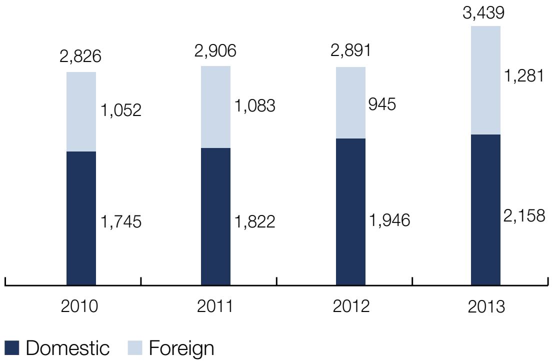
Solid business model

PORR is the largest and longest established construction company on the Austrian market and plays a leading role in Central Europe. As a flexible, full service construction group offering everything from project development through to property and facility management, the company provides a seamless value chain, enabling the realisation of complex, large-scale projects.

PORR is committed to qualitative, profitable, secure growth and draws on its speed and flexibility in adapting to changing market conditions. Clear responsibilities, streamlined, flexible structures and transparent management – these are the basis of the Group's success.

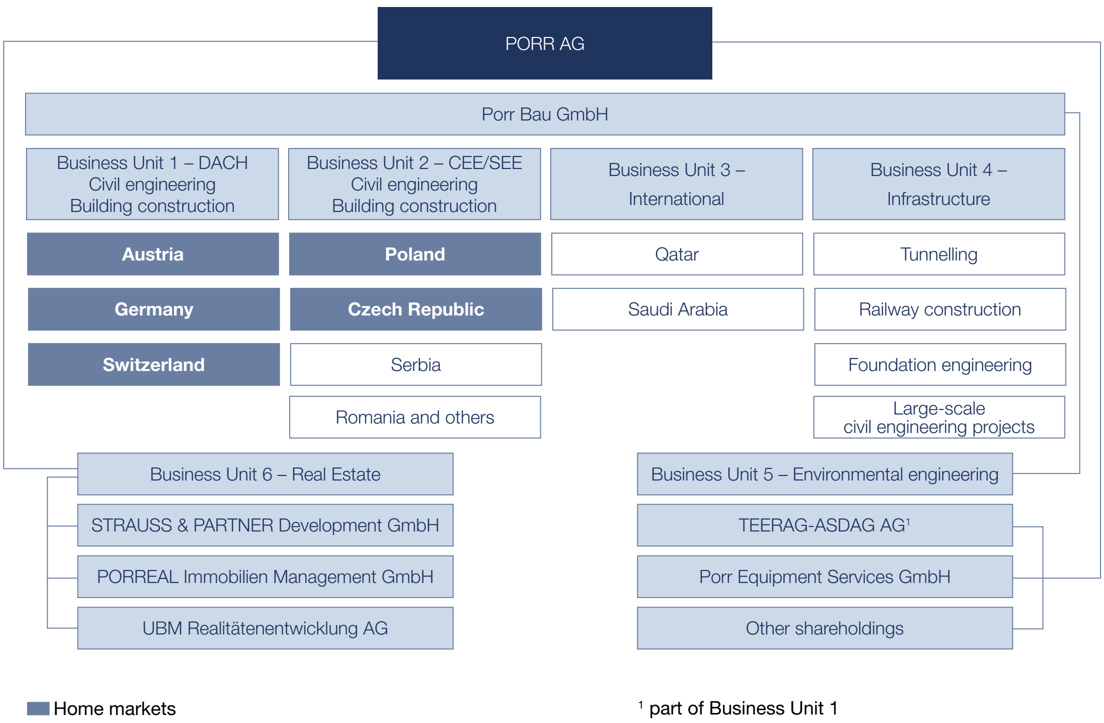
In 2013 PORR generated output of EUR 3,439m with its 11,594 staff; 95% of this was on the secure home markets – Austria, Germany, Switzerland, Poland and the Czech Republic. In addition to the clear strategic decision to concentrate on the home markets, this increase was also facilitated by the balanced mix of permanent business and large-scale projects.

Production output
in EUR m



Efficient organisational structure

PORR's operating business is divided into six Business Units. At the head of the Group is a strategic holding with a few divisions, under which the operational company Porr Bau GmbH is positioned. Numerous individual companies are included in this operational unit.



[1] part of Business Unit 1

Powerful Business Units

1 DACH

Permanent business in the home markets of Austria, Germany and Switzerland; specialist in large-scale building construction projects

Production output 2013: EUR 1,980m

2 CEE/SEE

Permanent business in the home markets of Poland and the Czech Republic; project-based activities in CEE/SEE

Production output 2013: EUR 403m

3 International

Activities in tunneling, rail construction and civil engineering in Qatar and Saudi Arabia

Production output in segment others

4 Infrastructure

Activities in tunnelling, rail construction and foundation engineering, large-scale projects in road and bridge construction, power plant construction and civil engineering

Production output 2013: EUR 617m

5 Environmental Engineering

Environmental clean-up, waste management and renewable energy; PORR Umwelttechnik incl. Prajo Group

Production output 2013: EUR 99m

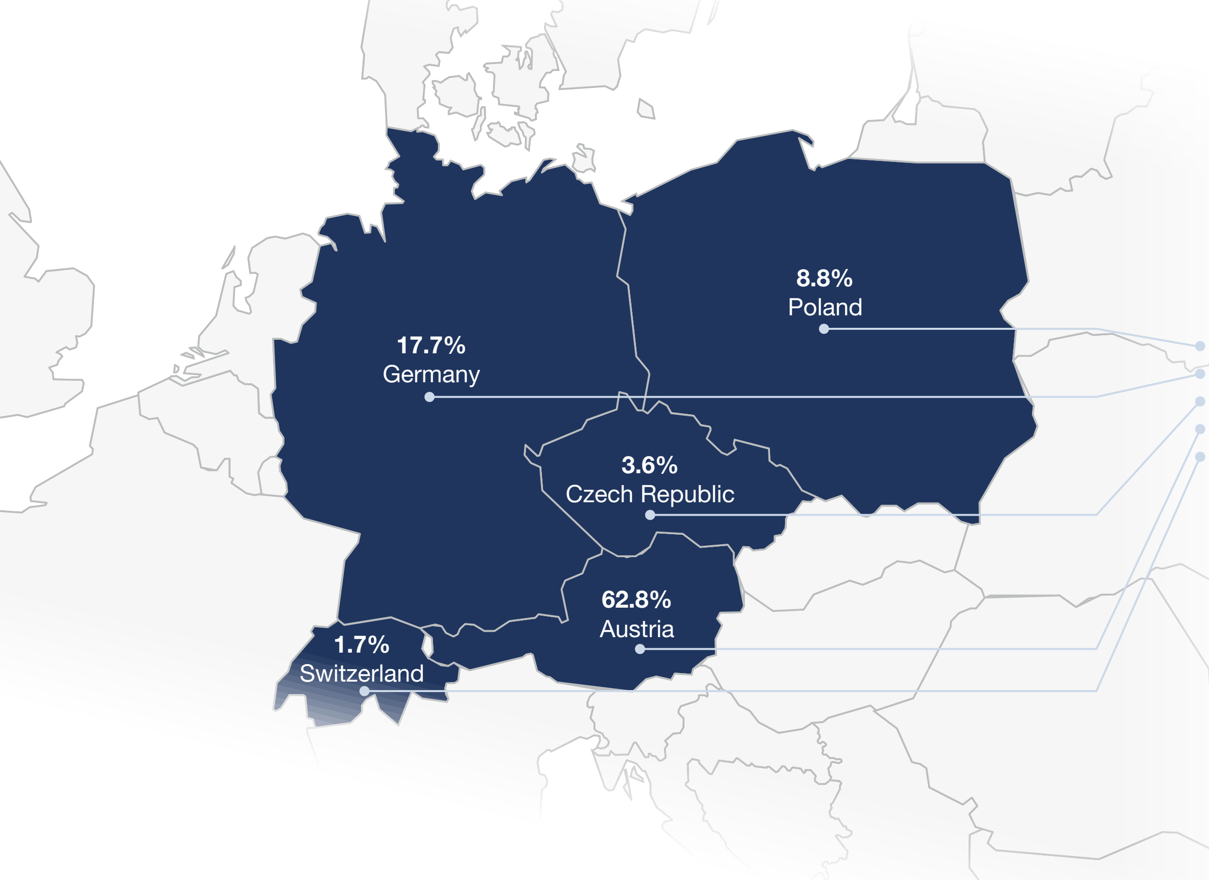
6 Real Estate

STRAUSS & PARTNER, PORREAL and UBM

Production output 2013: EUR 323m

Focus on the home markets

The home markets of Austria, Germany, Switzerland, Poland and the Czech Republic offer secure margins and form the foundations for PORR's sustainable growth. PORR generates around 95% of production output in these economically stable countries. The focus of the international business is on Qatar.



Production output in home markets

Poland	EUR	303m
Germany	EUR	608m
Czech Republic	EUR	126m
Austria	EUR	2,158m
Switzerland	EUR	59m
Total	**EUR**	**3,254m**
		resp. 94.6%

Corporate Strategy

PORR's primary goal is achieving a sustainable, long-term rise in production output and earnings through "intelligent growth", while increasing profitability at the same time. To achieve this, PORR employs a two-pillar strategy:

Home markets: The PORR Group strives to profit from its leading market position in Austria, to grow in Germany, and to pursue a selective expansion policy in Switzerland, Poland and the Czech Republic.

Other markets: Expansion in the Qatar infrastructure sector and entering the Saudi Arabian market with a clear focus on the Group's core technology competencies of tunnelling, railway construction and civil engineering (specialised and large-scale projects), with attractive margins.

Focus on construction

PORR remains committed to its core competency – construction. While the Group covers the entire value chain from advance project development to follow-up services such as facility management, it is technical construction which remains at the heart of the service portfolio.

Focus on the home markets

In 2013 PORR generated 94.6% of production output on its home markets. PORR will continue to concentrate on the home markets in the future.

Capitalising on the leading market position in Austria

PORR intends to capitalise on its leading market position in Austria, where notable projects in infrastructure, building construction and civil engineering are set to come to market in future. The company draws on its competitive advantages in the fiercely competitive Austrian market; one advantage here is the company's high level of self-sufficiency with regard to raw materials.

Expanding activities to other home markets

Austria is currently PORR's most important home market, alongside the other home markets of Germany, Poland, Switzerland and the Czech Republic. The company offers a full range of construction services here and intends to expand its activities appropriately. This applies to the German market in particular. The expansion will be based on capitalising on competitive advantages and the withdrawal of competitors. Here, PORR concentrates on the areas in which the company believes it has a clear competitive edge. In Germany PORR has already established a strong presence in complex infrastructure and civil engineering projects. For example, PORR is a partner to the German Federal Railways for large infrastructure projects such as Stuttgart 21 and is working on multiple lots on the Stuttgart–Ulm rail project.

Selected projects in CEE/SEE

Outside the home markets, PORR has scaled down its presence on the markets of Central, Eastern and South-Eastern Europe. In the future the company will pursue a strategy based on projects and niche products in these markets – PORR does not intend to offer its entire range of construction services on these markets, but instead to realise only selected projects. Suitable projects should be chosen on the basis of the predicted margins, risk management aspects and financing security from the client, particularly projects which are co-financed by the European Union or other international organisations.

Expansion in the Qatar infrastructure sector and entering the Saudi Arabian market

Following market entry in Qatar in 2012, when PORR and its local partners were charged with enabling works and construction of the Green Line of the Doha metro, the company has been pursuing a strategy to build up its presence in the region. In Qatar and Saudi Arabia PORR is clearly focused on its core technical competencies in tunnelling, railway construction and civil engineering. The company intends to realise projects together with local partners. These partnerships give PORR the opportunity to combine its skills and technical expertise with local partners' specific market knowledge, capabilities and labour. The focus in Qatar and Saudi Arabia is on state-financed infrastructure projects.

Strict discipline regarding costs, capital and risks

PORR is committed to continuously improving performance in order to secure profitable growth and increase profitability. The basis for this involves firstly the risk-based approach to new tender processes – "profit over output"; secondly, active management of its cost base; thirdly, comprehensive risk management extending from project calculation to realisation, with the goal of minimising the number and impact of loss-making construction projects; fourthly, disciplined capital expenditure; fifth, a clear division of responsibilities within optimised, flexible structures; sixth, cutting-edge information management systems; seventh, the implementation of transparent leadership throughout the Group. PORR's medium-term goal is to increase profitability on the basis of these improvements in combination with optimised processes and increased cost efficiency.

PORR will continue its **fit**for**future** programme to reduce costs and drive optimisation. The programme was introduced in 2012 with the goal of increasing operating profits within three years. **fit**for**future** applies to all business units, regional units and the headquarters. The programme involves reducing operating expenses, optimising expenditure on investments, increasing utilisation of construction machinery, optimising the organisational structure and processes, as well as implementing a comprehensive system to manage operational risks. To this end, PORR has centralised the purchase of raw materials, services and energy in order to benefit from economies of scale. The company aims to reduce costs related to overheads, staff, purchasing and construction machinery utilisation. On condition that these efficiency increases are realised, PORR should be able to improve its competitive position significantly.

Effective real estate strategy

PORR has implemented a divestment programme for non-operational real estate in order to effectively manage its capital structure and reduce risks; this programme is set to continue over the next three years. The company is pursuing a portfolio strategy: on average, non-operational real estate is to be sold at its carrying amount in the course of the divestment programme in order to reduce total assets and tied-up capital.

PORR will remain active in the development sector, with a focus on major German and Austrian cities – particularly the axis Hamburg, Berlin, Frankfurt, Munich and Vienna. The future should see fewer, but larger-scale projects. PORR plans to work with other companies, such as financial or property investors and to retain only a non-controlling interest – where economically feasible – in order to reduce tied-up capital and diversify risks.

Corporate Social Responsibility

Sustainable value as corporate strategy

Taking a sustainable approach to adding value and thinking about society and future generations is an important principle, especially for the construction industry. PORR's activities in CSR are exceptionally multifaceted and are based on the three pillars of economy, ecology and society. Particular attention is paid to incorporating sustainability aspects in the initial and design phases of a project.

The Design & Engineering division, established in 2011, realises the integrated planning approach in the company. By incorporating the individual departments of architecture, engineering, building technology and sustainability, everyone involved in planning has been brought together into one responsible division. Focal points here include building certification and renewable energy. Another issue which is increasingly gaining importance, particularly in light of national and European climate goals, is promoting sustainable, environmentally sound, energy-optimised developments in the construction industry.

Adding value

Adding value forms the foundation of every economic activity within the PORR Group. Here the company engages in ongoing dialogue with all stakeholders and always has a focus on a long-term increase in company value. Sustainable business activities which are fit for the future are secured by the structural, organisational and substantive incorporation of Corporate Social Responsibility throughout the company.

PORR uses a uniform management system in all divisions and subsidiaries in order to realise its responsibilities to employees, shareholders and investors. The Code of Ethics underpins all activities and decisions within the company. It forms the basis for the moral, ethical and legally irreproachable behaviour of every staff member and strives to prevent mistakes and encourage the values and principles contained within.

Recognising value

PORR is committed to ongoing Human Resources development and therefore strives to promote diversity by nurturing the potential of every single staff member. Employees have the opportunity to improve their performance and skills through a wide range of training and development measures. As an international company, PORR sees its multicultural diversity as a major opportunity and an important part of its corporate culture. All activities are characterised by equality and appreciation – regardless of gender, age, ethnicity or nationality.

The health and safety of every staff member is a crucial issue for PORR. This is why the company offers a wide range of measures, not only aimed at reducing accidents or illness, but which also actively promote good health among employees. The issues of mental health and conflict prevention are also prioritised.

Modern medical treatments, a comprehensive range of preventative health measures and psychological support are among the main aims of health management. Regular check-ups are carried out by the company doctor in cooperation with and approved by the health insurance organisations. Regular 'health days' are also held at the PORR headquarters.

The safety of staff members is a top priority for PORR. One key task is therefore providing a safe working environment for PORR staff. PORR is continuously striving to avoid accidents and ensure safe work practices at its construction sites. Strict standards to this end have been laid out in the Group guidelines. The occupational health and safety management system in line with the international standard OHSAS 18001 controls all of the Group's processes.

Preserving value

A responsible approach to environmental resources forms the third key pillar in the sustainability strategy. Throughout the construction process, PORR makes a significant contribution to reducing energy consumption, noise, dust and exhaust emissions by applying farsighted planning and innovative energy and equipment management. One particular challenge in this area is establishing high environmental and welfare standards throughout the supply chain.

The environmental management system regulates the approach to environmental risks and threats. Adherence to the stipulated environmental guidelines is regularly assessed by an independent body in the course of environmental audits. To achieve continuous improvement, every area of the company is obliged to systematically record and analyse environmental threats and to propose and implement improvements.

Developing and building low-energy structures is a key pillar of the energy strategy. With the aim of making sustainable real estate more visible on the market and documenting the buildings, PORR developments are certified to internationally recognised sustainability evaluation systems. These services are increasingly also being requested by developers as part of design-build and general contractor agreements. Porr Design & Engineering GmbH offers almost every national and international system in this area: DGNB, ÖGNI, SGNI, LEED, BREEAM, minergie, TQB, klima:aktiv Bauen und Sanieren, EU-Green Building. PORR Umwelttechnik makes a valuable contribution to a cleaner environment, as it provides services in various areas of active environmental protection. PORR Umwelttechnik's business divisions range from water treatment and soil cleaning through to landfills and waste management.

As a leading construction group, PORR is not only committed to reducing waste; recycling construction waste is also a significant factor. The company established an internal environmental and waste network many years ago to promote the conservation and careful use of resources as well as reducing waste on construction sites. The field of mobile recycling, in particular, is becoming increasingly important.

PORR gives detailed information on sustainability measures and targets in its "Sustainable Value Report", which is published regularly. The "2014 Sustainable Value Report" is available for download at www.porr-group.com/csr.

Key data

	Unit	2013	2012	2011
Adding value				
Production output	EUR m	3,439	2,891	2,906
Revenue	EUR m	2,694	2,315	2,213
Consolidated profit	EUR m	52.6	18.0	-70.2
Recognising value				
Total staff	Number	11,594	10,696	10,618
of which domestic	Number	8,118	7,888	7,738
of which foreign	Number	3,476	2,808	2,880
Preserving value				
Energy consumption, domestic	kWh	405,649,429	378,652,182	354,579,598
Energy consumption, domestic/production output	kWh/EUR	0.188	0.195	0.195
CO_2 emissions, domestic	tonnes	107,666	100,599	95,625
Non-hazardous waste	tonnes	3,056	2,967	3,775
Hazardous waste	tonnes	316	385	262
Asphalt recycling rate	percent	93	94	83

PORR on the Stock Exchange

Greater liquidity in PORR stocks

2013 was an eventful year for PORR on the financial markets. Ordinary PORR shares started the year at EUR 13.75 and ended the year at EUR 24.97. The share price reached its year-low of EUR 13.75 in January and shot up by more than 82% by the end of the year. This price increase was particularly impressive when compared to the ATX, which only grew by 6.1% in 2013.

Along with the increase in the share price, trading activity also underwent a significant rise. Average trading volumes in the second half of the year were almost eight times as high as in the first half of 2013.

In addition to the PORR shares, the bonds also performed very well. Even if the returns on bonds were not as spectacular as the shares, moderate price increases were achieved in addition to the regular coupons.

2013 was a successful year for investors in PORR securities. The pleasing trends in returns and trading levels were due to multiple strategic measures initiated by PORR management. These included the issue of shares and a bond, alongside multiple activities to increase the liquidity of shares. In addition, numerous banks and brokers included PORR in their equity research reports for the first time.

Strengthening PORR's presence on the financial markets clearly shows that the company is aware of its responsibility to its shareholders. With experience on the capital markets dating back almost a century and a half, PORR has clearly proved its approach. The company has successfully acquired financing from the capital markets in the past and will continue to do so in the future.

Strengthening the capital structure

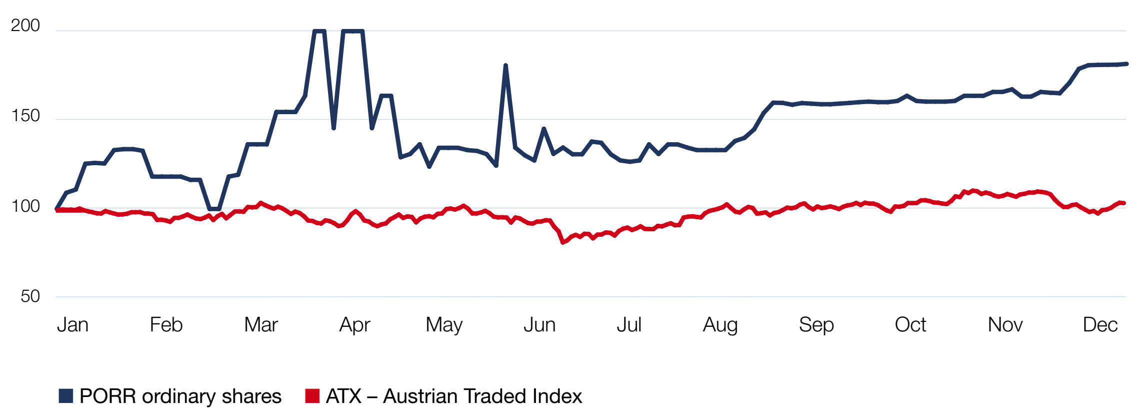
Capital increase in May

The PORR management intends to strengthen the Group's capital structure, repay borrowed capital and finance further growth opportunities. To achieve this, PORR decided to issue 287,698 new ordinary shares in exchange for cash or contribution in kind, in a 9:1 subscription ratio, in April 2013. As the new shares were issued from capital which had already been authorised, no additional approval was required by the Annual General Meeting. The issue was targeted directly at existing shareholders and selected investors and was successfully completed in May 2013.

Creation of authorised capital

The extraordinary general meeting on July 11th 2013 resolved to create new authorised capital up to a maximum of 50% of the existing share capital. A further increase in share capital of up to EUR 11,902,500 by issuing up to 5,951,250 ordinary shares is therefore possible by August 23rd 2018. The PORR management could use this option in the future to optimise the capital structure or to finance growth opportunities.

Development of the price of PORR shares (Index) 2013



Stock market indicators

in EUR	Ordinary shares[1]	Preference shares[2]
Price at December 31st 2012	18.62	35.21
Price at December 31st 2013	24.97	70.00[3]
Year high 2013	27.50	78.00
Year low 2013	13.75	36.01
Market cap at December 31st 2012	152.4m[4]	22.6m
Market cap at December 31st 2013	297.2m[5]	44.9m[6]
Listing on the Vienna Stock Exchange	Standard Market Continuous[7]	Standard Market Auction, until August 22nd 2013
ISIN/Ticker	AT0000609607/POS	AT0000609631/POV

[1] Price adjusted for 1:4 share split
[2] Prior to share split
[3] As of last trading day, August 22nd 2013
[4] Based on the number of outstanding shares as of December 31st 2012, adjusted for 1:4 share split
[5] Includes issue of 287,698 ordinary shares in May 2013; includes 642,000 preference shares which were converted to ordinary shares as of August 22nd 2013 and adjusted for 1:4 share split
[6] At last trading day, August 22nd 2013
[7] Since March 2014

Bond issue in November

PORR issued another bond in November in order to improve its liquidity. This issue had originally been planned for July, but was postponed as a result of competitor Alpine's insolvency. The bond (ISIN DE000A1HSNV2) has a nominal amount of EUR 50m, an attractive coupon of 6.25% and is due in November 2018. The transaction was a great success for PORR. The subscription period closed prematurely on the second day as a result of the high demand and the bond was listed above its par value from the first day of trading to the end of 2013.

Measures to increase liquidity

Preference shares and ordinary shares merged

In addition to ordinary shares, PORR also had 642,000 preference shares with a guaranteed dividend of 7%, but without voting rights, at the end of 2012. In the extraordinary general meeting on July 11th 2013, shareholders approved the Executive Board's proposal to cancel the preference dividend. This resulted in the preference shares being converted to ordinary shares, whereby the number of ordinary shares outstanding increased by 642,000, which roughly corresponds to 28% of ordinary shares outstanding at that time.

Capital adjustment and 1:4 share split

At the same extraordinary general meeting on July 11th 2013, the shareholders resolved to increase share capital from the company's resources (capital adjustment) by around 10% and to split the shares in a ratio of 1:4. The number of shares outstanding thereby rose to 11,902,500 and every share represents EUR 2.00 of share capital since this time. This measure has also made the shares more attractive to small-scale investors, which should have a positive effect on trading activity in the future.

Sale of share blocks in support fund

In order to increase trading liquidity and the free-float PORR shares, the Executive Board decided on December 11th 2013 to sell up to 101,622 ordinary shares on the Vienna Stock Exchange; these had been held by Unterstützungskasse von PORR-Betrieben Gesellschaft m.b.H. 15,461 of these shares had already been sold by the end of 2013. Previously 31,914 PORR shares and 21,524 PORR capital share certificates had been transferred to a PORR Works Council fund. In 2014 this share sale continued on the stock exchange, which should lead to a long-term increase in the number of free-float shares.

PORR equity instruments as at December 31st 2013

	ISIN	Ticker	No. of shares quoted/ nominals	First quoted
PORR shares	AT0000609607	POS	11,902,500[1]	8.4.1869
PORR capital share certificates	AT0000609664		49,800	22.10.1990

[1] Includes issue of 287,698 ordinary shares in May 2013; includes 642,000 preference shares which were converted to ordinary shares as of August 22nd 2013 and adjusted for 1:4 share split

PORR bonds as at December 31st 2013

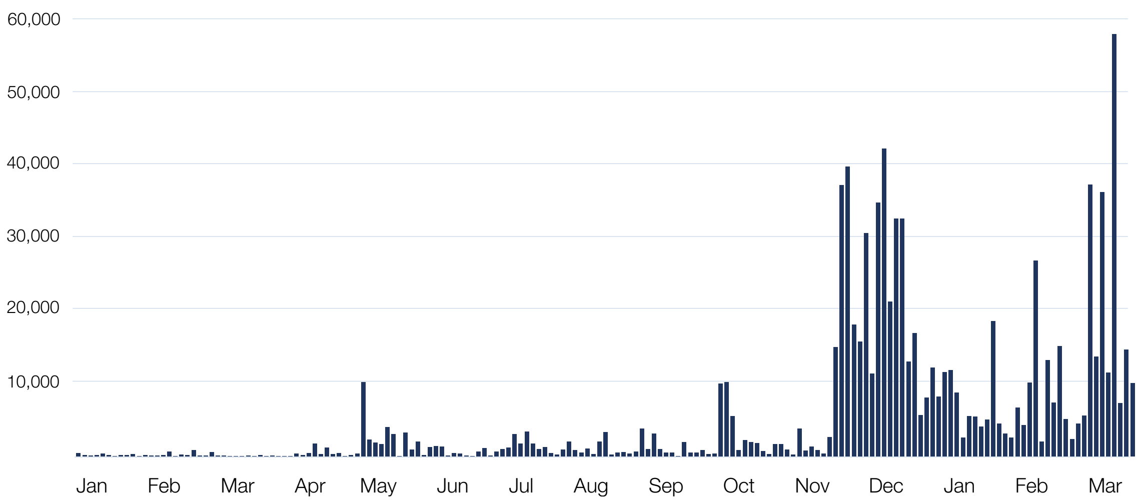
	ISIN	Ticker	Nominal	Coupon	Coupon date	Redemption
PORR bond 2009	AT0000A0F9G7	ABS3	EUR 100m	6.00%	6.5. and 6.11.	6.11.2014
PORR bond 2010	AT0000A0KJK9	ABS5	EUR 125m	5.00%	13.4. and 13.10.	13.10.2015
PORR bond 2012	AT0000A0XJ15	ABS4	EUR 50m	6.25%	4.12.	4.12.2016
PORR bond 2013	DE000A1HSNV2	ABS6	EUR 50m	6.25%	26.11.	26.11.2018

Analyst coverage and stronger IR communication

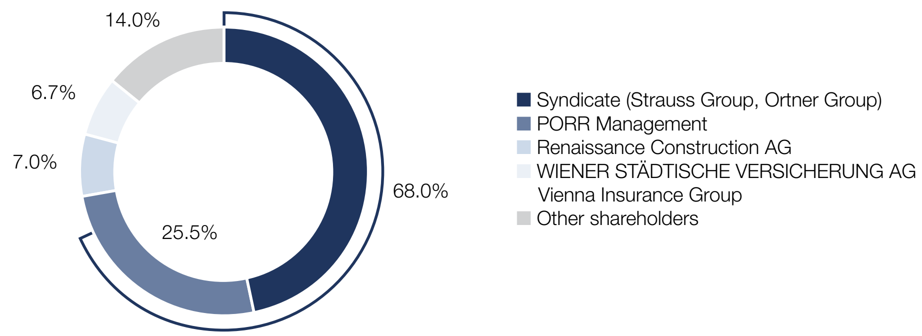
In addition to measures implemented directly by management to increase the trading liquidity and trading volumes, the PORR Group should also benefit from the first-time coverage by multiple renowned mid-cap brokers. The first coverage came from the ERSTE Group, followed by Steubing at the beginning of December. Four other brokers published equity research on PORR shortly after the end of the reporting period.

PORR shares have been listed in the Standard Market Continuous segment of the Vienna Stock Exchange since the beginning of March 2014.

Average trading volumes 2013 from the beginning of January 2013 to the end of March 2014
Shares traded



PORR AG[1] shareholder structure as at December 31st 2013



[1] not including capital share certificates

Financial Calendar 2014	
9.4.2014	Publication of the 2013 Annual Report
9.4.2014	Financial Results Press Conference
14.4.2014	Interest payment on PORR bond 2010
6.5.2014	Interest payment on PORR bond 2009
12.5.2014	Publication of the Interim Report on the 1st Quarter 2014
22.5.2014	134th Annual General Meeting, 11:00am, 1120 Vienna, EURO PLAZA, Am Europlatz 2, Building G
26.5.2014	Ex-dividend trading on the Vienna Stock Exchange
27.5.2014	Dividend payout day for the 2013 business year
29.8.2014	Publication of the Interim Report on the 1st Half 2014
13.10.2014	Interest payment on PORR bond 2010
6.11.2014	Interest payment and redemption of PORR bond 2009
11.11.2014	Publication of the Interim Report on the 3rd Quarter 2014
26.11.2014	Interest payment on PORR bond 2013
4.12.2014	Interest payment on PORR bond 2012

Investor Relations

The mutual trust in the PORR Group which has been shared by investors and partners for over 145 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. Our investor relations team is happy to answer any further questions (T +43 (0)50 626-1763, milena.ioveva@porr.at).

Corporate Governance

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 corporate growth 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. This is not currently the case for PORR, meaning 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.

The "Austrian Code of Corporate Governance" as laid out by the Austrian Working Group for Corporate Governance is available to the public on the homepage of the Austrian Working Group for Corporate Governance at www.corporate-governance.at.

The Group Executive Board

The Executive Board consists of between two and six people appointed by the Supervisory Board. The Supervisory Board also has the right to appoint deputies to the Executive Board. The Executive Board currently consists of three members. The Supervisory Board can name a member of the Executive Board as Chairman and name one member as the Deputy Chairman.

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 Executive Board must conduct its business in line with the specifications of the Austrian Stock Corporation Act, the statutes, other laws and the rules of procedure. The Executive Board must report regularly to the Supervisory Board on its activities. The Supervisory Board rules on the division of responsibilities in the Executive Board in line with maintaining the overall responsibility of the Executive Board as a whole. The Executive Board requires Supervisory Board approval in order to undertake any business dealings specified in the relevant version of Article 95 Section 5 Stock Corporation Act. In as far as legally permitted by Article 95 Section 5 Stock Corporation Act, the Supervisory Board lays down limits on amounts, up to which its approval is not required. Furthermore, the Supervisory Board is entitled to determine types of business which require its approval in additional to the legally stipulated (Article 95 Section 5 Stock Corporation Act) cases. The Supervisory Board has issued appropriate rules of procedure for the Executive Board.

The Executive Board passes resolutions by simple majority of the votes cast. If an Executive Board Member has been appointed as Chairman of the Executive Board, he has a casting vote in the case of a tie.

The Executive Board Members must fulfil their responsibilities as their main employment and manage the company's business with the care of a proper and conscientious manager. They must manage the business in a way which satisfies the interests of the shareholders, the staff members and of the public. The Executive Board members may not take on any other employment without the approval of the Supervisory Board and may not take on an executive function in any companies which are not within the consolidated group.

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. Any Deputy Executive Board Members are considered equal to regular Executive Board Members with regard to rights of representation.

The following list 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 2013 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

Christian B. Maier (d.o.b. 9.1.1966)
Executive Board Member, CFO
Member since 1.2.2012, appointed until 31.1.2015

J. Johannes Wenkenbach (d.o.b. 26.2.1957)
Executive Board Member, COO
Member since 1.2.2012, appointed until 31.1.2015

Ing. Karl-Heinz Strauss, MBA, was born on November 27th 1960 in Klagenfurt, Austria. After graduating from the technical college of civil engineering, he completed international study programmes in Harvard, St. Gallen and Fontainebleau. He received his MBA from IMADEC. From 1980 to 1984 he worked as an independent entrepreneur in the civil engineering sector. In 1987 he started his career at Raiffeisen Zentralbank Österreich Aktiengesellschaft (RZB) in the corporate customers sector. From 1992 he worked in various positions as a Managing Director and member of the Supervisory Board in various RZB real estate companies and was head of Concorde Projektentwicklungsgesellschaft m.b.H., which he played a large role in founding and building up. In 1994 he was appointed to the Executive Board of Raiffeisen Wohnbaubank AG. In 2000 he took over the management of STRAUSS & PARTNER IMMOBILIEN GmbH.

Karl-Heinz Strauss has been Chairman of the Executive Board and CEO at PORR since September 13th 2010. On the PORR Executive Board he is responsible for Risk Management/Compliance, the Office of the Executive Board and Strategy, Business Unit 1 – DACH, Business Unit 5 – Environmental Engineering and Business Unit 6 – Real Estate, along with Internal Audit, Corporate Communications, Legal Affairs, Human Resources and Quality Management.

MMag. Christian B. Maier was born on January 9th 1966 in Judenburg, Austria. 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 AG, where he was part of the team responsible for incorporating Creditanstalt into Bank Austria in 1997/1998. From 1998 to 2003 Christian B. Maier was an Executive Board Member and CFO of the listed company Unternehmens Invest AG. In 2003 he moved to Constantia Industries as Executive Board Member and CFO, where he played a key role in the company's success.

Christian B. Maier was appointed to the PORR Executive Board on February 1st 2012 and is the PORR CFO. On the Executive Board he is responsible for Risk Management/Compliance, Financial Management/Treasury/Insurance, Group Management, Accounting, Controlling/ICS, Tax and IT, as well as the financial management of the operating units.

Dipl.-Ing. J. Johannes Wenkenbach was born on February 26th 1957 in The Hague, Netherlands. He began his career at the Dutch construction company Ballast Nedam Groep NV after graduating from Delft University of Technology. During his career at various international construction companies, such as Strukton Groep NV and the Royal BAM Group subsidiary, Wayss & Freitag Ingenieurbau AG, he fulfilled various roles on Executive Boards and was able to extend his international expertise in the operating construction business. J. Johannes Wenkenbach has many years of experience in civil engineering, project planning and execution and in project management. In terms of geography, his experience is focused on the Middle East, South East Asia and Germany.

J. Johannes Wenkenbach was appointed as a regular Executive Board Member and PORR COO on February 1st 2012. On the PORR Executive Board he is responsible for Risk Management/Compliance, Business Unit 2 – CEE/SEE, Business Unit 3 – International, Business Unit 4 – Infrastructure, as well as for Purchasing and Porr Equipment Services GmbH.

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 Aktiengesellschaft
Raiffeisenbank Knittelfeld eGen

The Group's Supervisory Board

The Supervisory Board is composed of at least three and not more than twelve Members appointed by the Annual General Meeting (AGM). In line with Article 110 Section 1 of the Labour Constitutional Act, certain Members are also appointed by the Works Council. The Group's Supervisory Board currently consists of ten members appointed by the AGM and five further members appointed by the Works Council. As long as the AGM has not specified a shorter term when appointing one or all Members, the Supervisory Board Members 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. The reappointment of a Supervisory Board Member – also an outgoing Member – is permitted.

The appointment of a Member of the Supervisory Board can be rescinded before the end of his/her time in office by AGM resolution. The resolution requires a simple majority of votes cast. Every Member of the Supervisory Board can resign from his/her post following a 21-day notice period upon a written declaration to the Chairman of the Supervisory Board, without stating an important reason. The Chairman of the Supervisory Board, or his/her Deputy in the case of his/her resignation, can decide to shorten the notice period.

Should certain Members leave the Board before the end of their term in office, a vote to replace them is not required until the next AGM. However, a replacement vote is required at an extraordinary general meeting, to be held within six weeks, if the number of Supervisory Board Members falls below three. Members appointed as a replacement only serve for the remainder of the term which the previous member would have served, unless otherwise determined by the AGM at the time of the appointment.

A replacement Member can be appointed at the same time as the appointment of a Supervisory Board Member, in which case the replacement Member would take up his/her seat on the Supervisory Board effective immediately if the Supervisory Board Member steps down before the end of his/her time in office. If multiple replacement Members are appointed, the order in which they are to replace a Supervisory Board Member who steps down must be determined. A replacement Member can also be appointed as a replacement for multiple Supervisory Board Members, so that he/she takes a seat on the Supervisory Board if any one of these Members steps down prematurely. The term of office of a replacement Member who joins the Supervisory Board is terminated as soon as a successor to the former Supervisory Board Member has been appointed, or at the latest when the remainder of the former Supervisory Board Member's time in office comes to an end. Should the term of office of a replacement Member who joins the Supervisory Board be terminated because a successor to the former Supervisory Board Member has been appointed, the replacement Member still serves as a replacement for the additional Supervisory Board Members he/she has been chosen to represent.

In a meeting held once a year following the AGM, which does not require any special invitation, the Supervisory Board elects a Chairman and one or more Deputies from among its members. If two Deputies are appointed, then the order in which they are to take up the post shall be determined. The term in office runs until the end of the next AGM. If the Chairman or one of the elected Deputies withdraws from his/her post, the Supervisory Board must appoint a replacement for the rest of the term in office, whereby re-election is permitted.

Should no candidate win a simple majority vote, then a runoff election is held between the people who have received the most votes. Should the runoff election result in a tie, lots shall be drawn to decide the election. 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. The Chairman and the Deputies can resign their post at any time following a 14-day notice period upon a written declaration to the Supervisory Board; this does not require them to step down from the Supervisory Board at the same time.

Every Deputy Chairman has the same rights and responsibilities as the Chairman when he/she is standing in for him. This also applies to holding a casting vote in elections and passing resolutions. Should the Chairman and his deputies be prevented from realising their obligations, this obligation passes to the oldest Supervisory Board Member (in terms of age) for the duration of the incapacity. Declarations of intent by the Supervisory Board and its committees shall be submitted to the Chairman of the Supervisory Board, or to his Deputy should he be incapacitated.

In line with its legal responsibilities and those arising from the statutes, the Supervisory Board produces rules of procedure. Resolutions of the Supervisory Board on its rules of procedure require a simple majority of the Members appointed by the AGM in addition to the general requirements on resolutions.

The Supervisory Board can form committees made up of its members. Their responsibilities and powers as well as their general rules of procedure are specified by the Supervisory Board. The committees can also take on the authority to make decisions. The committees can be convened long-term or for individual tasks. The Employee Representatives on the Supervisory Board have the right to nominate Members with voting rights to the committees in the ratio specified by Article 110 Section 1 of the Labour Constitutional Act. This does not apply to meetings and votes which relate to relationships between the company and the Executive Board members, except resolutions on the appointment or dismissal of an Executive Board Member as well as resolutions granting options in company shares.

The Supervisory Board passes resolutions in its regular meetings. The Supervisory Board shall hold meetings as often as the interests of the company require, at least once per quarter. In 2013 the Supervisory Board held five regular and three extraordinary Supervisory Board meetings. The Chairman determines the form of the meeting, the way in which resolutions may be passed outside of meetings and the method of counting votes. The Executive Board Members attend all meetings of the Supervisory Board and its committees, as long as the Chairman of the meeting does not determine otherwise.

A Supervisory Board Member can nominate another Member in writing to represent him/her at a meeting. A Member represented in this way shall not be included in the count determining if the meeting is quorate. The right to chair the meeting cannot be deputised. A Supervisory Board Member, who is unable to attend a meeting of the Supervisory Board or its committees, is entitled to submit his/her written vote on individual agenda items via another Member of the respective Board or committee.

The Supervisory Board is quorate when all Members of the Supervisory Board have been properly invited to attend and when at least three Supervisory Board Members, including one Chairman or Deputy, participates in the resolution. A topic of negotiation which is not on the agenda can only be ruled on by the Supervisory Board if all Supervisory Board Members are present or represented and no Member participating in the resolution objects.

Resolutions are passed by simple majority of votes cast. Abstentions are not counted as votes cast. In the case of a tie – also in elections – the Chairman has the casting vote. Every Deputy Chairman acting in the capacity of the Chairman's representative has a casting vote in resolutions and elections; this also applies to committee Chairmen.

The Chairman can also decide that the votes of individual Members not in attendance can be cast in written, oral or comparable form (especially fax, email) for resolutions of the Supervisory Board or its committees.

Resolutions can also be passed by votes cast in written form (fax, email), without the Supervisory Board coming together for a meeting in cases where the Chairman (or his Deputy if he is incapacitated) so rules; this is conditional on no Supervisory Board Member explicitly objecting to this procedure in written form (fax, email) within a period of three working days. Representation by another Supervisory Board Member is not permitted when votes are cast in written form. A resolution is considered binding when all Supervisory Board Members have been asked for their vote in written form (fax, email) and at least three Members, including the Chairman or Deputy, have submitted their votes within a period of 7 working days.

Resolutions can also be passed by votes cast in the form of a teleconference, internet conference or video conference, without the Supervisory Board coming together in a meeting in cases where the Chairman (or his Deputy if he is incapacitated) so rules; this is conditional on no Supervisory Board Member explicitly objecting to this procedure in written form (fax, email) within a period of three working days. Representation by another Supervisory Board Member is not permitted. A resolution is considered binding when all Supervisory Board Members have been invited to the conference in written form (fax, email) and at least three Members, including the Chairman or Deputy, have submitted their votes at the conference.

Under the conditions defined in the statutes, meetings of the Supervisory Board can also be held using electronic communication, without the physical attendance of Supervisory Board Members at a meeting in a single venue. The Chairman can make use of the option to hold a video conference instead of a physical meeting of all members at one location, in particular when the urgency of convening a meeting, the frequency of meetings or the absence of Supervisory Board Members from the location suggest this would be in the interests of the company.

Composition of the Supervisory Board

The following table shows the current members of the Supervisory Board in 2013, 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:

Karl Pistotnik (d.o.b. 12.8.1944)
Chairman since 6.12.2012
Member since 6.12.2012, appointed until AGM 2014[1]

Klaus Ortner (d.o.b. 26.6.1944)
Deputy Chairman since 21.6.2012
Chairman until 21.6.2012
Member since 30.7.1998, appointed until AGM 2014[1]

Nematollah Farrokhnia (d.o.b. 8.8.1946)
Member
Member since 27.5.2010, appointed until AGM 2014[1]

Walter Knirsch (d.o.b. 8.2.1945)
Member
Member since 6.12.2012, appointed until AGM 2014[1]

Martin Krajcsir (d.o.b. 11.5.1963)
Member
Member since 24.6.2004, appointed until AGM 2014[1]

Iris Ortner (d.o.b. 31.8.1974)
Member
Member since 27.5.2010, appointed until AGM 2014[1]

Karl Samstag (d.o.b. 3.12.1944)
Member
Member since 16.9.1992, appointed until AGM 2014[1]

Bernhard Vanas (d.o.b. 10.7.1954)
Member
Member since 6.12.2012, appointed until AGM 2014[1]

Susanne Weiss (d.o.b. 15.4.1961)
Member
Member since 6.12.2012, appointed until AGM 2014[1]

Thomas Winischhofer (d.o.b. 26.5.1970)
Member
Member since 29.5.2008, appointed until AGM 2014[1]

Peter Grandits[2] (d.o.b. 9.12.1959)
Member
Member since 13.9.2001, appointed until n/a

Walter Huber[2] (d.o.b. 7.6.1955)
Member
Member since 1.7.2010[3], appointed until n/a

Walter Jenny[2] (d.o.b. 12.12.1954)
Member since 1.9.2005[4], appointed until n/a

Michael Kaincz[2] (d.o.b. 31.1.1960)
Member
Member since 9.6.2011, appointed until n/a

Michael Tomitz[2] (d.o.b. 4.1.1961)
Member
Member since 9.6.2011, appointed until n/a

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:

Karl Pistotnik
Chairman of the Supervisory Board of:
SDN Beteiligungs GmbH
Deputy Chairman of the Supervisory Board of:
Treuhand- und Kontroll-Aktiengesellschaft (Societa Fiduciaria e di Controllo Societa per Azioni, Trust and Control Company Ltd., Societe Fiduciare et de Controle Societe Anonyme)

[1] The Supervisory Board members are appointed by the Annual General Meeting until the end of Annual General Meeting which will rule on the fiscal year 2013.
[2] Delegated by the Works Council
[3] Walter Huber was previously a member of the Supervisory Board from 13.9.2001 to 20.5.2009.
[4] Not a member from 6.11.2012 to 6.12.2012

Supervisory Board Member of:
Stumpf AG

Klaus Ortner
Chairman of the Supervisory Board of:
ELIN GmbH

Walter Knirsch
Supervisory Board Member of:
Finanzmarktaufsicht (FMA)

Martin Krajcsir
Chairman of the Supervisory Board of:
IWS TownTown AG
WIENER STADTWERKE Finanzierungs-Services GmbH
Deputy Chairman of the Supervisory Board:
WIEN ENERGIE GmbH
Supervisory Board Member of:
B&F Wien – Bestattung und Friedhöfe GmbH
Burgenland Holding Aktiengesellschaft
WIENER NETZE GmbH

Iris Ortner
Deputy Chair of the Supervisory Board of:
ELIN GmbH
TKT Engineering Sp. z o.o.

Karl Samstag
Supervisory Board Member of:
Bank für Tirol und Vorarlberg Aktiengesellschaft
BKS Bank AG
Handl Tyrol Beteiligung GmbH
Oberbank AG
Österreichisches Verkehrsbüro Aktiengesellschaft
SCHOELLER-BLECKMANN OILFIELD EQUIPMENT Aktiengesellschaft
SIGNA Prime Selection AG
UniCredit Bank Austria AG
VAMED Aktiengesellschaft

Susanne Weiss
Chair of the Supervisory Board of:
ROFA AG
Supervisory Board Member of:
Giesecke & Devrient GmbH
Schattdecor AG
UniCredit Bank AG, München[5]
Wacker Chemie AG

Thomas Winischhofer
Supervisory Board Member of:
TKT Engineering Sp. z o.o.

Supervisory Board committees

In 2013 the Supervisory Board formed the following committees made up of its members:

Audit committee

The audit committee was composed of the following Supervisory Board members in 2013: Karl Pistotnik, Klaus Ortner, Karl Samstag, Bernhard Vanas, Thomas Winischhofer, Peter Grandits, Walter Huber and Michael Tomitz. Karl Samstag is the financial expert as defined in Article 92 Section 4a 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 9th 2013 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 2012 consolidated financial statements. At the same meeting, the Supervisory Board selected the auditor for the individual and consolidated financial statements as at December 31st 2013 and addressed the internal audit and risk management. A further meeting of the audit committee was held on September 17th 2012; the purpose of this meeting was to monitor the financial reporting process, evaluate the effectiveness of the internal control system, the internal audit system and risk management within the Group.

Staff committee

The staff committee was composed of the following Supervisory Board members in 2013: Karl Pistotnik, Klaus Ortner and Susanne Weiss. The staff committee deals with human resource issues related to the Group's Executive Board.

[5] To 31.12.2013

Capital increase committee

A capital increase committee was established on March 18th 2013 and was composed of the following Supervisory Board members: Karl Pistotnik, Klaus Ortner, Bernhard Vanas and Peter Grandits. On April 24th 2013, the committee members were newly elected as follows: Karl Pistotnik, Walter Knirsch, Bernhard Vanas, Thomas Winischhofer and Peter Grandits.

The capital increase committee was established in the course of the capital increase from authorised capital. The capital increase committee should secure a flexible approach by the Supervisory Board in the course of the capital increase from authorised capital. The purpose of the capital increase committee was therefore to rule on approval for the final capital increase volume determined by the Executive Board after the end of the subscription period and to implement the respective amendments to Article 4 of the statutes in the case of a capital increase being realised. The committee also had to decide on all other necessary determinations, pass resolutions and give and receive explanations on everything which was useful or required in relation to the capital increase.

The Executive Board resolution on implementing the capital increase from authorised capital was passed on May 15th 2013. The capital increase committee met the same day and approved the capital increase from authorised capital, as well as approving the allocation of unsubscribed shares to selected investors as part of the private placement. The capital increase committee was disbanded on May 24th 2013.

Positive action for women

Female managers at various levels of the organisation, division heads, female authorised signatories and two female members 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 fact that very few women choose a technical career has led to a traditionally low ratio of women in the construction industry. It is also 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" or the "Apprenticeship Day", in order to encourage girls and women to take up 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 attendance at 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 upper management levels in the medium term.

Disclosure on Executive Board remuneration

Remuneration policy principles

The total remuneration of the Executive Board consists of a fixed salary, a variable bonus and other compensation.

The maximum value of the variable performance bonus for the Chairman of the Executive Board amounts to EUR 300,000.00 gross per year. The calculation relates to the Group's annual earnings after deductions for non-controlling interest. If the annual earnings meet or exceed the amount defined with the staff committee, the Chairman of the Executive Board is entitled to the maximum amount of the variable performance bonus. If earnings are below the defined amount, he is entitled to an aliquot share. Furthermore, the Chairman of the Executive Board is entitled to a superbonus if certain quantitative and qualitative criteria are met.

The maximum value of the bonus for the Executive Board members Christian B. Maier and J. Johannes Wenkenbach amounts to EUR 400,000.00 gross per year. The precondition for granting this bonus is fulfilling the quantitative and qualitative elements of a set of criteria which are determined by the Supervisory Board's staff committee.

An annual contribution of EUR 25,000.00 is paid into a pension scheme for Executive Board members Christian B. Maier and J. Johannes Wenkenbach.

D&O liability insurance covers the members of the Executive Board, the cost of which is borne by the company. J. Johannes Wenkenbach receives a housing supplement paid by the company.

Executive Board remuneration

Name	2013 salary	Variable gratuities	Pension fund
Karl-Heinz Strauss	700,000.00	500,000.00	-
Christian B. Maier	400,008.00	400,000.00	25,000.00
J. Johannes Wenkenbach	450,008.00[1]	400,000.00	25,000.00

[1] Including housing supplement

Disclosure on Supervisory Board remuneration

In addition to reimbursement of expenses and an attendance fee for every meeting, all Supervisory Board Members receive an annual payment for their services. The amount of the attendance fee and the annual payment are determined by a resolution by the Annual General Meeting (AGM). The AGM can also rule on a total amount of remuneration for the Supervisory Board and leave the Chairman of the Supervisory Board to decide how it is distributed. If the Supervisory Board mandate begins or ends during a business year, the respective Supervisory Board Member is paid aliquot compensation for the duration of his/her time on the Supervisory Board.

If Members of the Supervisory Board take on special activities in this function and in the interests of the company, extra compensation for this can be approved by AGM resolution.

In the interests of the company, Supervisory Board Members are covered by an appropriate level of D&O liability insurance, the costs of which are borne by the company.

The resolution of the AGM on July 11th 2013 determined the following remuneration for Members of the Supervisory Board: the resolution states that the Chairman of the Supervisory Board shall receive fixed remuneration of EUR 25,000 per year, the Deputy Chairman of the Supervisory Board shall receive fixed remuneration of EUR 20,000 per year and the other Members shall receive fixed remuneration of EUR 15,000 per year. The attendance fee for meetings was set at EUR 1,000 per meeting of the Supervisory Board or one of its committees. Members of the Supervisory Board who do not reside in Austria receive an additional reimbursement of tax at source settled by the company. The fixed remuneration is due in arrears once a year, within four weeks of the AGM. The attendance fee for meetings is due within the four weeks following the respective Supervisory Board meeting.

Furthermore, the Supervisory Board Members appointed by the AGM have no claim whatsoever to pension or redundancy payments or any similar compensation upon conclusion of their mandates.

Supervisory Board Report

The Supervisory Board considers PORR to have consistently pursued its declared course in the last business year. Focusing on the economically stable home markets and the company's core competencies in building construction and civil engineering has made a considerable contribution to the company's achievement in sustainably cementing the turnaround achieved in 2012. Furthermore, the significant improvements in EBITDA and net debt have proven the value of the efforts undertaken with regard to finance. The Supervisory Board positively acknowledges the successful and productive cooperation of the Executive Board Members, J. Johannes Wenkenbach (COO) and Christian B. Maier (CFO) under the leadership of CEO Karl-Heinz Strauss.

In 2013 it was once again possible to acquire several large-scale projects in the infrastructure sector, such as Koralm Tunnel lot KAT 3 and Emscher Canal lot 40. PORR has thereby achieved a historic high in the order backlog on the five home markets, which already represents solid capacity utilisation for the coming years. This project portfolio is complemented by the successful business activities in Qatar, where the company acquired the largest tender in its history with the Green Line for the Doha metro, following on from the successful enabling works. Taking all of these factors together, the Supervisory Board believes they provide a good basis for the Group's continued business success.

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 eight 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 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 82.5%.

The Supervisory Board formed an audit committee, which was composed of the following Supervisory Board members in 2013: Karl Pistotnik, Klaus Ortner, Karl Samstag, Bernhard Vanas, Thomas Winischhofer, Peter Grandits, Walter Huber and Michael Tomitz. Karl Samstag is the financial expert as defined in Article 92 Section 4a Stock Corporation Act.

On April 9th 2013 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 2012 consolidated financial statements. At the same meeting the Supervisory Board selected the auditor for the individual and consolidated financial statements as at December 31st 2013 and addressed the internal audit and risk management. A further meeting of the audit committee was held on September 17th 2013; the purpose of this meeting was to monitor the financial reporting process, evaluate the effectiveness of the internal control system, the internal audit system and risk management within the Group.

The staff committee was composed of the following Supervisory Board members in 2013: Karl Pistotnik, Klaus Ortner and Susanne Weiss. The staff committee deals with human resource issues related to the Group's Executive Board.

The Supervisory Board formed a capital increase committee on March 18th 2013 to oversee the capital increase from authorised capital. The capital increase committee consisted of the Supervisory Board members Karl Pistotnik, Klaus Ortner, Bernhard Vanas and Peter Grandits, who was appointed by the Works Council. The capital increase committee should secure a flexible approach by the Supervisory Board in the course of the capital increase from authorised capital. The purpose of the capital increase committee was therefore to rule on approval for the final capital increase volume determined by the Executive Board after the end of the subscription period and to implement the respective amendments to Article 4 of the statutes in the case of a capital increase being realised. The committee also had to decide on all other necessary determinations, pass resolutions and give and receive explanations on everything which was useful or required in relation to the capital increase. On April 24th 2013, the committee members were newly elected as follows: Karl Pistotnik, Walter Knirsch, Bernhard Vanas, Thomas Winischhofer and Peter Grandits.

The Executive Board resolution on implementing the capital increase from authorised capital was passed on May 15th 2013. The capital increase committee met the same day and approved the capital increase from authorised capital as well as approving the allocation of unsubscribed shares to selected investors as part of the private placement. The capital increase committee was disbanded on May 24th 2013, after the capital increase from authorised capital had been concluded.

The annual financial statements of PORR AG as per December 31st 2013, 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 2013 in accordance with International Financial Reporting Standards (IFRS) and the Group management report, were audited by 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 company has therefore issued an unqualified audit opinion for the annual and consolidated financial statements.

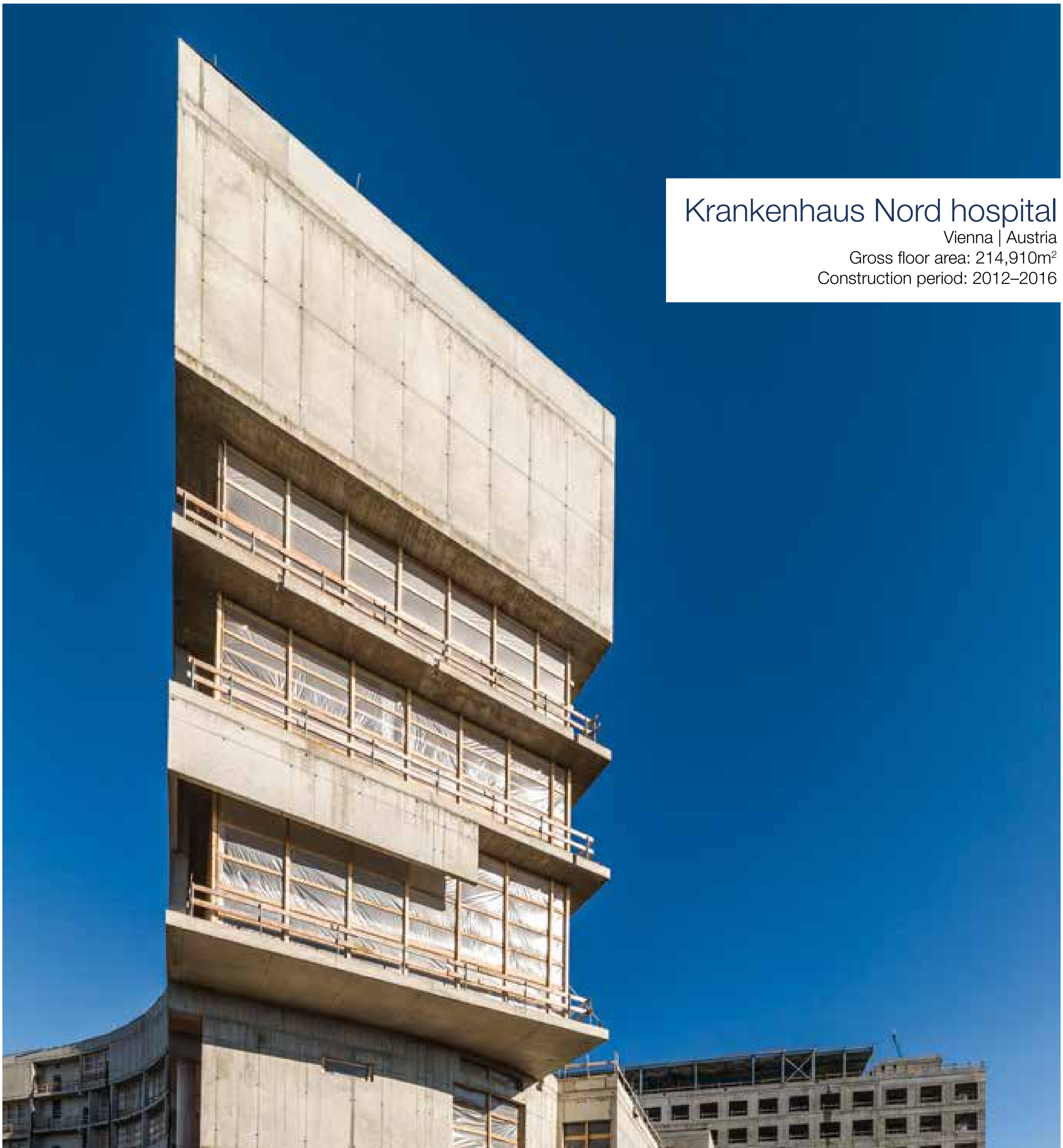
The audit report prepared by the auditor, the Corporate Governance report and the Executive Board's proposal on the appropriation of net profit were dealt with in detail with the auditors on April 7th 2014 in the audit committee and submitted to the Supervisory Board. The Executive Board proposes to pay out a dividend of EUR 1.00 per share entitled to dividends and a profit share of EUR 4.00 per capital share certificate from the net retained profits of EUR 12,134,455.22, with the rest of the balance carried forward to new account. The audit committee and the Supervisory Board have approved the annual financial statements as of December 31st 2013 and the Group management report, the Corporate Governance Report and the proposal of the Executive Board regarding the appropriation of net profits following intensive discussion and auditing. The annual financial statements as of December 31st 2013 have thus been adopted. The audit committee and the Supervisory Board also approved the consolidated accounts for 2013 that had been prepared in accordance with IFRSs 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 2013, Vienna

Karl Pistotnik
Chairman of the Supervisory Board

PORR in Pictures



Krankenhaus Nord hospital

Vienna | Austria
Gross floor area: 214,910m²
Construction period: 2012–2016

Palais Hansen

Hotel and apartments
Vienna | Austria
Gross floor area: 33,204m²
Construction period: 2010–2013

Mariahilferstraße 1a, 1b, 1c, 1d

Facade refurbishment
Vienna | Austria
Gross floor area: 19,207m²
Construction period: 2008–2013

Sonnwendviertel residential complex

Lot C.03.01
Vienna | Austria
Gross floor area: 27,824m^2
Construction period: 2012–2014

Alexander Parkside

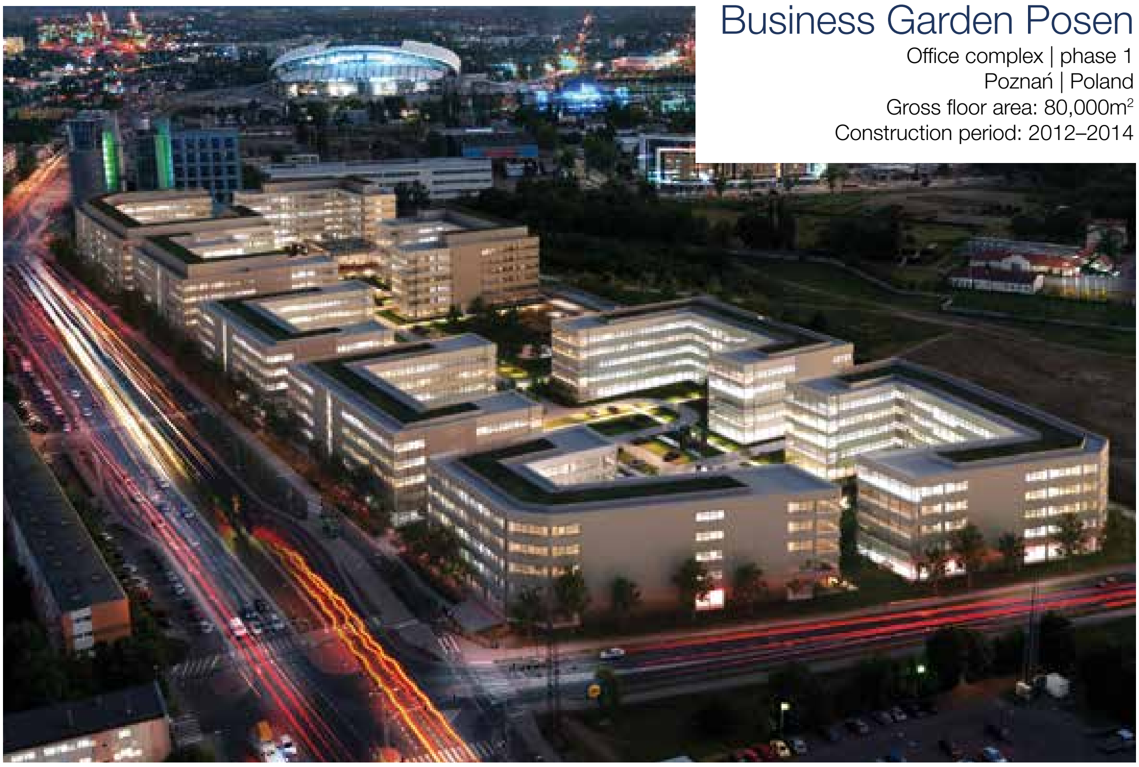
Hotel and residences
Berlin | Germany
Gross floor area: 31,000m^2
Construction period: 2010–2013

Gdynia Waterfront

Hotel and office complex | phase 1
Gdynia | Poland
Gross floor area: 30,000m²
Construction period: 2013–2015

Business Garden Posen

Office complex | phase 1
Poznań | Poland
Gross floor area: 80,000m²
Construction period: 2012–2014



EURO PLAZA 5

Office Park
Vienna | Austria
Gross floor area: 34,000m²
Construction period: 2012–2014

Styria Media Center Graz

Office building
Graz | Austria
Gross floor area: 31,875m²
Construction period: 2013–2014

Narzissen Bad Aussee

Spa and wellness centre
Bad Aussee | Austria
Gross floor area: 6,641m²
Construction period: 2012–2013

New construction BMW subsidiary

Berlin | Germany
Gross plot area: 16,210m²
Construction period: 2012–2014

Doha Metro – Green Line

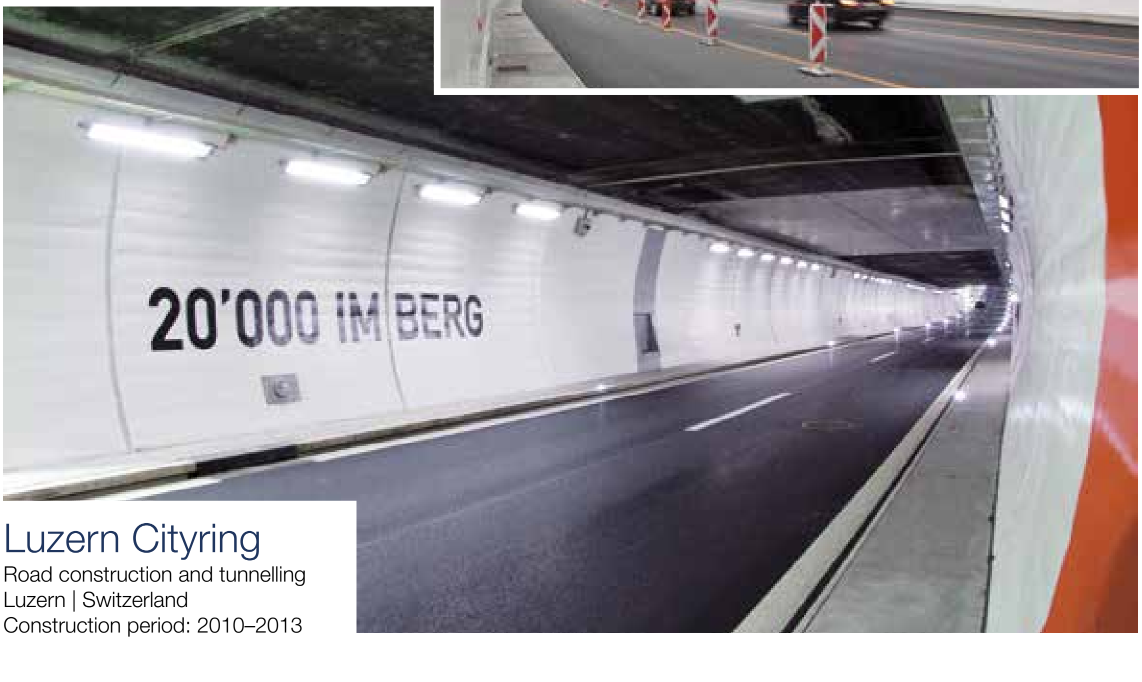
Underground rail construction
Doha | Qatar
Length of twin tunnel: 16.6km
Six underground rail stations
Construction period: 2013–2018

Vienna International Airport
Overhauling piste 16/34

Austria
Length: 6.6km
Area: 220,000m²
Built: 2013

S10 Mühlviertler expressway

New construction Unterweitersdorf – Freistadt Nord
Freistadt | Austria
Total length: 22km
Construction period: 2009–2015



Luzern Cityring

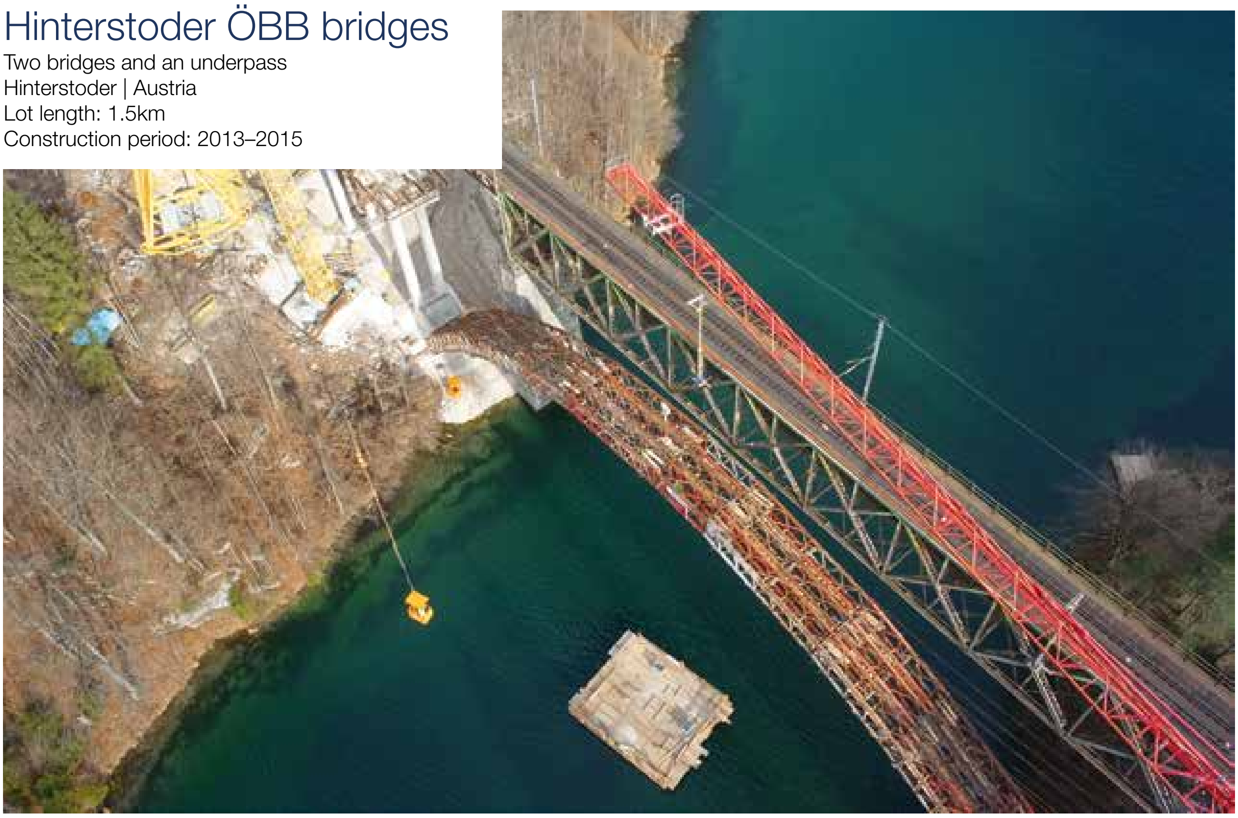
Road construction and tunnelling
Luzern | Switzerland
Construction period: 2010–2013

Muotathalerstraße Gibelhorn

Road construction Muotathal | Switzerland
Length: 1.2km
Construction period: 2013–2015

Hinterstoder ÖBB bridges

Two bridges and an underpass
Hinterstoder | Austria
Lot length: 1.5km
Construction period: 2013–2015



Albaufstieg

Boßler Tunnel, Steinbühl Tunnel
Railway construction/high-speed route
Baden-Württemberg | Germany
Length: approx. 27km tunnel
Construction period: 2012–2018

VDE 8.2 Erfurt–Halle/Leipzig

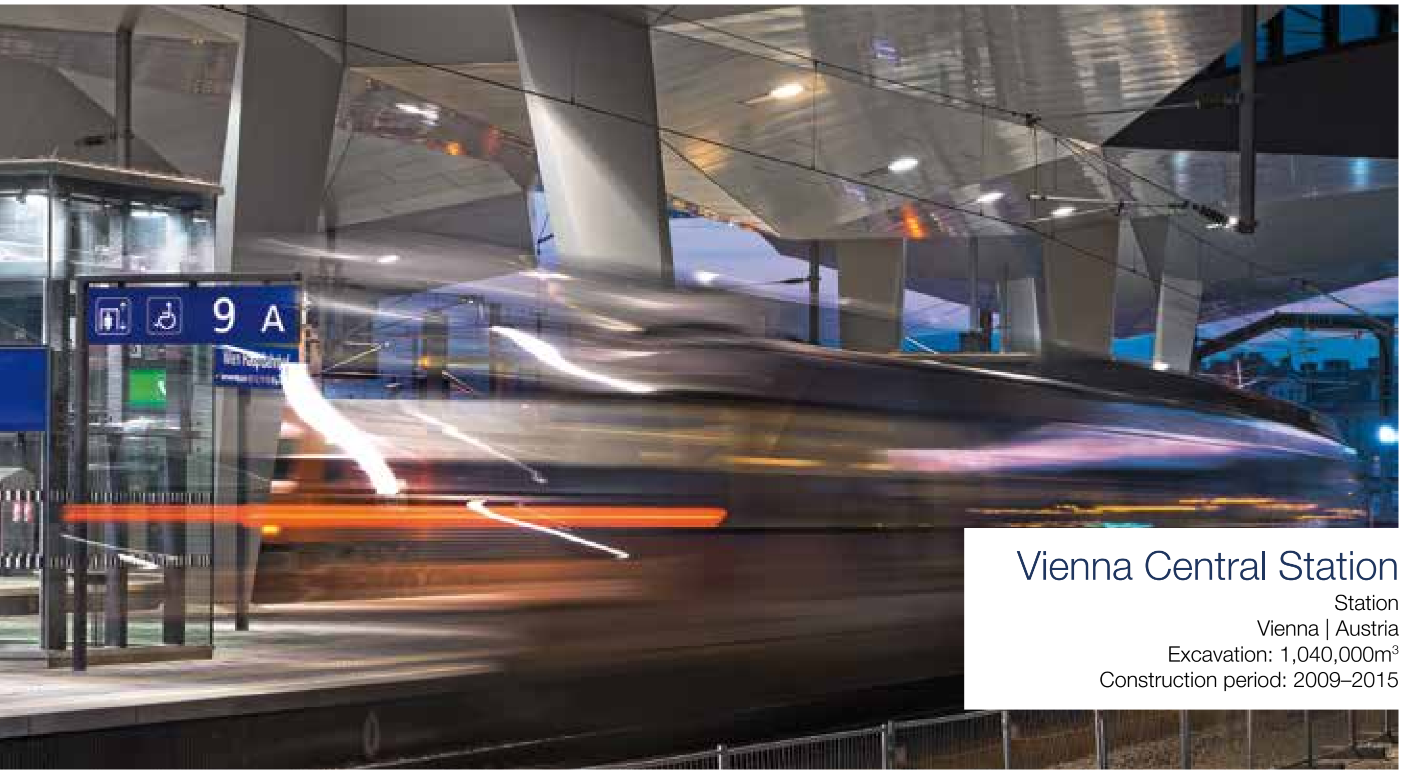
High-speed line
Saxony-Anhalt/Thüringen | Germany
Length: 180km slab track system
Construction period: 2011–2015

Stuttgart 21/lots 2A and 3

Branch lines Ober- and Untertürkheim
Stuttgart | Germany
Concrete: 22,400m³
Construction period: 2012–2018

Koralmtunnel/KAT 3

Railway construction/tunnelling
Carinthia/Styria | Austria
Tunnelling: 23km
Construction period: 2013–2020

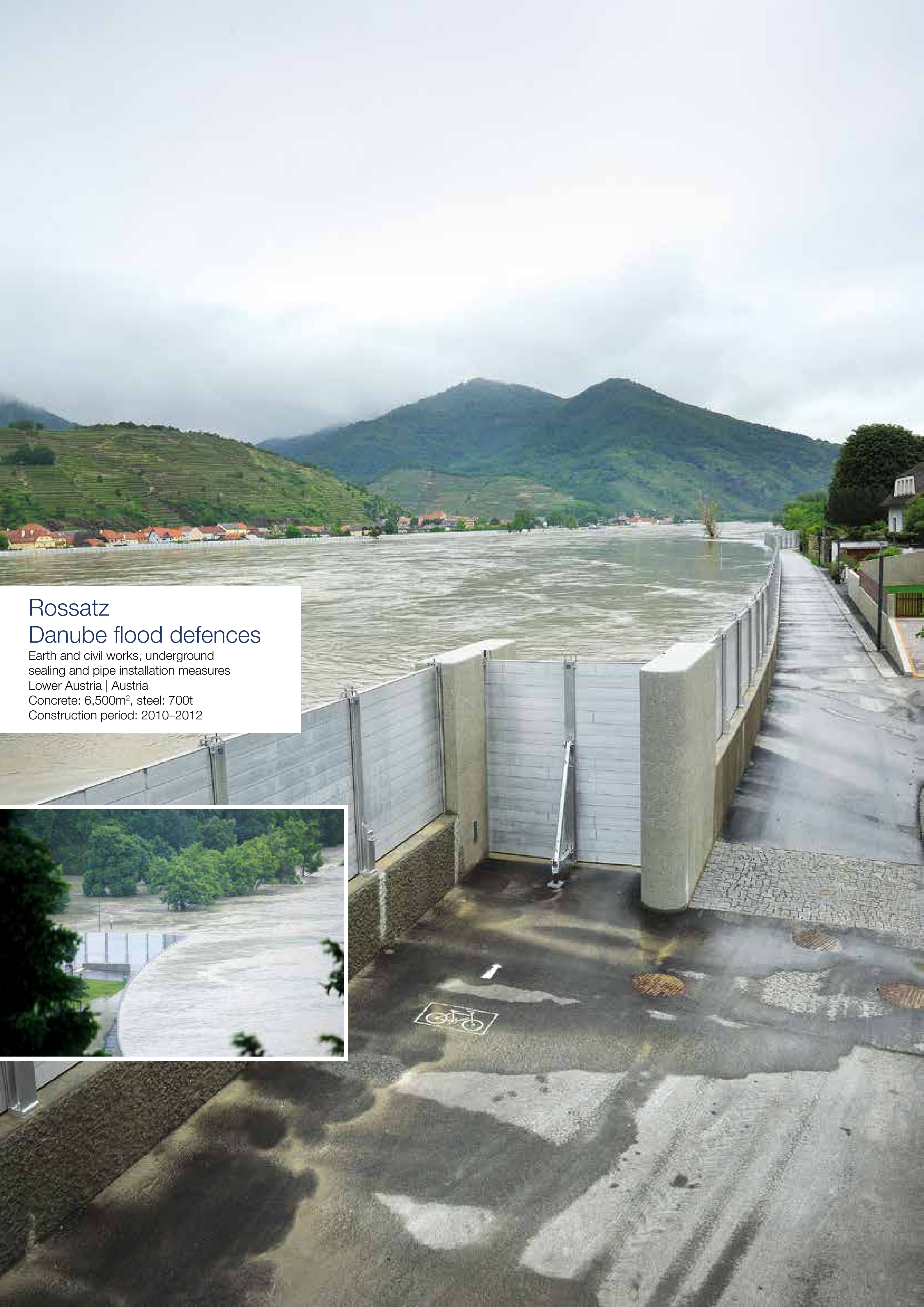


Vienna Central Station

Station
Vienna | Austria
Excavation: 1,040,000m^3
Construction period: 2009–2015

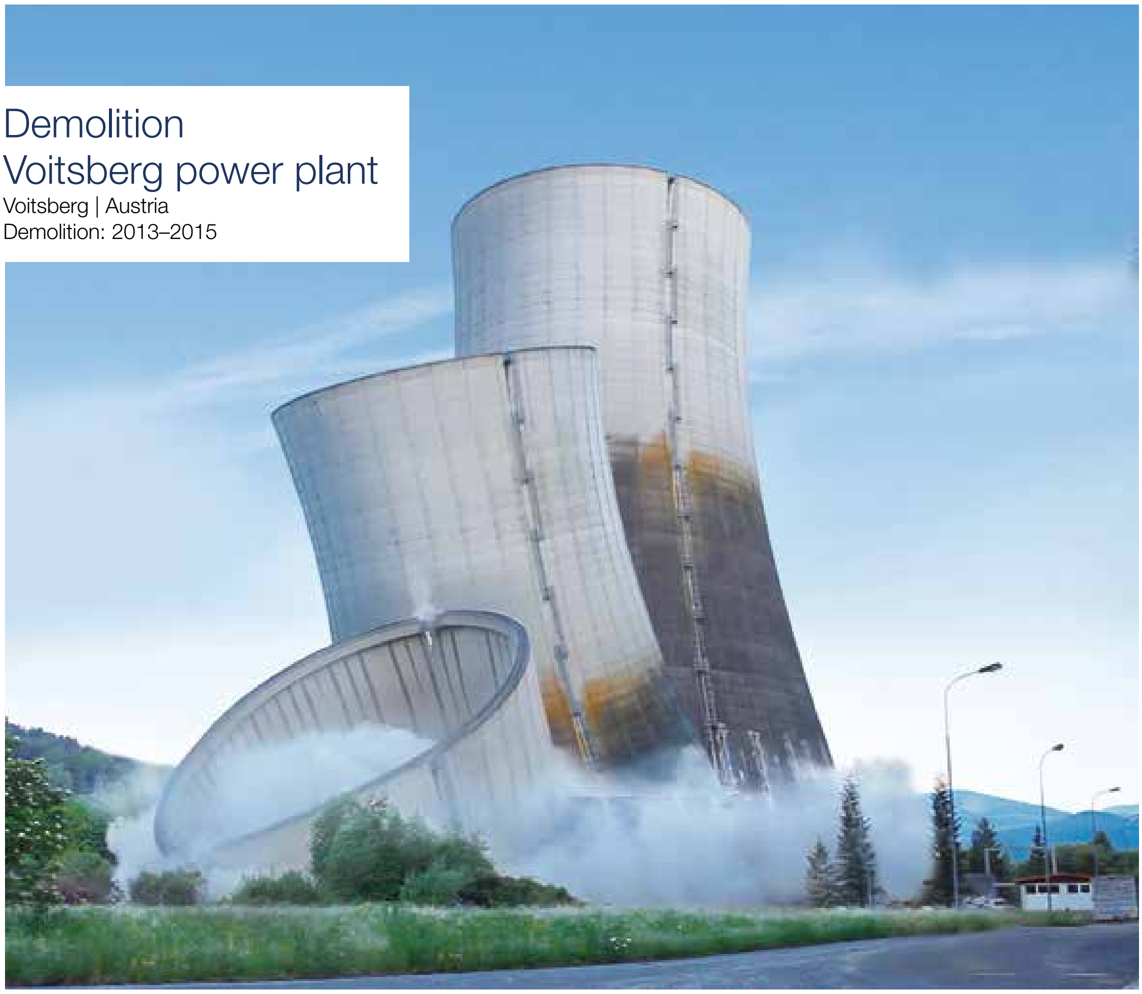
Berliner Rathaus Underground station

New construction U5 underground line
Special civil engineering and concrete shell works
Berlin | Germany
Concrete: 40,000m^3
Construction period: 2013–2016



Rossatz
Danube flood defences

Earth and civil works, underground sealing and pipe installation measures
Lower Austria | Austria
Concrete: 6,500m², steel: 700t
Construction period: 2010–2012



Demolition Voitsberg power plant

Voitsberg | Austria
Demolition: 2013–2015

Zurndorf Windpark

Wind farm
North Burgenland | Austria
Energy output: 9MW

Management Report

General Economic Environment

Slight recovery for global economy

The global economy stabilised somewhat in 2013, even as GDP growth of 2.8% represented a decrease for the third year in a row. As in recent years, momentum in Asia sustained global growth, with most other economic areas achieving a below-average performance.

However, the considerable decrease in restrictive budget consolidation measures observed in 2013 is a good sign of positive developments to come for the global economy, as these measures have put the brakes on economic growth in the past few years. Industrial nations in particular are once again set to play a greater role in growth in the future, while emerging nations continue to send out mixed signals.

In contrast to Europe, the US economy has been growing steadily for over two years; the recovery gathered pace in the third quarter 2013 with growth of 1.7% at the end of the year. The outlook for 2014 is also promising, although the initial economic data for the current year suggest weaker consumer spending. Given the stable growth forecasts and the continuous fall in unemployment, the Federal Reserve has taken the first step in reducing its extremely loose monetary policy, with further steps possible throughout 2014.

Economic momentum in China remained almost unchanged, with economic growth of 7.5% in 2013 – a stable rate, albeit significantly lower than the preceding years. Public investment in infrastructure is playing a considerable role in this growth. In Japan there was a slowdown in the expansion seen in the previous year, but growth held steady at 1.8%. There was, however, a shift in growth drivers. In the first half of the year consumer spending and exports rocketed as a result of the devalued yen, while third quarter growth was mainly driven by investments.

Economic growth remains weak in the EU

Differences in economic growth in the eurozone continued to be pronounced. Although the pace of growth slowed in Germany and France in 2013, Germany in particular cemented its status as an economic powerhouse.

Italy's negative growth rate decreased slightly, while Spain managed to pull itself out of recession, although the cautious growth here is starting out from a very low level. The upswing in Great Britain continued; however, the one-sided focus on the finance sector continues to be a major risk factor.

For the eurozone as a whole, GDP fell by 0.5% in the reporting period. Nevertheless, the eurozone emerged from the recession in the third quarter 2013 and sentiment indicators have been trending upward since then. The outlook for 2014 is stable with a growth forecast of 1.1%, still modest in international terms.

Average eurozone inflation reached 0.8% in December, the lowest level since the crisis year of 2009. The easing of commodities prices and weak (partly negative) wage increases in several EU countries stifled price movements, leading the ECB to cut its benchmark interest rate from 0.5% to 0.25% as of November 13th 2013.

Disparate growth in CEE/SEE

The economic slowdown in Central and Eastern Europe which took hold in 2012 continued in the reporting period. While the region was still experiencing growth in 2012 of 2.2%, the pace slowed considerably to 1.2% in 2013. This reticent growth largely resulted from weak output in the eurozone, the region's main export market. Stagnating commodities prices and sustained consolidation measures in the public sector had a negative impact on economic output.

Differences within the region were highly pronounced. While the Polish and Slovakian markets did well and Hungary returned to moderate growth (albeit from an extremely low absolute level), the Czech Republic and Slovenia tailed off and are once again showing possible signs of recession.

The economy picked up again in South-Eastern Europe in 2013. The Romanian economy achieved significant growth against a backdrop of successful consolidation efforts and improvements in competitiveness.

Economic growth indicators 2013

in %	Growth rate real-terms GDP	Inflation rate (HVPI basis)	Unemployment rate (seasonally adjusted)
European Union	+0.1[1]	1.5	10.7[1]
Eurozone	-0.5[1]	1.4	12.0[1]
Austria	+0.4[2]	2.1	4.4[1]
Germany	+0.4[2]	1.6	5.1[1]
Switzerland	+0.9[2]	0.1	3.5[3]
Poland	+1.2[2]	0.8	10.1[1]
Czech Republic	-1.5[2]	1.4	6.7[1]

[1] Source: Eurostat
[2] Source: Euroconstruct
[3] Source: WKO

Moderate upswing in Austria

In line with the eurozone, 2013 was a difficult year for the Austrian economy. Although it did not slip back into recession, GDP growth of 0.4% was significantly lower than in the previous years. One main factor was a decrease in consumer spending, against a backdrop of rising unemployment and shrinking household income. The construction industry was one of several sectors to achieve a modest increase in real value added in 2013.

A renewed economic upturn has been forecast for 2014. In light of the significant increase in order bookings, improvements in income trends and continuing low inflation rates, real consumption is set to increase sharply. The outlook for Austrian business is also much more positive and economic growth is expected to reach 1.7% in Austria in 2014.

Developments in the construction industry

Crisis not yet over for construction industry

2013 was a year of transition for the European construction industry. Numerous trends and developments from recent years came to an end and important signals are emerging in 2014, which will also define the years to come. Construction output in Europe fell once again by 3.0%.

Significant decreases were seen in some parts of South-Eastern Europe. Portugal (-16.5%) and Spain (-23.0%) continued to suffer the sharpest falls in construction output, both in absolute terms and as a percentage. Countries such as the Netherlands (-5.0%), Ireland (-3.5%), Italy (-3.3%) and France (-2.8%) also had to contend with declining output in 2012. In addition, Poland (-8.9%) and the Czech Republic (-8.2%) reported sharp falls in production output. In contrast, Denmark (+2.4%), Switzerland (+2.8%), Austria (+0.5%) and Germany (+0.3%) managed to buck the general negative trend and even reported slight growth.

Return to growth in 2014 at the earliest

The European construction market is expected to return to growth in 2014, with a slight increase of 0.9%. Nevertheless, this growth is weak in comparison to GDP growth, with the industry's difficulties likely to continue. A further market shakeout is expected, particularly in the crisis regions of Southern and Eastern Europe. The construction market in France, Italy and Spain is expected to shrink further, although not as rapidly as in recent years. Eastern Europe remains split into growth markets (such as Poland where growth of 3.5% has been forecast) and markets which continue to decline (such as the Czech Republic, which is expected to shrink by a further 2.8%).

Realignment of sectors continues

In terms of sector, the construction industry is on the brink of major change. In the years prior to the crisis, the overall construction market was stable and split between the three sectors of residential construction, building construction and civil engineering. However, this distribution shifted in 2012. National budget problems mean that significantly less weight is likely to be given to civil engineering in the coming years.

Residential construction was responsible for around 45.4% of the European construction market in 2013 and is also set to be the defining segment in the next three years. The sector crisis faced a double dip during the crisis; after bottoming out in 2009, it recovered in 2010 before experiencing a renewed fall to a trough in 2013. From 2014 on, annual growth across Europe is expected to return to around 2.0%.

Building construction investment (without residential construction) accounted for around 32.5% of the total market in 2013. A moderate upward trend has been forecast from 2015, until then output is set to carry on declining. The largest share within building construction continues to go to retail (20%), offices (17%) and industry (16%), while the highest growth rates are in the healthcare sector.

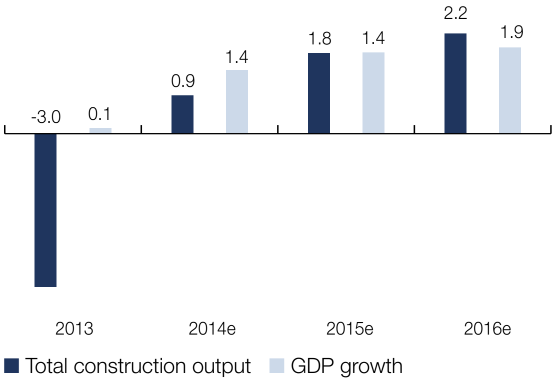
Civil engineering reached its lowest point in the reporting period and accounted for just 22.1% of European construction output. Only modest potential growth has been forecast for the coming years. The countries worst-hit by the crisis have seen some particularly sharp falls – since 2008 production output in civil engineering has declined by 85% in Spain, 42% in Portugal and 52% in Ireland.

Varied developments on Austria's construction market compared to EU

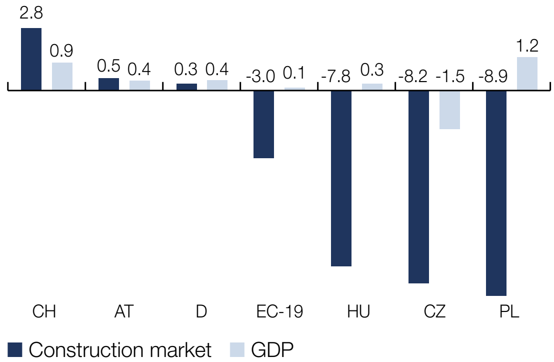
Austria's construction market growth of +0.5% was the third highest in the EU in 2013. Austrian construction output is likely to mirror the trend of GDP, albeit with lower growth rates. Despite the improved baseline in recent years, Austria will slip behind more dynamic construction markets in Central and Northern Europe as early as 2014. Growth is expected to be 1.2% in 2014, but this still puts Austria only in 8th place in the EU.

Austrian civil engineering should benefit from the ASFINAG construction programme in the coming years, thereby experiencing stronger growth than the rest of Europe. Following the low point in the reporting period, railway construction is also expected to see a significant rise in tenders. Euroconstruct has identified additional opportunities in Austria in the energy sector, while investments in water and flood defences are likely to peak by 2014 at the latest before starting to decline.

GDP growth and construction output in Euroconstruct countries 2013–2016e
in %



Construction market growth and GDP 2013
in %



Source: Euroconstruct
Definition: Euroconstruct Countries (EC-19): D, AT, CH, CZ, HU, PL, SK, B, NL, DK, FIN, F, I, IRE, N, P, E, S, UK

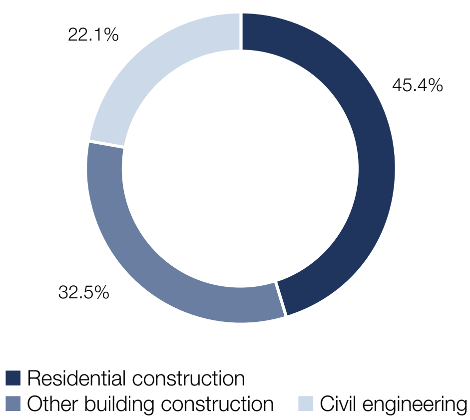
Residential construction should continue to generate stable growth rates, with a slight decrease not expected before 2016. However, it seems that demand for detached and semi-detached housing has already peaked, with the market set to decline until 2016. In general it is the major cities – particularly Vienna and Graz, but also the central region of Upper Austria – which hold the best opportunities in both subsidised and privately financed residential construction.

There are significant differences in building construction investment. The sharpest rises will continue to be in healthcare, industry and – bucking the European trend – in warehousing and logistics. After the sluggish pace in 2012, a reversal of the trend in the office sector was observed in 2013.

Growth in Germany

The German construction market grew by 0.3% in 2013; a 2.7% growth increase has been forecast for 2014. There was a decline of around 0.1% in building construction in 2013, although growth of 2.4% has been forecast here for 2014. There was a stable performance for civil engineering, which grew by 0.2%. For 2014 economic growth is likely to lead to improvements in public budgets and an increase in public infrastructure investment, leading to a forecast of 3.4% growth in civil engineering. In 2013 residential construction increased by 1.0%, with a further rise of 2.6% expected in 2014. Low interest rates were and remain a key growth driver, along with the strong influx to major urban areas.

Structure of the European construction market 2013



Developments in the Real Estate Industry

Varied picture on property markets again in 2013

In 2013 the European property market managed to profit from the economic rebound in the most important cities, although there was strong regional variation. Following a phase of rapid rises in rents, London is approaching its cyclical high; this also holds true for the major Scandinavian cities. In contrast, many South-Eastern, Central and Eastern European markets have bottomed out, with experts predicting that further falls are therefore unlikely. In the third quarter 2013 property prices in Italy and Spain fell by between 5% and 7%, while they rose by around 3% in Munich, Brussels and Vienna in the same period, and even rocketed by more than 10% in Dublin. A total of EUR 153.8bn was invested on the European commercial property market in 2013, an increase of around EUR 26bn yoy. The strong fourth quarter in particular was responsible for the best result since 2007. At year end the sharpest increases were seen in the countries which had been most affected by the euro crisis; investments in Italy, Spain, Portugal and Ireland in the fourth quarter 2013 were double the levels of the same quarter 2012.

Vienna holds steady at high level

According to EHL, Vienna comes in at the middle in international comparisons with regard to top office rents. Average rents are set to hold steady (2014: EUR 13.50/m²) and top rents are also set to retain their high level (2014: EUR 26.00/m²). There is an ongoing trend in Vienna of converting office properties from the eighties into residential projects. Vacancy rates were unchanged at almost 7% and are set to fall to 6.6% in 2014 owing to the low levels of new space being built. In the housing sector, the trend is towards smaller households against a backdrop of a growing population – by 2030 half of households may consist of singles. This leads to rising demand for apartments, where at present small units of between 40m² and 60m² enjoy the highest demand.

Growth in Germany

Transaction volumes for commercial property in Germany exceeded EUR 30bn in 2013, with office properties accounting for almost half of this sum. Overall, the market grew by 21% on the previous year. Owing to its stability and security, Germany has expanded to become Europe's second largest commercial property market. The indicators for this include the high number of major transactions and package sales, particularly the growing demand among investors from beyond Europe, especially Asia.

Growing demand for investments in Central and Eastern Europe

The rise in investment volumes on the Central and Eastern European markets reflect the increased interest from investors – particularly beyond the main markets of Russia, Poland and the Czech Republic. Major transactions were closed in Hungary, Romania, Croatia and Slovakia. Investments in commercial property saw a five-fold increase against the fourth quarter of the previous year.

Positive outlook for 2014

The lack of alternative investments, the historic, one-off, looser monetary policy of the ECB and the brighter economic outlook all suggest that considerable amounts of cash will flow into the European commercial property market in the coming year. In light of the revived sentiment indicators in Southern Europe, 2014 may also see a stronger focus on the peripheral countries than originally forecast. For example, investors from Latin America invested heavily in Spain in 2013. Italy is also back on investors' radars, whereby investors here are primarily focusing on shopping centres. According to CBRE, there are also good investment opportunities in this segment in Eastern European countries such as Bulgaria, Croatia, Romania, Russia, Serbia and Slovakia. In addition, retail property is enjoying stronger demand in Germany, where it accounted for almost a quarter of total investment. Investors are also increasingly turning their focus to regional and medium-sized cities. The European market for logistics and industrial property is likely to remain strong, mainly due to the thriving online retail sector.

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 consortiums 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 consortiums 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, proportionate or those of minor significance) – are included proportionately in the calculation of production output.

Highest production output in 145 years

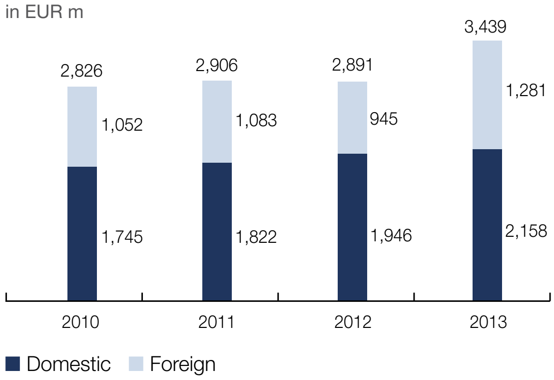
In 2013 PORR generated production output of EUR 3,439m, thereby achieving an increase of 19.0% or EUR 548m. This significantly exceeded output from the record year 2008 (EUR 3,183m) and has therefore set a new all-time high. There was a particularly sharp rise in production output on the most important home markets.

PORR's growth of 19.0% massively outperformed the average growth rate on the European and the Austrian construction markets. The clear strategic decision to concentrate on the home markets was one factor in this increase, along with the balanced mix of permanent business and large-scale projects. The major projects which are responsible for the high order backlog, such as the Green Line of the Doha metro and Koralm Tunnel lot KAT 3, made only a minor contribution, if at all, to output in 2013. These projects will have their first significant impact on production output in 2014.

The five home markets once again proved to be a reliable foundation for growth. While it is true that these countries also employed austerity measures in 2013, they still maintained state investment in infrastructure. Furthermore the building construction business, which is driven by private investors, continued to develop very well for PORR.

There was a mixed picture for the PORR operating units, although growth was recorded in every Business Unit. Business Unit 1 – DACH remained PORR's most important sector by some margin and even managed to exceed the good output of the previous year significantly. However, the highest increase in percentage terms came from Business Unit 4 – Infrastructure. Here large-scale projects such as Stuttgart 21 and railway projects with the Austria Slab Track System were key growth drivers.

Production output
in EUR m

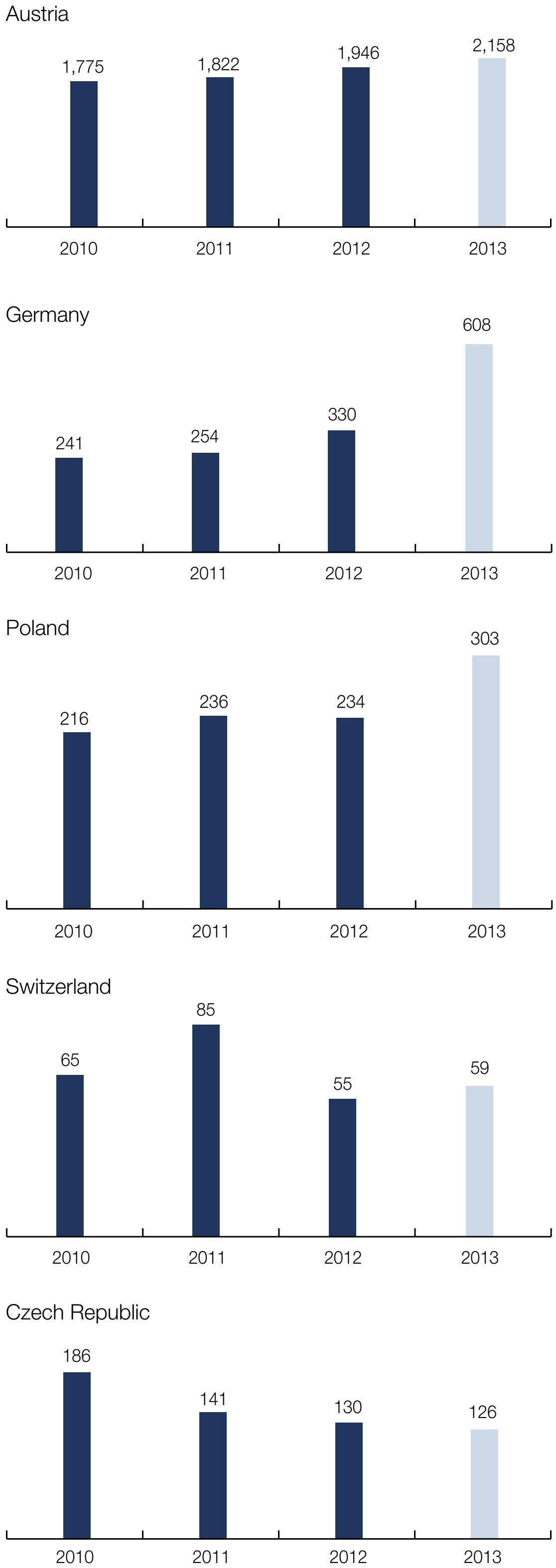


Production output by segment

In 2013 Business Unit 1 – DACH generated production output of EUR 1,980m, an increase of 15.2% or EUR 261m. This increase was mainly due to strong capacity utilisation on large-scale projects in Germany, and in the Austrian provinces of Lower Austria, Styria and Tyrol. PORR also succeeded in increasing output in Vienna from its already very high level. In Germany building construction projects such as Hotel + Office Campus Berlin or the Hotel Steigenberger am Kanzleramt had a particularly positive impact on total output. Output also rose in civil engineering with projects such as the Erfurt–Halle line with the Austria Slab Track System. In Austria a range of medium-sized and smaller projects from every segment (building construction, civil engineering and residential construction) were responsible for the increase in production output.

Business Unit 2 – CEE/SEE, responsible for the PORR Group's activities in the home markets of Poland and the Czech Republic, as well as the Eastern and South-Eastern European markets, generated production output of EUR 403m in 2013, an increase of 10.7% or EUR 39m. Despite the slump on the Polish construction market, PORR was able to achieve a significant increase in output once again in Poland in 2013, both in civil engineering through

Production output on the home markets
in EUR m



railway projects and in building construction – primarily office and shopping centre projects.

Among all of the operating segments, the sharpest rise in percentage terms came from Business Unit 4 – Infrastructure. Production output amounted to EUR 617m, an increase of 33.5% or EUR 155m. This business is driven by large-scale projects, which can lead to high fluctuation. However when this increase is viewed together with the high order backlog, then excellent capacity utilisation is also likely in the coming years. The railway projects in Germany were the most important output drivers in 2013 – particularly those using the Austria Slab Track System – as well as Poland, the major Vienna Central Station project and the large-scale projects related to Stuttgart. There were also positive developments in Business Unit 5 – Environmental Engineering. In 2013 the segment generated production output of EUR 99m, an increase of 26.9% or EUR 21m. In 2013 the Real Estate segment generated production output of EUR 323m, an increase of 20.5% or EUR 55m. In addition to STRAUSS & PARTNER, PORREAL also recorded growth.

The output of the remaining segment, Other, primarily consists of services by the holding group and Business Unit 3 – International and is allocated to the other segments respectively. The segment consists of the Shared Service Center and Group administrative departments as well as interests in non-operating companies. In addition, the segment includes all activities in the Middle East; these are part of Business Unit 3 – International. On these markets the PORR Group presents itself as an expert, premium provider and infrastructure specialist in tunnelling, railway construction and foundation engineering. As activities in this region only started in 2013, it was not yet possible to report results of a sufficient size and therefore Business Unit 3 has been recognised as part of the Other segment.

Order Balance

Strong growth in orders

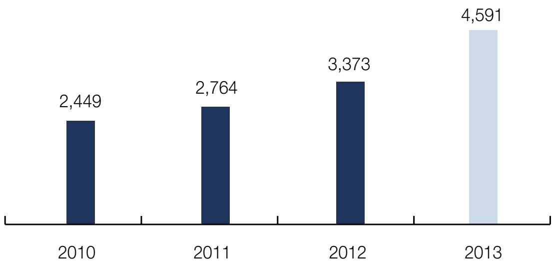
PORR's order backlog underwent strong growth yet again in 2013 and is therefore a solid basis for successful business in the coming years. Here there were particularly pleasing developments on the German-speaking home markets. The situation in the CEE/SEE region proved more of a challenge. PORR is reacting to this by focusing clearly on segments in which it is a market leader in terms of technology, such as tunnelling, railway construction and foundation engineering.

Order backlog at an all-time high

At December 31st 2013 the order backlog amounted to EUR 4,591m, a rise of 36.1% or EUR 1,218m against the high level of 2012. The growth was not, however, evenly distributed across every operating segment. There was strong growth in Business Unit 1 – DACH and Business Unit 4 – Infrastructure in particular, with spectacular acquisitions in Qatar and Austrian tunnelling.

In contrast, the order backlog declined for Business Unit 2 – CEE/SEE and Business Unit 5 – Environmental Engineering, partly due to the strong increase in production output. The order backlog of Business Unit 6 – Real Estate remained broadly stable. Many of the newly acquired tenders have a runtime of many years and therefore provide a basis for stable levels of capacity utilisation in the subsequent years.

Order backlog
in EUR m



Home markets drive growth

PORR's home markets have once again proven to be a key growth region. There were renewed increases in the order backlog in Austria, Germany and Switzerland, in contrast to Poland and the Czech Republic, where it slipped back. In Poland this decrease was caused by the significantly stronger growth in production output. However, PORR has broad coverage in Poland and the Czech Republic and is able to compensate for small fluctuations on the construction market.

Weak situation in Eastern and South-Eastern Europe

The order backlog in the CEE/SEE region (excluding Poland and the Czech Republic) continued to decline as expected. With the exception of Romania and Serbia, PORR had already made sharp reductions to its activities in most of these markets in the previous years. In terms of projects, PORR continues to monitor individual projects in the infrastructure sector co-financed by the EU, but overall the precarious budget situation of most countries is preventing larger infrastructure initiatives, even though there is pressing demand. Improvements will continue to be sporadic.

Order bookings up by one third

Following on from the sensational large-scale acquisitions in 2012, with a focus on Germany (Stuttgart 21), 2013 was no less spectacular for order bookings. This time, however, the focus was on Qatar and Austria. At December 31st 2013 order bookings amounted to EUR 4,656m, a rise of 33.0% or EUR 1,156m.

The two largest segments in terms of volume, Business Unit 1 – DACH and Business Unit 4 – Infrastructure, recorded growth, while new orders in the other operating units declined at varying rates.

The largest order bookings in the 2013 business year were:
- Green Line of the Doha metro in Qatar
- Koralm Tunnel lot KAT 3 in Austria
- Emscher Canal BA 40 consortium in Germany
- Rudolfsheim care home in Vienna

Order bookings rose sharply in Austria, Switzerland and Poland in 2013, but declined in Germany. This is due to the high bookings from 2012, which are fully utilising capacity in the German infrastructure segment. Order bookings also decreased in the Czech Republic; more calls for tender are expected here only from 2015 on. Within Austria there was a

Order backlog on the home markets
in EUR m

sharp increase in order bookings in Styria and the high level in Vienna was exceeded yet again. The highest growth was in Carinthia, a province in which PORR has completed restructuring in the past two years. This was in contrast to declines in Burgenland and Upper Austria, where the major S10 project came to an end.

Extremely selective cultivation of CEE/SEE markets

With the exception of the home markets of Poland and the Czech Republic, the extremely selective approach to the other Eastern and South-Eastern European markets, with a clear focus on core competencies in the infrastructure sector and projects co-financed by the EU, has led to a planned decline in order bookings in this region. Although PORR continues to monitor individual countries – particularly Romania and Serbia – the difficult backdrop means that there are no efforts to intensify acquisition activities. The new EU budget 2014–2020 may present new opportunities here, albeit with considerable lead times.

Financial Performance

Strong increase in revenues

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 PORR 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, proportional or those of minor significance) – are included proportionately in the calculation of production output.

While the previous year saw a decrease in production output of -0.5%, this figure increased significantly in 2013, rising by EUR 548m to EUR 3,439m.

The PORR Group increased consolidated revenue in 2013 by 16.4% or EUR 379m to EUR 2,694m. The increase in revenue was therefore slightly below the rise in production output and stood at 19.0%.

Income from associates rose disproportionately sharply by EUR 14.8m to EUR 35.0m. The significant positive contribution to earnings came from earnings from real estate projects and the sale of shareholdings.

The PORR Group's other operating income also increased by EUR 48.8m to EUR 119.1m. Reasons for the increases included project sales and revaluation gains, as well as the higher releases of provisions. These are in contrast to significantly higher provisions than the previous year recognised under other operating expenses, yielding a balance in provisions of EUR 19.3m in 2013, which is EUR 5.7m higher than in 2012.

Increase in services purchased

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 in 2013 in relation to revenue by 2.5PP to 65.4%. Here the individual components showed contrasting developments: expenditure on purchased services increased disproportionately sharply due to several large-scale projects (up by +27.1% to EUR 1,140m), while expenditure on materials in relation to revenue decreased by 2.1PP to 23.9%.

Disproportionately low increase in staff expense

The increase in revenue was also reflected in staffing levels and staff expense. In 2013 average staffing levels increased by 8.4% against 2012. At the same time, staff expense rose by 9.2% to EUR 682.6m and was therefore far below the growth in revenue.

Other operating expenses increased by 13.2% and were therefore also disproportionately low. Other operating expenses include legal and consultancy services, office running costs, travel expenses, buildings and land, taxes and duties, commission on syndicated guaranteed loans, advertising and shares of losses linked to orders processed through consortiums, as well as provisions for losses and penalties.

Key data

in EUR m	2013	Change	2012	2011	2010
Production output	3,439	+19.0%	2,891	2,906	2,826
Revenue	2,694	+16.4%	2,315	2,213	2,218
EBITDA	154.7	+49.0%	103.8	10.8	102.8
EBIT	88.0	+63.6%	53.8	-40.5	49.1
EBT	60.5	+175.0%	22.0	-83.1	20.7
Profit/loss	52.6	+192.2%	18.0	-70.2	16.7

Significant improvements in EBITDA, EBIT and EBT

EBITDA increased by 49.0% or EUR 50.9m to EUR 154.7m. The EBITDA margin thereby improved from 4.5% to 5.7%.

Depreciation, amortisation impairment increased by EUR 13.9m to EUR 66.7m, following on from EUR 50.0m in 2012, due to impairment on intangible assets and rights equivalent to land.

EBIT totalled EUR 88.0m, which was EUR 34.2m higher than the previous year.

Income from shareholdings improved in 2013 by 2.0m to EUR -0.6m. Despite the high increase in revenue, it was possible to improve the interest result by EUR 2.3m to EUR -26.8m through working capital management measures and a reduction in property assets.

EBT more than doubled against 2012 and totalled EUR 60.5m (2012: EUR 22.0m). This results in a consolidated profit of EUR 52.6m after deducting tax expense of EUR 7.9m.

Financial Position and Cash Flows

Total assets increase

At the closing date December 31st 2013, the PORR Group's total assets amounted to EUR 2,296.5m. This is primarily due to the increase in cash and cash equivalents of EUR 332.9m or 14.5% included in the statement of financial position.

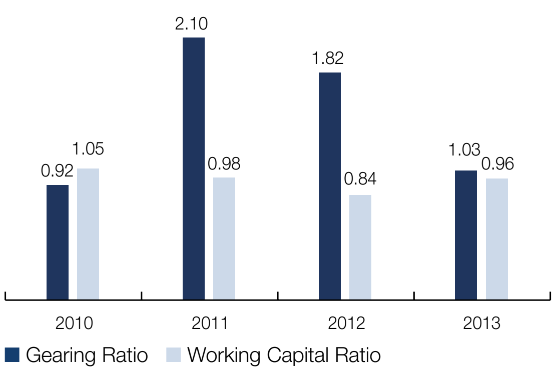
Non-current assets

Non-current assets amounted to EUR 1,068.7m, which was EUR 32.7m or 3.0% below the previous year. This was primarily caused by the sale of investment property and real estate reported under property, plant and equipment. Investment property increased by EUR 105.4m to EUR 234.4m.

In contrast, strong results from shareholdings in associates and increased property development activities with partners led to an increase in shareholdings in associates (up by EUR 25.1m to EUR 234.1m), thereby acting as a counterbalance.

Additions from changes to the consolidated group as a result of acquisitions in 2013 (Grund-, Pfahl- und Sonderbau GmbH Group, as well as the Prajo Group) also led to a rise in property, plant and equipment, particularly technical plants and machinery. Investment in property plant and equipment increased to EUR 57.6m (up by EUR 3.7m on the previous year), which was disproportionately low when compared to the increase in business volumes.

Gearing Ratio and Working Capital Ratio



High cash and cash equivalents

The increase in inventories (up by EUR 15.0m to EUR 96.1m) was primarily the result of advance payments made for materials in the course of realising large-scale projects (up by EUR 16.0m). Residential property assets were reduced (down by EUR 4.3m to EUR 27.5m). High cash and cash equivalents of EUR 332.9m, which is EUR 222.5m more than in the previous year, are the result of consistent improvements in working capital management and the simultaneous divestment of investment property.

Adjustments to the capital and financing structures

The PORR Group's equity amounted to EUR 347.7m at December 31st 2013. Despite the reclassification of EUR 30.0m in profit-participation rights into financial liabilities, it was possible to improve equity on the previous year (2012: EUR 322.6m) by 25.1m or 7.8%. In addition to the consolidated profit, this is also due to the capital increase carried out. The equity ratio, excluding interest rate hedges for Hungarian PPP projects, stood at 16.5%; the nominal equity ratio is 15.1%.

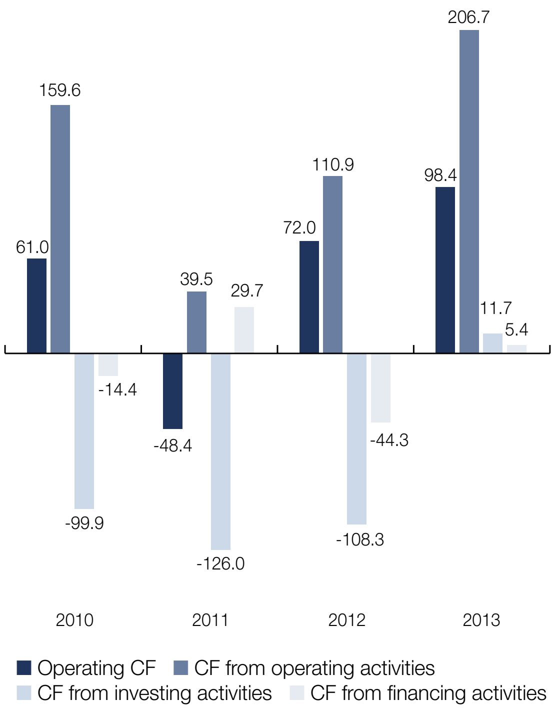
Non-current liabilities had increased by 12.3% as of the reporting date to EUR 668.7m. This change primarily resulted from the reclassification caused by extending a tranche of the ULSG loan. A EUR 50.0m bond was issued in 2013 for the partial refinancing of the repaid tranche of the USLG loan.

Current liabilities rose by EUR 137.5m to EUR 1,280.1m. The largest single items were the reclassification out of non-current liabilities of the bond due in 2014, which had been issued in 2009 with a nominal amount of EUR 100.0m, as well as the EUR 98.3m increase in trade payables to EUR 613.4m.

Strong rise in cash and cash equivalents

The cash flow statement shows the use and origin of the Group's cash and cash equivalents. In 2013 operating cash flow stood at EUR 98.4m, which was caused first and foremost by the exceptionally good operating result for the year. Cash flow from operating activities contributed almost double the level of 2012 to the positive liquidity situation with EUR 206.7m, primarily due to the increase in current liabilities, particularly prepayments. Cash flow from investing activities made a positive contribution in 2013 with EUR 11.7m. This is the result of high proceeds from the sale of investment property, from shareholdings in associates, and subsidiaries in the real estate sector. Significant factors in cash flow from financing activities amounting to EUR 5.4m were the outflow of funds from the repayment of project financing and dividends paid to shareholders and holders of profit-participation rights. The inflow of funds had a counter effect, these funds were from issuing a bond of EUR 48.8m and from the capital increase of EUR 9.1m. At year end 2013 the PORR Group had cash and cash equivalents of EUR 332.9m (December 31st 2012: EUR 110.4m).

Development of cash flow
in EUR m



Staff

Ongoing HR development

PORR is committed to ongoing HR development and therefore strives to promote diversity by nurturing the potential of every single staff member. Employees have the opportunity to improve their performance and skills through a wide range of training and development measures. As an international company, PORR sees its multicultural diversity as a major opportunity and an important part of its corporate culture.

Acquisitions lead to more employees

In 2013 the PORR Group employed 11,594 staff on average. This breaks down into 7,003 waged workers and 4,591 salaried employees, representing an increase of 8.4% or 898 people on the previous year. The growth was triggered by the one-off impacts of corporate acquisitions and the increase in production output. In contrast to the increase in the operating divisions, it was possible to reduce the number of employees in the Shared Services Center by optimising processes in the course of the **fit**for**future** programme. This increase of +8.4% in staffing levels was, however, much lower than the increase in production output (+19.0%), resulting in an increase of revenue per staff member.

PORR's corporate goals form the basis for the HR strategy. The goals focus on increasing productivity through targeted training and development. Importance is also attached to nurturing talent, as with the modern and attractive apprenticeship programmes. The key aspects are described below.

Success through training and development

PORR has a long tradition in targeted staff development. The online platform porr_academy and other communication channels give all staff members simple access to these programmes. Furthermore, the internal PORR guidelines and well-established feedback culture guarantee that every staff member has appropriate training and development opportunities. The division between employees and skilled workers in the construction industry leads to different needs with regard to development measures. The goal is to support and nurture workers and employees in equal measure. In Austria and Germany in 2012 and 2013 there were 1,550 and 1,534 employees involved in training or education. The average training term per employee was 1.37 days per year in Austria and Germany in 2013.

Focus on leadership training and nurturing talent

PORR places a particular focus on nurturing talent and providing the leaders of tomorrow with an in-depth education. The PORR trainee programmes are a key platform here. School-leavers and young graduates have the opportunity to start their careers successfully as part of a "training on the job" concept.

Autumn 2013 saw the start of two commercial trainee programmes for school-leavers and university graduates, with the goal of strengthening PORR's commercial base and giving commercial construc-

Average staffing levels

	2013	Change	2012[1]	2011	2010
Domestic	8,118	+2.9%	7,888	7,738	8,227
Waged workers	5,501	+2.8%	5,353	5,226	5,576
Salaried employees	2,617	+3.2%	2,535	2,512	2,651
Foreign	3,476	+23.8%	2,808	2,880	3,427
Waged workers	1,502	+22.1%	1,230	1,314	1,506
Salaried employees	1,974	+25.1%	1,578	1,566	1,921
Total	11,594	+8.4%	10,696	10,618	11,654
Waged workers	7,003	+6.4%	6,583	6,540	7,082
Salaried employees	4,591	+11.6%	4,113	4,078	4,572

[1] As of the 2012 fiscal year the average staffing levels reported are from the fully consolidated companies and do not – as previously – proportionately include associates and companies of minor significance. The comparative figures for 2011 have been appropriately adjusted.

tion experts the best training. The entire programme is intensively supported by HR development, as well as a mentor and buddies from within the department, and complemented by specific training sessions. Trainee network meetings provide a regular opportunity for trainees to share their experiences.
PORR firmly believes in the importance of providing interesting and, above all, educational traineeships to nurture talented youngsters and establish loyalty. Receiving the quality seal for training from the Austrian National Student Union in 2013 confirmed that PORR offers useful, educational traineeships and excels in its approach to trainees.

Attractive apprenticeship training

In light of the imminent shortfall in skilled labour, PORR employs targeted measures to give the future generation of workers the skills they need. 220 apprentices were undergoing training at PORR in 14 different disciplines in 2013, of which 208 were technical apprentices and 12 were employees. One key factor in apprentice training – which is also unique when compared to other companies – is the PORR supplementary training, offered internally. This training covers specialist topics as well as welfare issues, such as preventing violence. The high quality of the education provided is also reflected in the numerous awards which PORR apprentices have won in the course of competitions.

Exceptional recruitment

The majority of PORR's applications are now received via its own online job exchange. HR marketing uses internet-based recruitment platforms extensively in order to present PORR in an authentic and contemporary manner. "PORR goes Xing" opened up another channel for jobseekers. These measures have not only led to an increase in the number of applications; PORR was named the best recruiter in the construction industry for the third time in a row as part of the "Career's best recruiters 2013/2014" survey.

PORR is also the leading construction company in Austria in terms of cooperation with schools, colleges and universities. The company establishes and nurtures networks with the goal of positioning PORR as the "best place to work". Furthermore, PORR is represented at a wide range of career orientation shows and information events.

Health and safety

The health and safety of every staff member is a crucial issue for PORR. The main aim of health management is to promote good health through modern medical treatments, a comprehensive range of preventative health measures and psychological support. Here, PORR offers a wide range of measures, not only aimed at reducing accidents or illness, but which also actively promote good health among employees.

The safety of staff members is a top priority for PORR. One key task is therefore providing a safe working environment for PORR staff. PORR is continuously striving to avoid accidents and ensure safe work practices at its construction sites. Strict standards to this end have been laid out in the Group guidelines.

Active dialogue with staff

Ideas and proposals for improvement from within the company support PORR in optimising performance. This is why supporrt, a programme for suggestions, was initiated last year as part of an ideas contest. Staff surveys are also an attractive instrument for management and organisational development. The goal of these surveys is to identify where optimisation is needed in many corporate divisions and to make the most of existing potential.

Research and Development

Close cooperation with scientists

PORR attaches great importance to research and development – particularly with regard to sustainability, environmental engineering, construction materials and construction processes. In order to realise its research projects, PORR has established close, long-term cooperation with universities and other research institutes. Projects spanning several years are undertaken with science and research partners; these explore developments in complex, technical, civil engineering processes and conserving resources.

"Austria Slab Track" railway system

Thanks to its proprietary technology, PORR is not reliant on licensing intellectual property rights from third parties to any significant degree. The Group's most important proprietary patents include the ÖBB–PORR slab track railway system. The system works on the basis of prefab concrete base plates and has proven to be a significantly more valuable replacement for traditional ballast tracks on railway lines; it is used both in tunnels and in the open air and permits railway speeds of over 300km/h. It has been thanks to this patent in particular that PORR has managed to acquire a range of large-scale orders in Germany, thereby securing the company's position as a technological leader in railway construction for years to come. Intensive work on the system is being conducted to facilitate new functions such as integrating anti-derailment devices and reducing traffic vibrations, as well as a more efficient manufacturing process.

Practice-based technology developments

A new, optimised annular gap mortar for cavity filling has been specially developed for tunnelling. On the one hand it meets the conventional high standards of pumpability, flow properties and stability and on the other hand it is still permeable to water in its hardened, or fitted, state. Furthermore, it leads to energy savings by taking regional resource availability into account and reducing transport routes.

Also in the tunnelling sector, PORR is taking part in an EU-subsidised project for conserving resources through the optimal recycling of materials in partnership with Montanuniversität Leoben and partners from Germany, Switzerland, France and Great Britain. The technical goal of the project is to analyse excavated material automatically in the tunnel boring machine and to separate it into reusable components. This should open up previously untapped opportunities for recycling.

The foundation engineering department is currently working on developing a toughened GRP anchor which can handle working loads up to 800kN. In contrast to steel anchors, the bolts could remain in place even on public roads as they are sheared during excavation, therefore presenting no obstacle. At the heart of this development is a special anchor head system which can contain multiple GRP rods.

PORR is a significant contributor to the absorbent concrete research project, whose goal is to develop a lightweight concrete composition which absorbs a lot of energy. Depending on the area of application, these concretes could prevent damage to avalanche galleries or be used as additional crumple zones upon vehicle impact. Lightweight concrete mixes can also absorb high dynamic loads even on moderately strong constructions, facilitating cost-effective protective coatings.

In cooperation with developers, planners and universities, PORR has established a project to develop the "White Tank" construction method, in order to make this method more appealing. By selecting the right binding agent, it is possible to save up to 30% on armouring. The reduction in cement used leads to lower costs and fewer CO_2 emissions.

In 2013 Porr Umwelttechnik GmbH successfully concluded a geothermal project to open up water reservoirs in old, abandoned mines. Particularly efficient geothermal use is expected from these relatively warm waters, which can also be well developed. The findings and experience will furthermore be applied to a growing business area – establishing geothermal probe fields with up to more than 100 probes.

Focus on Building Information Modelling (BIM)

In recent years Porr Design & Engineering GmbH has been responsible for comprehensive developments in the field of Building Information Modelling

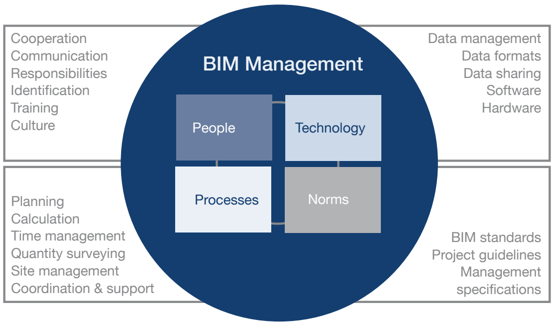
(BIM) and has therefore established itself as a leading company in implementing and realising innovative construction processes. BIM is a method which uses new processes to facilitate more efficient execution of construction projects – from the initial idea to planning and execution, through to management. Here new technologies and software systems are used to support the work methods. The system allows multiple users to work together on a digital building model using a coordinated approach. In addition to the building itself, it also allows information on time and costs to be displayed virtually before construction begins. This enables risks and opportunities to be identified early on. Overall, networking data leads to a simplification of planning and calculation steps and increases the information content.

The developments also offer significant benefits for clients, enabling the planned building to be rendered as a 3D model in its actual surroundings. An apartment configurator permits clients to create an individual design and visualise the furnishings of a property planned by PORR.

In 2013 work was done on optimising the requisite framework for applying BIM; individual phases such as design, calculation, site management, construction schedule and crane planning were coordinated with the processes and integrated into the overall process.

In addition to the high demands in terms of IT technology, software, hardware and also infrastructure, a lot is also required of everyone involved in the project. The form of communication in particular and the way in which people can cooperate is shaping a new approach in which a shared, digital building model is rendered as early as the tender phase, whereby everyone has access to this model. Developing and upholding standards and guidelines are critical to the successful realisation of a BIM project. The framework must be created for four major areas – technology, people, processes and norms.

BIM Management



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 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. Furthermore, disparities between national economies cause a variation in demand across the PORR Group's markets. PORR reacts to fluctuations in national markets and business segments and to the current budget restrictions in the public sector of many countries by concentrating on the home markets where margins are secure. On the remaining markets of Eastern and South-Eastern Europe, as well as on the international markets, PORR only offers export products for selected projects in the fields of tunnelling, rail construction (slab track railway system) and foundation engineering. In markets such as these the PORR Group is, to varying degrees, confronted in the development phase with competitors and other legal regulations which can represent a competitive disadvantage for the PORR Group which may in turn have a negative effect on the target margins.

Project risks

These apply to all operating units of the PORR Group and can be qualified in terms of calculation and execution risks. 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 and Shared Service Center 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 and assessed with regard to results.

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. 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. Managing the liquidity risk is based on a financial plan updated once a quarter, which originates at operational level. For projects worth over EUR 2.0m, a designated commercial employee conducts individual and monthly planning for the current year and produces a summary plan for the subsequent years. A summary plan is produced by the commercial employee responsible for the division for projects worth less than EUR 2.0m. The operational component involves planning all cash-related financial issues such as due dates for financing, M&A and capital market transactions, interest and dividends; this is performed centrally at holding level with the person holding Group responsibility.

Not least because of the cash-related improvements achieved in 2013 through the divestment of non-operational real estate and efforts in working capital management, the Group had a high liquidity level of EUR 332.9m at the start of the planning period 2014/2015; this liquidity is used on the one hand for the seasonal peak liquidity demand from July to October (typical to the construction industry), as well as for settling loans due and a bond. The sale of non-operational real estate will continue. Should additional liquidity demand arise, this could provisionally be covered by issuing a corporate bond.

At December 31st 2013 net debt, defined as the balance from cash and cash equivalents, bonds and current and non-current financial liabilities, amounted to EUR 357.5m (previous year: EUR 586.5m). Current liabilities exceed current assets by EUR 52.3m (previous year: EUR 183.3m), whereby trade receivables exceeded trade payables by EUR 37.6m (previous year: EUR 95.0m). Current financial liabilities, defined as the current portion of bonds and de facto current financial liabilities, amounted to EUR 192.9m (previous year: EUR 254.6m) and are more than covered by cash and cash equivalents and assets held for sale of EUR 336.4m (previous year: EUR 134.8m).

Bonds worth EUR 223.7m were part of non-current financial liabilities of EUR 497.4m. The Group has access to syndicated, guaranteed credit lines in Europe totalling EUR 992.7m. Of these, EUR 440m has an agreed three-year term, of which EUR 40m is effective as of January 1st 2014; the remainder of EUR 552.7m has terms which generally run for one year. There are also credit lines in Qatar and Oman of EUR 299.9m. As at December 31st 2013, around 79.1% of the European credit lines had been drawn on and around 35.6% of the lines in Qatar and Oman.

Interest rate risks

The Group's interest rate risk is defined as the risk from 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 conducted with non-derivative instruments.

Foreign currency risks

At December 31st 2013 the PORR Group had concluded forward contracts amounting to EUR 193.5m (previous year: EUR 132.7m). Of these, EUR 38.3m related to forward purchases, while EUR 154.6m were forward sales. Around EUR 110.0m (previous year: EUR 54.6m) was used to hedge project cash flows, while the remainder of around EUR 83.5m (previous year: EUR 78.0m) was used to hedge intragroup financing. At December 31st 2013 the market valuation of open forward contracts resulted in a fair value gain of EUR 0.8m. In 2013 changes in the fair value of forward contracts amounted to an expense of EUR 1.0m, which was recognised in profit or loss.

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 co-operation agreements with the supply industry and trade takes a long-term approach and contributes to minimising supply risks in subcontractor purchasing, whereby steel, cement, formwork and diesel are important commodities for the PORR Group. For these and other materials, there are lead buyers in place as product specialists, who are integrated in the tender process from the very beginning. Using an

IT-supported purchasing platform allows the Group to monitor the amounts purchased and facilitates the purchase of larger volumes.

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.

Credit risks

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 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.

Capital risk management

In the year under review there was a EUR 72.2m increase in shares belonging to shareholders of the parent to EUR 298.7m. Despite the reclassification of profit-participation rights totalling EUR 30.0m into current financial liabilities, equity rose by EUR 25.1m. Total assets had increased by EUR 235.7m as at December 31st 2013, primarily due to the rise in revenue; this led to a slight fall in the equity ratio from 15.65% to 15.14%. According to the statement of changes in equity, EUR 31.6m was recorded as an equity decrease through the allocation of a reserve for cash flow hedges. This is related to the financing of the parts of the M6 motorway in Hungary which have been operational since 2006 and 2012 respectively. The PORR Group holds a minority interest in this project, which is financed on a PPP basis. The underlying loans are financed at variable rates in compliance with the tender; however the bank consortium agreed to an interest hedge on a fixed basis before the loan was taken out, whereby all variable interest payments are offset and only a fixed interest obligation remains. The loans are therefore, in substance, subject to fixed interest. As part of the interest hedge was concluded with a different credit institute than the one responsible for the loan, IFRS specifies that in cases such as this, positive or negative market value from the valuation at year end must be transferred into a reserve for cash flow hedges. Owing to the falling interest for years, at December 31st 2013 there was a negative market value of EUR 31.6m. If this value did not have to be recorded in equity, there would be equity of EUR 379.2m and therefore an equity ratio of 16.51%. In the year under review net debt fell sharply from EUR 586.5m by EUR 229.0m to EUR 357.5m. The interest-bearing financial liabilities decreased from EUR 696.9m by EUR 6.5m to EUR 690.4m.

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 cash and cash equivalents and interest-bearing financial liabilities. In 2013 it was possible to improve net gearing in relation to equity from 1.8 to 1.0. There was an improvement in charges under the item provisions for hedge accounting to 1.0.

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 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 most recently externally certified on November 26th 2013 by Taxand Austria 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.

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 and new Group guidelines.

Forecast Report

More favourable construction climate on the home markets

Even though the South-Eastern and numerous Eastern European construction markets remain crippled by the crisis, the backdrop for PORR is continuing to look up. On the one hand this is thanks to the bright outlook for the home markets. On the other hand, this is due to the high order backlog, allowing the company to acquire projects selectively – particularly with regard to potential profitability.

According to Euroconstruct, the Austrian construction market will grow by around EUR 0.8bn by 2015; the German construction market by almost EUR 11.0bn; and the important Polish market by around EUR 3.3bn. PORR's strong standing in these countries will allow it to be part of this growth, especially on high-margin projects.

High order backlog allows focus on earnings

At December 31st 2013 PORR's order backlog was around 133% of annual output. This excellent book-to-bill ratio allows PORR to concentrate on high-margin target projects and adhere to the "profit over output" principle.

The company generates around 95% of its business on the home markets of Austria, Germany, Switzerland, Poland and the Czech Republic, where the risks are manageable thanks to the stability of the national economies, PORR's market position and the Group's extensive service coverage. In line with the motto, "know your market, know your customers", PORR will continue to concentrate on the DACH region, Poland and the Czech Republic in 2014. Give the variability of developments in the markets of Eastern and South-Eastern Europe, as well as the international markets of the Middle East, PORR will continue to carry out its activities very selectively and after consideration of country-specific developments. Business Unit 2 – CEE/SEE will concentrate primarily on individual, attractive projects in Romania, Slovakia and Serbia. Here the main focus will be on pursuing large-scale infrastructure projects whose financing is secured by international finance institutions or the EU. In Business Unit 3 – International PORR has positioned itself as a premium provider and infrastructure specialist and is represented with its export products in tunnelling, rail construction and foundation engineering.

Strengthening core competencies and key technology

PORR acquired multiple large-scale orders in 2013, particularly those in railway construction and tunnelling on the home markets and Qatar. A lot of capacity for the coming years is therefore already allocated. The guiding principle "profit over output" applies to every area, but even more so for sectors in which PORR holds a clear technological edge over the competition. In addition to the innovative, slab track railway system and tunnelling expertise, this advantage applies to PORR's leading role in (public) residential construction in the Greater Vienna area and its strong position in foundation engineering throughout Austria and Germany.

In recent years, clients such as the public sector in Austria and Germany, Deutsche Bahn, ÖBB, and private developers have become more and more convinced by technologies "powered by PORR". The company's innovative edge is based on the dedication and problem-solving skills of its staff and these will be nurtured in a more targeted manner across the Group in future.

Positive impact of **fit**for**future** and working capital management

In order to improve the PORR Group's profitability, the financial management focus is on active cost management through the **fit**for**future** programme, comprehensive risk management from project calculation through to execution, a disciplined approach to capital and optimising working capital. This combination, along with a focus on divesting non-operational real estate, has allowed the Group to achieve a significant and ongoing reduction in net debt in the past two years.

In addition to the stable position on its home markets, PORR has benefited from **fit**for**future**, an optimisation and cost-cutting programme introduced in April 2012. There are ambitious goals on the agenda once again in 2014, such as optimising purchasing by increasing the level of specialisation, as part of implementing a lead buyer concept. The Executive Board expects this to yield another important contribution to earnings.

PORR expects growth once again in 2014

In 2013 PORR managed to increase production output by 19.0% and EBITDA by 49.0%, at the same time as significantly reducing net debt by EUR 229m. In light of the high order backlog, the strong position on the key markets, the positive impact of **fit**for**future** and the consistent concentration on working capital management, the Executive Board predicts that 2014 will see a renewed increase in output and earnings. Net debt is also set to fall again. The sharp variation on the construction markets does, however, mean that this forecast is subject to a significant fluctuation range.

Events after the end of the reporting period

The Executive Board of PORR AG approved the consolidated financial statements and handed them over to the Supervisory Board on March 31st 2014. No significant events – with the exception of those cited in note 2.2. – occurred between the closing date and the submission to the Supervisory Board.

Disclosure according to Art. 243a, Section 1, Austrian Commercial Code

1. The share capital as at December 31st 2013 comprised 11,902,500 shares. All shares are no-par value bearer shares, each of which participates equally in the share capital of EUR 23,805,000. At the end of the reporting period, all 11,902,500 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. The share capital of the company is fully paid in.

In line with Article 5 Section 2 of the company statues, shares from future capital increases can be bearer shares or registered shares. If the resolution authorising the capital increase does not specify whether the shares are to be bearer shares or registered shares, they will be bearer shares. In accordance with Article 5 Section 3 of the company statues and Article 10 Section 2 of the Stock Corporation Act, shares are to be issued in one, or where necessary multiple, global certificate(s) and deposited 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 met this obligation. All of the share certificates previously in circulation were declared invalid, in line with the respective legal regulations.

The company has also issued profit participation rights in the form of 49,800 capital share certificates with a total value of EUR 398,400. 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. If the Group's share capital is reduced, the entire amount of capital due to capital share certificates will be reduced in the same ratio and with comparable conditions.

Capital share certificates receive a profit share from the profit reported in the statement of financial position of EUR 0.51 per capital share certificate before the ordinary shares. If the 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 receive any outstanding profit shares from remaining liquidation proceeds along with the proportionate amount of the capital due to them. Shareholders then 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. If the contributions on all capital share certificates or on shares cannot be settled in the same ratio, only the contributions which can be settled for each category shall be reimbursed. Any surplus shall be divided based on the capital due to the capital share certificates in relation to the total amount of share capital.

2. A syndicate agreement is in place between the Ortner Group and SuP Beteiligungs GmbH, owned by the Strauss Group. The Chairman of the Executive Board is aware of this syndicate agreement, as the Strauss Group, which is led by the Prospero Privatstiftung, is under his control. The Executive Board as a whole has no knowledge of the content of the syndicate agreement from his function as a Board Member. Resolutions passed by the syndicate oblige the syndicate Members to exercise their voting rights. There is a reciprocal acquisition right. SuP Beteiligungs GmbH has a partial right of first refusal over the shares held by other Executive Board Members.

3. The following shareholders have a direct or indirect holding in the capital of at least 10% in the form of ordinary shares as at December 31st 2013:

	% of share capital
Ortner Group	46.72%
Strauss Group	21.25%

at the reporting date March 15th 2014:

	% of share capital
Ortner Group	48.30%
Strauss Group	19.88%

The Strauss Group is made up of SuP Beteiligungs GmbH and AIM Industrieholding und Unternehmensbeteiligungen GmbH, both of which are wholly and directly attributed to the Prospero Privatstiftung, which is under the control of Karl-Heinz Strauss, Chairman of the Executive Board. Regarding the shares of the Ortner Group, the majority are directly and indirectly held by Klaus Ortner.

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 6 Section 1 of the company statues, the Executive Board consists of between two and six people. In line with Article 6 Section 2 of the company statutes, the Supervisory Board can appoint deputies to the Executive Board. In line with Article 6 Section 3 of the company statutes, the Supervisory Board can name one Member as the Chairman and one Member as the Deputy Chairman. Any deputy Executive Board Members have the same powers of representation as the regular Executive Board Members.

In line with Article 9 Section 1 of the company statutes, the Supervisory Board is composed of at least three and not more than twelve Members appointed by the Annual General Meeting (AGM). In line with Article 9 Section 8 of the statutes, a replacement Member can be appointed at the same time as the appointment of a Supervisory Board Member, in which case the replacement Member would take up his seat on the Supervisory Board effective immediately if the Supervisory Board Member steps down before the end of his time in office. If multiple replacement Members are appointed, the order in which they are to replace a Supervisory Board Member who steps down must be determined. A replacement Member can also be appointed as a replacement for multiple Supervisory Board Members, so that he takes a seat on the Supervisory Board if any one of these Members steps down prematurely. The term of office of a replacement Member who joins the Supervisory Board is terminated as soon as a successor to the former Supervisory Board Member has been appointed, or at the latest when the remainder of the former Supervisory Board Member's time in office comes to an end. Should the term of office of a replacement Member who joins the Supervisory Board be terminated because a successor to the former Supervisory Board Member has been appointed, the replacement Member still serves as a replacement for the additional Supervisory Board Members he has been chosen to represent. In line with Article 9 Section 2 of the statutes, the AGM can determine a shorter period in office than legally stipulated for individual Supervisory Board Members or all of the Members it appoints. Should certain Members leave the Board before the end of their term in office, in line with Article 9 Section 6 of the statutes, a vote to replace them is not required until the next AGM. However, a replacement vote is required at an extraordinary general meeting, to be held within six weeks, if the number of Supervisory Board Members falls below three. In line with Article 9 Section 4 of the statutes, the appointment of a Member of the Supervisory Board can be rescinded before the end of his time in office by AGM resolution requiring a simple majority of votes cast. In accordance with Article 19 Section 1 of the company statues, resolutions of the Annual General Meeting are passed by simple majority of the votes present, unless another type of majority is proscribed by law; in cases where a capital majority is required, a simple majority of the share capital representatives is required for resolutions. 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 (except in the case of changes to the business purpose).

7. As at December 31st 2013, the Executive Board is authorised in accordance with Article 4 Section 5 of the statutes, to increase the share capital of the company with the approval of the Supervisory Board, in multiple tranches if so wished, to EUR 11,902,500 by issuing up to 5,951,250 no-par value shares, as follows (authorised capital), whereby the issue price, the conditions of issue, the subscription ratio, and other details are to be determined by the Executive Board with the approval of the Supervisory Board. The pre-emptive rights of shareholders to these new shares issued from the authorised capital are excluded when and if this authorisation (authorised capital) is exercised by issuing new shares in exchange for cash or contribution in kind, up to a total of 10% of share capital, with over-allotment options in the course of issuing new shares in the company. Furthermore, the Executive Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' pre-emptive rights, when and if this authorisation (authorised capital) is exercised:

i) through issuing shares in exchange for contribution in kind, or
ii) through issuing shares to staff members, leading employees and Members of the Executive Board of the Group or an associate up to a total level of 10% of share capital.

The Supervisory Board is authorised to rule on changes to the statutes which result from the Executive Board exercising this entitlement.

Effective as of December 31st 2013, a resolution was passed at the extraordinary general meeting of July 11th 2013 authorising the Executive Board to acquire treasury shares over a 30-month period from July 11th 2013, in line with Article 65 Section 1 Line 8 Stock Corporation Act, up to the legally permitted amount of 10% of share capital including treasury shares already purchased. The equivalent amount to be paid in the buyback may not be less than EUR 2 or higher than a maximum of 10% over the average, unweighted share price at closing on the stock exchange on the ten stock exchange days preceding the buyback. The purchase can be conducted on the stock exchange or through a public offering or in another legally permitted way, particularly over-the-counter, especially also from individual shareholders who are willing to sell (negotiated purchase). Furthermore, the Executive Board is authorised to determine the buyback conditions, whereby the Executive Board is obliged to publish the Executive Board resolution and the related buyback plan including its term, in line with legal stipulations. The authorisation can be exercised in full or in stages and also in multiple tranches for one or more purposes, by the Group, by a subsidiary (Article 228 Section 3 Austrian Commercial Code) or by third parties acting for the company. Trading treasury shares is not permitted as a purpose for the buyback.

The Executive Board is authorised, with the approval of the Supervisory Board, to sell treasury shares for a five-year period starting from the resolution of the extraordinary general meeting on July 11th 2013, using a method different from sale on the stock exchange or public offering, also excluding general purchase (exclusion of pre-emptive rights), if the sale of treasury shares is conducted for purposes including

a) granting shares to employees, managers and Members of the Executive Board or an associate, in return for payment or free of charge; or
b) as contribution in kind for assets transferred to the consolidated group or subsidiaries, including property, companies, operations or shares in one or more companies at home and abroad.

8. In 2009, 2010 and 2012 the company issued bonds (debentures) of EUR 100,000,000 (for the period from 2009 to 2014), EUR 125,000,000 (for the period from 2010 to 2015) and EUR 50,000,000 (for the period from 2012 to 2016). These incorporate the following agreements: 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. In 2013 the company issued another bond (debenture) of EUR 50,000,000 (for the period 2013 to 2018), which incorporates the following agreement: if a change of control (as defined in the bond conditions) takes place, 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 two framework guarantee credit contracts for EUR 119,000,000 (valid until 31st July 2016) and EUR 112,500,000 (valid until June 29th 2016), which contain the following agreements: should one or more people, who at the time of signing the relevant contract do not hold a share or a controlling share, attain a controlling share, as defined in Article 22 of the Austrian Takeover Act, in the beneficiary or a major Group company (as defined in the contract), then the agent and the individual lenders are entitled to immediately rescind the respective shares (with regard to their respective shares in the guarantee credit contract) of the framework tranches. Via the Group company Porr Deutschland GmbH, the company also has a loan in line with the Austrian Corporate Liquidity Strengthening Act (Unternehmensliquiditätsstärkungsgesetz – ULSG) of EUR 81,255,000, whose term runs until November 30th 2015, and which contains the following agreement: should one or more people, who at the time of signing the contract do not hold a share or a controlling share, attain a controlling share, as defined in Article 22 of the Austrian Takeover Act, in the beneficiary or a major Group company (as defined in the contract), this represents grounds for cancellation by the respective lender.

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 Report

Segment Business Unit 1 – DACH

Key data

in EUR m	2013	Change	2012	2011	2010
Production output	1,980	+15.2%	1,719	1,636	1,600
Foreign share	16.2%	+2.4PP	13.8%	13.1%	14.4%
EBT	49.4	+40.7%	35.1	3.9	17.3
Order backlog at year end	1,625	+8.9%	1,492	1,251	1,243
Order bookings	2,113	+7.8%	1,960	1,644	1,761
Average staff	6,903	+4.1%	6,629	6,821	7,133

Managing Directors of Business Unit 1

Christian Motz

Josef Pein

Josef Stekovics

Deeply rooted in the region

The segment Business Unit 1 – DACH is responsible for the home markets of Austria, Germany and Switzerland, as well as large-scale building construction projects with a special focus on general contractor and design-build services. The segment includes the road construction activities of the TEERAG-ASDAG Group. This segment focuses in particular on residential construction, office construction, industrial construction and road construction. Numerous large-scale infrastructure projects are developed in cooperation with Business Unit 4 – Infrastructure.

In Austria Business Unit 1 has complete coverage across every federal province and is also expanding its position in Germany beyond the established presence in major cities such as Munich, Berlin and Frankfurt. In Switzerland PORR is primarily involved in civil engineering and individual large-scale building construction projects.

Central Europe remains above European average

In recent years the German economy has repeatedly proven to be Europe's growth driver; 2013 growth of 0.4% was not particularly high, but certainly stable. The two German-speaking neighbours, Austria and Switzerland, are traditional beneficiaries of a strong German economy, as they export significant amounts to Germany.

All three countries achieved growth above the European average; Switzerland in particular showed a strong increase of 1.9%, while Austria was at the same level as Germany. In terms of construction output, Switzerland generated 2.8% growth, well ahead of Austria (+0.5%) and Germany (+0.3%), while all three countries were far ahead of the European average of -3.0%.

Renewed growth in production output
Significant increase in earnings

In 2013 Business Unit 1 generated production output of EUR 1,980m, which was EUR 261m or 15.2% more than the high level of 2012. EBT underwent an even sharper increase, rising by EUR 14.3m or 40.7% against the previous year to EUR 49.4m. Compared to 2012, building construction was once again responsible for the greatest output growth. Civil engineering also managed pleasing growth; however, tight municipal budgets mean that this sector remains the more challenging market environment.

Looking at individual countries, Germany, Switzerland and almost every Austrian province generated output growth. In Vienna Business Unit 1 succeeded in significantly expanding from the already very high levels, with the company's leading position in municipal housing construction acting as a renewed growth driver. Increased dedication and a focus on PORR's strengths in building construction and civil engineering in Germany led to a sharp rise in output – building construction played a major role here in 2013. Developments in Germany have been extremely positive and this market plays a central role in PORR's strategy.

High order backlog thanks to strong order bookings

In addition to production output, the segment's order backlog also saw significant growth. The order backlog stood at EUR 1,625m on December 31st

2013, which was EUR 133m or 8.9% higher than the previous year. This strong cushion of orders offers a high degree of capacity utilisation for 2014 and beyond, as well as allowing PORR to concentrate on acquiring high-margin projects.

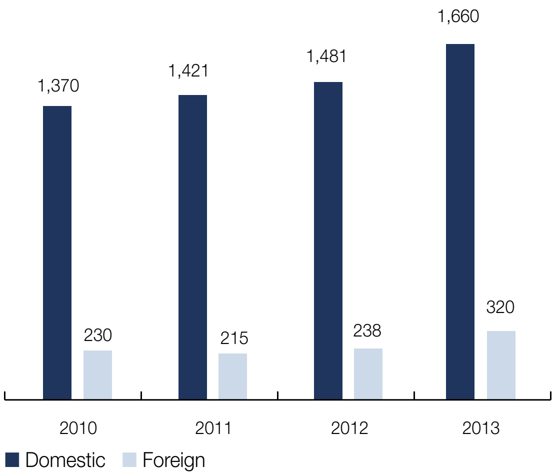
There was also an increase in order bookings, which amounted to EUR 2,113m in 2013, a rise of EUR 153m or 7.8% against the comparative period. Major new orders included the major Emscher Canal consortium project in Germany, the multifunctional building construction project Hard Turm Park in Switzerland and the Rudolfsheim care home in Vienna. New residential projects acquired in 2013 included Alexanderplatz in Berlin, the Stresemannallee project in Frankfurt and lot D12 for the Seestadt Aspern residential complex in Vienna. The most important civil engineering project was the joint venture Südgürtel Graz.

Stable outlook for 2014

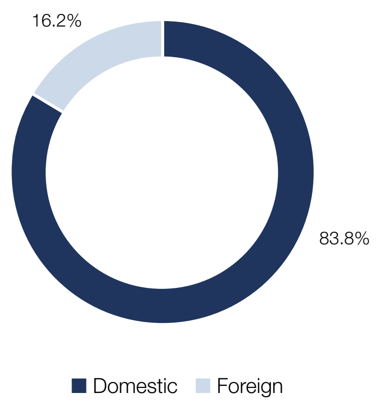
Forecasts for 2014 GDP growth for Austria, Germany and Switzerland are significantly higher than the EU average. The growth rates for construction output in the three countries paints a similar picture. Business Unit 1 is therefore optimistic about the current year 2014. PORR is still steadfastly pursuing its strategy of concentrating on the home markets, with the markets of Business Unit 1 at the heart of the Group's activities. The strong credit standing of both public awarding authorities and private clients in Austria, Germany and Switzerland form the foundation for the Group's economic growth. In addition to the public sector, major clients such as German retail chains and hotel groups also rely on PORR's expertise and adherence to deadlines. The German market in particular offers further opportunities for expansion and PORR has taken the first steps to establishing stronger regional networks beyond the major cities.

In addition to increased competition and the uncertainty surrounding the budget situation at federal, provincial and municipal level, Business Unit 1 focuses on the possible payment default or insolvency of clients, consortium partners or subcontractors. In order to mitigate these risks, strict attention is paid to credit checks and bank guarantees to secure client payments.

Production output, domestic and foreign
in EUR m



Production output, domestic and foreign 2013



Segment Business Unit 2 – CEE/SEE

Key data

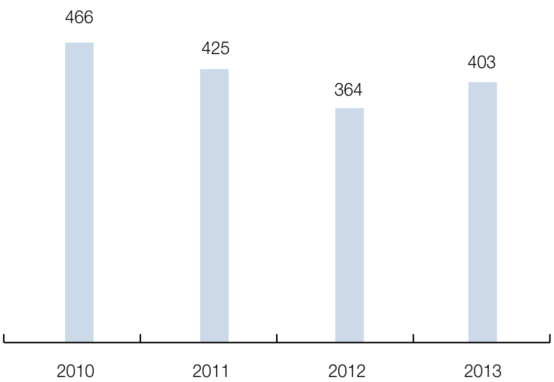
in EUR m	2013	Change	2012	2011	2010
Production output	403	+10.7%	364	425	466
EBT	-12.5	+10.7%	-14.0	-27.7	-5.4
Order backlog at year end	338	-10.8%	379	342	416
Order bookings	361	-10.0%	401	350	281
Average staff	1,529	-8.0%	1,662	1,811	2,015

Strong presence in Poland and the Czech Republic

The segment Business Unit 2 – CEE/SEE covers the home markets of Poland and the Czech Republic, where PORR offers a complete range of construction services in building construction, residential construction and civil engineering along with the specialist division for large-scale projects in earthworks, hydraulic engineering and pipeline construction. It also deals with all project-based activities in other CEE/SEE countries – at present these mostly relate to Serbia and Romania.

Poland continues to be a promising market for PORR, as the company has been represented here for many years and has strong regional networks. PORR has also traditionally had a strong presence in the Czech Republic for decades. Many of the countries in this region have been hit hard by the economic crisis. PORR is monitoring these markets very closely and is mainly involved in individual large-scale projects in the infrastructure sector at present; these are realised in cooperation with Business Unit 4 – Infrastructure.

Production output
in EUR m



Signs of a slight recovery for CEE/SEE

There was a turnaround in the CEE/SEE region in 2013, with most countries returning to modest growth rates for the first time since the crisis. The trough therefore seems to have passed, although the repercussions of the four-year economic crisis are plain to see. Growth rates averaging +0.4% are not strong enough to guarantee an ongoing rebound, especially as this growth starts out from a very low level. Most national budgets are restricted by significant deficits, with infrastructure investment suffering as a result.

Poland reported the strongest GDP growth in 2013 (1.2%). Slovakia and Hungary also achieved positive GDP growth, although the growth rates were below the 1% mark. Surprisingly, the Czech Republic experienced a renewed 1.5% GDP decline in the reporting period following on from the 2012 decline; however, the country is expected to return to 1.4% growth in 2014. The construction market has not yet profited from the initial economic recovery. There was a decrease in production output of 8.2% in the Czech Republic in 2013. A further decline of 2.8% has been forecast for 2014 and the industry is not expected to return to growth before 2015.

Rise in production output in 2013
Backdrop still impacting earnings

The production output of Business Unit 2 increased to EUR 403m in 2013, a rise of EUR 39m or +10.7%. Here PORR once again performed considerably better than the average, with negative production growth for the region of -7.7%. This increase came from numerous projects – particularly in Poland –

Managing Directors of Business Unit 2

Marcus Hermes

Michael Salzmann

Franz Scheibenecker

which had been announced for 2012, but which were actually executed in the past business year.

The situation with earnings and margins proved more challenging, with Business Unit 2's EBT at EUR -12.5m, an increase of EUR 1.5m or 10.7%. The main problem remained low volumes of public tenders and increasing competition, which has recently led to a market shakeout in many countries. In light of this situation, Business Unit 2 has implemented a strict cost management policy in every area to accommodate the challenging backdrop. PORR's presence outside of Poland and the Czech Republic has been significantly reduced. Furthermore, the only projects pursued beyond Poland and the Czech Republic are highly selective infrastructure projects, which meet predetermined criteria in terms of risks and earnings and have secure financing in place. The focus is on a structured tender selection process, professional tender processing and in-depth contract and risk management.

Broken down by country, the two home markets of Poland and the Czech Republic were by far the most important and stable markets in Business Unit 2. In Poland production output rose by more than a third, whereby growth in civil engineering surpassed even that of building construction. Key factors here included solid growth in Polish rail construction. In the Czech Republic output remained quite steady, with a slight decrease of 4.0%. Overall, building construction rose, while non-project-related civil engineering declined due to limited municipal budgets.

Steady processing of order backlog

The significant increase in production output, which was worked off from the order backlog, caused the order backlog to fall to EUR 338m at year end 2013, a decrease of EUR 41m or 10.8%. The decline in the order backlog was thereby in line with the rise in production output. The most significant factor in the decrease was the completion of projects related to the Sava Bridge in Belgrade. No subsequent projects are being pursued here in light of the limited public finances in the region.

In 2013 order bookings reached EUR 361m and were therefore down by EUR 40m or 10.0% on 2012. This decline was due to the completion of the Sava Bridge and decreases in municipal road construction in the Czech Republic. The latter is expected to improve in 2014 through renewed investment. The most important new orders in 2013 included the building construction projects Ogrody Elblag shopping centre, Echo Tower Warsaw and Gdynia Waterfront; as well as civil engineering projects such as the Barglow Kosvielny bypass and the Blotnica–Opole railway line in Poland, being realised in cooperation with Business Unit 4 – Infrastructure.

Gradual recovery from 2014

With the exception of Poland, the entire CEE/SEE region has had to contend with four years of declining GDP. The trough was reached in most countries in the reporting period and the long recession is therefore at an end. Positive growth has been forecast for every country in 2014 – with a few exceptions such as Slovenia. There is strong growth potential in the coming years for all of the markets in which PORR is active – primarily Poland and the Czech Republic. PORR will not be cultivating other markets and will take a highly selective approach with a clear focus on risks, earnings and the creditworthiness of the client or awarding authority.

PORR has reacted to the economic situation in many Eastern and South-Eastern European countries by focusing on the stable home markets of Poland and the Czech Republic as well as increased risk management, even for projects financed by the public sector. The whole region is dominated by payment difficulties and long payment terms from public authorities. In addition to the usual construction-related risks, currency risks also play a key role in Business Unit 2.

Segment Business Unit 3 – International

Strong demand for infrastructure

On the international markets of Qatar and Saudi Arabia PORR presents itself as an expert, premium provider and infrastructure specialist. The international expansion has a selective, profitable and professional focus. PORR works together with respected regional partners on this market, whereby PORR provides its comprehensive technical expertise in the infrastructure sector. This strategic cooperation secures low market entry costs and facilitates greater market potential for PORR.

The expansion of the transport networks and stadiums in Qatar for the 2022 World Cup offers interesting opportunities in the coming years. Selected infrastructure projects in Saudi Arabia are also under consideration. Given the difficult political situation in some countries in the region, risk management and a risk-averse approach form the backbone of the expansion strategy. Orders are only accepted from clients with the best credit rating.

Successful market entry in 2012

Following intensive preparation on the new market, PORR was awarded the tender for the enabling works on the Doha metro in 2012, together with partners SBG and the local HBK. The tender included building demolition works, transfer of pipes, setting up logistical areas, excavation, site clearance and other peripheral construction measures. All of the works were completed in 2013 to the full satisfaction of the client and also yielded an excellent result for PORR.

Largest order in 145 years

The strong reputation resulting from the enabling works tender, combined with PORR's comprehensive technical expertise in tunnelling, led to the acquisition of the Green Line project for the Doha metro in 2013. This underground rail tender represents the largest new order in PORR's history. The total tender is worth around EUR 1.89bn and was awarded to a consortium consisting of PORR and its local partners SBG and HBK. PORR is responsible for 50% of the whole project, hence a tender value of EUR 944m for the Group. The project will be executed by Business Unit 3 – International and Business Unit 4 – Infrastructure. The Green Line project involves building a twin tunnel with a length of 16.6km and six underground stations. The entire Doha metro project is part of a wide-ranging infrastructure initiative under Qatar's "National Development Plan for 2030".

Thomas Stiegler
Business Unit 3

Close market observation in Saudi Arabia

Saudi Arabia is on the brink of a peerless construction boom in the coming years. Numerous megaprojects in the infrastructure sector – such as the Jeddah metro, tunnelling under Mecca, and an array of technically demanding railway lines – are about to be put out to tender. PORR has the potential to succeed here with its tunnelling expertise. The establishment of a PORR office and a joint venture company is underway and PORR representation in Jeddah was established in 2013.

Focus on risk management

The expansion of business activities to Qatar and Saudi Arabia promises future increases in output and earnings; nevertheless it is being pursued in a very cautious, risk-averse manner in light of the situation described. The goal is to use every market opportunity in the region which is conducive to long-term, profitable growth. Given the special economic and political situation on the international market, risk management plays a critical role. In addition to the economic parameters, political stability is a key factor in light of the dominance of the public sector in awarding tenders. At present PORR is only offering selected large-scale projects in the infrastructure sector.

Segment Business Unit 4 – Infrastructure

Key data

in EUR m	2013	Change	2012	2011	2010
Production output	617	+33.5%	462	515	496
Foreign share	59.3%	+20.4PP	38.9%	53.0%	48.8%
EBT	30.3	+41.6%	21.4	-46.6	9.4
Order backlog at year end	2,017	+67.4%	1,205	1,024	641
Order bookings	1,430	+122.7%	642	899	303
Average staff	1,337	+4.0%	1,285	1,125	1,264

Managing Directors of Business Unit 4

Stephan Hebgen

Alfred Sebl-Litzlbauer

Hubert Wetschnig

Technical market leader in many areas

PORR is a leader in infrastructure projects on its home markets of Austria, Germany, Switzerland, Poland and the Czech Republic, as well as several other countries in CEE/SEE. The segment Business Unit 4 – Infrastructure includes activities in tunnelling, rail construction and foundation engineering, as well as large-scale projects in road and bridge construction, power plant construction and civil engineering. PORR realises the entire range of traffic construction, from smaller construction tasks through to complex large-scale projects and traffic infrastructure initiatives.

Business Unit 4 is one of Europe's leading companies in many areas such as underground construction, from conventional tunnelling with shotcrete right through to high-tech mechanical boring. In railway construction PORR developed the Austria Slab Track system in cooperation with ÖBB, the Austrian Federal Railways. More and more clients rely on this system and it has led to numerous acquisitions in Austria and Germany in recent years.

National debt continues to hamper infrastructure investment

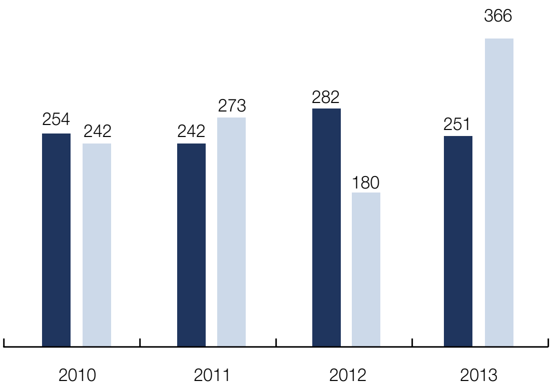
The economic health of European nations has a decisive impact on the infrastructure market. Since 2008 tight public budgets and unfavourable financing conditions in many countries have led to delays, postponements or changes to planned infrastructure investments. While a phase of stable GDP growth has been forecast between 2014 and 2016, only a few countries will succeed in reducing national deficits long-term. These decreases have become apparent in PORR's Central European home markets – Austria, Germany and Switzerland – and, with minor qualifications, in the two Eastern European markets of Poland and the Czech Republic. However, the impact on PORR's construction output has been kept under control thanks to the company's strong reputation and its technical expertise. Most of the Eastern and South-Eastern European markets do not offer any promising prospects at present. Here PORR is only involved in individual projects which meet specific risk and earnings criteria and where the client has a strong credit rating, particularly those co-financed by the EU or the World Bank/IMF.

Sharp rise in project-related production output

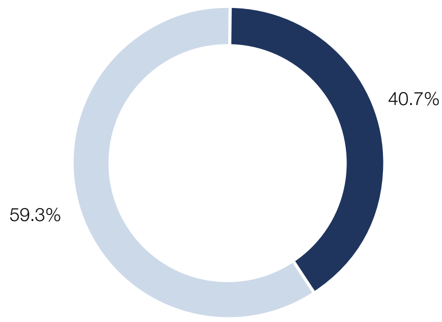
As Business Unit 4 focuses on large-scale projects, it is traditionally subject to high fluctuations in production output and operational earnings. Production output of EUR 617m was generated in 2013, an increase of EUR 155m or 33.5%. The reason for this was the start of numerous large-scale projects, particularly in the railway sector (Erfurt–Halle) and road construction and tunnelling (Götschka Tunnel). In Stuttgart the tunnel projects related to Stuttgart 21 are also now broadly underway. Preparation has begun in Qatar on the Green Line project together with Business Unit 3 – International, but this will not impact revenue until 2014.

Mirroring production output, Business Unit 4 reported strong fluctuations in terms of earnings. EBT amounted to EUR 30.3m in December 2013 and was therefore EUR 8.9m or 41.6% higher than the previous year. Major projects are progressing to plan and a significant rise in earnings is expected for 2014.

Production output, domestic and foreign
in EUR m



Production output, domestic and foreign 2013



Cushion of orders leads to high capacity utilisation

The order backlog increased significantly in 2013, not least because of the acquisition of the Green Line project in Qatar, the largest order in PORR's history, and other tunnelling and railway projects. At the end of 2013 the order backlog had reached at an all-time high of EUR 2,017m, an increase of EUR 812m or 67.4%. Overall, Business Unit 4 has a very high cushion of orders, many of which are multi-year projects which will be steadily realised in the coming years.

Order bookings rose even more sharply than the order backlog. At EUR 1,430m order bookings rocketed by EUR 788m or 122.7%. The acquisition of the Green Line was also a key factor here, accompanied by the great success in Austria with the Koralm Tunnel lot KAT 3. The Koralm Tunnel project will be executed by PORR alone and is the largest Austrian tunnelling tender in the company's history. Other important new tenders include the major Emscher canal consortium project and the Knoten Prater consortium in Vienna.

Strategic focus on technological leadership

PORR has strong technological expertise in sectors such as tunnelling and foundation engineering, which will be consistently extended in the coming years. Most of the tenders acquired by Business Unit 4 are thanks to this comprehensive expertise, which is also strengthening the Group's international standing as a technology leader. The acquisition focus will remain on this sector in the coming years. Here Business Unit 4 will continue to work closely with the other PORR operating units, in particular with Business Unit 3 – International on the Green Line project for the Doha metro in Qatar.

The high order backlog makes it possible for the infrastructure segment to be selective in its choice of projects, as well as facilitating a risk-averse approach. Nevertheless, complex projects are subject to ongoing risk management to ensure the best-possible realisation. This process involves evaluating risks not only in the execution phase, but also specific risks or opportunities in the preparation stage. This is even more important for projects in countries outside the home markets.

Segment Business Unit 5 – Environmental Engineering

Key data

in EUR m	2013	Change	2012	2011	2010
Production output	99	+26.9%	78	70	89
Foreign share	15.1%	-3.1PP	18.2%	14.3%	9.3%
EBT	-4.8	-	-0.6	3.8	2.4
Order backlog at year end	46	-30.3%	66	43	15
Order bookings	79	-21.8%	101	98	80
Average staff	813	+255.0%	229	195	236

Managing Directors of Business Unit 5

Kurt Lackner

Zeljko Vocinkic

Centre of excellence for "Green Solutions"

The segment Business Unit 5 – Environmental Engineering is home to the Group's expertise in environmental clean-up, waste management and renewable energy. PORR Umwelttechnik develops, builds and operates landfills, waste treatment and sorting facilities in Austria, Germany and Serbia. The activities have a clear focus on Austria, although an important step was taken in Germany in 2012. The company was founded in 1990 as a PORR AG subsidiary in order to bundle existing expertise and satisfy the growing trend towards "Green Solutions".

Prajo joins PORR Unwelttechnik in strategic expansion

PORR increased its range of services in the reporting period with the purchase of Vienna-based Prajo & Co. GmbH, a firm specialised in recycling demolition and construction waste. Since it was founded in 1995, the Prajo Group has expertly demolished, gutted and deconstructed around 2,500 buildings. The main focus is on sorting the construction materials as soon as demolition work begins, as the vast majority of the waste is then recycled. This sorting is partly done at the construction site itself and partly at Prajo's own recycling plant in Himberg. These competencies have allowed PORR to expand its value chain; the takeover also led to a staffing increase in this segment.

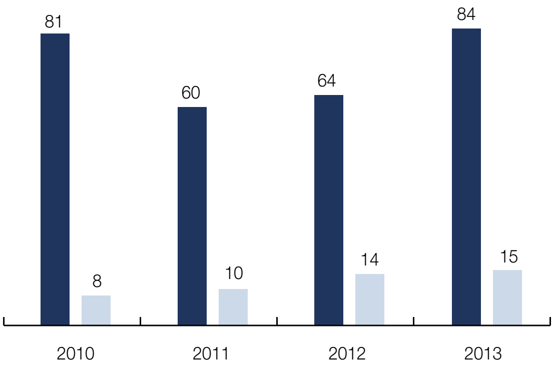
Changing market environment

Despite restrictive public budgets, opportunities continue to exist on PORR's home markets – in recycling, waste management and environmental clean-up in particular. In contrast, the situation in South-Eastern Europe is more complicated. There is pressing demand for waste infrastructure here, most of which needs to be newly built. At the same available funding has dried up and public-sector payment practices have suffered as a result of the crisis. The environmental engineering market in Austria is currently in a state of flux. Numerous new competitors are flooding the market at the same time as tight public-sector budgets are putting intense pressure on margins.

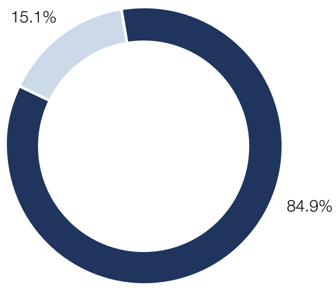
Growth in output and earnings in 2013

Despite the deteriorating backdrop, an increase was achieved in production output, which amounted to EUR 99m, a rise of EUR 21m or 26.9%. The Austrian market was the biggest contributor by a considerable margin – especially the Greater Vienna region, where PORR enjoys a strong market position. In Germany the restructuring of TKDZ Wellen (Trier lime, dolomite and cement works) progressed, although output declined slightly as a consequence of the realignment measures. Canalisation subsidiary Thorn achieved solid growth in Germany and its activities should soon be extended beyond the Bavarian market. In Serbia the focus was on the subsidiary PWW, which manages landfills and domestic waste collection in the Serbian regions of Jagodina and Leskovac. PORR is Serbia's largest private waste management company with its landfills in Jagodina and Leskovac.

Production output, domestic and foreign
in EUR m



Production output, domestic and foreign 2013



Business Unit 5 EBT amounted to EUR -4.8m and was therefore EUR -4.2m below the previous year. The delay of the component sale for Voitsberg power plant had an impact on earnings, this sale will be realised in 2014.

Decline in orders

The order books slipped back as a result of working off the order backlog and increasing production output. The order backlog amounted to EUR 46m and was therefore EUR 20m or 30.3% below the previous year. However, the positive one-off effect from large-scale acquisitions in the previous year meant that this development was expected. Current tenders such as the demolition of the Voitsberg power plant and rehabilitating the coking plant in Linz have secured good capacity utilisation. Order bookings fell to EUR 79m, a decrease of EUR 22m or 21.8%. The most important new tenders were in the fields of rehabilitating contaminated sites and landfill projects.

Maintaining a clear focus on Austria and Germany

Despite the declining order backlog in 2013, Business Unit 5 is optimistic about 2014. PORR predicts a challenging but stable market environment in the two home markets of Austria and Germany, with opportunities expected in the environmental clean-up, demolition and recycling sectors in particular. Here PORR will profit from the expertise of the Prajo Group. Business Unit 5 will continue to optimise the Serbian business and new projects will only be acquired very selectively.

In addition to the dependency on municipal tenders, the main risk management focus for Business Unit 5 lies in the collectability of receivables, particularly outside the two home markets of Austria and Germany. While private clients in South-Eastern Europe have a good payment ethic, the public sector has been known to delay payments.

Segment Business Unit 6 – Real Estate

Key data

in EUR m	2013	Change	2012	2011	2010
Production output	323	+20.5%	268	259	176
Foreign share	49.4%	-6.3PP	55.7%	62.0%	60.1%
EBT	1.8	-	-11.3	-16.4	-1.8
Order backlog at year end	212	-2.3%	217	104	134
Order bookings	317	-16.8%	381	229	166
Average staff	354	+18.0%	300	262	594

Managing Directors of Business Unit 6

Martin Piribauer
STRAUSS & PARTNER

Claus Stadler
STRAUSS & PARTNER

Michael Wurzinger
STRAUSS & PARTNER

Gerhard Haumer
PORREAL

Gottfried Riedl-Riedenstein
PORREAL

One-stop solutions

The segment Business Unit 6 – Real Estate encompasses a broad range in project development and property development. The focus here is on the promising core competencies of offices, business, tourism, hospitals and hotels. The main focus is on Austria and Germany.

Business Unit 6 consists of STRAUSS & PARTNER Development GmbH, PORREAL Immobilien Management GmbH, Alba Bau-ProjektManagement GmbH, Konzernimmobilien and UBM Realitätenentwicklung AG. Here STRAUSS & PARTNER is the PORR Group's project development specialist with core competencies in developing projects in building construction as well as infrastructure, healthcare and tourism. It is also synonymous with exceptional achievements in developing office and residential construction projects.

PORREAL is positioned as a complete service provider for property management services on the relevant domestic and foreign markets. It offers a full service portfolio in property, facility and asset management, as well as real estate consulting, and focuses on the property management business across its entire life cycle. ALBA is a key construction project manager in Germany in the areas of project management and real estate services. UBM, in which PORR holds significant shares, is a leader in the development, letting and sale of real estate throughout Europe.

Production output continues to rise
Improvement in earnings

As with the segment Business Unit 4 – Infrastructure, business in the development sector is also strongly project-driven. The completion of individual projects or the sale of properties can lead to high quarterly fluctuations in both production output and earnings. In 2013 Business Unit 6 production output stood at EUR 323m, an increase of EUR 55m or 20.5%. Every sub-segment in Business Unit 6 reported growth, the Greater Vienna region and Germany were particularly strong. EBT amounted to EUR 1.8m, an increase of EUR 13.2m against the previous year.

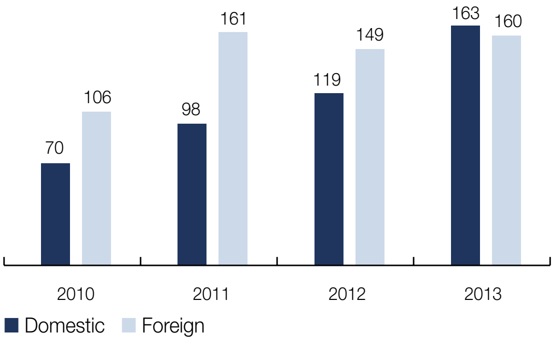
STRAUSS & PARTNER continued to focus on realising the divestment programme by selling off non-operational real estate owned by STRAUSS & PARTNER or the Group. Numerous sales were completed here in 2013. In 2013 PORREAL underwent an organisational realignment.

Positive developments in order backlog

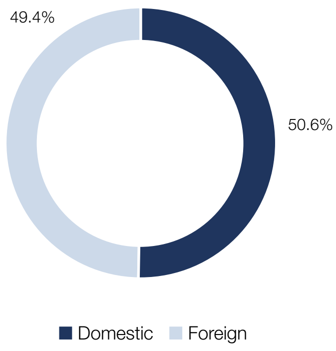
The Business Unit 6 order books were only slightly below the levels of 2012; a highly satisfactory result given the strong increase in output. Furthermore, many projects are already in the pipeline for 2014. At the end of 2013 the Business Unit 6 order backlog amounted to EUR 212m, a slight decline of EUR 5m or 2.3%.

Order bookings also decreased in 2013 to EUR 317m, a fall of EUR 64m or 16.8%. The most important new tenders were the Twin Yards project in Munich, Arena Boulevard in Berlin and the Rosenhügel Studios in Vienna. In recent years hotel

Production output, domestic and foreign
in EUR m



Production output, domestic and foreign 2013



and office development in the major German cities of Berlin and Munich have become an important pillar for Business Unit 6 and the strong customer relationships are likely to lead to further opportunities in the years to come.

Focus on the individual operating units

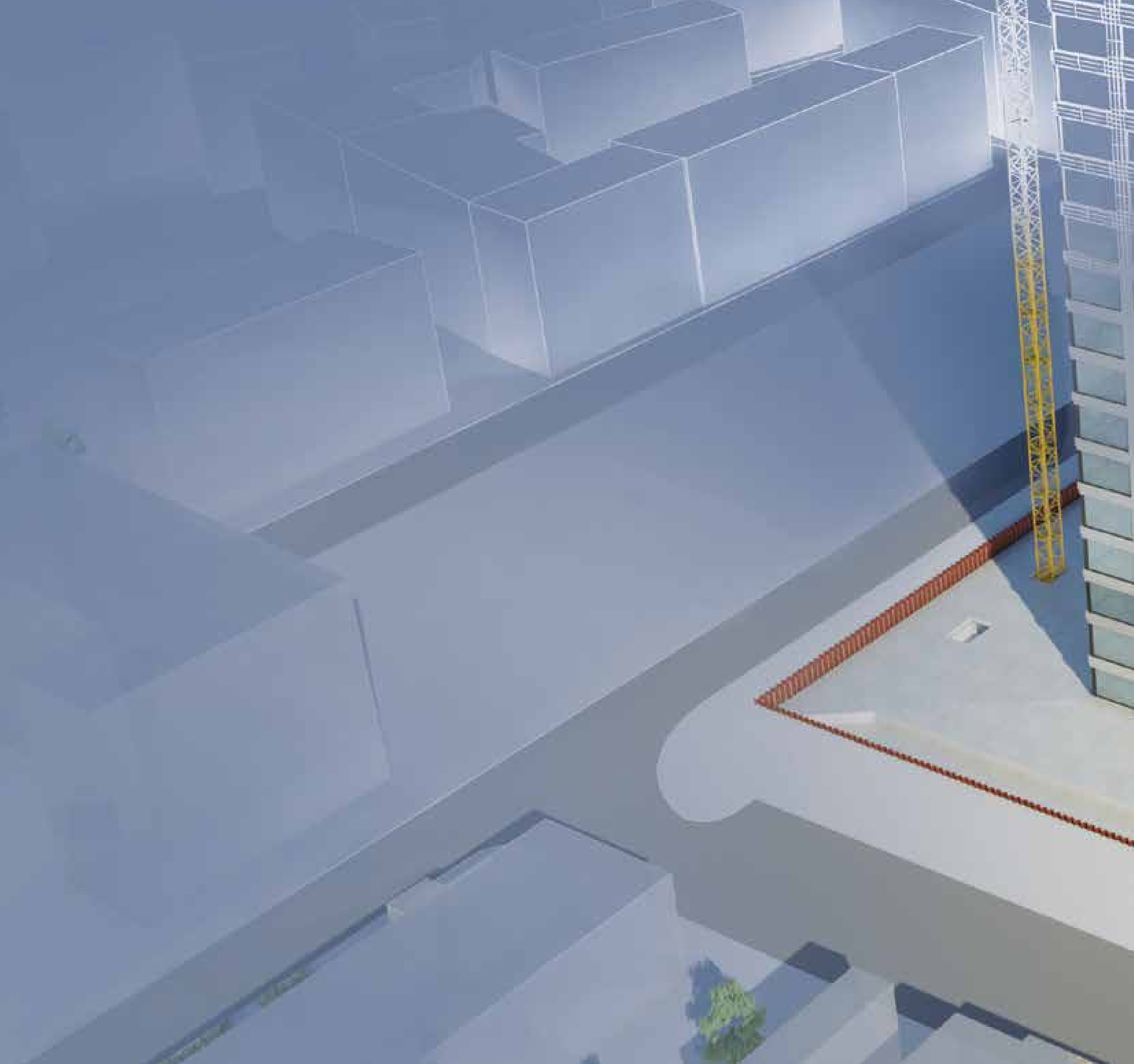
In the last business year STRAUSS & PARTNER once again managed to complete important projects and the divestment programme of non-operational property is progressing successfully. In line with the "cherry picking strategy", there will be an increased future focus on Austria and the major German cities Berlin, Munich, Hamburg and Frankfurt, particularly in the promising areas of office and hotel construction, apartment rental projects and healthcare.

In 2013 PORR established new structures for successful growth. The property management and facility management divisions were expanded with property consulting and international property management. PORREAL is set to extend the value chain considerably in Business Unit 6 – Real Estate in cooperation with STRAUSS & PARTNER.

The problematic backdrop resulting from the financial crisis has also led to increased risk management in Business Unit 6 – Real Estate. As in the preceding years, financing and utilisation risks presented the biggest challenge in project development in 2013. With regard to financing, the increase in own funds required also increased the risk to investors, making financing significantly harder to come by. In addition, market rents have declined, albeit with sharp regional differences. Long-term rental contracts are becoming rarer and vacancy rates, as well as the length of rental contracts or lease agreements, are given top priority in order to be able to generate secure, sustainable earnings from existing projects and minimise the risk of default. As far as is commercially feasible, PORR strives to cooperate with financers and other property investors to avoid the full consolidation of development projects.

Consolidated Financial Statements 2013

In accordance with International Financial Reporting Standards (IFRS)



Consolidated Income Statement

in EUR thousand	Note	2013	2012
Revenue	(7)	2,694,153	2,314,828
Own work capitalised in non-current assets		4,753	4,210
Share of profit/loss of associates	(20)	34,973	20,201
Other operating income	(8)	119,082	70,312
Cost of materials and other related production services	(9)	-1,761,030	-1,455,484
Staff expense	(10)	-682,646	-625,309
Other operating expenses	(12)	-254,554	-224,921
EBITDA		154,731	103,837
Depreciation, amortisation and impairment expense	(11)	-66,705	-50,028
EBIT		88,026	53,809
Income from financial investments and other current financial assets	(13)	10,092	5,976
Finance costs	(14)	-37,625	-37,777
EBT		60,493	22,008
Income tax expense	(15)	-7,908	-4,015
Profit/loss for the period		52,585	17,993
of which: attributable to non-controlling interests		-247	742
Profit/loss for the period attributable to shareholders of the parent and holders of profit-participation rights		52,832	17,251
of which: attributable to holders of profit-participation rights		6,433	5,600
Profit for the period attributable to shareholders of the parent		46,399	11,651
Diluted/basic earnings per share (in EUR)	(16)	3.88	1.08

Statement of Comprehensive Income

in EUR thousand	Note	2013	2012
Profit for the period		52,585	17,993
Other comprehensive income:			
Gains from revaluation of property, plant and equipment	(18)	17,127	226
Remeasurement from benefit obligations	(34)	-6,782	-8,593
Income tax expense/income on other comprehensive income		-2,638	2,101
Other comprehensive income which cannot be reclassified to profit or loss (non-recyclable)		7,707	-6,266
Exchange differences		-2,221	1,722
Gains/losses from fair value measurement of securities available for sale		156	298
Gains/losses from cash flow hedges			
recognised in profit and loss	(44)	754	-475
Gains/losses from cash flow hedges of associates		3,142	-5,958
Income tax expense/income on other comprehensive income		-227	45
Other comprehensive income which can subsequently be reclassified to profit or loss (recyclable)		1,604	-4,368
Other comprehensive income		9,311	-10,634
Total comprehensive income		61,896	7,359
of which: attributable to non-controlling interests		-136	799
Share attributable to shareholders of the parent and holders of profit-participation rights		62,032	6,560
of which: attributable to holders of profit-participation rights		6,433	5,600
Share attributable to shareholders of the parent		55,599	960

Consolidated Cash Flow Statement

in EUR thousand	Note (43)	2013	2012
Profit/loss for the period		52,585	17,993
Depreciation, impairment and reversals of impairment on fixed assets		62,127	61,180
Share of profit from associates		-8,578	-17,109
Profits from the disposal of fixed assets		-10,440	-1,695
Decrease/increase in long-term provisions		-529	13,421
Deferred income tax		3,187	-1,810
Operating cash flow		98,352	71,980
Decrease/increase in short-term provisions		-24,169	37,476
Decrease in inventories		9,424	1,390
Increase in receivables		-8,954	-111
Increase in payables (excluding banks)		133,448	8,255
Other non-cash transactions		-1,394	-8,105
Cash flow from operating activities		206,707	110,885
Proceeds from sale of property, plant and equipment and investment property		42,719	25,533
Proceeds from sale of financial assets		17,240	611
Investments in intangible assets		-3,872	-3,484
Investments in property, plant and equipment and investment property		-55,863	-115,888
Investments in financial assets		-14,237	-17,494
Proceeds from the sale of consolidated companies		34,821	9,280
Payments for the acquisition of subsidiaries		-9,071	-6,833
Cash flow from investing activities		11,737	-108,275
Dividends		-3,775	-
Dividends paid out to non-controlling interests		-11,200	-3
Capital increase		9,114	-
Proceeds from the sale of treasury shares		377	-
Proceeds from bonds		48,781	48,684
Repayment of bonds		-	-70,000
Repaying/obtaining loans and other financing		-37,853	-33,941
Proceeds from obtaining subordinated loans		-	10,989
Cash flow from financing activities		5,444	-44,271
Cash flow from operating activities		206,707	110,885
Cash flow from investing activities		11,737	-108,275
Cash flow from financing activities		5,444	-44,271
Change to cash and cash equivalents		223,888	-41,661
Cash and cash equivalents at Jan 1st		110,411	153,813
Currency differences		-1,507	978
Changes to cash and cash equivalents resulting from changes to the consolidated group		115	-2,719
Cash and cash equivalents at Dec 31st		332,907	110,411
Interest paid		33,976	33,507
Interest received		11,157	9,014
Tax paid		1,764	3,488

Consolidated Statement of Financial Position

in EUR thousand	Note	31.12.2013	31.12.2012
Assets			
Non-current assets			
Intangible assets	(17)	65,829	61,530
Property, plant and equipment	(18)	449,202	393,535
Investment property	(19)	234,386	339,782
Shareholdings in associates	(20)	234,108	209,053
Loans	(21)	27,583	29,380
Other financial investments and securities	(22)	19,019	20,115
Other non-current financial assets	(25)	31,431	40,442
Deferred tax assets	(29)	7,101	7,570
		1,068,659	1,101,407
Current assets			
Inventories	(23)	96,105	81,133
Trade receivables	(24)	650,987	610,146
Other financial assets	(25)	133,097	121,152
Other receivables and current assets	(26)	11,187	12,111
Cash and cash equivalents	(27)	332,907	110,411
Assets held for sale	(28)	3,528	24,381
		1,227,811	959,334
Total assets		**2,296,470**	**2,060,741**

Equity and liabilities			
Equity			
Share capital	(30)	24,203	19,896
Capital reserves	(31)	139,632	121,353
Other reserves	(31)	134,898	85,303
Equity attributable to shareholders of parent		298,733	226,552
Equity from profit-participation rights	(32)	46,120	92,119
Non-controlling interests	(33)	2,809	3,882
		347,662	322,553
Non-current liabilities			
Bonds	(35)	223,659	273,103
Provisions	(34)	123,124	115,581
Non-current financial liabilities	(36)	273,776	169,173
Other non-current financial liabilities	(38)	21,137	16,963
Deferred tax liabilities	(29)	26,996	20,771
		668,692	595,591
Current liabilities			
Bonds	(35)	99,134	-
Provisions	(34)	93,147	117,236
Current financial liabilities	(36)	93,796	254,635
Trade payables	(37)	613,414	515,158
Other current financial liabilities	(38)	119,802	95,194
Other current liabilities	(39)	251,097	155,145
Tax payables	(40)	9,726	5,229
		1,280,116	1,142,597
Total equity and liabilities		**2,296,470**	**2,060,741**

Statement of Changes in Group Equity

in EUR thousand	Notes (30–33)	Share capital	Capital reserves	Revaluation reserve	Remeasurement from benefit obligations
Balance at Jan 1st 2012		19,896	121,353	14,154	-2,494
Total comprehensive income		-	-	-257	-6,351
Dividend payout		-	-	-	-
Income tax on interest for holders of profit-participation rights		-	-	-	-
Issue of profit-participation rights		-	-	-	-
Acquisition of non-controlling interests		-	-	-	-
Balance at Dec 31st 2012		19,896	121,353	13,897	-8,845
Total comprehensive income		-	-	10,306	-5,081
Dividend payout		-	-	-	-
Income tax on interest for holders of profit-participation rights		-	-	-	-
Capital increase		4,307	18,279	-	-
Reclassification of profit-participation rights		-	-	-	-
Treasury shares		-	-	-	-
Acquisition of non-controlling interests		-	-	-	-
Balance at Dec 31st 2013		24,203	139,632	24,203	-13,926

Foreign currency translation reserves	Total debt securities available for sale - fair value reserve	Reserve for cash flow hedges	Retained earnings	Equity attributable to equity holders of the parent	Profit-participation rights	Non-controlling interests	Total
2,841	-172	-28,965	98,207	224,820	75,530	2,893	303,243
1,656	224	-6,314	12,002	960	5,600	799	7,359
-	-	-	-	-	-	-3	-3
-	-	-	1,400	1,400	-	-	1,400
-	-	-	-	-	10,989	-	10,989
-	-	-	-628	-628	-	193	-435
4,497	52	-35,279	110,981	226,552	92,119	3,882	322,553
-1,851	117	3,708	48,400	55,599	6,433	-136	61,896
-	-	-	-3,775	-3,775	-11,200	-	-14,975
-	-	-	1,540	1,540	-	-	1,540
-	-	-	-2,210	20,376	-11,262	-	9,114
-	-	-	-	-	-29,970	-	-29,970
-	-	-	-1,908	-1,908	-	-	-1,908
-	-	-	349	349	-	-937	-588
2,646	169	-31,571	153,377	298,733	46,120	2,809	347,662

Notes to the Consolidated Financial Statements 2013

1. General information

The PORR Group consists of PORR AG (formerly: Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft) 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 endorsed 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. Results preceded by the abbreviation TEUR are in euro thousand.

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, 98 (previous year: 112) domestic subsidiaries and 61 (previous year: 55) foreign subsidiaries are included in the consolidated financial statements. 34 companies are no longer included in the consolidated group, whereby 23 of these were excluded through intragroup mergers. The following companies merged:

Company	Absorbing company	Due date
Baugesellschaft m.b.H. Erhard Mörtl	TEERAG-ASDAG Aktiengesellschaft	27.9.2013
ARIWA Beteiligungs GmbH	aqua plus Wasserversorgungs- und Abwasserentsorgungs-GmbH	17.9.2013
Gesellschaft zur Schaffung von Wohnungseigentum Ges.m.b.H.	STRAUSS & PARTNER Development GmbH	18.9.2013
„DIKE“ Liegenschaftsverwertung Gesellschaft m.b.H.	Porr Umwelttechnik GmbH	26.9.2013
PR-Projekte Realisierungs- und DeponiebetriebsgmbH	Porr Umwelttechnik GmbH	18.9.2013
Porr Energy GmbH	STRAUSS & PARTNER Development GmbH	17.9.2013
Gostena Beteiligungsverwaltungs GmbH	STRAUSS & PARTNER Development GmbH	21.9.2013
Porr Beteiligungsverwaltungs GmbH	Porr Financial Services GmbH	5.10.2013
Monte Laa Immobilieninvest GmbH	STRAUSS & PARTNER Development GmbH	20.11.2013
Monte Laa DUO Immobilieninvest AG	STRAUSS & PARTNER Development GmbH	26.10.2013
MLSP Cador GmbH & Co KG	STRAUSS & PARTNER Development GmbH	20.11.2013
MLSP Dagonet GmbH & Co KG	STRAUSS & PARTNER Development GmbH	20.11.2013
MLSP Lamorak GmbH & Co KG	STRAUSS & PARTNER Development GmbH	20.11.2013
MLSP Palamedes GmbH & Co KG	STRAUSS & PARTNER Development GmbH	20.11.2013
MLSP Peredur GmbH & Co KG	STRAUSS & PARTNER Development GmbH	20.11.2013
MLSP Gewerbepark Fünf Immobilien GmbH & Co KG	STRAUSS & PARTNER Development GmbH	20.11.2013
MLSP Gewerbepark Sechs Immobilien GmbH & Co KG	STRAUSS & PARTNER Development GmbH	20.11.2013
MLSP Gewerbepark Sieben Immobilien GmbH & Co KG	STRAUSS & PARTNER Development GmbH	20.11.2013
MLSP Gewerbepark Acht Immobilien GmbH & Co KG	STRAUSS & PARTNER Development GmbH	20.11.2013
MLSP IZT Immobilien GmbH & Co KG	STRAUSS & PARTNER Development GmbH	20.11.2013

Stanograd Ulaganja Bibinje d.o.o. za promet Nekretninama, usluge graditeljstvo	Stanograd Ulaganja d.o.o. za promet Nekretninama, usluge graditeljstvo	16.10.2013
EVM LABOR Epitöipari Vizsgalo es Minösegellenörzo Karlatolt Felelössegü Tarsasag	Porr Epitesi Kft	1.7.2013
Teerag-Asdag Epitöipari es Kereskedelmi Karlatolt Felelössegü Tarsasag	Porr Epitesi Kft	1.7.2013

One company was liquidated, for five other companies so many shares were sold that only significant influence remains and five companies were sold in full. The assets and liabilities where control was lost, including shares in non-controlling interests, break down as follows:

in EUR thousand	2013
Non-current assets	
Intangible assets	175
Property, plant and equipment	2,611
Investment property	112,440
Other financial assets	2
Deferred tax assets	2,097
Current assets	
Inventories	3,061
Trade receivables	209
Other current financial assets	2,227
Other current receivables and assets	418
Cash and cash equivalents	135
Assets held for sale	7,521
Non-current liabilities	
Provisions	-116
Non-current financial liabilities	-32,298
Other non-current financial liabilities	-1,576
Deferred tax liabilities	-4,902
Current liabilities	
Provisions	-50
Current financial liabilities	-27,057
Trade payables	-1,871
Other current financial liabilities	-16,393
Other current liabilities	-211
Tax payables	-56

Gains on sale amounting to TEUR 874 were recognised in income/expenses from financial assets.

Additionally, 61 (previous year: 66) domestic and 21 (previous year: 18) foreign associates were accounted for under the equity method. The list of shareholdings (see page 160) shows the subsidiaries and associates included. Companies that are of minor relevance to the consolidated financial statements are not included; a total of 52 (previous year: 59) 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. For two other subsidiaries, PORR AG also has the majority of voting rights, but does not have control of these companies as agreements specify that resolutions must be unanimous. These companies are accounted for at equity.

2.1. Business combinations and first consolidations

In these consolidated financial statements the following 26 companies were consolidated for the first time:

Because of new foundations and materiality	Date of initial consolidation
PORREAL Deutschland GmbH	1.1.2013
Porr Design & Engineering Deutschland GmbH	22.10.2013
Arena Boulevard Verwaltungs GmbH & Co KG	30.8.2013
Because of acquisitions and increases in shares held/change in control	
PWW Holding GmbH	30.6.2013
PWW Deponija Dva d.o.o. Leskovac	30.6.2013
PORR-WERNER & WEBER – PROKUPLJE d.o.o.	30.6.2013
PWW Deponija d.o.o. Jagodina	30.6.2013
PORR-WERNER & WEBER ENVIRONMENTAL TECHNOLOGIES DO ONIS	30.6.2013
PWW d.o.o. Nis	30.6.2013
Drustvo sa ogranicenom odgovornoscu PORR WERNER&WEBER-JAGODINA, Jagodina	30.6.2013
DRUSTVO SA OGRANICENOM ODGOVORNOSCU „PORR-WERNER & WEBER-LESKOVAC“, Leskovac	30.6.2013
Grund-Pfahl- und Sonderbau GmbH	30.9.2013
Geotechnik Systems GmbH	30.9.2013
Stump Spezialtiefbau GmbH	30.9.2013
Stump Hydrobudowa Sp. z o.o.	30.9.2013
Stump – Geospol s.r.o.	30.9.2013
Prajo Holding Beteiligungs- & VerwaltungsgmbH	10.12.2013
Prajo & Co GmbH	10.12.2013
Prajo Transportunternehmer GmbH	10.12.2013
Prajo-Böhm Recycling GmbH	10.12.2013
AMF – Asphaltmischanlage Feistritz GmbH & Co KG	31.12.2013
AMO Asphaltmischwerk Oberland GmbH & Co KG	30.9.2013
Lieferasphaltgesellschaft Jauntal GmbH	31.12.2013
Asphaltmischwerk Greinsfurth GmbH & Co OG	31.12.2013
Unterstützungskasse von Porr-Betrieben Gesellschaft m.b.H.	10.12.2013
Vile Jordanovac d.o.o.	1.1.2013

A total of TEUR 3,000 was used to purchase the remaining 50% stake in the PWW Holding GmbH Group. The PWW Group operates various landfills in Serbia. Only 80% of shares were acquired in PORR-WERNER & WEBER – PROKUPLJE d.o.o and Drustvo sa ogranicenom odgovornoscu PORR WERNER&WEBER-JAGODINA, Jagodina; 70% of shares were purchased in DRUSTVO SA OGRANICENOM ODGOVORNOSCU “PORR-WERNER & WEBER-LESKOVAC”.

The purchase price was provisionally allocated in line with IFRS 3.45 to the Group's liabilities and assets as follows:

in EUR thousand	2013
Non-current assets	
Intangible assets	21
Property, plant and equipment	15,848
Other non-current financial assets	4,350
Deferred tax assets	38
Current assets	
Inventories	180
Trade receivables	6,291
Other current financial assets	8,691
Other current receivables and assets	109
Cash and cash equivalents	153
Non-current liabilities	
Non-current financial liabilities	-7,586
Other non-current financial liabilities	-9,928
Deferred tax liabilities	-129
Current liabilities	
Current financial liabilities	-690
Trade payables	-2,232
Other current financial liabilities	-22,549
Other current liabilities	-173
Tax payables	-30
Goodwill	10,080
Non-controlling interests	556
Purchase price	3,000

The acquisition led to recognition of goodwill, as the purchase price included a control premium and the benefits of synergic effects which did not meet the recognition criteria for intangible assets. The purchase price allocated should be seen as provisional, particularly with regard to property, plant and equipment, receivables and provisions. The companies included in the consolidated group for the first time contributed TEUR -1,224 to EBT and TEUR 6,480 to revenue in the reporting period.

A total of TEUR 5,000 was used to purchase a 100% stake in the Grund-Pfahl- und Sonderbau GmbH Group. The Group provides special services in foundation engineering. The purchase price was allocated to the Group's liabilities and assets as follows:

in EUR thousand	2013
Non-current assets	
Property, plant and equipment	9,526
Other non-current financial assets	1,478
Deferred tax assets	694
Current assets	
Inventories	3,458
Trade receivables	11,470
Other current financial assets	14,227
Other current receivables and assets	2,970
Cash and cash equivalents	7,476
Non-current liabilities	
Provisions	-2,735
Other non-current financial liabilities	-4,821
Deferred tax liabilities	-3,137
Current liabilities	
Provisions	-4,169
Trade payables	-21,754
Other current financial liabilities	-3,709
Other current liabilities	-2,398
Tax payables	-2,274
Liability side balance (badwill)	-1,302
Purchase price	5,000

The acquisition led to the realisation of gain of TEUR 1,302, which has been recognised in other operating income. The bargain purchase was reassessed and confirmed. The Group was acquired in the course of insolvency proceedings. The companies included in the consolidated group for the first time contributed TEUR 696 to EBT and TEUR 23,903 to revenue in the reporting period.

A total of TEUR 10,290 was used to purchase a 100% stake in the Prajo Holding Beteiligungs- & VerwaltungsgmbH Group. The Group works in the demolition and construction materials recycling sector. Only 99% of shares were acquired in Prajo-Böhm Recycling GmbH. The purchase price was allocated in line with IFRS 3.45 to the Group's liabilities and assets provisionally as follows:

in EUR thousand	2013
Non-current assets	
Intangible assets	4,955
Property, plant and equipment	12,431
Other financial assets	3
Other non-current financial assets	96
Deferred tax assets	593
Current assets	
Inventories	110
Trade receivables	3,456
Other current financial assets	3,682
Other current receivables and assets	410
Cash and cash equivalents	530
Non-current liabilities	
Provisions	-10
Non-current financial liabilities	-2,505
Deferred tax liabilities	-3,442
Current liabilities	
Provisions	-3
Current financial liabilities	-1,769
Trade payables	-1,751
Other current financial liabilities	-5,680
Other current liabilities	-296
Tax payables	-770
Goodwill	300
Non-controlling interests	-50
Purchase price	10,290

The acquisition led to recognition of goodwill, as the purchase price included the benefits of synergic effects which did not meet the recognition criteria for intangible assets. The purchase price allocated should be seen as provisional, particularly with regard to intangible assets and provisions. The companies included in the consolidated group for the first time contributed TEUR 276 to EBT and TEUR 2,124 to revenue in the reporting period.

A total of TEUR 1,526 was used for increasing shares and a change of control; the Group's liabilities and assets have been provisionally allocated as follows as per IFRS 3.45:

in EUR thousand	2013
Non-current assets	
Property, plant and equipment	7.879
Shares in associates	163
Other financial assets	164
Current assets	
Inventories	4.672
Trade receivables	1.458
Other current financial assets	815
Other current receivables and assets	73
Cash and cash equivalents	2.629
Non-current liabilities	
Provisions	-67
Non-current financial liabilities	-6.204
Other non-current financial liabilities	-1.544
Deferred tax liabilities	-316
Current liabilities	
Provisions	-5
Current financial liabilities	-3.219
Trade payables	-1.298
Other current financial liabilities	-2.637
Other current liabilities	-243
Tax payables	-345
Recognised directly in equity	1.697
Fair value of the equity already held	-2.399
Goodwill	888
Non-controlling interests	-635
Purchase price	1.526

The acquisitions led to recognition of goodwill, as the purchase price included a control premium and the benefits of synergic effects which did not meet the recognition criteria for intangible assets. The purchase price allocated should be seen as provisional, particularly with regard to property, plant and equipment. Please see note 31 regarding the items recognised directly in equity. The companies included in the consolidated group for the first time contributed TEUR 1,132 to EBT and TEUR 2,517 to revenue in the reporting period.

Goodwill from the acquisitions is not tax deductible. The purchase price was paid in cash. The non-controlling interest is recognised at its share of equity (partial goodwill method).

If a theoretical date of initial consolidation of January 1st 2013 was applied to all companies included for the first time, Group revenue would increase by TEUR 126,848 and EBT would rise by TEUR 206.

TKDZ GmbH was acquired in 2012 and in the reporting period there was a final adjustment to the variable purchase price component, which was reduced from TEUR 6,555 to TEUR 5,553 and the purchase price allocation was finalised. A mining right of TEUR 11,871 was identified from the amount recognised as goodwill in the previous year (see note 17), thereby leading to the recognition of deferred tax liabilities of TEUR 2,797 (see note 29).

2.2. Acquisitions after the end of the reporting period

The PORR Group acquired additional shares in the following companies:

Company	Contract dated	Share acquired
AMW Leopoldau TEERAG-ASDAG AG & ALPINE – Bau GmbH OGz	9.10.2013	50%
RFM Asphaltmischwerk GmbH & Co KG	25.9.2013	17%
PORR ALPINE Austriarail GmbH	20.12.2013	50%
SONUS City GmbH & Co. KG	18.10.2013	40%

These acquisitions relate to two mix plants, one company with a line in renting equipment for rail construction, and one property development company. The legal force of these contracts is subject to various conditions precedent, which had not yet been met as of the reporting date. The companies were reported in the PORR Group's consolidated financial statements as of December 31st 2013 under associates.

3. New accounting standards

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

New standards

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 and has had no significant effect on the accounting and reporting methods, although it has had an impact on the notes to 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 is not relevant to the consolidated financial statements.

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 July 1st 2012 and are 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; however, the EU endorsement to change the effective date to January 1st 2013 applies to the Group. The amendment has had no effect on the consolidated financial statements.

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 must 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 amendment has had no effect on the consolidated financial statements.

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; however, the EU endorsement to change the effective date to January 1st 2013 applies to the Group. The changes are not relevant to the consolidated financial statements.

Amendments to IFRS 1 – Government Loans

The amendments aim to amend the requirements for first-time adopters to mirror the requirements for existing IFRS preparers in relation to the application of amendments made to IAS 20 Accounting for Government Grants and Disclosure of Government Assistance in relation to accounting for government loans. These amendments are applicable to fiscal years beginning on or after January 1st 2013 and are not relevant to the consolidated financial statements.

Annual Improvements to IFRS (Amended 2009–2011)

The annual improvements to IFRS – 2009–2011 cycle cover a number of amendments to the different standards. The amendments are applicable to fiscal years beginning on or after January 1st 2013. The amendments include:

Amendments to IAS 16: The changes to IAS 16 make it clear that spare parts and servicing equipment are to be classified as property, plant and equipment if they fulfil the definition. Otherwise they are to be treated as inventory. The changes have not had a significant effect on the consolidated financial statements.

Amendments to IAS 32: The amendments to IAS 32 clarify that income taxes on payouts to holders of equity instruments and the costs related to equity transactions should be accounted for in accordance with IAS 12. The changes have not had a significant effect on the consolidated financial statements.

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 2012, and the voluntary option to apply them early was also not exercised.

Standards and interpretations already adopted by the European Union

New standards

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; however, the EU endorsement to change the effective date to January 1st 2014 applies to the Group. 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; however, the EU endorsement to change the effective date to January 1st 2014 applies to the Group. 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; however, the EU endorsement to change the effective date to January 1st 2014 applies to the Group. The Group is currently evaluating what the effect will be on the consolidated financial statements.

Amendments to standards and interpretations

Amendments to IFRS 10, IFRS 12, IAS 27 – Investment Entities

The amendments provide for an exception with regard to the consolidation of subsidiaries if the parent qualifies for classification as an investment entity. Certain subsidiaries would then be measured at fair value through profit or loss as per IFRS 9 and IAS 39. The amendments are applicable to fiscal years beginning on or after January 1st 2014 and must be applied retrospectively. The Group is currently evaluating what the effect will be on the consolidated financial statements.

IFRS 10–12 Transition Guidance (IASB publication: June 28th 2012; EU-Endorsement: not yet confirmed, but first adoption can be postponed in line with the underlying standard): The amendments clarify the transition guidance in IFRS 10 as well as additional simplification of all three standards. This applies in particular to the fact that for first-time adopters of IFRS the disclosure of adjusted comparative figures has been limited to the period immediately preceding.

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; however, the EU endorsement to change the effective date to January 1st 2014 applies to the Group.

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 amendment is applicable to fiscal years beginning on or after January 1st 2013; however, the EU endorsement to change the effective date to January 1st 2014 applies to the Group.

Amendment to IAS 36 Impairment of Assets

The amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendment applies to fiscal years beginning on or after January 1st 2014.

Amendment to IAS 39 Financial Instruments: Recognition and Measurement

The amendment allows derivatives to continue to be designated as hedges despite a novation. The precondition for this is that the derivative is novated to effect clearing with a central counterparty as a result of laws or regulation. The amendment applies to fiscal years beginning on or after January 1st 2014. The Group does not expect the amendment to IAS 39 to have any significant impact on the consolidated financial statements.

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.

New interpretations

IFRIC 21 – Levies

The interpretation provides guidance on when to recognise a liability for a levy imposed by a government. The interpretations apply to fiscal years beginning on or after January 1st 2014. The Group does not expect the interpretations to have any significant impact on the consolidated financial statements.

Amendments to standards and interpretations

Amendment to IAS 19 Employee Benefits
The amendment clarifies how contributions from employees or third parties which are linked to service should be attributed to periods of service and also permits a practical expedient if the amount of the contributions is independent of the number of years of service. The amendment applies to fiscal years beginning on or after January 1st 2014. The Group does not expect the amendment to have any significant impact on the consolidated financial statements.

Annual Improvements to IFRSs (2010–2012 Cycle)
The Annual Improvements to IFRSs 2010–2012 Cycle contains a number of minor amendments to different standards. The amendments apply to fiscal years beginning on or after July 1st 2014. The standards affected by these amendments include: IFRS 2 Share-based Payment; IFRS 3 Business Combinations; IFRS 8 Operating Segments; IFRS 13 Fair Value Measurement; IAS 16 Property, Plant and Equipment; IAS 24 Related Party Disclosures; and IAS 38 Intangible Assets.

Annual Improvements to IFRSs (2011–2013 Cycle)
The Annual Improvements to IFRSs 2011–2013 Cycle contains a number of minor amendments to different standards. The amendments apply to fiscal years beginning on or after July 1st 2014. The standards affected by these amendments include: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 3 Business Combinations; IFRS 13 Fair Value Measurement; and IAS 40 Investment Property.

As the main purpose of the Annual Improvements project is to clarify the formulation of existing IFRSs and make small amendments to eliminate unforeseen consequences and conflicts, the Group does not expect any of the amendments arising from Improvements to IFRS to have a significant impact on the consolidated financial statements.

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 shows an excess, 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 bargain purchase, 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 interests”.

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 which have not been completed, 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
Rental rights	2.0 to 50.0
Licences, software	1.0 to 50.0
Concessions	5.0 to 50.0
Mining rights	Depends on assets
Customer relations	14.3

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 unit or groups of cash-generating units will be assigned, which benefit from the synergies of the Group amalgamation. This cash-generating unit 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 plants and machinery	10.0 to 50.0
Other plants, factory and business equipment	10.0 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. The external assessments are held at periodic intervals of maximum five years; in the interim period assessments from internal experts are used to update the expert opinions. 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 1.0% and 4.0%, 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 change in value occurred.

Fair value is determined using recognised valuation methods, namely as derived from the current market price, as derived from a price recently paid in a transaction with similar property, or – usually in cases where there is a lack of suitable market data – as derived from discounting estimated future cash flows, which are commonly generated on the market by this type of property under a rental agreement.

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.

Shares 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 profit or loss, 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.

Shares in consortiums: Group shares in profits from consortiums as well as Group revenues from goods and services to consortiums are shown in the consolidated income statement under revenue, while the shares of the Group from losses in consortiums are shown under other operating expenses. Capital paid into a consortium is entered under trade receivables (see note 24), together with profit shares and trade receivables for the relevant consortium 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 consolidated profit or loss.

Impairment of financial assets: At the end of each 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. Claims 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 method 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 consortiums, 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. 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%.

If a Group company purchases **treasury shares** in PORR AG, the value of the consideration paid, including directly attributable additional costs (net of income tax), will be deducted from the equity of PORR AG until the shares are retired or re-issued. If these shares are subsequently re-issued, the consideration paid (net of deductions for directly attributable additional costs and related income taxes) will be recognised in the equity of PORR AG.

The **provisions for severance payments, pensions and anniversary bonuses** are determined by the projected unit credit method in accordance with IAS 19, which involves an actuarial assessment being performed by a recognised actuary on each reference date. In the valuation of these provisions for Austria and Germany, an interest rate for accounting purposes of 3.75% p.a. (previous year: 3.75%) was applied with salary increases of 2.76% (previous year: 2.66%). When determining provisions for severance payments and anniversary bonuses for Austria, deductions are 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 25.0%) was applied. When determining provisions for pensions, a pension increase of 2.0% p.a. (previous year: 2.0% p.a.) was applied in Austria and Germany. For Austrian companies the assumed retirement age is the earliest possible retirement age permitted by law following the 2004 pension reform (corridor pension), taking into account all transitional arrangements; for German companies the legal retirement age is used. The life table AVÖ 2008-P – Pagler & Pagler is used for calculating provisions in Austria, while for Germany the life table Richttafeln 2005 G by Klaus Heubeck is applied.

Actuarial gains and losses for severance payments and pensions are recognised in full in other comprehensive income, while anniversary bonuses are under profit or loss for the period. Service costs are shown 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 with the best estimate of the expenditure required to settle the present obligation if a reliable estimate exists.

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.

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 attributable to the 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 consolidated financial statements for the following fiscal year of results reported:

Determining fair values of real estate: The fair value is generally equal to the present value of realisable rental income. Even small adjustments caused by economic assumptions and sources of estimation uncertainty, or those specifically related to real estate, can have a significant impact on the profit or loss for the year and the fair value of real estate. In particular, an adjustment in the interest rate applied in the course of the real estate valuation can have a significant effect on the figures in the statement of financial position. Furthermore, there is a risk that property sales carried out at short notice only generate proceeds and related real estate valuations which are lower than those subject to an orderly sales process.

The following sensitivity analysis shows the impact of key parameters on the carrying amount of investment property:

in EUR thousand	Carrying amount 31.12.2013	Significant valuation assumptions	Change	Effect on carrying amounts
Completed and uncompleted developments	130,682	Return on investment	+/-0.5%	-8,683
				9,373
Uncompleted developments	4,732	Construction costs	+/-2%	-713
				430
Undeveloped properties	103,704	Plot price per m²	+/-5%	5,185
				-5,185

Provisions for severance and pensions: the valuation of existing pension and severance obligations relies on assumptions and estimates which could have a significant impact on the amounts recognised.

For pension provisions, the following actuarial assumptions were deemed relevant and the following margins were applied: Discount rate +/-0.25%, Pension trend +/-0.25%, Life expectancy +/-1 year.

The sensitivity analysis of life expectancy was carried out on the basis of a shift in life expectancy for the total candidates of the respective plan.

The difference to the values disclosed in the statement of financial position are shown in the tables below as relative deviations:

	Interest +0.25%			Interest -0.25%		
	active	vested	liquid	active	vested	liquid
Pension DBO	-4.20%	-3.60%	-2.10%	4.80%	3.80%	2.20%

	Pension trend +0.25%			Pension trend -0.25%		
	active	vested	liquid	active	vested	liquid
Pension DBO	4.50%	2.20%	1.80%	-4.10%	-2.10%	-1.80%

	Life expectancy +1 year			Life expectancy -1 year		
	active	vested	liquid	active	vested	liquid
Pension DBO	3.50%	3.40%	4.80%	-3.30%	-3.30%	-4.50%

For severance payments, the following actuarial assumptions were deemed relevant and the following margins were applied: Discount rate +/-0.25%, Salary trend +/-0.25%, Fluctuation +/-0.5% up to 25th year of work, Life expectancy +/-1 year.

The sensitivity analysis of life expectancy was carried out on the basis of a shift in average life expectancy for the total candidates of the respective plan.

The difference to the values disclosed in the statement of financial position is shown in the tables below as relative deviations:

	Interest +0.25%	Interest -0.25%	Salary trend +0.25%	Salary trend -0.25%
Severance DBO	-2.12%	2.20%	2.18%	-2.11%

	Fluctuation +0.5% up to 25th year of work	Fluctuation -0.5% up to 25th year of work	Life expectancy +1 year	Life expectancy -1 year
Severance DBO	-0.05%	0.05%	0.14%	-0.16%

Construction contracts: Evaluation of construction contracts until project completion, in particular with a view to the accounting of claims, the contract revenue using the percentage of completion method, and the estimate of the probable operating profit from the contract, is based on expectations of the future development of the relevant construction contracts. A change in these estimates, particularly as regards contract costs to complete the contract, percentage of completion, the estimated operating profit and finally accepted claims can have a significant effect on the Group's financial position and financial performance (see note 24). The following sensitivity analysis shows the impact of changes to the key parameters on the carrying amounts:

in EUR thousand	Carrying amount	Significant valuation assumptions	Change	Effect on carrying amounts
Contract values according to POC-method	1,539,596	EBT margin	+/- 0.5%	+/- 13,470
Provision for onerous contracts	27,320	Provision/order value	+/- 0.5%	+/- 2,147
Provision for damages and penalties	16,684	Provision/order value	+/- 0.5%	+/- 5,711
Provision for guarantees	38,072	Provision/order value	+/- 0.5%	+/- 11,808

Impairment: Impairment tests on goodwill, other intangible assets, property, plant and equipment are primarily based on estimated future cash 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 cash 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. The carrying amounts and the valuation assumptions applied to key impairment tests on goodwill are as follows:

	Goodwill in EUR thousand	Fair value hierarchy	Method used	Business plan assumptions	Growth rate in %	Discount rate after taxes in %	Valuation date
Road construction	7,704	-	Value in use	Revenue p.a. +1.1–2.0%	1	7.41	30.6.
Building management	9,008	Level 3	Fair value less cost to sell	Revenue p.a. +9.0–20.0%	1	9.55	31.12.
PWW Group	3,854	Level 3	Fair value less cost to sell	Long-term revenue p.a. +4.0%	-	12.81	31.12.

The following shows the changes to the key parameters which can lead to impairment in the cash-generating units of road construction and building management:

	Growth rate in %	Discount rate in %	Business plan assumptions	Cover of the recoverable amount in EUR thousand
Road construction	-2.3	+2.2	EBITDA margin -25.0%; no impairment without revenue increase	82,494
Building management	-0.85	+0.8	Revenue -35.0%	1,971

Impairment was determined for the PWW Group. The following shows the impairment impact of further changes to the parameters:

	Discount rate +0.5%	Business plan assumes revenue -10,0%
PWW Group	-882	-1,013

7. Revenues

The gross revenues of TEUR 2,694,153 (previous year: TEUR 2,314,828) include the invoiced construction work of own construction sites, goods and services to consortiums, shares of profit from consortiums 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 consortiums 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	2013	2012
Business areas		
BU 1 – DACH	1,979,870	1,719,478
BU 2 – CEE/SEE	402,575	363,758
BU 4 – Infrastructure	617,550	462,226
BU 5 – Environmental Engineering	98,601	77,765
BU 6 – Real Estate	323,144	267,730
Other incl. holding	17,352	-
Total Group output	3,439,092	2,890,957
of which proportional output from consortiums, associates, subsidiary companies and shareholdings	-744,939	-576,129
Revenue	2,694,153	2,314,828

Revenue can be subdivided as follows:

in EUR thousand	2013	2012
Revenues from construction contracts	2,468,317	2,082,399
Revenues from sales of raw materials and other services	225,836	232,429
Total	2,694,153	2,314,828

8. Other operating income

in EUR thousand	2013	2012
Income from reversal of accruals	43,431	14,164
Income from the sale of property, plant and equipment	9,004	1,380
Revenue from the provision of staff	9,376	12,052
Insurance payments	2,686	3,791
Exchange gains	4,523	7,678
Revenue from charging materials	3,551	1,731
Rent from space and land	3,525	2,208
Valuation of investment property	10,155	-
Other	32,831	27,308
Total	119,082	70,312

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

9. Cost of materials and other related production services

in EUR thousand	2013	2012
Expenditure on raw materials and supplies and for purchased goods	-620,649	-558,339
Expenditure on purchased services	-1,140,381	-897,145
Total	-1,761,030	-1,455,484

10. Staff expense

in EUR thousand	2013	2012
Wages and salaries	-548,353	-500,961
Social welfare expenses	-124,798	-115,108
Expenditure on severance payments and pensions	-9,495	-9,240
Total	-682,646	-625,309

Expenditure on severance payments and pensions includes the service costs and 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 15,599 (previous year: TEUR 6,005) was applied to intangible assets and depreciation of TEUR 49,974 (previous year: TEUR 42,076) to property, plant and equipment, of which TEUR 13,920 relates to impairment. In addition, impairment of TEUR 1,132 (previous year: TEUR 1,947) was applied to revalued real estate. For more detailed information please refer to notes 17 and 18.

12. Other operating expenses

in EUR thousand	2013	2012
Legal and consultancy services, insurance	-41,615	-35,739
Buildings and land	-31,050	-28,658
Exchange losses	-3,992	-7,956
Fleet	-19,835	-17,764
Advertising	-8,208	-7,861
Office operations	-13,834	-13,254
Commission on bank guarantees	-15,451	-13,325
Losses in consortiums	-24,660	-7,368
Travel expenses	-12,704	-9,947
Valuation of investment property	-	-8,070
Other	-83,205	-74,979
Total	-254,554	-224,921

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 9,117 (previous year: TEUR 8,827).

13. Income from financial investments and current financial assets

in EUR thousand	2013	2012
Income from shareholdings	2,310	2,057
of which from affiliated companies	(394)	(444)
Expenditure from shareholdings	-7,696	-8,264
of which from affiliated companies	(-3,743)	(-3,848)
Income/expenditure from current financial assets	4,697	3,559
Interest	10,781	8,624
of which from affiliated companies	(1,224)	(555)
Total	10,092	5,976

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

14. Finance costs

in EUR thousand	2013	2012
Interest and similar expenditure relating to bonds	-17,256	-14,376
Other interest and similar expenses	-20,369	-23,401
of which from affiliated companies	(-218)	(-48)
of which interest expenditure from social overhead capital provisions	(-3,649)	(-4,270)
Total	-37,625	-37,777

In the year under review borrowing costs of TEUR 578 (previous year: TEUR 2,100) were capitalised. The capitalisation rate was between 1.8% and 6.25% (previous year: 2.5% and 6.3%).

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	2013	2012
Actual tax expense	4,721	5,825
Deferred tax income (-)/expense (+)	3,187	-1,810
Tax income (-)/expense (+)	7,908	4,015

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	2013	2012
Profit before income tax	60,493	22,008
Theoretical tax expense (+)/income (-)	15,123	5,502
Differences in rates of taxation	2,072	1,451
Tax effect of non-deductible expenditure and tax-exempt income	-2,353	-3,211
Income/expenditure from associates	-5,479	-4,277
Changes in deferred tax assets not applied in relation to loss carryforwards	-351	4,904
Effect from taxation changes	-422	-446
Tax gains (+)/losses (-) related to other periods	-150	35
Other	-532	57
Taxes on income and earnings	7,908	4,015

In addition to the tax expense recognised in the consolidated income statement, the tax effect of expenses and income set off to other comprehensive income was also recognised in other comprehensive income. The income recognised in other comprehensive income amounted to TEUR -2,865 (previous year: TEUR 2,146). 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 1,540 (previous year: TEUR 1,400) was recognised directly in equity.

Income tax on items in other comprehensive income

in EUR thousand	2013	2012
Revaluation reserve	-4,317	-141
Remeasurement from benefit obligations	1,701	2,242
Total debt securities available for sale – fair value reserve	-39	-74
Reserve for cash flow hedges	-188	119
Equity attributable to shareholders of the parent	-2,843	2,146
Equity attributable to non-controlling interests	-22	-
Total	-2,865	2,146

16. Earnings per share

Earnings per share and per capital share certificate are calculated by dividing the proportion of the annual profit relating to the shareholders of the parent company by the weighted average number of shares in issue including capital share certificates (also included 7% preference shares the previous year). The number of shares in 2012 has been adjusted following the share split (see note 30).

in EUR thousand	2013	2012
Proportion of annual deficit/surplus attributable the shareholders of the parent	46,399	11,651
Weighted average number of issued shares and capital share certificates	11,946,749	10,801,508
Earnings per share in EUR (basic EPS = diluted EPS)	3.88	1.08

Likewise, the earnings per ordinary share amount to EUR 3.88 (previous year: EUR 1.08).

As there were no potential diluted transactions for the fiscal years 2012 and 2013, the diluted earnings per share correspond to the basic earnings per share. See note 30 with regard to the distribution of profits for the various classes of shares.

17. Intangible assets

in EUR thousand	Concessions, licences and similar rights	Software	Goodwill	Other intangible assets	Total
Acquisition costs and manufacturing costs					
Balance at January 1st 2012	32,539	28,719	39,562	12,334	113,154
Reclassification in line with IFRS 3.49	11,871	-	-9,074	-	2,797
Additions/disposals due to changes in the consolidated group	571	-203	9,812	263	10,443
Additions	1,382	2,102	-	-	3,484
Disposals	-	-255	-	-	-255
Reclassifications	-	2	-	-	2
Currency adjustments	134	11	-	-	145
Balance at December 31st 2012	46,497	30,376	40,300	12,597	129,770
Additions/disposals due to changes in the consolidated group	4,763	267	11,268	-	16,298
Additions	830	2,242	801	-	3,873
Disposals	-64	-73	-5,228	-	-5,365
Reclassifications	957	-1,288	-	331	-
Currency adjustments	-55	-24	-1	-	-80
Balance at December 31st 2013	52,928	31,500	47,140	12,928	144,496
Accumulated amortisation and impairment					
Balance at January 1st 2012	23,915	16,751	20,922	544	62,132
Additions/disposals due to changes in the consolidated group	307	-37	-	-	270
Additions (planned amortisation)	1,153	2,169	-	1,646	4,968
Additions (impairment)	1,000	-	37	-	1,037
Disposals	-	-187	-	-	-187
Reclassifications	-	-	-	-	-
Currency adjustments	7	12	1	-	20
Appreciation	-	-	-	-	-
Balance at December 31st 2012	26,382	18,708	20,960	2,190	68,240
Additions/disposals due to changes in the consolidated group	-50	237	-	-	187
Additions (planned amortisation)	1,610	2,293	-	1,776	5,679
Additions (impairment)	3,694	-	6,226	-	9,920
Disposals	-24	-73	-5,227	-	-5,324
Reclassifications	282	-613	-	331	-
Currency adjustments	-15	-19	-1	-	-35
Appreciation	-	-	-	-	-
Balance at December 31st 2013	31,879	20,533	21,958	4,297	78,667
Carrying amounts – balance at December 31st 2012	20,115	11,668	19,340	10,407	61,530
Carrying amounts – balance at December 31st 2013	21,049	10,967	25,182	8,631	65,829

Goodwill resulting from the acquisition of companies is tested for impairment at the level of the cash-generating unit 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	Currency adjustments	Newly acquired goodwill	Disposal of goodwill	Impairment	Balance Dec 31st
BU 1 – DACH	8,827	-	1,688	-	-	10,515
BU 2 – CEE/SEE	-	-	-	-	-	-
BU 4 – Infrastructure	738	-	-	-	-	738
BU 5 – Environmental Engineering	458	-	10,380	-	-6,226	4,612
BU 6 – Real Estate	9,317	-	-	-	-	9,317
Other incl. holding	-	-	-	-	-	-
Total	19,340	-	12,068	-	-6,226	25,182

in EUR thousand	Balance Jan 1st	Currency adjustments	Newly acquired goodwill	Disposal of goodwill	Impairment	Balance Dec 31st
BU 1 – DACH	8,865	-1	-	-	-37	8,827
BU 2 – CEE/SEE	-	-	-	-	-	-
BU 4 – Infrastructure	-	-	738	-	-	738
BU 5 – Environmental Engineering	458	-	-	-	-	458
BU 6 – Real Estate	9,317	-	-	-	-	9,317
Other incl. holding	-	-	-	-	-	-
Total	18,640	-1	738	-	-37	19,340

In Segment Business Unit 1 – DACH, goodwill of TEUR 10,515 is allocated to the cash-generating unit of road construction. In the segment Business Unit 6 – Real Estate goodwill of TEUR 9,008 is allocated to the cash-generating unit of building management. The addition in the segment Business Unit 5 – Environmental Engineering goodwill of TEUR 10,080 is allocated to the cash-generating unit PWW Group. In the segment Business Unit 5 – Environmental Engineering goodwill of TEUR 10,080 is allocated to the cash-generating unit PWW Group; impairment of TEUR 6,226 was applied to this goodwill. Further goodwill of TEUR 300 is allocated to the cash-generating unit of the Prajo Group in Business Segment 5.

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. The impairment test of the PWW Group involves cash flows for the next 22 years, as this is the assumed period of use for the landfills. More details on the parameters used in impairment tests are given in note 6.1.

The comments shown under accounting and measurement methods explain the useful lives and methods of amortisation, depreciation and impairment.

The consolidated income statement contains impairment related to goodwill of TEUR 6,226 (previous year: TEUR 37), shown under the item "Depreciation, amortisation and impairment expense", as well as impairment losses of TEUR 3,694 (previous year: TEUR 1,000) and amortisation on other intangible assets.

The impairment on goodwill relates to Business Unit 5 – Environmental Engineering; TEUR 692 of impairment on other intangible assets relates to Business Unit 1 – DACH; and TEUR 3,002 relates to Business Unit 5 – Environmental Engineering; this impairment was applied as the expectations of the business plans had not been fulfilled.

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
Acquisition costs, manufacturing costs and revaluations					
Balance at January 1st 2012	371,140	331,551	107,325	8,696	818,712
Additions/disposals due to changes in the consolidated group	-18,317	12,800	1,083	247	-4,187
Additions	4,078	27,007	16,776	6,099	53,960
Disposals	-3,662	-28,851	-36,262	-957	-69,732
Reclassifications	877	1,733	1,924	-5,859	-1,325
Currency adjustments	992	1,672	693	343	3,700
Decrease in value arising from revaluation	138	-	-	-	138
Balance at December 31st 2012	355,246	345,912	91,539	8,569	801,266
Additions/disposals due to changes in the consolidated group	29,484	76,510	6,366	15	112,375
Additions	3,932	29,873	20,698	3,082	57,585
Disposals	-10,309	-86,007	-17,955	-135	-114,406
Reclassifications	1,950	795	-358	-2,201	186
Currency adjustments	-2,485	-2,744	-1,528	-137	-6,894
Revision arising from revaluation	17,461	-	-	-	17,461
Balance at December 31st 2013	395,279	364,339	98,762	9,193	867,573
Accumulated amortisation and impairment					
Balance at January 1st 2012	103,772	229,037	76,151	-	408,960
Additions/disposals due to changes in the consolidated group	1,454	11,652	942	-	14,048
Additions (planned depreciation)	7,878	18,384	13,328	486	40,076
Additions (impairment)	2,000	-	-	-	2,000
Disposals	-1,579	-25,740	-33,759	-	-61,078
Reclassifications	-	1,629	-1,629	-	-
Currency adjustments	271	969	543	-5	1,778
Appreciation	-	-	-	-	-
Revision arising from revaluation	1,947	-	-	-	1,947
Balance at December 31st 2012	115,743	235,931	55,576	481	407,731
Additions/disposals due to changes in the consolidated group	4,733	51,780	5,430	-	61,943
Additions (planned depreciation)	7,337	23,861	14,775	1	45,974
Additions (impairment)	4,000	-	-	-	4,000
Disposals	-4,304	-79,215	-14,316	-1	-97,836
Reclassifications	43	357	-358	-	42
Currency adjustments	-950	-2,399	-1,261	-5	-4,615
Appreciation	-	-	-	-	-
Revision arising from revaluation	1,132	-	-	-	1,132
Balance at December 31st 2013	127,734	230,315	59,846	476	418,371
Carrying amounts – balance December 31st 2012	239,503	109,981	35,963	8,088	393,535
Carrying amounts – balance December 31st 2013	267,545	134,024	38,916	8,717	449,202

Land, land rights and buildings including buildings on land owned by others includes reserves for raw materials amounting to TEUR 63,808 (previous year: TEUR 69,276), 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.

Scheduled depreciation is shown under “Depreciation, amortisation and impairment expense”. Impairment was included at a rate of TEUR 4,000 (previous year: TEUR 2,000) and was also entered under “Depreciation, amortisation and impairment expense”. The impairment relates to rights equivalent to land in segment Business Unit 1 – DACH.

The carrying amount for property, plant and equipment pledged for security at the end of the reporting period is TEUR 86,884 (previous year: TEUR 78,381).

The carrying amount for land, land rights and buildings, including buildings on land owned by others would have amounted to TEUR 245,850 (previous year: TEUR 236,751) on application of the cost model as at December 31st 2013. Of the amounts recognised for plants under construction and buildings under construction, TEUR 7,311 relates to real estate and is shown in the table below as per IFRS 13.

Fair value of land and buildings

Determining the fair value of properties is carried out by way of a revolving cycle. Fair value is determined using recognised valuation methods, namely as derived from the current market price, as derived from a price recently paid in a transaction with similar property, or – usually in cases where there is a lack of suitable market data – as derived from discounting estimated future cash flows, which are commonly generated on the market by this type of property under a rental agreement. An internal valuation team determines the market value of any property which has not undergone an external valuation. Discussions related to the parameters which need to be applied to determine fair value (Level 3) are led by operational project developers, the Executive Board and the valuation team.

The various levels are defined as follows:
- Quoted (non-adjusted prices) in active markets for identical assets or liabilities (Level 1)
- Inputs which differ from the quoted market prices in Level 1, which are either indirectly observable (i.e. as a price) or directly observable (i.e. derived from the price) (Level 2).
- Inputs which are based on unobservable market data for the assets or liabilities (Level 3)

in EUR thousand	Fair value as at Dec 31st 2013		
	Prices quoted in active markets for identical assets	Other key observable inputs	Other key unobservable inputs
Property type	Level 1	Level 2	Level 3
Operating premises/storage	-	-	167,549
Gravel pit/stone quarry	-	-	72,480
Mix plant	-	11,320	-
Landfill	-	-	15,507
Hotel/health-care properties	-	-	8,000

Range of observable inputs Property type	Valuation method	Basic value per m²	Construction value per m²
Mix plants	CV	25.00–35.00	1,400.00–1,600.00

Range of non-observable inputs Property type	Valuation method	Capitalisation rate in %	Rent in EUR per m²	Maintenance in %	Vacancy rate in %	Income in EUR/t	Expenses in EUR/t	Room occupancy in %
Operating premises/storage	CE, CV, DCF	5.50–7.50	5.00–8.00	6.00–7.00	6.00–10.00			
Gravel pit/stone quarry	CE, CV	4.00–7.00	4.50	25.00	5.00	8.02–10.12	6.07–6.58	
Landfill	CE	12.81				17.98–40.44		
Hotel/health-care properties	DCF	9.00						55.30–68.70

DCF = discounted cash flow, CE = capitalised earnings, CV = comparative value

The impact of unobservable inputs on fair value.

- Rent: the higher the price per m², the higher the fair value
- Maintenance: the higher the anticipated cost of maintenance, the lower the fair value
- Vacancy rates: the higher the anticipated vacancy rates, the lower the fair value

Fair value is determined using internationally recognised valuation methods, namely as derived from the current market price, as derived from a price recently paid in a transaction with similar property, or – in cases where there is a lack of suitable market data – as derived from discounting estimated future cash flows, which are commonly generated on the market by this type of property under a rental agreement.

Finance Leasing Agreements

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

in EUR thousand	2013	2012
Real estate leasing	85,491	77,438
Equipment leasing	48,464	45,999
Total	133,955	123,437

These carrying amounts are balanced by corresponding liabilities represented by the present value of the minimum lease payments, i.e. of TEUR 80,090 (previous year: TEUR 84,137).

The terms of the finance leases for real estate are between 5 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 3 and 12 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 option 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 5 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	2013	2012
Due within 1 year	7,497	8,132
Due between 1 and 5 years	17,498	18,964
Due after 5 years	25,807	28,725

19. Investment property

in EUR thousand	Total
Fair value	
Balance at January 1st 2012	407,496
Additions/disposals due to changes in the consolidated group	-102,966
Additions from acquisitions	35,193
Additions from subsequent expenditure	41,766
Disposals	-19,887
Reclassifications	-15,063
Currency adjustments	118
Adjustments to fair value	-6,875
Balance at December 31st 2012	339,782
Disposals due to changes in the consolidated group	-112,440
Additions from acquisitions	24,030
Additions from subsequent expenditure	5,255
Disposals	-21,851
Reclassifications	-2,942
Currency adjustments	-881
Adjustment to fair value	3,433
Balance at December 31st 2013	234,386

The value of investment property, which was assessed by an external expert as of the reporting date, amounted to TEUR 110,771 (previous year: TEUR 101,791).

The rental income from investment property amounted to TEUR 7,446 in the year under review (previous year: TEUR 11,786). Operating expenses related to investment property for which there was no rental income in the year under review amounted to TEUR 967 (previous year: TEUR 2,601).

Investment property with a carrying amount of TEUR 85,586 (previous year: TEUR 162,308) is pledged as collateral for liabilities, this includes investment property with a carrying amount of TEUR 0 (previous year: TEUR 23,981) recorded under assets held for sale.

There were no selling restrictions on investment property in 2013 (previous year: 0).

Reclassifications of TEUR 2,800 relate to the reclassification of one undeveloped property to assets held for sale.

Fair value of land and buildings

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 – in the absence 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.

in TEUR	Fair value as at Dec 31st 2013		
	Prices quoted in active markets for identical assets	Other key observable inputs	Other key unobservable inputs
Property type	Level 1	Level 2	Level 3
Office/commercial	-	-	114,555
Undeveloped property	-	103,704	-
Residential construction projects	-	-	3,934
Hotel/health-care properties	-	-	12,193

Range of observable inputs Property type	Valuation method	Basic value per m²*
Undeveloped property	CV	10.00–530.00

Range of non-observable inputs Property type	Valuation method	Capitalisation rate in %	Rent in EUR per m²	Maintenance in %	Vacancy rate in %
Office/commercial	DCF, RV, CV	5.25–7.00	5.80–17.00	3.00–10.50	2.00–10.00
Residential construction projects	RV, CV	6.50	11.00	3.00	3.00
Hotel/health-care properties	CV	6.50	5.00–11.00	3.00–10.00	3.00–10.00

DCF = discounted cash flow, RV = residual value, CV = comparative value, * = undeveloped properties

The impact of unobservable inputs on fair value.

- Rent: the higher the price per m², the higher the fair value
- Maintenance: the higher the anticipated cost of maintenance, the lower the fair value
- Vacancy rates: the higher the anticipated vacancy rates, the lower the fair value

20. Shares in associates

in EUR thousand	2013	2012
Acquisition costs	151,505	143,374
Share of profit generated since acquisition less dividends received and profit transfers	114,243	101,337
Earnings/expenses entered into other comprehensive income	-31,640	-35,658
Carrying amount	234,108	209,053

The following summaries show condensed financial information relating to associates:

in EUR thousand	2013	2012
Assets	2,283,682	2,384,776
Liabilities	1,789,538	1,963,657
Net assets	494,144	421,119
Group share of net assets	234,108	209,053

in EUR thousand	2013	2012
Revenue	769,559	641,074
Profit for the year	115,556	52,459
Group share of profit for the year	34,973	20,201

The accumulated amount of non-recognised shares of losses of associates as of December 31st 2013 is TEUR 56 (previous year: TEUR 1,524).

The market capitalisation of the 41.8% shareholding in UBM Realitätenentwicklung AG amounted to TEUR 38,749 (previous year: TEUR 33,478) at December 31st 2013.

21. Loans

in EUR thousand	2013	2012
Loans to companies in which there is a participating interest	7,477	9,417
Loans to associates	19,220	18,441
Other loans	886	1,522
Total	27,583	29,380

22. Other financial investments and securities

in EUR thousand	2013	2012
Shareholdings in non-consolidated subsidiaries	2,834	2,994
Other shareholdings	2,571	5,826
Total assets available for sale	11,496	11,295
Payments on account on financial assets	2,118	-
Total	19,019	20,115

As regards the other shareholdings, and 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	2013	2012
Land intended for sale	27,457	31,708
Finished and unfinished products and merchandise	6,163	5,936
Raw materials and supplies	32,185	29,239
Payments on account	30,300	14,250
Total	96,105	81,133

Allowances of TEUR -250 (previous year: TEUR -130) were recognised on products and merchandise in the year under review. Inventories with a carrying amount of TEUR 17,874 (previous year: TEUR 21,773) were pledged as collateral for liabilities.

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	2013	2012
Contract values according to POC method	1,539,596	1,384,866
Less attributable payments on account	-1,289,222	-1,129,809
Net	250,374	255,057

Proportional contract values capitalised according to the percentage of completion of the contract as at December 31st 2013 are balanced by contract costs valued at TEUR 1,500,962 (previous year: TEUR 1,350,783), so that the recognised profit for these contracts amounts to TEUR 38,634 (previous year: TEUR 34,083). Shares of the profits from consortiums are shown under receivables from consortiums. Advances received, 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 contracts are recorded in provisions.

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

in EUR thousand	Dec 31st 2013	Remaining term > 1 year	Dec 31st 2012	Remaining term > 1 year
Trade receivables	583,437	24,541	543,089	21,068
Receivables from consortiums	67,550	8,388	67,057	-
Total	650,987	32,929	610,146	21,068

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 56,381 (previous year: TEUR 56,446).

in EUR thousand	2013	2012
Trade receivables before allowances	614,842	585,822
Impairment allowances at January 1st	42,733	63,862
Additions	32,793	41,071
Amounts used/reversed	-44,121	-62,200
At December 31st	31,405	42,733
Carrying amount of trade receivables	583,437	543,089

Ageing structure of receivables:

in EUR thousand	2013	2012
Carrying amount at Dec 31st 2013	583,437	543,089
Of which not overdue at closing date	465,455	430,748
Of which overdue at closing date in the following time periods		
Less than 30 days	39,077	40,427
Between 30 and 60 days	11,272	9,885
Between 60 and 180 days	17,002	19,905
Between 180 and 360 days	14,682	7,682
More than 360 days	35,949	34,442

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 non-current financial assets

in EUR thousand	Dec 31st 2013	Remaining term > 1 year	Dec 31st 2012	Remaining term > 1 year
Loans	100	-	334	-
Receivables from non-consolidated subsidiaries	8,974	-	11,950	3,392
Receivables from associates	37,049	4,368	35,483	13,337
Receivables from other shareholdings	19,028	3,187	23,938	1,793
Receivables from insurance	687	-	36	-
Other	98,690	23,876	89,853	21,920
Total	164,528	31,431	161,594	40,442

Forward contracts at fair value amounting to TEUR 1,601 (previous year: TEUR 0) are included under other financial assets (see note 44). In addition this item contains TEUR 8,284 (previous year: TEUR 10,521) of receivables from deposits and TEUR 8,976 (previous year: TEUR 9,913) of receivables from down payments relating to rent and leases. Other financial assets amounting to TEUR 13,067 (previous year: TEUR 12,835) are secured with shares or shareholdings in businesses.

Receivables from non-consolidated subsidiaries, associates and other shareholdings include contractual retentions amounting to TEUR 754 (previous year: TEUR 438).

26. Other receivables and assets

in EUR thousand	Dec 31st 2013	Remaining term > 1 year	Dec 31st 2012	Remaining term > 1 year
Tax assets	9,999	-	11,734	-
Other	1,188	-	377	-
Total	11,187	-	12,111	-

27. Cash and cash equivalents

The cash and cash equivalents include cash at banks amounting to TEUR 332,143 (previous year: TEUR 110,089) and cash in hand of TEUR 764 (previous year: TEUR 322).

28. Assets held for sale

The assets held for sale related to a property in the segment Business Unit 1 – DACH and a holding property, 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 2014 business year.

29. Deferred tax assets

The following tax deferments 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:

	2013		2012	
in EUR thousand	Assets	Liabilities	Assets	Liabilities
Non-current assets, liabilities from finance leasing	44,478	64,455	39,316	58,498
POC method	-	35,854	-	34,148
Untaxed reserves	-	6,610	-	6,861
Provisions	16,456	1,232	14,836	1,912
Tax loss carryforwards	27,322	-	34,066	-
Other	-	-	-	-
Off-setting	-81,155	-81,155	-80,648	-80,648
Deferred taxes	7,101	26,996	7,570	20,771
Net deferred taxes		19,895		13,201

in EUR thousand	2013	2012
Net deferred taxes (liabilities)	19,895	13,201
Change	-6,694	186
of which related to exchange differences	163	-81
of which related to expense (-)/income (+) as per income statement	-3,187	1,810
of which related to regrouping from current tax liabilities	-360	836
of which related to changes to the consolidated group	1,004	-4,525
of which related to expense (-)/income (+) entered into other comprehensive income	-4,314	2,146

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 197,601 (previous year: TEUR 168,909). 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

Share capital	Number 2013	EUR 2013	Number 2012	EUR 2012
Ordinary bearer shares	11,902,500	23,805,000	2,045,927	14,868,331
7% bearer preference shares (without voting rights)	-	-	642,000	4,665,596
Total share capital	11,902,500	23,805,000	2,687,927	19,533,927
Capital share certificates (profit-participation rights pursuant to Art. 174 Stock Corporation Act)	49,800	398,400	49,800	361,911
Total share capital and capital from profit-participation rights	11,952,300	24,203,400	2,737,727	19,895,838

The shares are no-par bearer shares which are fully paid in. Following appropriate authorisation by the Annual General Meeting, the resolutions passed by the Executive Board and the Supervisory Board on April 24th 2013 and May 15th 2013 permit increasing the Group's share capital from EUR 19,533,927.31 by a maximum of EUR 2,090,782.91 up to a maximum of EUR 21,624,710.22 by issuing up to 287,698 new no-par bearer shares with voting rights with a pro rata share in the share capital of EUR 7.27 (rounded off) and with profit-sharing rights as of the 2013 business year, as part of a capital increase. Effective from entry into the Commercial Register on August 23rd 2013, and on the basis of the resolution passed by the extraordinary general meeting and the special meeting of holders of preference shares, both of which were held on July 11th 2013, the preference dividend of all preference shares has been cancelled, whereby all preference shares have been converted to ordinary shares with voting rights. Furthermore, a capital increase from company funds was carried out, from EUR 21,624,710.22 by EUR 2,180,289.78 to EUR 23,805,000.00, along with a related increase in capital from capital share certificates from EUR 361,910.71 by EUR 36,489.29 to EUR 398,400.00. Finally, the increased share capital has been newly distributed in a ratio of 1:4, whereby the number of shares was increased to 11,902,500 and in future every share is due a pro rata share in the share capital of EUR 2.00. The share of profit participation capital due to individual holders of capital share certificates remains EUR 8.00.

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.

On liquidation of the company, the holders of capital share certificates are the first to 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. Then the shareholders receive any remaining shares in the profit from the remaining liquidation proceeds and the pro rata amount of the share capital. 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 statutes: in the first instance the holders of capital share certificates receive up to EUR 0.51 per capital share certificate and any remainder of profit shares relating to capital share certificates from previous years is payable subsequently, after which the shareholders receive up to EUR 0.1275 as a share of the profit; any unappropriated retained earnings exceeding that amount shall be distributed equally between shareholders and holders of capital share certificates, in relation to the pro rata amount of capital apportioned to capital share certificates, as long as the Annual General Meeting does not determine any other appropriation.

Authorised capital

In an extraordinary meeting on July 11th 2013 the Executive Board was authorised to increase the share capital of the company with the approval of the Supervisory Board, in multiple tranches if so wished, to EUR 11,902,500.00 by issuing up to 5,951,250 no-par value shares, whereby the issue price, the conditions of issue, the subscription ratio, and other details are to be determined by the Executive Board with the approval of the Supervisory Board. The pre-emptive rights of shareholders to these new shares issued from the authorised capital are excluded when and if this authorisation (authorised capital) is exercised by issuing new shares in exchange for cash or contribution in kind, up to a total of 10% of share capital, with over-allotment options in the course of issuing new shares in the company. Furthermore, the Executive Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' pre-emptive rights, when and if this authorisation (authorised capital) is exercised:

- through issuing shares in exchange for contribution in kind, or
- through issuing shares to staff members, leading employees and members of the Executive Board of the Group or an associate up to a total level of 10% of share capital.

The Supervisory Board is authorised to rule on changes to the statutes which result from the Executive Board exercising this entitlement.

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 139,632 (previous year: TEUR 121,346) which is restricted. 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, reserves for remeasurement from benefit obligations, 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. Treasury shares as at December 31st 2013 were deducted from reserves and the changes are as follows:

	Number	Nominal	Carrying amounts
Total as of Dec 10th 2013	101,622	203,244	2,285,738
Disposal	-15,461	-30,922	-377,505
Total as of Dec 31st 2013	86,161	172,322	1,908,233

The PORR Group acquired control over treasury shares on December 10th 2013 due to an agreement with the Works Council.

Net earnings amounting to TEUR 12,134 are available for distribution to shareholders in PORR AG. The unrestricted retained earnings of PORR AG, which come to TEUR 69,238 as of December 31st 2013 may be released and distributed to the shareholders of PORR AG. The statutory reserve of PORR AG of TEUR 458 (previous year: TEUR 458) 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.

In the year under review arrears were paid on preferential dividends for the year 2011 of EUR 0.51 per preference share and profit share for capital share certificates of EUR 0.51 per capital share certificate; for the 2012 business year a dividend was paid of EUR 1.25 per share (before the share split) for shares entitled to dividends, as well as a profit share of EUR 1.25 per capital share certificate, thereby totalling EUR 3,774,976.75. The Executive Board proposes to pay a dividend of EUR 1.0 per share entitled to dividends and a profit share for capital share certificates of EUR 4.0 per capital share certificate for the business year 2013. The proposed dividend does not yet appear in the statement of financial position as at December 31st 2013, as the payout requires a resolution by the Annual General Meeting. The dividend payout has no effect on the Group's taxation.

32. Equity from profit-participation rights

32.1 Equity from profit-participation rights from subsidiaries

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. The profit-participation rights, whose issuance conditions are in accordance with debentures, are issued for an unspecified length of time. 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. Subscribers to these profit-participation rights amounting to TEUR 30,000 renounced the increased interest until December 31st 2016. 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. The issuer is not obliged to pay the due interest for one year in the absence of a profit payout, and if the issuer 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 part of these profit-participation rights amounting to TEUR 40,000 – 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 this part of the profit participation rights permanently, these profit-participation rights are categorised as equity instruments. Interest which is paid on these profit-participation rights, less any tax, is to be recorded directly in equity as a deduction. Because a condition for extraordinary termination has arisen for the current business year, part of the profit participation capital amounting to TEUR 30,000 was recognised under other current financial liabilities.

32.2. Subordinated loan

In December 2012 PORR AG took out a subordinated loan with a total value of TEUR 11,000. In the course of the capital increase (resolutions passed by the Executive Board and the Supervisory Board on April 24th 2013 and May 15th 2013) from EUR 19,533,927.31 by a maximum of EUR 2,090,782.91 up to a maximum of EUR 21,624,710.22 by issuing up to 287,698 new no-par bearer shares with voting rights, this mezzanine capital was settled by contribution in kind. Confida Süd Wirtschaftsprüfungsgesellschaft m.b.H., appointed by the Vienna Commercial Court to audit contributions in kind, valued the mezzanine capital and its report on the contribution in kind confirmed that these receivables had been settled in full.

33. Non-controlling interests

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

34. Provisions

in EUR thousands	Severance	Pensions	Anniversary bonuses	Indemni-ties	Construc-tions	Recultiva-tion	Other	Total
Balance at Jan 1st 2013	51,943	37,138	11,745	3,923	102,983	10,832	14,253	232,817
Additions	6,278	2,902	1,387	251	52,958	2,541	3,505	69,822
OCI additions								
from changes to financial assumptions	464	1,161	-	-	-	-	-	1,625
from changes to expe-rience-based adjustments	2,871	2,170	-	-	-	-	-	5,041
Amounts used/reversed	-5,144	-3,329	-813	-469	-73,865	-2,727	-6,687	-93,034
Balance at Dec 31st 2012	56,412	40,042	12,319	3,705	82,076	10,646	11,071	216,271
of which non-current	56,412	40,042	12,319	3,705	-	10,646	-	123,124
of which current	-	-	-	-	82,076	-	11,071	93,147

PORR AG and its subsidiaries must pay their employees in Austria and Germany anniversary bonuses on certain anniversaries in accordance with 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 27,320 (previous year: TEUR 19,000), provisions for constructions represent provisions for impending losses arising from the order backlog and, at TEUR 38,072 (previous year: TEUR 40,330), 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 construction 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 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	2013	2012
Present value of severance obligations (DBO) at Jan 1st	51,943	46,811
Changes to the consolidated group	1,920	18
Current service cost	2,503	2,045
Interest expense	1,855	2,107
Severance payments	-5,144	-4,157
Actuarial profits (-)/losses (+)	3,335	5,119
Present value of severance obligations (DBO) at Dec 31st	56,412	51,943

In EUR thousand	2013	2012
Current service cost (entitlements)	2,503	2,045
Net interest expense	1,855	2,107
Severance costs (recognised in profit and loss for the period)	4,358	4,152

For the year 2014, an interest expense of TEUR 2,000 and a current service cost of TEUR 2,349 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	2013	2012	2011	2010	2009
Experience-based adjustments at Dec 31st	-2,871	-236	-1,376	-1,466	-3,188

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

in EUR thousand	2013	2012	2011	2010	2009
Present value of severance obligations at Dec 31st	56,412	51,943	46,811	47,808	49,601

Pension provisions:

Pension obligations transferred to provisions in EUR thousand	2013	2012
Present value of obligations covered by plan assets	15,021	14,184
Fair value of the plan assets	-6,858	-7,755
Net value of the obligations covered by plan assets	8,163	6,429
Present value of the obligations not covered by plan assets	31,879	30,709
Carrying amount of provisions at Dec 31st	40,042	37,138

Pension costs in EUR thousand	2013	2012
Service cost (entitlement)	229	159
Net interest expense	1,630	1,912
Pension costs (recognised in profit/loss for the period)	1,859	2,071
Interest income	-291	-368
Pension costs (recognised in comprehensive income for the period)	1,568	1,703

Description of pension plans:

Claims – Austria: as part of the defined benefit plans relating to pensions, the company is obliged to grant the promised benefits both to current and former employees.

The employee claims to defined benefit pension plans are defined as follows:
Group A (service contract, version dated July 1st 1991):
The pension allowance involves an agreed percentage of the basis of assessment (salary and overtime rate) for cases of retirement after reaching the age of 63 and is reduced by a defined percentage for every full year of retirement before reaching the age of 63.
Group B (service contract dated August 5th 1991) and Group C/D (service contract dated August 6th 1991):
The pension allowance is determined as an agreed amount due upon retirement after reaching the age of 63 and is reduced by a defined amount for every full year of retirement before reaching the age of 63.
Group E/F (service contract dated August 29th 1991):
The pension allowance involves an agreed amount for retirement upon reaching the age of 60; this amount increases by a fixed annual amount for every year up to 63, whereby the maximum contribution is reached after reaching the age of 63.

Claims – Germany: there are multiple pension plans with defined benefits for current and former employees. Employee claims to these defined benefit pension plans are tied to the number of eligible calendar years and the class of pension which were determined for the pension candidate when the claim was agreed.

In addition, there are individual commitments involving defined benefit obligations.

Pension obligations in EUR thousand	2013	2012
Present value of pension obligations (DBO) at Jan 1st	44,893	42,448
Changes to the consolidated group	1,330	482
Current service cost	229	159
Net interest expense	1,630	1,912
Pension payments	-3,329	-3,478
Actuarial profits (-)/losses (+)	2,147	3,370
Present value of pension obligations (DBO) at Dec 31st	46,900	44,893

The obligations from the direct pension benefits in Austria are covered by insurance contracts concluded with WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group. In Germany the obligations from direct pension benefits are covered by insurance contracts concluded with Nürnberger Lebensversicherung AG, Condor Lebensversicherung AG, Generali Lebensversicherung AG and Essener Verband. In order to secure the pension rights of the employees insured from the corporate pension benefits, the rights from the insurance agreements are pledged in favour of the employees insured. The insurance of the old-age pension is entitled to share in profits in line with Article 16 of the General Terms and Conditions Governing Endowment and Pension Insurance. The insurance for the disability pension and widows pension is also entitled to share in profits. To this end, a cash accounting statement is produced at the end of every insurance year. In the case of a profit, 50% of the balance of income and expenditure is refunded to the insurance policyholder. In the case of a loss, this is carried forward to the next insurance year. Profits can only be paid out again once the loss carryforward has been settled. The amount of the annual insurance premiums is determined by the insurance company's rates and is stated in the registry of members. The premiums must be paid annually in advance. The final annual premium must be paid in the year in which the policyholder reaches retirement age. The pension plan reinsurance is held in an independent department of the cover pool for life insurance as laid down in Article 20 Section 2 Line 1 in connection with Article 2 of the Insurance Supervision Law.

Endowment life insurance policies have been concluded, e.g. with Nürnberger Lebensversicherung AG, for the pension benefits of the German companies. The insurance involves individual endowment policies which are ring-fenced. The policyholder is the employer, while the insured party/beneficiary is the employee who can choose between a lump sum or an annuity of equal value. The amount of the annuity is determined by the rates valid at the time of choosing and the corresponding insurance conditions. The contributions must be paid until the end of the insurance year in which the claim becomes valid (death or retirement). At the end of every insurance year the current profit participation (risk and interest surplus) is credited and converted into a bonus.

Plan assets in EUR thousand	2013	2012
Fair value of the plan assets at Jan 1st	7,755	7,744
Changes to the consolidated group	-	-104
Contribution payments	40	37
Interest income	291	368
Payouts (benefit payments)	-44	-
Actuarial gains (-)/losses (+)	-1,184	-290
Fair value of the plan assets at Dec 31st	6,858	7,755

For the year 2014, an interest payment of TEUR 1,688 and a current service cost of TEUR 204 are planned. Please refer to the notes on the accounting and measurement methods with regard to the actuarial assumptions underlying the calculation.

A part of the plan assets amounting to TEUR 5,854 has been assessed as follows by WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group according to information from WIENER STÄDTISCHE VERSICHERUNG Vienna Insurance Group AG:

Structure of investments in classic cover pool in %	
Fixed-income securities	39.22
Shares, supplementary capital, profit-participation rights, non-ownership capital	4.94
Investment funds	31.86
Affiliates and shareholding	6.67
Loans	14.68
Property	2.27
Cash in bank	0.36
Total	100.00

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

in EUR thousand	2013	2012	2011	2010	2009
Experience-based adjustments at Dec 31st	-2,170	838	-1,033	558	1,364

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

in EUR thousand	2013	2012	2011	2010	2009
Present value of pension obligations at Dec 31st	46,900	44,893	42,448	43,171	43,834

The present value of the plan assets were as follows in the year under review and the two preceding business years:

in EUR thousand	2013	2012	2011	2010
Present value of plan assets as at Dec 31st	6,858	7,755	7,744	8,505

The following table shows the average duration of the respective obligations:

	Maturity profile – DBO			DBO	Maturity profile – Cash			Cash
	1–5 years	6–10 years	10+ years	Duration	1–5 years	6–10 years	10+ years	Duration
Pensions	15,514	11,497	19,215	10.14	16,955	15,163	40,592	13.62
Severance	19,624	15,546	20,668	8.47	23,268	26,890	74,567	12.61

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 1,404 (previous year: TEUR 1,193) in 2013, of which TEUR 40 (previous year: TEUR 26) related to managers in key positions.

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 2013, amounting to TEUR 43,511 (previous year: TEUR 39,656) and 4.6% of the wage of relevant employees is payable to the severance pay fund, amounting to TEUR 6,044 in 2013 (previous year: TEUR 5,569). 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 November 26th 2013, one bond with the following conditions was issued by PORR AG:

Nominal amount	EUR 50,000,000.00
Tenor	2013–2018
Denomination	EUR 1,000.00
Nominal interest rate	6.25% p.a.
Coupon	November 26th annually
Redemption	November 26th 2018 at 100%
Closing rate Dec 31st 2013	102.625
ISIN	DE000A1HSNV2/A1HSNV
Book value	EUR 49,103,462.73

The bond was issued for subscription on the Austrian and German capital markets.

As of the value date December 4th 2012, one bond with the following conditions was issued by PORR AG:

Nominal amount	EUR 50,000,000.00
Tenor	2012–2016
Denomination	EUR 1,000.00
Nominal interest rate	6.25% p.a.
Coupon	December 4th annually
Redemption	December 4th 2016 at 100%
Closing rate Dec 31st 2013	103.25
ISIN	AT0000A0XJ15/A1HCJJ
Book value	EUR 49,266,221.00

The bond was issued for subscription on the Austrian and German capital markets.

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.
Coupon	April 13th/October 13th semi-annually
Redemption	October 13th 2015 at 100%
Closing rate Dec 31st 2013	100.625
ISIN	AT0000A0KJK9
Book value	EUR 124,718,866.67

The bond was issued for subscription on the Austrian capital market.

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.
Coupon	May 6th/November 6th semi-annually
Redemption	November 6th 2014 at 100%
Closing rate Dec 31st 2013	101.4
ISIN	AT0000A0F9G7
Book value	EUR 99,704,617.00

The bond was issued for subscription on the Austrian capital market.

36. Financial liabilities

in EUR thousand	2013	2012
Borrowings and overdrafts from banks		
subject to interest at variable rates	217,811	272,159
subject to interest at fixed rates	9,450	11,198
Lease obligations		
subject to interest at variable rates	80,090	84,137
Derivative financial instruments	794	1,012
Other financial liabilities		
subject to interest at variable rates	-	10,299
subject to interest at fixed rates	59,427	45,003
Total	367,572	423,808

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 0.22% and the 6-month EURIBOR rate at an average 0.336%. The margins for newly acquired funds with a maximum 3-month term averaged 1.64PP in 2013.

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 0.8% and 6.66%. 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 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 2013	Remaining term < 1 year	Remaining term 1–5 years	Remaining term > 5 years	of which secured by collateral
Borrowings and overdrafts from banks	227,261	36,914	133,920	56,427	112,233
Lease obligations	80,090	15,424	45,260	19,406	80,090
Derivative financial instruments	794	610	184	-	-
Other financial liabilities	59,427	40,848	17,770	809	26,655
Total	367,572	93,796	197,134	76,642	218,978

in EUR thousand	Dec 31st 2012	Remaining term < 1 year	Remaining term 1–5 years	Remaining term > 5 years	of which secured by collateral
Borrowings and overdrafts from banks	283,357	213,824	23,122	46,411	101,452
Lease obligations	84,137	15,796	42,357	25,984	84,137
Derivative financial instruments	1,012	258	754	-	-
Other financial liabilities	55,302	24,757	26,777	3,768	8,369
Total	423,808	254,635	93,010	76,163	193,958

Borrowings and overdrafts from banks which are secured by collateral relate to real estate and inventory. Group obligations under finance leases are secured by the leased assets totalling a carrying amount of TEUR 133,955 (previous year: TEUR 123,437) which are the property of the lessor under civil law.

	Minimum leasing payments		Present value of leasing payments	
in EUR thousand	Dec 31st 2013	Dec 31st 2012	Dec 31st 2013	Dec 31st 2012
With a remaining period up to one year	17,466	18,075	17,223	17,809
With a remaining period of more than one year and less than five years	50,109	48,395	46,012	44,031
With a remaining period of more than five years	21,849	29,169	16,855	22,297
Total	89,424	95,639	80,090	84,137
To be deducted: future financing costs	-9,334	-11,502	-	-
Present value of minimum leasing payments	80,090	84,137	80,090	84,137
Recognised in the consolidated financial statements as:				
Current liabilities			15,424	15,796
Non-current liabilities			64,666	68,341
Total			80,090	84,137

37. Trade payables

in EUR thousand	Dec 31st 2013	Remaining term < 1 year	Remaining term 1–5 years	Remaining term > 5 years	of which secured by collateral
Trade payables	556,295	522,203	34,092	-	-
Payables to consortiums	57,119	56,790	329	-	-
Total	613,414	578,993	34,421	-	-

In EUR thousand	Dec 31st 2012	Remaining term < 1 year	Remaining term 1–5 years	Remaining term > 5 years	of which secured by collateral
Trade payables	467,416	440,149	27,267	-	-
Payables to consortiums	47,742	47,742	-	-	-
Total	515,158	487,891	27,267	-	-

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 2013	Remaining term < 1 year	Remaining term 1–5 years	Remaining term > 5 years	of which secured by collateral
Payables to non-consolidated subsidiaries	2,692	2,692	-	-	-
Payables to associates	26,540	13,250	13,286	4	-
Payables to other shareholdings	2,520	2,520	-	-	-
Payables to staff	77,629	77,629	-	-	-
Other	31,558	23,711	1,852	5,995	-
Total	140,939	119,802	15,138	5,999	-

in EUR thousand	Dec 31st 2012	Remaining term < 1 year	Remaining term 1–5 years	Remaining term > 5 years	of which secured by collateral
Payables to non-consolidated subsidiaries	2,020	2,020	-	-	-
Payables to associates	16,532	4,758	11,734	40	-
Payables to other shareholdings	4,130	4,130	-	-	-
Payables to staff	66,144	66,144	-	-	-
Other	23,331	18,142	2,527	2,662	-
Total	112,157	95,194	14,261	2,702	-

39. Other liabilities

in EUR thousand	Dec 31st 2013	Remaining term < 1 year	Remaining term 1–5 years	Remaining term > 5 years	of which secured by collateral
Tax liabilities	71,792	71,792	-	-	-
Social security liabilities	14,065	14,065	-	-	-
Advances received	161,633	161,633	-	-	-
Other	3,607	3,607	-	-	-
Total	251,097	251,097	-	-	-

in EUR thousand	Dec 31st 2012	Remaining term < 1 year	Remaining term 1–5 years	Remaining term > 5 years	of which secured by collateral
Tax liabilities	49,216	49,216	-	-	-
Social security liabilities	11,950	11,950	-	-	-
Advances received	86,556	86,556	-	-	-
Other	7,423	7,423	-	-	-
Total	155,145	155,145	-	-	-

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 35,148 (previous year: TEUR 40,344) 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	2013	2012
Guarantees, guarantee bonds and other contingent liabilities	65,436	63,284
of which for associates	39,917	31,897

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 consortiums in which it participates. Claims arising from these liabilities are not likely.

The Group has access to syndicated, guaranteed, European credit lines amounting to TEUR 992,700 (previous year: TEUR 986,480). Of these credit lines, TEUR 440,000 was concluded with a three-year term (previous year: until June 30th 2013); TEUR 40,000 of this is effective as of January 1st 2014; the remainder of TEUR 552,700 generally runs for a one-year term. Furthermore, there are credit lines in Qatar and Oman of TEUR 299,880 (previous year: TEUR 220,890). As at December 31st 2013, around 79.1% of the European credit lines had been drawn on and around 36% of the lines in Qatar and Oman.

The three-year credit lines include harmonised financial covenants. These relate to the debt ratio, the equity ratio in a modified form, in which reserves for cash flow hedges are considered positive and goodwill is considered negative, as well as the term for interest coverage, defined as EBITDA in relation to net financial income, whereby this is adjusted for interest expense on social capital.

All triggers had been met as of December 31st 2013. It is therefore assumed that they will be met again on the next effective date, December 31st 2014.

42. Notes on segment reporting

Segment reporting is prepared in line with the internal reporting and controlling structure of the PORR Group. IFRS are standards for accounting for governing business transactions between segments. The following segments are presented:
Segment Business Unit 1 – DACH: Business Unit 1 – DACH 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 Business Unit 2 – CEE/SEE: Business Unit 2 – CEE/SEE covers the PORR Group's operating business on the home market of Poland and the core markets in Central and Eastern Europe and South-Eastern Europe. Permanent business is being built up step-by-step on these markets.
Segment Business Unit 4 – Infrastructure: The Business Unit 4 – Infrastructure segment bundles the core competencies in public infrastructure. It includes the departments on tunnelling, foundation engineering, railway construction, pipeline construction, structural engineering, power plant construction and large-scale civil engineering projects.
Segment Business Unit 5 – Environmental Engineering: The Business Unit 5 – Environmental Engineering segment bundles expertise in the fields of water, wastewater, waste and environmental clean-up.
Segment Business Unit 6 – Real Estate: The Business Unit 6 – Real Estate segment is largely comprised of the companies specialised in project development, namely Strauss & Partner Development GmbH, POR-REAL Immobilien Management GmbH and the shareholding in UBM Realitätenentwicklung AG and its subsidiaries.
Other incl. holding: This segment includes all of the activities on the MENA region markets, as well as Group services and shareholdings in other companies.

Segment report 2013

in EUR thousand	BU 1 – DACH	BU 2 – CEE/SEE	BU 4 – Infrastructure	BU 5 – Environmental Engineering	BU 6 – Real Estate	Other incl. holding	Group
Production output (Group)	1,979,870	402,575	617,550	98,601	323,144	17,352	3,439,092
Segment revenue (revenue, own work capitalised and other operating income)	1,784,249	382,210	470,271	48,105	98,817	34,336	2,817,988
Intersegment revenue	88,567	12,452	19,511	10,026	6,553	178,050	
EBT (Earnings before tax = segment earnings)	49,392	-12,477	30,332	-4,807	1,832	-3,779	60,493
Share of profit/loss of associates	5,401	566	1,269	2,368	25,071	298	34,973
Depreciation, amortisation and impairment expense	-21,832	-4,747	-1,587	-11,367	-3,546	-23,626	-66,705
of which impairment	-4,692	-	-	-9,228	-	-	-13,920
Interest income	2,417	2,668	96	543	3,935	1,122	10,781
Interest expense	-11,516	-1,493	-275	-522	-2,539	-21,280	-37,625

Segment report 2012 in EUR thousand	BU 1 – DACH	BU 2 – CEE/SEE	BU 4 – Infrastructure	BU 5 – Environmental Engineering	BU 6 – Real Estate	Other incl. holding	Group
Production output (Group)	1,719,478	363,758	462,226	77,765	267,730	-	2,890,957
Segment revenue (revenue, own work capitalised and other operating income)	1,534,900	348,455	384,384	37,563	84,048	-	2,389,350
Intersegment revenue	88,952	15,792	3,348	6,429	8,041	172,812	
EBT (Earnings before tax = segment earnings)	35,134	-13,974	21,363	-600	-11,378	-8,537	22,008
Share of profit/loss of associates	4,482	1,012	2,291	350	14,198	-2,132	20,201
Depreciation, amortisation and impairment expense	-18,330	-6,133	-566	-1,583	-4,104	-19,312	-50,028
of which impairment	-3,037	-	-	-	-	-	-3,037
Interest income	2,669	1,810	11	454	846	2,834	8,624
Interest expense	-12,194	-1,881	-	-173	-2,229	-21,300	-37,777

The following information relates to geographic business areas in which the Group is active.

in EUR thousand	Production output by customer base 2013	Non-current assets by company base 2013	Production output by customer base 2012	Non-current assets by company base 2012
Domestic	2,158,044	569,844	1,946,239	571,496
Germany	608,508	89,750	330,051	146,185
Poland	302,984	14,506	234,336	14,293
Czech Republic	125,707	24,087	129,861	20,773
Hungary	7,314	8,613	15,018	12,016
Romania	14,454	6,617	33,254	7,525
Switzerland	59,366	5,090	55,222	5,032
Serbia	53,557	14,209	63,514	5,204
Albania	3,223	-	16,369	-
Slovakia	20,279	1,616	30,804	1,654
Netherlands	5,725	-	7,896	-
Croatia	8,854	5,288	4,345	6,888
Other foreign	71,077	9,797	24,048	3,781
Total foreign	1,281,048	179,573	944,718	223,351
Segment total	3,439,092	749,417	2,890,957	794,847

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 exclusively comprises 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 substantially increase equity and to significantly decrease debt.

In the year under review there was a TEUR 72,181 increase in shares belonging to shareholders of the parent to TEUR 298,733. Despite the reclassification of profit-participation rights totalling TEUR 29,970 into current financial liabilities, equity rose by TEUR 25,109.Total assets had increased by TEUR 235,729 as at December 31st 2013, primarily due to the rise in revenue; this led to a slight fall in the equity ratio from 15.7% to 15.1%. According to the statement of changes in equity, TEUR 31,571 was recorded as an equity decrease through the allocation of a reserve for cash flow hedges. This is related to the financing of the parts of the M6 motorway in Hungary which have been operational since 2006 and 2012 respectively. The PORR Group holds a minority interest in this project, which is financed on a PPP basis. The underlying loans are financed at variable rates in compliance with the tender; however the bank consortium agreed to an interest hedge on a fixed basis before the loan was taken out, whereby all variable interest payments are offset and only a fixed interest obligation remains. The interest rate swaps, which have been in place since the start of the term of the loan, are not actively managed and are therefore not relevant hedge transactions subject to ongoing observation. The loans are therefore, in substance, subject to fixed interest. As part of the interest hedge was concluded with a different credit institute than the one responsible for the loan, IFRS specifies that in cases such as this, positive or negative market value from the valuation at year end must be transferred into a reserve for cash flow hedges. Owing to the falling interest for years, at December 31st 2013 there was a negative market value of TEUR 31,571. If this value did not have to be recorded in equity, there would be equity of TEUR 379,233 and therefore an equity ratio of 16.5%.

In the year under review net debt fell sharply from TEUR 586,500 by TEUR 229,042 to TEUR 357,458. The interest-bearing financial liabilities decreased from TEUR 696,911 by TEUR 6,546 to TEUR 690,365.

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. In 2013 it was possible to improve net gearing in relation to equity from 1.8 to 1.1. There was an improvement in charges under the item provisions for hedge accounting to 1.0.

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					
	Measurement category in accordance with IAS 39	Carrying amount at Dec 31st 2013	(continuing) Acquisition costs	Fair Value other comprehensive income	Fair Value affecting net income	Fair value hierarchy (IFRS 7.27A)	Fair value at Dec 31st 2013
Assets							
Loans	LaR	27,683	27,683				27,683
Other financial shareholdings and securities[1]	AfS (at cost)	5,405	5,405				n/a
Other financial shareholdings and securities	AfS	11,496		11,496		Level 1	11,496
Trade receivables	LaR	650,987	650,987				650,987
Other financial assets	LaR	162,828	162,828				162,828
Cash and cash equivalents		332,907	332,907				332,907
Liabilities							
Bonds							
at fixed interest rates	FLAC	322,793	322,793				330,119
Deposits from banks							
at fixed interest rates	FLAC	9,450	9,450				9,183
at variable interest rates	FLAC	217,811	217,811				217,811
Lease obligations[2]		80,090	80,090				80,090
Other financial liabilities							
at fixed interest rates	FLAC	59,427	59,427				59,460
at variable interest rates	FLAC						
Trade payables	FLAC	613,414	613,414				613,414
Other financial liabilities	FLAC	140,939	140,939				140,939
Derivatives (without hedges)	FLHfT	794			794	Level 2	794
Derivatives (with hedges)							
by category:							
Loans and receivables	LaR	841,498	841,498				841,498
Cash and cash equivalents		332,907					332,907
Available-for-sale financial assets[1]	AfS (at cost)	5,405	5,405				n/a
Available-for-sale financial assets	AfS	11,496		11,496		Level 1	11,496
Financial liabilities held for trading	FLHfT	794			794	Level 2	794
Derivative liabilities (with hedges)							
Financial liabilities measured at amortised cost	FLAC	1,363,834	1,363,834				1,370,926

The carrying amount of the financial instruments as per IAS 39 is a reasonable approximation of the fair value, with the exception of bonds subject to fixed interest rates (fair value hierarchy level 1), deposits from banks subject to fixed interest rates (fair value hierarchy level 3), and other financial liabilities subject to fixed interest rates (fair value hierarchy level 3).

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 2013 was used for the discounting of the cash flow.

in EUR thousand		Measurement in acc. with IAS 39					
	Measurement category in accordance with IAS 39	Carrying amount at Dec 31st 2012	(continuing) Acquisition costs	Fair Value other comprehensive income	Fair Value affecting net income	Fair value hierarchy (IFRS 7.27A)	Fair value at Dec 31st 2012
Assets							
Loans	LaR	29,714	29,714				29,714
Other financial shareholdings and securities[1]	AfS (at cost)	8,820	8,820				n/a
Other financial shareholdings and securities	AfS	11,295		11,295		Level 1	11,295
Trade receivables	LaR	610,146	610,146				610,146
Other financial assets	LaR	161,260	161,260				161,260
Cash and cash equivalents		110,411					110,411
Liabilities							
Bonds							
at fixed interest rates	FLAC	273,103	273,103				268,197
Deposits from banks							
at fixed interest rates	FLAC	11,198	11,198				6,071
at variable interest rates	FLAC	272,159	272,159				272,159
Lease obligations[2]		84,137	84,137				84,137
Other financial liabilities							
at fixed interest rates	FLAC	45,003	45,003				42,571
at variable interest rates	FLAC	10,299	10,299				10,299
Trade payables	FLAC	515,158	515,158				515,158
Other financial liabilities	FLAC	112,157	112,157				112,157
Derivatives (without hedges)	FLHfT	258			258	Level 2	258
Derivatives (with hedges)		754		754		Level 2	754
by category:							
Loans and receivables	LaR	801,120	801,120				801,120
Cash and cash equivalents		110,411					110,411
Available-for-sale financial assets[1]	AfS (at cost)	8,820	8,820				n/a
Available-for-sale financial assets	AfS	11,295		11,295		Level 1	11,295
Financial liabilities held for trading	FLHfT	258			258	Level 2	258
Derivative liabilities (with hedges)		754		754		Level 2	754
Financial liabilities measured at amortised cost	FLAC	1,239,077	1,239,077				1,226,612

[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.

44.2.2. Net income by measurement category

in EUR thousand		From interest/ income	From subsequent measurement		From disposal	Net income 2013
			at fair value	Allowances		
Loans and receivablesz	LaR	11,157	-	-425	-	10,732
Available-for-sale financial assets	AfS (at cost)	2,310	-	-6,838	1,796	-2,732
Available-for-sale financial assets	AfS	489	382	-	-19	852
Derivatives (without hedges)	FAHfT/ FLHfT	-	961	-	-	961
Financial liabilities measured at amortised cost	FLAC	-30,974	-	-	-	-30,974

in EUR thousand		From interest/ income	From subsequent measurement		From disposal	Net income 2012
			at fair value	Allowances		
Loans and receivables	LaR	9,014	-	-	-	9,014
Available-for-sale financial assets	AfS (at cost)	2,057	-	-6,257	253	-3,947
Available-for-sale financial assets	AfS	351	298	-		649
Derivatives (without hedges)	FAHfT/ FLHfT	-	-1,161	-	-	-1,161
Financial liabilities measured at amortised cost	FLAC	-31,213	-	-	-	-31,213

44.3. Aims of financial risk management

Managing financial risks, in particular liquidity risks and interest rate/currency risks 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.

Managing the liquidity risk is based on a financial plan updated once a quarter, which originates at operational level. For projects worth over TEUR 2,000, a finance expert conducts individual and monthly planning for the current year and produces a summary plan for the subsequent years. A summary plan is produced by the commercial employee responsible for the division for projects worth less than TEUR 2,000. The operational component involves planning all cash-related financial issues such as due dates for financing, M&A and capital market transactions, interest and dividends; this is performed centrally at holding level with the person holding Group responsibility.

Not least because of the cash-related improvements achieved in 2013 through the divestment of non-operational real estate and efforts in working capital management, the Group had a high liquidity level of TEUR 332,907 at the start of the planning period 2014/2015; this liquidity is used on the one hand for the seasonal peak liquidity demand from July to October (typical to the construction industry), as well as for settling loans due and a bond. The sale of non-operational real estate will continue. Should additional liquidity demand arise, this could provisionally be covered by issuing a corporate bond.

At December 31st 2013 net debt, defined as the balance from cash and cash equivalents, bonds and current and non-current financial liabilities, amounted to TEUR 357,458 (previous year: TEUR 586,500).

Current liabilities exceed current assets by TEUR 52,305 (previous year: surplus of TEUR 183,263), whereby trade receivables exceeded trade payables by TEUR 37,573 (previous year: TEUR 94,988).

Current financial liabilities, defined as the current portion of bonds and de facto current financial liabilities, amount to TEUR 192,930 (previous year: TEUR 254,635) and are more than covered by cash and cash equivalents and assets held for sale of TEUR 336,435 (previous year: TEUR 134,792). Current financial liabilities include a loan of TEUR 100,000.

Bonds worth TEUR 223,659 were part of non-current financial liabilities of TEUR 497,435.

At December 31st 2013 there was TEUR 74,314 (previous year: TEUR 89,973) available in bank lines for cash loans, which could be drawn on for immediate refinancing of current financial liabilities. With regard to the syndicated guaranteed credit line which was granted and used, see note 41.

44.4.1. Table of liquidity and interest rate risks

in EUR thousand	Average interest rate	Non-discounted payment flow			
		Until 3/2013	4–12/2014	2015–2018	from 2019
Bonds					
at fixed interest rates	5.69%	-	115,375	250,000	-
Borrowings and overdrafts from banks					
at fixed interest rates	2.60%	103	6,188	2,181	2,389
at variable interest rates	2.37%	4,055	29,602	138,181	57,802
Lease obligations	2.88%	5,729	11,737	50,109	21,849
Other financial liabilities					
at fixed interest rates	6.02%	-	41,916	18,837	809
Trade payables	interest-free	507,986	14,217	34,092	-

in EUR thousand	Average interest rate	Non-discounted payment flow until 3/2013	4–12/2013	2014–2017	from 2018
Bonds					
at fixed interest rates	5.59%	-	15,375	302,875	-
Borrowings and overdrafts from banks					
at fixed interest rates	3.31%	4,653	1,246	3,571	2,917
at variable interest rates	2.03%	4,554	243,860	24,418	50,993
Lease obligations	2.91%	6,526	11,549	48,395	29,170
Other financial liabilities					
at fixed interest rates	3.69%	7,526	10,331	28,790	2,386
at variable interest rates	1.23%	38	8,453	122	1,777
Trade payables	interest-free	429,060	11,089	27,267	-

Payables to consortiums and other financial liabilities largely lead 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.

An analysis of the floating interest rate position, which amounted to around TEUR 148,262 at December 31st 2013, showed the following sensitivities which would occur under the scenarios of interest rate increases of 0.20PP and 0.40PP. The extent of the interest rate increases is based on the average volatility of the 3-month and 6-month EURIBOR in 2013. An interest rate bandwidth of 20BPS therefore falls statistically within a probability band of 67% and the probability of an interest rate bandwidth of 40BPS is respectively 99%. The simulated impact on interest rates is as follows:

in EUR m	Higher payable interest for the year 2014	Higher payable interest from 2015
At interest rate rise of 0.20PP	0.20	0.57
At interest rate rise of 0.40PP	0.39	1.13

44.6. Risks from changes to raw material prices

The risk from changes to raw materials prices are hedged in the PORR Group by back-to-back agreements, whereby the contract conditions of the main contractor are passed on to the supplier. In the tender phase, fixed prices are quoted until the end of construction.

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, we aim 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 2013, 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 EUR thousand	Local currency	FX position in local currency in thousand	VAR[1] in EUR thousand
-22,575	HRK	172,165	249
-4,849	HUF	1,440,466	203
-9,872	RSD	1,109,630	162
-4,605	OMR	2,437	159
-2,188	PLN	9,091	78
2,058	CHF	-2,526	47
414	various	various currencies	82

[1] 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 10 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 981.

44.8. Hedging currency risks

The PORR Group had concluded forward exchange contracts of TEUR 193,479 (previous year: TEUR 132,685) at December 31st 2013. Of these, TEUR 38,274 were forward purchases and TEUR 154,631 were forward sales. Around TEUR 110,018 (previous year: TEUR 54,638) are used as hedges for project cash flows and the remainder of TEUR 83,460 (previous year: TEUR 78,047) for hedging intragroup financing.

At December 31st 2013 the market valuation of open forward exchange contracts resulted in a fair value of TEUR 806. In the fiscal year 2013 total expense of TEUR 961 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 2013, i.e. when payments from the underlying transactions are expected:

EUR forward purchases Due date	Cash flows in EUR thousand							
	CZK	CHF	HUF	PLN	QAR	RON	TRY	Total
January 2014			2,002			9,838	447	12,287
February 2014								
March 2014			65					65
April 2014								
May 2014	3,335				12,771			16,106
June 2014		3,197	648					3,845
July 2014								
August 2014								
September 2014								
October 2014								
November 2014		3,671						3,671
December 2014					2,298			2,298

EUR forward sales Due date	Cash flows in EUR thousand				
	CZK	CHF	PLN	RON	Total
January 2014	17,670	1,631	30,065	2,224	51,590
February 2014	465		4,836		5,301
March 2014	475		4,591		5,066
April 2014	800		4,684		5,484
May 2014	800		4,882		5,682
June 2014	800		4,856		5,656
July 2014	860		5,939		6,799
August 2014	1,370		7,018		8,388
September 2014	1,415		8,369		9,784
October 2014	1,290		7,745		9,035
November 2014			8,927		8,927
December 2014	1,590		7,808		9,398
January 2015	1,435		6,222		7,657
February 2015	950		5,592		6,542
March 2015	675		3,060		3,735
April 2015			952		952
May 2015			349		349
June 2015			4,285		4,285

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	2013	2012
Assets		
Derivatives		
without hedges	1,601	-
with hedges	-	-
Liabilities		
Derivatives		
without hedges	794	754
with hedges	-	258

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 under assets in 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 2013 the maximum credit risk amounted to TEUR 1,194,360 (previous year: TEUR 931,659) and relates mainly to loans, other financial investments and securities, other financial assets, trade receivables and cash and cash equivalents.

45. Average staffing levels

	2013	2012
Salaried employees		
Domestic	2,617	2,535
Foreign	1,974	1,578
Waged workers		
Domestic	5,501	5,353
Foreign	1,502	1,230
Total staff	11,594	10,696

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 Group is also a related party as a member of the Executive Board of PORR AG has significant influence over it, as is the Kapsch Group as one of the members of the PORR AG Executive Board holds a key position there while at the same time exercising significant influence over PORR AG. 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 8,974 (previous year: TEUR 11,950), of which TEUR 281 (previous year: TEUR 1,998) 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	
	2013	2012	2013	2012	2013	2012	2013	2012
Associates	167,879	52,610	60,887	55,685	37,049	35,613	26,540	16,533

Transactions with other related companies and persons were as follows:

in EUR thousand	Sales of goods and services		Purchases of goods and services		Receivables		Liabilities	
	2013	2012	2013	2012	2013	2012	2013	2012
Ortner Group	4,574	1,800	29,853	14,521	1,346	1,457	8,365	3,436
Strauss Group	4,459	13,410	123	76	1,932	555	51	9
B & C Group	-	3,322	-	455	-	271	-	138
Kapsch Group	1,477	940	180	664	116	110	83	443
Companies controlled by natural persons	41	-	700	-	-	-	127	-
Natural persons	3,812	-	117	24	3,480	-	-	24

As specified by the contract dated December 27th 2013, 25% of shares in CCG Immobilien GmbH were assigned to MINERVA Privatstiftung at a transfer price of TEUR 1,880. As per a contract dated December 19th 2013, 25.1% of shares in CCG Immobilien GmbH were assigned to Dr. Karl Heinz Weiss at a transfer price of TEUR 1,880. Both assignments are included in transactions with natural persons.

Outstanding accounts receivable are not secured and are settled in cash. With the exception of guarantees taken on for associates which totalled TEUR 39,917 (previous year: TEUR 31,897), 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. See note 32.2. for transactions related to the subordinated loans granted.

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 March 31st 2014. No significant events – with the exception of those cited in note 2.2. – occurred between the closing date and the submission to the Supervisory Board.

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	BDO Austria GmbH	
	2013	2012
Audit services	250	139
Other audit services	340	235
Other advisory services	173	254

49. Executive bodies

Members of the Executive Board:
Karl-Heinz Strauss, CEO
Christian B. Maier
J. Johannes Wenkenbach

Members of the Supervisory Board:
Karl Pistotnik, Chairman
Klaus Ortner, Deputy Chairman
Nematollah Farrokhnia
Walter Knirsch
Martin Krajcsir
Iris Ortner
Karl Samstag
Bernhard Vanas
Susanne Weiss
Thomas Winischhofer

Members delegated by the Works Council:
Peter Grandits
Walter Huber
Walter Jenny
Michael Kaincz
Michael Tomitz

The table below shows the remuneration paid to 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	2013	2012
Executive Board remuneration		
Karl-Heinz Strauss	1,200	1,000
Christian B. Maier	825	756
J. Johannes Wenkenbach	875	756
Rudolf Krumpeck (until 29.2.2012)	-	1,340
Peter Weber (until 31.1.2012)	-	603
Total	2,900	4,455
of which short-term benefits due	2,850	2,547
of which remuneration due on or after completion of the management contract	50	1,908
Supervisory Board remuneration		
Short-term benefits due	142	84

The remuneration of the Executive Board includes defined contribution plans amounting to TEUR 50 (previous year: TEUR 54).

March 31st 2014, 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 consoli-dation	Cur-rency	Nominal Capital
Affiliated companies								
Affiliated companies limited by shares								
„EAVG Enzersdorfer Abfallverwertungsgesellschaft m.b.H.“		AUT	Vienna	37.50%	100.00%	F	EUR	726,728.34
„PET“ Deponieerrichtungs- und Betriebsgesellschaft m.b.H.		AUT	Vienna	50.00%	100.00%	N	EUR	0.00
ABAP Beteiligungs Holding GmbH		AUT	Vienna	100.00%	100.00%	F	EUR	35,000.00
Allgemeine Straßenbau GmbH	*	AUT	Vienna	0.00%	100.00%	F	EUR	3,633,641.71
AMF - Asphaltmischanlage Feistritz GmbH		AUT	Unter-premstätten	0.00%	100.00%	N	EUR	0.00
AMO Asphaltmischwerk Oberland GmbH		AUT	Linz	0.00%	90.00%	N	EUR	0.00
aqua plus Wasserversorgungs- und Abwasserentsorgungs-GmbH		AUT	Vienna	0.00%	100.00%	F	EUR	2,700,000.00
Asphaltmischwerk Greinsfurth GmbH		AUT	Amstetten	0.00%	66.67%	N	EUR	0.00
Asphalt-Unternehmung Carl Günther Gesellschaft m.b.H.	*	AUT	Vienna	0.00%	100.00%	F	EUR	218,018.50
Bahnhofcenter Entwicklungs-, Errichtungs- und Betriebs GmbH	*	AUT	Unter-premstätten	0.00%	100.00%	F	EUR	350,000.00
Baumgasse 131 Bauträger- und Verwertungsgesellschaft m.b.H.		AUT	Vienna	0.00%	100.00%	F	EUR	35,000.00
Bautech Labor GmbH	*	AUT	Vienna	0.00%	100.00%	F	EUR	35,000.00
Bosch Baugesellschaft m.b.H.	*	AUT	Vienna	0.00%	100.00%	F	EUR	51,000.00
BZW Liegenschaftsverwaltungs GmbH		AUT	Vienna	0.00%	100.00%	F	EUR	36,336.42
Edos Beteiligungsverwaltungs GmbH		AUT	Vienna	0.00%	100.00%	F	EUR	35,000.00
Eisenschutzgesellschaft m.b.H.	*	AUT	Vienna	0.00%	100.00%	F	EUR	43,603.70
Emiko Beteiligungsverwaltungs GmbH		AUT	Vienna	0.00%	100.00%	N	EUR	0.00
EPS Haagerfeldstraße - Business.Hof Leonding 2 Errichtungs- und Verwertungs GmbH		AUT	Vienna	0.00%	100.00%	F	EUR	35,000.00
EPS LAA 43 GmbH		AUT	Vienna	0.00%	100.00%	F	EUR	35,000.00
EPS MARIA LANZENDORFERSTRASSE 17 Errichtungs- und Beteiligungs GmbH		AUT	Vienna	0.00%	100.00%	N	EUR	0.00
EPS MARIANNE-HAINISCH-GASSE - LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs-GmbH		AUT	Vienna	0.00%	100.00%	N	EUR	0.00
EPS Office Franzosengraben GmbH		AUT	Vienna	0.00%	100.00%	N	EUR	0.00
EPS Rathausplatz Guntramsdorf Errichtungs- und Beteiligungsverwaltungs GmbH		AUT	Vienna	0.00%	100.00%	N	EUR	0.00
EPS RINNBÖCKSTRASSE - 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%	100.00%	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
FPS Infrastruktur Holding GmbH		AUT	Vienna	0.00%	100.00%	F	EUR	35,000.00
Geotechnik Systems GmbH	°	AUT	Vienna	0.00%	100.00%	F	EUR	36,336.42
Gepal Beteiligungsverwaltungs GmbH		AUT	Vienna	0.00%	100.00%	F	EUR	35,000.00
Gesellschaft für Bauwesen GmbH	*	AUT	Vienna	0.00%	100.00%	F	EUR	36,336.42
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
Goidinger Bau GmbH		AUT	Zams	0.00%	100.00%	F	EUR	37,000.00
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
Grazer Transportbeton GmbH		AUT	Gratkorn	0.00%	100.00%	N	EUR	0.00
GREENPOWER Anlagenerrichtungs- und Betriebs-GmbH		AUT	Vienna	0.00%	100.00%	N	EUR	0.00

Company		Country Code	Domicile	PORR AG share	PORR Group share	Type of consoli-dation	Cur-rency	Nominal Capital
Grund- Pfahl- und Sonderbau GmbH	°	AUT	Vienna	0.00%	100.00%	F	EUR	365,000.00
IAT GmbH	*	AUT	Vienna	0.00%	100.00%	F	EUR	290,691.34
IBC Business Center Entwicklungs- und Errichtungs-GmbH		AUT	Unter-premstätten	75.00%	100.00%	F	EUR	364,000.00
Ing. Otto Richter & Co Straßenmarkierungen GmbH	*	AUT	Wienersdorf, pol. Traiskirchen	0.00%	100.00%	F	EUR	37,000.00
Ing. RADL-BAU GmbH	*	AUT	Vienna	0.00%	100.00%	F	EUR	40,000.00
Jandl Baugesellschaft m.b.H.	*	AUT	Unter-premstätten	0.00%	100.00%	F	EUR	36,336.42
Joiser Hoch- und Tiefbau GmbH		AUT	Vienna	100.00%	100.00%	N	EUR	0.00
Kraft & Wärme Rohr- und Anlagentechnik GmbH	*	AUT	Vienna	0.00%	100.00%	F	EUR	40,000.00
Kratochwill Schotter & Beton GmbH	*	AUT	Unter-premstätten	0.00%	100.00%	F	EUR	1,199,101.76
LD Recycling GmbH	*	AUT	Unter-premstätten	0.00%	100.00%	F	EUR	875,000.00
Lieferasphaltgesellschaft JAUNTAL GmbH	°	AUT	Klagenfurt	0.00%	72.00%	F	EUR	36,460.00
M.E.G. Mikrobiologische Erddekontamination GmbH		AUT	Linz	0.00%	100.00%	F	EUR	35,000.00
MultiStorage GmbH		AUT	Salzburg	0.00%	75.00%	N	EUR	0.00
Nägele Hoch- und Tiefbau GmbH	*	AUT	Röthis	0.00%	100.00%	F	EUR	35,000.00
O.M. Meissl & Co. Bau GmbH	*	AUT	Vienna	0.00%	100.00%	F	EUR	85,000.00
Panitzky Gesellschaft m.b.H.	*	AUT	Vienna	0.00%	100.00%	F	EUR	36,336.42
Pichlingerhof Liegenschaftsverwertungs GmbH		AUT	Vienna	0.00%	100.00%	N	EUR	0.00
Porr - living Solutions GmbH		AUT	Vienna	0.00%	100.00%	F	EUR	35,000.00
Porr Bau GmbH	*	AUT	Vienna	100.00%	100.00%	F	EUR	11,500,000.00
Porr Design & Engineering GmbH		AUT	Vienna	0.00%	100.00%	F	EUR	35,000.00
Porr Equipment Services GmbH	*	AUT	Vienna	100.00%	100.00%	F	EUR	35,000.00
Porr Financial Services GmbH	*	AUT	Vienna	100.00%	100.00%	F	EUR	500,000.00
Porr Infrastruktur Investment AG		AUT	Vienna	50.00%	100.00%	F	EUR	70,000.00
Porr Umwelttechnik GmbH	*	AUT	Vienna	0.00%	100.00%	F	EUR	1,000,000.00
PORREAL Facility Management GmbH	*	AUT	Vienna	0.00%	100.00%	F	EUR	500,000.00
PORREAL Immobilien Management GmbH	*	AUT	Vienna	100.00%	100.00%	F	EUR	35,000.00
Prajo & Co GmbH	°	AUT	Vienna	0.00%	100.00%	F	EUR	35,000.00
PRAJO HOLDING Beteiligungs- & Verwaltungsgesellschaft mbH	°	AUT	Vienna	0.00%	100.00%	F	EUR	35,000.00
PRAJO Transportunternehmer GmbH	°	AUT	Vienna	0.00%	100.00%	F	EUR	35,000.00
PRAJO-BÖHM Recycling GmbH	°	AUT	Vienna	0.00%	99.00%	F	EUR	35,000.00
PRONAT Steinbruch Preg GmbH		AUT	Unter-premstätten	0.00%	99.02%	F	EUR	872,000.00
PWW Holding GmbH	°	AUT	Vienna	0.00%	100.00%	F	EUR	35,000.00
Sabelo Beteiligungsverwaltungs GmbH		AUT	Vienna	100.00%	100.00%	N	EUR	0.00
Schatzl & Jungmayr Garten- und Landschaftsbau GmbH	*	AUT	Vienna	0.00%	100.00%	F	EUR	35,000.00
Schotter- und Betonwerk Karl Schwarzl Betriebsgesellschaft m.b.H.	*	AUT	Unter-premstätten	100.00%	100.00%	F	EUR	3,633,641.71
Schotterwerk GRADENBERG Gesellschaft m.b.H.	*	AUT	Köflach	0.00%	100.00%	F	EUR	36,336.42
Schwarzl Transport GmbH		AUT	Unter-premstätten	0.00%	100.00%	F	EUR	110,000.00
SFZ Immobilien GmbH		AUT	Unter-premstätten	0.00%	100.00%	N	EUR	0.00
Somax Beteiligungsverwaltungs GmbH		AUT	Vienna	0.00%	100.00%	F	EUR	35,000.00
Sovelis Beteiligungsverwaltungs GmbH		AUT	Vienna	0.00%	100.00%	N	EUR	0.00
STRAUSS & PARTNER Development GmbH	*	AUT	Vienna	99.96%	100.00%	F	EUR	535,000.00

Company		Country Code	Domicile	PORR AG share	PORR Group share	Type of consoli-dation	Cur-rency	Nominal Capital
Tancsos und Binder Gesellschaft m.b.H.	*	AUT	Wolfsberg	0.00%	100.00%	F	EUR	37.000.00
TEERAG-ASDAG Aktiengesellschaft		AUT	Vienna	47.51%	100.00%	F	EUR	12.478.560.00
Unterstützungskasse von Porr-Betrieben Gesellschaft m.b.H.	°	AUT	Vienna	97.50%	100.00%	F	EUR	36.336.42
Wibeba Holding GmbH		AUT	Vienna	0.00%	100.00%	F	EUR	2.100.000.00
Wiener Betriebs- und Baugesellschaft m.b.H.	*	AUT	Vienna	0.00%	100.00%	F	EUR	100.000.00
WIPEG - Bauträger- und Projektentwicklungsgesellschaft m.b.H.	*	AUT	Vienna	0.00%	100.00%	F	EUR	1.000.000.00
WLB Projekt Laaer Berg Liegenschaftsverwertungs- und Beteiligungs-GmbH		AUT	Vienna	0.00%	75.00%	F	EUR	36.336.42
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH		AUT	Vienna	75.00%	75.00%	F	EUR	218.018.50
ALBA BauProjektManagement Bulgaria EOOD		BGR	Sofia	0.00%	100.00%	F	BGN	100.000.00
PORR Bulgaria EOOD		BGR	Sofia	0.00%	100.00%	F	BGN	1.961.000.00
PORR Solutions Bulgaria EOOD v likvidacia		BGR	Sofia	0.00%	100.00%	N	BGN	0.00
Privredno drustvo za gradenje i usluge PORR d.o.o. Sarajevo		BIH	Sarajevo	0.00%	100.00%	N	BAM	0.00
Gunimperm-Bauveg SA		CHE	Bellinzona	0.00%	100.00%	F	CHF	150.000.00
PORR Financial Services AG		CHE	Altdorf	0.00%	100.00%	F	CHF	7.800.000.00
PORR SUISSE AG		CHE	Altdorf	0.00%	100.00%	F	CHF	10.002.000.00
Porr Solutions Cyprus Limited		CYP	Limassol	0.00%	100.00%	N	EUR	0.00
BAUVEG. hydroizolacní systémy. s.r.o.		CZE	Prague	0.00%	100.00%	N	CZK	0.00
OBALOVNA PRÍBRAM. s.r.o.		CZE	Prague	0.00%	75.00%	F	CZK	100.000.00
Porr a.s.		CZE	Prague	0.00%	100.00%	F	CZK	120.000.000.00
RE Moskevská spol.s.r.o.		CZE	Prague	0.00%	100.00%	F	CZK	300.000.00
Stump - Geospol s.r.o.	°	CZE	Brno	0.00%	100.00%	F	CZK	3.500.000.00
ALBA BauProjektManagement GmbH		DEU	Oberhaching	0.00%	100.00%	F	EUR	300.000.00
Arena Boulevard Verwaltungs GmbH		DEU	Berlin	0.00%	94.64%	N	EUR	0.00
City Tower Vienna Grundstücksentwicklungs- und Beteiligungs-GmbH		DEU	Munich	0.00%	100.00%	N	EUR	0.00
Emil Mayr Hoch- und Tiefbau GmbH		DEU	Ettringen/ Wertach	0.00%	94.30%	F	EUR	250.000.00
FAB Beteiligungsgesellschaft mbH		DEU	Hamburg	0.00%	94.64%	N	EUR	0.00
GeMoBau Gesellschaft für modernes Bauen mbH		DEU	Berlin	0.00%	88.64%	N	EUR	0.00
Hotel am Kanzleramt Verwaltungs GmbH		DEU	Berlin	0.00%	94.64%	N	EUR	0.00
IAT Deutschland GmbH		DEU	Munich	0.00%	100.00%	N	EUR	0.00
Mast Bau GmbH		DEU	Hamburg	0.00%	94.30%	F	EUR	1.022.550.00
Mühlenstraße 11 - 12 Verwaltungs GmbH		DEU	Berlin	0.00%	94.64%	N	EUR	0.00
Porr Beteiligungs-Aktiengesellschaft in Liqu.		DEU	Munich	100.00%	100.00%	N	EUR	0.00
Porr Design & Engineering Deutschland GmbH	°	DEU	Berlin	0.00%	94.30%	F	EUR	25.000.00
Porr Deutschland GmbH		DEU	Munich	0.00%	94.30%	F	EUR	21.522.800.00
Porr Equipment Services Deutschland GmbH		DEU	Munich	0.00%	94.30%	F	EUR	204.517.00
PORR Vermögensverwaltung MURNAU GmbH		DEU	Murnau	0.00%	94.30%	N	EUR	0.00
PORREAL Deutschland GmbH	°	DEU	Berlin	0.00%	100.00%	F	EUR	25.000.00
Radmer Kiesvertrieb Verwaltungs GmbH		DEU	Aschheim. Lk Munich	0.00%	94.30%	N	EUR	0.00
S & P Immobilien Deutschland GmbH		DEU	Munich	0.00%	94.30%	F	EUR	537.000.00
STRAUSS & CO. Development GmbH		DEU	Berlin	0.00%	94.64%	F	EUR	25.564.60
Stump Spezialtiefbau GmbH	°	DEU	Berlin	0.00%	94.30%	F	EUR	4.000.000.00
Thorn Abwassertechnik GmbH		DEU	Munich	0.00%	94.30%	F	EUR	511.291.88
TKDZ GmbH		DEU	Wellen	0.00%	94.30%	F	EUR	2.045.170.00
Wellener Immobiliengesellschaft mbH		DEU	Wellen	0.00%	94.30%	F	EUR	511.291.88
BAUVEG-WINKLER drustvo s ogranicenom odgovornoscu za projektiranje. izgradnju i nadzor		HRV	Zagreb	0.00%	100.00%	N	HRK	0.00

Company		Country Code	Domicile	PORR AG share	PORR Group share	Type of consoli-dation	Cur-rency	Nominal Capital
FMA Gebäudemanagement drustvo s ogranicenom odgovornoscu za upravljanje zgradama		HRV	Samobor	0.00%	100.00%	N	HRK	0.00
MIPO NEKRETNINE drustvo s ogranicenom odgovornoscu za usluge i graditeljstvo		HRV	Samobor	0.00%	100.00%	N	HRK	0.00
Porr Hrvatska d.o.o. za graditeljstvo		HRV	Samobor	0.00%	100.00%	F	HRK	4.000.000.00
Schwarzl drustvo s ogranicenom odgovornoscu za obradu betona i sljunka		HRV	Glina	0.00%	100.00%	F	HRK	9.842.000.00
Sitnica drustvo s ogranicenom odgovornoscu za usluge		HRV	Samobor	0.00%	100.00%	F	HRK	21.777.200.00
STRAUSS & PARTNER Development d.o.o. za usluge i graditeljstvo		HRV	Samobor	0.00%	100.00%	N	HRK	0.00
Vile Jordanovac drustvo s ogranicenom odgovornoscu za usluge i graditeljstvo	°	HRV	Zagreb	0.00%	100.00%	F	HRK	6.778.100.00
DBK-Földgép Építési Korlátolt Felelösségü Társaság		HUN	Budapest	0.00%	100.00%	F	HUF	6.000.000.00
Gamma Real Estate Ingtalanfejlesztö és - hasznositó Korlátolt Felelösségü Társaság		HUN	Budapest	0.00%	100.00%	F	HUF	3.000.000.00
Porr Építési Kft.		HUN	Budapest	0.00%	100.00%	F	HUF	30.000.000.00
PORREAL Ingatlankezelési Korlátolt Felelösségu Társaság		HUN	Budapest	0.00%	100.00%	F	HUF	500.000.00
Teerag-Aszfalt Épitöipari és Kereskedelmi Korlátolt Felelösségü Társaság		HUN	Budapest	0.00%	100.00%	F	HUF	500.000.00
IAT Impermeabilizzazioni Srl		ITA	Bozen	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%	100.00%	F	EUR	18.000.00
Porr Construction LLC		OMN	Muscat	0.00%	100.00%	F	OMR	250.000.00
„Stal-Service“ Spólka z ograniczona odpowiedzialnoscia		POL	Warsaw	0.00%	80.00%	F	PLN	3.000.000.00
Bartycka Real Estate Spólka z ograniczona odpowiedzialnoscia		POL	Warsaw	0.00%	100.00%	F	PLN	50.000.00
PORR (POLSKA) Spólka Akcyjna		POL	Warsaw	0.00%	100.00%	F	PLN	21.350.000.00
Porr Solutions Polska Spólka z ograniczona odpowiedzialnoscia		POL	Warsaw	0.00%	100.00%	F	PLN	8.250.000.00
Stump-Hydrobudowa Spólka z ograniczona odpowiedzialnoscia	°	POL	Warsaw	0.00%	100.00%	F	PLN	330.000.00
RADMER BAU PORTUGAL - CONSTRUCOES. LIMITADA		PRT	Lisbon	0.00%	93.36%	N	PTE	0.00
PORR Qatar Construction WLL		QAT	Doha	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 Imobiliare SRL		ROM	Bucharest	0.00%	100.00%	F	RON	19.146.810.00
Porr Construct S.R.L.		ROM	Bucharest	0.00%	100.00%	F	RON	16.000.000.00
PORREAL Imobile 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
Yipsilon Imobiliare SRL		ROM	Bucharest	0.00%	100.00%	F	RON	4.452.900.00
„PORR - WERNER & WEBER - PROKUPLJE“ doo. Prokuplje	°	SRB	Prokuplje	0.00%	80.00%	F	EUR	500.00
DRUSTVO SA OGRANICENOM ODGOVORNOSCU „PORR-WERNER & WEBER-LESKOVAC“. Leskovac	°	SRB	Leskovac	0.00%	70.00%	F	EUR	500.00
Drustvo sa ogranicenom odgovornoscu PORR WERNER&WEBER-JAGODINA. Jagodina	°	SRB	Jagodina	0.00%	80.00%	F	EUR	500.00
Gradevinsko preduzece Porr d.o.o.		SRB	Belgrad	0.00%	100.00%	F	EUR	1.620.000.00
PORR-WERNER WEBER ENVIRONMENTAL TECHNOLOGIES DOO NIS	°	SRB	Nis	0.00%	100.00%	F	EUR	1.050.000.00
PWW d.o.o. Nis	°	SRB	Nis	0.00%	100.00%	F	EUR	2.000.500.00
PWW Deponija d.o.o. Jagodina	°	SRB	Jagodina	0.00%	100.00%	F	EUR	850.000.00
PWW Deponija Dva d.o.o. Leskovac	°	SRB	Leskovac	0.00%	100.00%	F	EUR	945.000.00
TRACK EXPERTS D.O.O. BEOGRAD. MILUTINA MILANKOVICA 11A		SRB	Belgrad	0.00%	74.00%	F	EUR	1.673.770.10
PORR s.r.o.		SVK	Bratislava	0.00%	99.41%	F	EUR	126.137.00
PORREAL Slovakia s.r.o.		SVK	Bratislava	0.00%	100.00%	N	EUR	0.00
PORR gradbenistvo. trgovina in druge storitvc d.o.o.		SVN	Ljubljana	100.00%	100.00%	N	EUR	0.00
PORR INSAAT SANAYI VE TICARET LIMITED SIRKETI		TUR	Ankara	0.00%	100.00%	F	TRY	110.000.00
Tovarystvo z obmezhenoyu vidpovidalnistyu „Porr Ukraina“		UKR	Kiev	0.00%	99.98%	F	UAH	4.500.000.00

Company		Country Code	Domicile	PORR AG share	PORR Group share	Type of consoli-dation	Cur-rency	Nominal Capital
Affiliated partnerships								
AG für Bauwesen Nfg. KG		AUT	Vienna	50.00%	100.00%	F	EUR	7.267.28
AMF - Asphaltmischanlage Feistritz GmbH & Co KG	°	AUT	Unter-premstätten	0.00%	100.00%	F	EUR	3.000.00
AMO Asphaltmischwerk Oberland GmbH & Co KG	°	AUT	Linz	0.00%	90.00%	F	EUR	5.000.00
Asphaltmischwerk Greinsfurth GmbH & Co OG	°	AUT	Amstetten	0.00%	66.67%	F	EUR	600.000.00
Emiko Beteiligungsverwaltungs GmbH & Co. KG		AUT	Kematen 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
EPS RINNBÖCKSTRASSE - LITFASS-STRASSE Liegenschaftsverwertungs- und Beteiligungsverwaltungs GmbH & Co KG		AUT	Vienna	0.00%	100.00%	F	EUR	1.000.00
EPS Tamussinostrasse Errichtungs- und Beteiligungs GmbH & Co KG		AUT	Vienna	0.00%	100.00%	F	EUR	5.000.00
EPS TRIESTERSTRASSE Errichtungs- und Beteiligungsverwaltungs GmbH & Co KG		AUT	Vienna	0.00%	100.00%	F	EUR	5.000.00
EPS Welser Straße 17 - Business.Hof Leonding 1 Errichtungs- und Beteiligungs GmbH & Co KG		AUT	Vienna	0.00%	100.00%	F	EUR	1.000.00
Franz Böck´s Nachf. Ing. Eva & Karl Schindler Gesellschaft m.b.H. & Co.Nfg.KG		AUT	Vienna	0.00%	100.00%	F	EUR	100.000.00
Giral Beteiligungsverwaltungs GmbH & Co. KG		AUT	Vienna	0.00%	100.00%	N	EUR	0.00
Glamas Beteiligungsverwaltungs GmbH & Co „Delta“ KG		AUT	Vienna	0.00%	100.00%	F	EUR	1.000.00
GORPO Projektentwicklungs- und Errichtungs-GmbH & Co KG		AUT	Vienna	0.00%	100.00%	F	EUR	1.000.00
Gospela Beteiligungsverwaltungs GmbH & Co KG		AUT	Vienna	0.00%	100.00%	F	EUR	1.000.000.00
Hotelbetrieb SFZ Immobilien GmbH & Co KG		AUT	Unter-premstätten	0.00%	100.00%	F	EUR	100.000.00
MLSP Absberggasse Immobilien GmbH & Co KG		AUT	Vienna	0.00%	100.00%	F	EUR	999.00
MLSP Brunor GmbH & Co KG		AUT	Vienna	0.00%	100.00%	F	EUR	1.000.00
MLSP Dinadan GmbH & Co KG		AUT	Vienna	0.00%	100.00%	F	EUR	1.000.00
MLSP GKB Immobilien GmbH & Co KG		AUT	Vienna	0.00%	100.00%	F	EUR	1.000.00
MLSP IBC OST Immobilien GmbH & Co KG		AUT	Vienna	0.00%	100.00%	F	EUR	1.000.00
MLSP IBC WEST Immobilien GmbH & Co KG		AUT	Vienna	0.00%	100.00%	F	EUR	999.00
MultiStorage GmbH & Co KG		AUT	Salzburg	0.00%	75.00%	F	EUR	10.000.00
Pichlingerhof Liegenschaftsverwertungs GmbH & Co KG		AUT	Vienna	0.00%	100.00%	F	EUR	1.000.00
Projekt Ost - IBC Business Center Entwicklungs- und Errichtungs-GmbH & Co KG		AUT	Unter-premstätten	75.00%	100.00%	F	EUR	290.691.34
Projekt West - IBC Business Center Entwicklungs- und Errichtungs-GmbH & Co KG		AUT	Unter-premstätten	75.00%	100.00%	F	EUR	290.691.34
SFZ Freizeitbetriebs-GmbH & Co KG		AUT	Unter-premstätten	0.00%	100.00%	F	EUR	100.000.00
SFZ Immobilien GmbH & Co KG		AUT	Unter-premstätten	0.00%	100.00%	F	EUR	363.364.17
Wibeba Hochbau GmbH & Co. Nfg. KG		AUT	Vienna	100.00%	100.00%	F	EUR	35.000.00
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH & Co. Bauplatz 3 „türkis“ Projekt-OG		AUT	Vienna	0.00%	75.00%	F	EUR	1.162.76
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH & Co. Bauplatz 4 „blau“ Projekt-OG		AUT	Vienna	0.00%	75.00%	N	EUR	0.00
Wohnpark Laaer Berg Verwertungs- und Beteiligungs-GmbH & Co. Bauplatz 5 „rosa“ Projekt-OG		AUT	Vienna	0.00%	75.00%	F	EUR	1.162.76
Arena Boulevard GmbH & Co. KG	°	DEU	Berlin	0.00%	94.64%	F	EUR	1.000.00

Company	Country Code	Domicile	PORR AG share	PORR Group share	Type of consoli-dation	Cur-rency	Nominal Capital
Forum am Bahnhof Quickborn GmbH & Co. KG	DEU	Hamburg	0.00%	94.64%	F	EUR	100.000.00
PORR MURNAU GmbH & Co. KG	DEU	Munich	0.00%	94.30%	F	EUR	500.00
Radmer Kies GmbH & Co. KG	DEU	Aschheim. Lk Munich	0.00%	94.30%	F	EUR	5.500.000.00
Associated companies							
Associated companies limited by shares							
„Athos“ Bauplanungs- und Errichtungsgesellschaft m.b.H.	AUT	Vienna	10.00%	10.00%	E	EUR	36.336.42
„hospitals“ Projektentwicklungsges.m.b.H.	AUT	Vienna	0.00%	43.56%	E	EUR	500.000.00
ABO Asphalt-Bau Oeynhausen GmbH.	AUT	Oeynhausen. pol. Traiskirchen	0.00%	30.00%	E	EUR	72.800.00
ABW Abbruch. Boden- und Wasserreinigungs-Gesellschaft m.b.H.	AUT	Vienna	0.00%	36.22%	E	EUR	218.018.50
Altlastensanierung und Abraumdeponie Langes Feld Gesellschaft m.b.H.	AUT	Vienna	0.00%	41.50%	E	EUR	363.364.17
ALU-SOMMER GmbH	AUT	Stoob	49.50%	49.50%	E	EUR	70.000.00
ARIWA Abwasserreinigung im Waldviertel GmbH	AUT	Vienna	0.00%	50.00%	E	EUR	40.000.00
BRM-Recycling GmbH	AUT	Röthelstein	0.00%	51.00%	E	EUR	35.000.00
CCG Immobilien GmbH	AUT	Werndorf	0.00%	49.90%	E	EUR	2.000.000.00
Ehrenhausen Bauträger GmbH	AUT	Bad Gleichenberg	0.00%	30.00%	E	EUR	35.000.00
Errichtungsgesellschaft Marchfeldkogel mbH	AUT	Groß-Enzersdorf	0.00%	42.52%	E	EUR	35.000.00
European Trans Energy Beteiligungs GmbH	AUT	Vienna	0.00%	49.00%	E	EUR	35.000.00
hospitals Projektentwicklungsges.m.b.H.	AUT	Graz	0.00%	49.00%	E	EUR	535.000.00
Impulszentrum Telekom Betriebs GmbH	AUT	Unter-premstätten	0.00%	46.00%	E	EUR	727.000.00
Jochberg Kitzbüheler Straße Hotelbetriebs GmbH	AUT	Jochberg	0.00%	50.00%	E	EUR	35.000.00
Lavanttaler Bauschutt - Recycling GmbH	AUT	Wolfsberg	0.00%	50.00%	E	EUR	36.336.43
Linzer Schlackenaufbereitungs- und vertriebsgesellschaft m.b.H.	AUT	Linz	0.00%	33.33%	E	EUR	45.000.00
MBU Liegenschaftsverwertung Gesellschaft m.b.H.	AUT	Vienna	0.00%	10.00%	E	EUR	36.336.42
Murgalerien Errichtungs- und Verwertungs-GmbH	AUT	Unter-premstätten	0.00%	50.00%	E	EUR	35.000.00
Muthgasse Alpha Holding GmbH	AUT	Vienna	0.00%	47.06%	E	EUR	35.000.00
Palais Hansen Immobilienentwicklung GmbH	AUT	Vienna	0.00%	33.57%	E	EUR	35.000.00
Ropa Liegenschaftsverwertung Gesellschaft m.b.H.	AUT	Vienna	50.00%	50.00%	E	EUR	36.336.42
Rudolf u. Walter Schweder Gesellschaft m.b.H.	AUT	Vienna	10.00%	10.00%	E	EUR	36.336.42
Salzburger Reststoffverwertung GmbH	AUT	Salzburg	0.00%	50.00%	E	EUR	100.000.00
Seeresidenz am Wolfgangsee Bauträger GmbH	AUT	Vienna	0.00%	45.00%	E	EUR	35.000.00
Seeresidenz am Wolfgangsee Beteiligungsverwaltung GmbH	AUT	Vienna	0.00%	45.00%	E	EUR	35.000.00
SOWI - Investor - Bauträger GmbH	AUT	Innsbruck	33.33%	33.33%	E	EUR	36.336.42
Stöckl Schotter- und Splitterzeugung GmbH	AUT	Weißbach bei Lofer	0.00%	40.00%	E	EUR	36.336.42
TAL Betonchemie Handel GmbH	AUT	Vienna	0.00%	50.00%	E	EUR	145.345.67
Tauernkies GmbH	AUT	Salzburg	0.00%	50.00%	E	EUR	35.000.00
UBM Realitätenentwicklung Aktiengesellschaft	AUT	Vienna	41.33%	41.80%	E	EUR	18.000.000.00
umfeld.strauss immobilien GmbH	AUT	Innsbruck	0.00%	30.00%	E	EUR	35.000.00
W 3 Errichtungs- und Betriebs-Aktiengesellschaft	AUT	Vienna	53.33%	53.33%	E	EUR	800.000.00
WPS Rohstoff GmbH	AUT	Klagenfurt am Wörthersee	0.00%	49.00%	E	EUR	200.000.00
Obalovna Boskovice. s.r.o.	CZE	Boskovice	0.00%	45.00%	E	CZK	38.091.000.00
Porr & Swietelsky stavebni. v. o. s.	CZE	Prague	0.00%	50.00%	E	CZK	200.000.00
Spolecne obalovny. s.r.o.	CZE	Prague	0.00%	50.00%	E	CZK	5.000.000.00

Company	Country Code	Domicile	PORR AG share	PORR Group share	Type of consolidation	Currency	Nominal Capital
Hotel am Kanzleramt GmbH	DEU	Berlin	0.00%	70.98%	E	EUR	25.000.00
Mühlenstraße 11 - 12 GmbH	DEU	Berlin	0.00%	70.98%	E	EUR	25.000.00
Münchner Grund Immobilien Bauträger Aktiengesellschaft	DEU	Munich	0.00%	5.66%	E	EUR	3.000.000.00
Top Office Munich GmbH	DEU	Grünwald. Lk Munich	0.00%	47.32%	E	EUR	25.000.00
ASDAG Kavicsbánya és Építö Korlátolt Felelösségü Társaság	HUN	Janossomorja	0.00%	34.88%	E	HUF	300.000.000.00
M 6 Duna Autópálya Koncessziós Zártkörüen Müködö Részvénytársaság	HUN	Budapest	0.00%	40.00%	E	EUR	28.932.310.00
M6 Tolna Autópálya Koncessziós Zártkörüen Müködö Részvénytársaság	HUN	Budapest	0.00%	45.00%	E	EUR	32.924.400.00
„Modzelewski & Rodek“ Spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	0.00%	50.00%	E	PLN	2.000.000.00
EQCC PORR W.L.L.	QAT	Doha	0.00%	24.01%	E	QAR	200.000.00
PPE Malzenice s.r.o.	SVK	Bratislava	0.00%	50.00%	E	EUR	20.000.00
Associated partnerships							
„IQ“ Immobilien GmbH & Co KG	AUT	Pasching	0.00%	50.00%	E	EUR	35.000.00
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H. & Co. KG	AUT	Linz	0.00%	33.33%	E	EUR	654.057.00
AMW Asphalt-Mischwerk GmbH & Co KG	AUT	Sulz	0.00%	50.00%	E	EUR	490.550.00
AMW Leopoldau TEERAG-ASDAG AG & ALPINE Bau GmbH OG	AUT	Vienna	0.00%	50.00%	E	EUR	70.000.00
ASF Frästechnik GmbH & Co KG	AUT	Kematen	0.00%	40.00%	E	EUR	72.674.00
Asphaltmischwerk Betriebsgesellschaft m.b.H. & Co KG	AUT	Rauchenwarth	0.00%	40.00%	E	EUR	726.728.35
Asphaltmischwerk Weißbach GmbH & Co. Nfg.KG	AUT	Weißbach bei Lofer	0.00%	45.00%	E	EUR	72.672.83
ASTRA - BAU Gesellschaft m.b.H. Nfg. OG	AUT	Bergheim	0.00%	50.00%	E	EUR	1.451.570.76
CCG Nord Projektentwicklung GmbH & Co KG	AUT	Werndorf	0.00%	50.00%	E	EUR	1.000.000.00
FMA Asphaltwerk GmbH & Co KG	AUT	Feldbach	0.00%	30.00%	E	EUR	44.000.00
Glamas Beteiligungsverwaltungs GmbH & Co „Beta“ KG	AUT	Vienna	0.00%	26.67%	E	EUR	10.000.00
Hotel Bad Mitterndorf Errichtungs- und Verwertungs GmbH & Co KG	AUT	Bad Mitterndorf	0.00%	24.00%	E	EUR	100.000.00
Jochberg Hotelprojektentwicklungs- und Beteiligungsverwaltungs GmbH & Co KG	AUT	Jochberg	0.00%	50.00%	E	EUR	2.000.00
Jochberg Kitzbüheler Straße Errichtungs und Beteiligungsverwaltungs GmbH & Co KG	AUT	Vienna	0.00%	50.00%	E	EUR	3.769.00
Lieferasphalt Gesellschaft m.b.H. & Co OG. Viecht	AUT	Viecht. pol. Desselbrunn	0.00%	33.50%	E	EUR	29.069.13
Lieferasphalt Gesellschaft m.b.H. & Co. OG	AUT	Maria Gail. pol. Villach	0.00%	40.00%	E	EUR	36.336.42
Lieferasphalt Gesellschaft m.b.H. & Co. OG. Zirl	AUT	Vienna	0.00%	50.00%	E	EUR	14.243.88
LISAG Linzer Splitt- und Asphaltwerk GmbH. & Co KG	AUT	Linz	0.00%	50.00%	E	EUR	861.900.00
MARPO Errichtungs- und Verwertungs GmbH & Co KG	AUT	Bad Gleichenberg	0.00%	50.00%	E	EUR	82.000.00
MSO Mischanlagen GmbH Ilz & Co KG	AUT	Ilz	0.00%	47.19%	E	EUR	3.270.277.53
MSO Mischanlagen GmbH Pinkafeld & Co KG	AUT	Pinkafeld	0.00%	47.33%	E	EUR	87.207.39
RBA - Recycling- und Betonanlagen Ges.m.b.H. & Co. Nfg. KG	AUT	Zirl	24.00%	24.00%	E	EUR	581.382.67
RFM Asphaltmischwerk GmbH & Co KG	AUT	Wienersdorf - Oeynhausen. pol. Traiskirchen	0.00%	33.33%	E	EUR	1.271.775.00
Rosenhügel Entwicklungs-. Errichtungs- und Verwertungsgesellschaft mbH & Co KG	AUT	Vienna	0.00%	50.00%	E	EUR	999.00
TAM Traisental Asphaltmischwerk Ges.m.b.H. & Co KG	AUT	Nußdorf ob der Traisen	0.00%	33.33%	E	EUR	72.672.83
TBT Transportbeton Tillmitsch GmbH & Co KG	AUT	Tillmitsch	0.00%	50.00%	E	EUR	127.500.00
Vereinigte Asphaltmischwerke Gesellschaft m.b.H. & Co KG	AUT	Spittal an der Drau	0.00%	50.00%	E	EUR	263.298.00
Alexander Parkside GmbH & Co. KG	DEU	Berlin	0.00%	47.32%	E	EUR	25.000.00

Company	Country Code	Domicile	PORR AG share	PORR Group share	Type of consoli-dation	Cur-rency	Nominal Capital
Frankenstraße 18-20 GmbH & Co. KG	DEU	Hamburg	0.00%	47.32%	E	EUR	2.000.00
Olympia Gate Munich GmbH & Co. KG	DEU	Grünwald	0.00%	47.32%	E	EUR	25.000.00
Radmer Bau Kieswerke GmbH & Co. Sand und Kies KG	DEU	Leipzig	0.00%	47.15%	E	EUR	1.022.599.45
SONUS City GmbH & Co. KG	DEU	Berlin	0.00%	85.18%	E	EUR	500.000.00
M6 D-S MME Közkereseti Társaság	HUN	Budapest	0.00%	50.00%	E	HUF	1.000.000.00
M6 Dunaújváros-Szekszárd Építési Közkereseti Társaság	HUN	Budapest	0.00%	50.00%	E	HUF	1.000.000.00
Other companies							
Other companies limited by shares							
„IQ“ Immobilien GmbH	AUT	Pasching	0.00%	50.00%	N	EUR	0.00
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H.	AUT	Zistersdorf-Maustrenk. pol. Zistersdorf	0.00%	20.00%	N	EUR	0.00
AMG - Asphaltmischwerk Gunskirchen Gesellschaft m.b.H.	AUT	Linz	0.00%	33.33%	N	EUR	0.00
AMW Asphalt-Mischwerk GmbH	AUT	Sulz	0.00%	50.00%	N	EUR	0.00
ASF Frästechnik GmbH	AUT	Kematen	0.00%	40.00%	N	EUR	0.00
Asphaltlieferwerk Leibnitz Baugesellschaft m.b.H.	AUT	Leibnitz	0.00%	30.00%	N	EUR	0.00
Asphaltmischwerk Betriebsgesellschaft m.b.H.	AUT	Rauchenwarth	0.00%	40.00%	N	EUR	0.00
AWB Asphaltmischwerk Weißbach Betriebs-GmbH	AUT	Vienna	0.00%	45.00%	N	EUR	0.00
Betonexpress FH Vertriebs-GMBH	AUT	Bad Gleichenberg	0.00%	20.00%	N	EUR	0.00
BMU Beta Liegenschaftsverwertung GmbH	AUT	Vienna	0.00%	50.00%	N	EUR	0.00
BRG Baustoffrecycling GmbH	AUT	Linz	0.00%	20.00%	N	EUR	0.00
CCG Nord Projektentwicklung GmbH	AUT	Werndorf	0.00%	50.00%	N	EUR	0.00
Clubhaus & Golfhotel Eichenheim Errichtungs-GmbH	AUT	Vienna	0.00%	50.00%	N	EUR	0.00
European Trans Energy GmbH	AUT	Vienna	0.00%	49.00%	N	EUR	0.00
FBG Fertigbetonwerk Großpetersdorf Ges.m.b.H. in Liqu.	AUT	Großpetersdorf	0.00%	33.33%	N	EUR	0.00
FMA Asphaltwerk GmbH	AUT	Feldbach	0.00%	30.00%	N	EUR	0.00
Gaspix Beteiligungsverwaltungs GmbH	AUT	Zirl	24.00%	24.00%	N	EUR	0.00
GETINA Versicherungsvermittlung GmbH	AUT	Vienna	0.00%	32.60%	N	EUR	0.00
Glamas Beteiligungsverwaltungs GmbH	AUT	Vienna	0.00%	26.67%	N	EUR	0.00
Grimming Therme GmbH	AUT	Bad Mitterndorf	0.00%	17.00%	N	EUR	0.00
Handwerkerzentrum Hitzendorf GmbH	AUT	Hitzendorf	0.00%	12.86%	N	EUR	0.00
Hotel Bad Mitterndorf Errichtungs- und Verwertungs GmbH	AUT	Bad Mitterndorf	0.00%	24.00%	N	EUR	0.00
Immobilien AS GmbH	AUT	Stoob	0.00%	49.50%	N	EUR	0.00
Jochberg Hotelprojektentwicklungs- und Beteiligungsverwaltungs GmbH	AUT	Jochberg	0.00%	50.00%	N	EUR	0.00
Jochberg Kitzbüheler Straße Errichtungs- und Beteiligungsverwaltungs GmbH	AUT	Vienna	0.00%	50.00%	N	EUR	0.00
Johann Koller Deponiebetriebsges.m.b.H.	AUT	Vienna	0.00%	36.22%	N	EUR	0.00
KAB Straßensanierung GmbH	AUT	Spittal an der Drau	0.00%	19.99%	N	EUR	0.00
KBB - Klinikum Besitz- und Betriebs Gesellschaft m.b.H.	AUT	Vienna	0.00%	15.96%	N	EUR	0.00
KMG - Klinikum Management Gesellschaft mbH	AUT	Graz	0.00%	21.56%	N	EUR	0.00
KOLLER TRANSPORTE - KIES - ERDBAU GMBH	AUT	Vienna	0.00%	36.22%	N	EUR	0.00
Lieferasphalt Gesellschaft m.b.H.	AUT	Vienna	0.00%	50.00%	N	EUR	0.00
LISAG Linzer Splitt- und Asphaltwerk GmbH.	AUT	Linz	0.00%	50.00%	N	EUR	0.00
MARPO Errichtungs- und Verwertungs GmbH	AUT	Bad Gleichenberg	0.00%	50.00%	N	EUR	0.00
MSO Mischanlagen GmbH	AUT	Ilz	0.00%	66.67%	N	EUR	0.00

Company	Country Code	Domicile	PORR AG share	PORR Group share	Type of consoli-dation	Cur-rency	Nominal Capital
PEM Projektentwicklung Murgalerien GmbH	AUT	Unterprem-stätten	0.00%	50.00%	N	EUR	0.00
PKM - Muldenzentrale GmbH	AUT	Vienna	0.00%	34.93%	N	EUR	0.00
PM2 Bauträger GesmbH	AUT	Klagenfurt	0.00%	24.75%	N	EUR	0.00
PORR ALPINE Austriarail GmbH	AUT	Wals-Siezen-heim	50.00%	50.00%	N	EUR	0.00
Pumpspeicherkraftwerk Koralm GmbH	AUT	Graz	0.00%	1.00%	N	EUR	0.00
REHA Tirol Errichtungs GmbH	AUT	Münster	0.00%	49.00%	N	EUR	0.00
Reha Zentrum Münster Betriebs GmbH	AUT	Münster	0.00%	49.00%	N	EUR	0.00
REHAMED Beteiligungsges.m.b.H.	AUT	Graz	0.00%	21.78%	N	EUR	0.00
REHAMED-Rehabilitationszentrum für Lungen- und Stoffwechsel-erkrankungen Bad Gleichenberg Gesellschaft m.b.H.	AUT	Bad Gleichenberg	0.00%	16.12%	N	EUR	0.00
RFM Asphaltmischwerk GmbH.	AUT	Wienersdorf-Oeynhausen. pol. Traiskirchen	0.00%	33.33%	N	EUR	0.00
RFPB Kieswerk GmbH	AUT	Wienersdorf-Oeynhausen. pol. Traiskirchen	0.00%	16.67%	N	EUR	0.00
Rosenhügel Entwicklungs-. Errichtungs- und Verwertungsgesellschaft mbH	AUT	Vienna	0.00%	50.00%	N	EUR	0.00
Schotter- und Betonwerk Donnersdorf GmbH	AUT	Bad Gleichenberg	0.00%	20.00%	N	EUR	0.00
Seeresidenz am Wolfgangsee Projektentwicklungs- und Errichtungs GmbH	AUT	Vienna	0.00%	45.00%	N	EUR	0.00
Seprocon GmbH	AUT	Vienna	0.00%	49.00%	N	EUR	0.00
Soleta Beteiligungsverwaltungs GmbH	AUT	Vienna	0.00%	26.67%	N	EUR	0.00
St. Peter-Straße 14-16 Liegenschaftsverwertung Ges.m.b.H.	AUT	Vienna	0.00%	50.00%	N	EUR	0.00
Storchengrund GmbH	AUT	Vienna	0.00%	50.00%	N	EUR	0.00
TAM Traisental Asphaltmischwerk Ges.m.b.H.	AUT	Nußdorf ob der Traisen	0.00%	33.33%	N	EUR	0.00
TBT Transportbeton Tillmitsch GmbH	AUT	Tillmitsch	0.00%	50.00%	N	EUR	0.00
UWT Umwelttechnik GmbH	AUT	Linz	0.00%	13.33%	N	EUR	0.00
Vereinigte Asphaltmischwerke Gesellschaft m.b.H.	AUT	Spittal an der Drau	0.00%	50.00%	N	EUR	0.00
WMW Weinviertler Mischwerk Gesellschaft m.b.H.	AUT	Zistersdorf	0.00%	16.67%	N	EUR	0.00
EKO-SBER BRNO. spol. s.r.o. - v likvidaci	CZE	Brno	0.00%	20.00%	N	CZK	0.00
Vystavba hotelu PRAHA - ZVONARKA. spol. s.r.o.	CZE	Prague	0.00%	11.11%	N	CZK	0.00
Alexander Parkside Verwaltungs GmbH	DEU	Berlin	0.00%	47.32%	N	EUR	0.00
ALTRASS Freileitungstechnik GmbH	DEU	Essen	0.00%	49.00%	N	EUR	0.00
ALU-SOMMER Deutschland GmbH	DEU	Kolbermoor	0.00%	49.50%	N	EUR	0.00
BF Services GmbH	DEU	Munich	0.00%	2.80%	N	EUR	0.00
BLV Objekt Pasing GmbH	DEU	Grünwald. Lk Munich	0.00%	2.83%	N	EUR	0.00
Bürohaus Leuchtenbergring Verwaltungs GmbH	DEU	Munich	0.00%	3.73%	N	EUR	0.00
City Objekte München GmbH	DEU	Munich	0.00%	5.09%	N	EUR	0.00
CSMG Riedberg GmbH	DEU	Munich	0.00%	5.66%	N	EUR	0.00
Europten Deutschland GmbH	DEU	Berlin	0.00%	49.00%	N	EUR	0.00
Frankenstraße 18-20 Verwaltungs GmbH	DEU	Hamburg	0.00%	47.32%	N	EUR	0.00
Friendsfactory Projekte GmbH	DEU	Munich	0.00%	3.11%	N	EUR	0.00
Leuchtenbergring Hotelbetriebsgesellschaft mbH	DEU	Munich	0.00%	5.66%	N	EUR	0.00
Lilienthalstraße Wohnen GmbH Münchner Grund und Baywobau	DEU	Grünwald. Lk Munich	0.00%	2.83%	N	EUR	0.00

Company	Country Code	Domicile	PORR AG share	PORR Group share	Type of consoli-dation	Cur-rency	Nominal Capital
MG Projekt-Sendling GmbH	DEU	Munich	0.00%	5.66%	N	EUR	0.00
MG Sendling Hotelbetriebsgesellschaft mbH	DEU	Munich	0.00%	5.66%	N	EUR	0.00
MG Sendling Komplementär GmbH	DEU	Munich	0.00%	5.66%	N	EUR	0.00
Münchner Grund Projektmanagement. -Beratung. -Planung GmbH	DEU	Munich	0.00%	3.96%	N	EUR	0.00
Münchner Grund Riem GmbH	DEU	Munich	0.00%	3.62%	N	EUR	0.00
Olympia Gate Munich Verwaltungs GmbH	DEU	Grünwald	0.00%	47.32%	N	EUR	0.00
Radmer Bau Kieswerke GmbH	DEU	Leipzig	0.00%	47.15%	N	EUR	0.00
REAL I.S. Project GmbH in Liqu.	DEU	Munich	0.00%	2.80%	N	EUR	0.00
Schloßhotel Tutzing GmbH	DEU	Starnberg	0.00%	4.98%	N	EUR	0.00
SONUS City Verwaltungs GmbH	DEU	Berlin	0.00%	94.64%	N	EUR	0.00
TMG Tiefbaumaterial GmbH	DEU	Emmering. Lk Fürsten-feldbruck	0.00%	31.43%	N	EUR	0.00
AS Montage Korlátolt Felelösségü Társaság	HUN	Sopron	0.00%	37.12%	N	HUF	0.00
ASDEKA Epitöanyagipari Kereskedelmi Kft.	HUN	Hegyeshalom	0.00%	17.44%	N	HUF	0.00
M6 Tolna Üzemeltetö Korlátolt Felelösségü Társaság	HUN	Budapest	0.00%	16.00%	N	HUF	0.00
Mlynska Development Spólka z ograniczona odpowiedzialnoscia	POL	Danzig	0.00%	40.00%	N	PLN	0.00
SNH spólka z ograniczona odpowiedzialnoscia	POL	Warsaw	0.00%	49.00%	N	PLN	0.00
SEVER-JUG AUTOPUT DRUSTVO SA OGRANICENOM ODGOVORNOSCU ZA IZGRADNJU. KORISCENJE I ODRZAVANJE AUTOPUTA	SRB	Belgrad	0.00%	50.00%	N	EUR	0.00
AQUASYSTEMS gospodarjenje z vodami d.o.o.	SVN	Marburg	0.00%	10.00%	N	EUR	0.00
SCT-Porr. gradnja zlezniske infrastrukture. d.o.o.	SVN	Ljubljana	0.00%	49.00%	N	EUR	0.00
Other partnerships							
AMB Asphalt-Mischanlagen Betriebsgesellschaft m.b.H & Co KG	AUT	Zistersdorf	0.00%	20.00%	N	EUR	0.00
KAB Straßensanierung GmbH & Co KG	AUT	Spittal an der Drau	0.00%	19.99%	N	EUR	0.00
LiSciV Muthgasse GmbH & Co KG	AUT	Vienna	0.00%	26.67%	N	EUR	0.00
PEM Projektentwicklung Murgalerien GmbH & Co KG	AUT	Unter-premstätten	0.00%	50.00%	N	EUR	0.00
RFPB Kieswerk GmbH & Co KG	AUT	Wienersdorf-Oeynhausen. pol. Traiskirchen	0.00%	16.67%	N	EUR	0.00
Salzburger Lieferasphalt GmbH & Co OG	AUT	Sulzau. pol. Werfen	0.00%	20.00%	N	EUR	0.00
Sava Most Gradevinsko Preduzece OG	AUT	Vienna	0.00%	27.93%	N	EUR	0.00
Seeresidenz am Wolfgangsee Projektentwicklungs- und Errichtungs GmbH & Co KG	AUT	Vienna	0.00%	45.00%	N	EUR	0.00
WMW Weinviertler Mischwerk Gesellschaft m.b.H. & Co KG	AUT	Zistersdorf	0.00%	16.67%	N	EUR	0.00
Bürohaus Leuchtenbergring GmbH & Co. Besitz KG	DEU	Munich	0.00%	3.73%	N	EUR	0.00
Bürohaus Leuchtenbergring GmbH & Co. KG	DEU	Munich	0.00%	3.70%	N	EUR	0.00
Immobilien- und Baumanagement Stark GmbH & Co. Stockholmstraße KG	DEU	Munich	0.00%	3.62%	N	EUR	0.00
BPV-Metro 4 Építési Közkereseti Társaság	HUN	Budapest	49.95%	49.95%	N	HUF	0.00
BPV-METRO 4 NeKe Építési Közkereseti Társaság	HUN	Budapest	49.95%	49.95%	N	HUF	0.00
M6-Autópálya Építési Kkt.	HUN	Budapest	0.00%	33.33%	N	HUF	0.00
NeKe METRO 4 Építési Közkereseti Társaság	HUN	Budapest	0.00%	50.00%	N	HUF	0.00

Key:
E= At equity consolidated company
F= Fully consolidated company
N= Non-consolidated company
° = Company consolidated for the first time
* = Profit and loss transfer agreement

Auditors’ Report

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of PORR AG, Vienna for the fiscal year from January 1, 2013 to December 31, 2013. These consolidated financial statements comprise the consolidated balance sheet as of December 31, 2013, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the fiscal year ended December 31, 2013, as well as the notes to the consolidated financial statements.

Management’s Responsibility for the Consolidated Financial Statements and for the Accounting System

The Company’s management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and in accordance with relevant Austrian laws. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of December 31, 2013 and of its financial performance and its cash flows for the fiscal year from January 1, 2013 to December 31, 2013 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, as well as in accordance with relevant Austrian laws.

Comments on the Management Report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

April 1st 2013, Vienna

BDO Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Klemens Eiter
Certified Public Accountant

Helmut Kern
Certified Public Accountant

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

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 2014, Vienna

Karl-Heinz Strauss
Chief Executive Officer

Christian B. Maier
Executive Board Member

J. Johannes Wenkenbach
Executive Board Member

Appropriation of Earnings

The consolidated financial statements as of December 31st 2013 report net retained profits of EUR 12,134,455.22.

The Executive Board proposes the following appropriation of the retained profits reported in the PORR AG consolidated financial statements as of December 31st 2013:

Payout of a dividend of EUR 1.00 (one euro) per dividend-bearing share, as well as profit share of EUR 4.00 (four euros) per capital share certificate, with the remaining balance to be carried forward to new account.

Vienna, April 2014

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).

Business Unit (BU) denotes a PORR operating segment.

CEE/SEE is used to denote all the countries in Central and Eastern Europe and those in South 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 Baugesellschaft – 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.

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.

Acknowledgements

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The consolidated financial statements for 2013, including the notes to the financial statements and the 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 2013 may be downloaded from the website, www.porr-group.com/group-reports. The contents of this report together with the individual financial statements constitute the annual financial report.

Financial Calendar

Publication of the 2013 Annual Report	9.4.2014
Financial Results Press Conference	9.4.2014
Interest payment on PORR bond 2010	14.4.2014
Interest payment on PORR bond 2009	6.5.2014
Publication of the Interim Report on the 1st Quarter 2014	12.5.2014
134th Annual General Meeting, 11:00am, 1120 Vienna, EURO PLAZA, Am Europlatz 2, Building G	22.5.2014
Ex-dividend trading on the Vienna Stock Exchange	26.5.2014
Dividend payout day for the 2013 business year	27.5.2014
Publication of the Interim Report on the 1st Half 2014	29.8.2014
Interest payment on PORR bond 2010	13.10.2014
Interest payment and redemption of PORR bond 2009	6.11.2014
Publication of the Interim Report on the 3rd Quarter 2014	11.11.2014
Interest payment on PORR bond 2013	26.11.2014
Interest payment on PORR bond 2012	4.12.2014

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